

Credit Card Rules in UAE: A Complete Guide

Understanding credit card regulations in the United Arab Emirates (UAE) is essential for residents and citizens alike. With the growing adoption of cashless transactions, credit cards have become a convenient financial tool. However, they come with specific rules and regulations enforced by the [Central Bank](#) of the UAE to ensure responsible usage and financial stability. This guide covers everything you need to know about credit card rules in the UAE.

1. Eligibility for Getting a Credit Card

Before applying for a credit card in the UAE, certain eligibility criteria must be met:

- **Minimum Age:** Applicants must be at least 21 years old for most banks. Some banks offer cards to individuals aged 18+ with a salary transfer arrangement.
- **Income Requirements:** Minimum monthly salary requirements vary by bank, typically starting from AED 5,000 to AED 10,000.
- **Residency Status:** Both UAE residents and citizens can apply; expatriates may need to provide a valid residency visa.
- **Credit History:** Banks may assess your credit history using the **Al Etihad Credit Bureau (AECB)** to determine eligibility.

2. Credit Card Limit Rules

The UAE Central Bank has set specific rules regarding credit card limits to prevent overspending:

- **Maximum Credit Limit:** The maximum limit is often tied to your monthly income. For example, for salaries below AED 5,000, the limit may be 5 times the monthly income; for higher salaries, it could go up to 20 times.
- **Multiple Cards:** The total credit card limit across all banks cannot exceed 50% of the individual's total approved credit limit.
- **Dynamic Adjustment:** Banks may periodically adjust credit limits based on spending patterns and creditworthiness.

3. Interest Rates and Fees

Credit card usage in the UAE involves interest and fees, which are regulated by the Central Bank:

- **Interest Rates:** Standard interest rates typically range from 2% to 3% per month on outstanding balances.
- **Grace Period:** Most cards offer a 20–55 day interest-free period on purchases if the full balance is paid on time.
- **Late Payment Fees:** Late payment charges usually range between AED 100–500 depending on the bank and card type.

- **Annual Fees:** Annual fees may apply, especially for premium cards. Some banks waive fees for the first year or if certain spending thresholds are met.

4. Minimum Payment Requirements

To avoid penalties, cardholders must adhere to minimum payment rules:

- **Minimum Payment Percentage:** Cardholders must pay at least 5–10% of the outstanding balance each month.
- **Due Date:** Payments are usually due within 25–30 days from the statement date.
- **Impact on Credit Score:** Failing to make the minimum payment can negatively affect your credit score and future borrowing capacity.

5. Rewards, Cashback, and Promotions

Credit cards in the UAE often come with additional perks, but there are rules to follow:

- **Eligibility for Offers:** Some rewards programs require a minimum monthly spend.
- **Redemption Rules:** Cashback or points may expire if not redeemed within a certain period.
- **Exclusions:** Certain purchases like cash withdrawals may not earn rewards.

6. Security and Fraud Protection

The UAE has strict regulations to protect consumers from fraud:

- **EMV Chip Cards:** Most banks issue EMV chip-enabled cards to prevent skimming.
- **Two-Factor Authentication:** For online purchases, banks may require OTP (one-time-password) verification.
- **Reporting Fraud:** Cardholders must report lost or stolen cards immediately to avoid liability for unauthorized transactions.

7. Early Termination and Closure Rules

If you wish to close your credit card account:

- **Outstanding Balance:** You must pay off the full balance before closure.
- **Notice Period:** Some banks require a written request and processing time.
- **Impact on Credit Score:** Early closure without outstanding debt usually does not affect your credit score.

8. Regulatory Oversight

The UAE Central Bank monitors credit card activities to protect consumers and maintain financial stability:

- **Consumer Protection:** All credit card agreements must clearly state fees, interest rates, and penalties.

- **Credit Reporting:** The Al Etihad Credit Bureau maintains records of credit card usage, defaults, and payments.
- **Dispute Resolution:** Cardholders can approach the bank or the Central Bank for unresolved disputes.

Conclusion

Credit cards in the UAE offer convenience, rewards, and financial flexibility, but they come with strict rules regulated by the Central Bank. Understanding eligibility, credit limits, interest rates, minimum payments, and security measures is crucial to maintain good financial health. Responsible usage ensures that you can maximize the benefits of your credit card while avoiding penalties, overspending, and negative impacts on your credit score. By following these rules, residents and citizens can safely enjoy the advantages of cashless transactions in the UAE.