



Palestine
Capital Market
Authority

2015

Annual
Report



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*His Excellency Mahmoud Abbas
President of The State of Palestine*

Board of Directors



Dr. Nabeel Kassis
Chairman



Mr. Nizam Ayoub
Deputy Chairman
Ministry of National Economy



Mr. Mahmoud Nofal
Ministry of Finance



Mr. Reyad Abu Shahadeh
Palestinian Monetary Authority



Mr. Joseph Nesnas
Banking Sector



Mr. Ayoub Zurub
Private Sector



Mr. Bassim Khoury
Private Sector

Vision



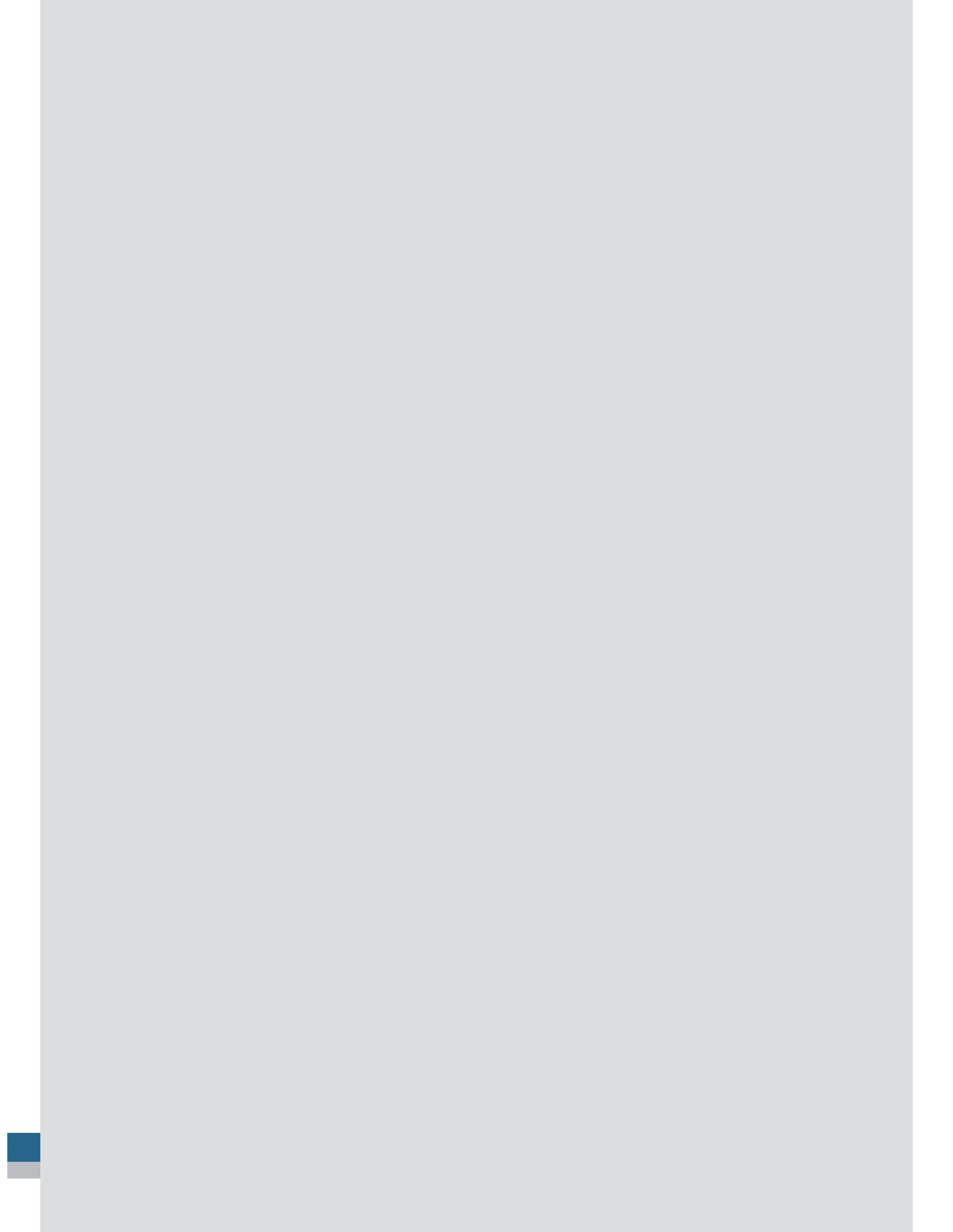
An effective regulatory authority that aims at developing a sound capital market and protecting the interests of stakeholders.

Mission

Regulating, supervising, and overseeing the securities, insurance, financial leasing, and mortgage finance sectors in Palestine as well as ensuring that their work complies with the principles of transparency, fairness, and integrity, in line with international best practices.

Strategic goals

- Revise and complete the secondary bylaws within the securities, insurance, financial leasing, and mortgage finance sectors in accordance with the IOSCO, the IAIS, and the Basel Standards in addition to following up on the mortgage finance and financial leasing laws issuance;
- Insure compliance of targeted sectors with capital markets-related laws, regulations, and instructions;
- Provide information and data on capital market sectors through developing databases, reviewing, and improving the quality of disclosures;
- Complete the infrastructure needed to enhance corporate governance through developing corporate governance abiding measurement tools and spreading corporate governance education and awareness;
- Improve the efficiency of the technical and operational processes through developing the staff capabilities and the internal work environment;
- Create joint frameworks with local stakeholders in order to eliminate conflicts in common work environments;
- Implement financial awareness programs targeting specific groups as well as the general public in addition to participating in developing the national strategy for financial education;
- Enhance the PCMA presence and exchange of experiences with local, regional, and international bodies through participating in regular meetings held by such bodies and contributing to the work of technical committees.



Chairman



Dr. Nabeel Kassis

In the middle of September 2015, a change in the PCMA Board of Directors took place, as a result of which I became the Chairman of the PCMA Board, succeeding Dr. Mohamed Nasr, with whom I had the honor and pleasure of working in many associations over the last two decades. My new position led me to write the foreword to the PCMA annual report for the year 2015, even though I have witnessed only the last quarter of the year in my capacity as the Chairman of the Board.

From the onset, I would like to pay tribute to the excellent cooperation that was afforded to me by the executive staff at the PCMA as well as the valuable support by the members of the PCMA Board who are my partners in my new task. The change in the Board was accompanied by a change of the CEO, as Ms. Abeer Odeh, who was previously holding that position, was appointed as the Minister of National Economy; thus, I take this opportunity to wish Ms. Odeh success in the new position.

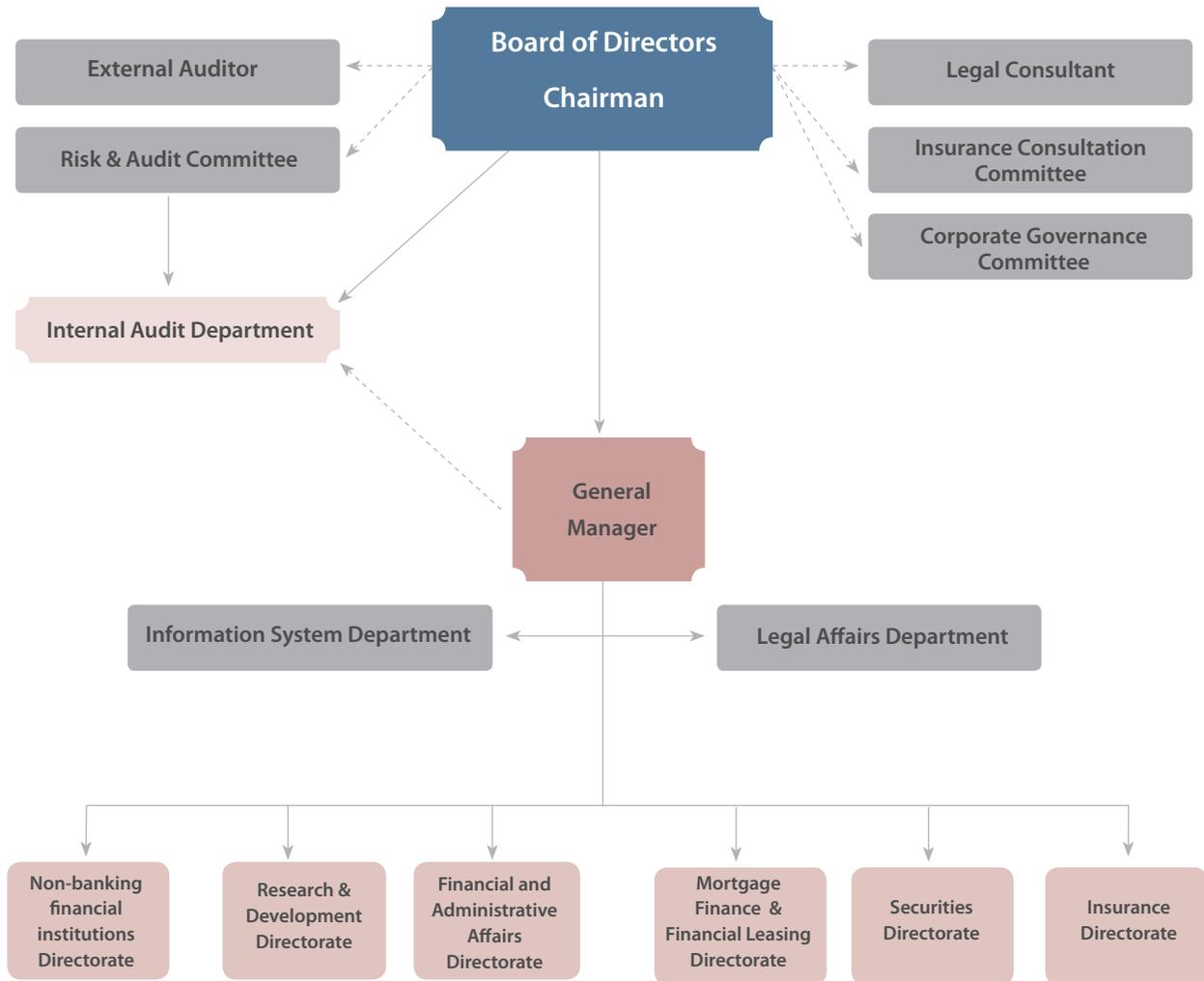
In spite of this tangible change, work at the PCMA has continued to flow smoothly, which is a testimony to the excellent work done by both the Board and the executive staff over the past years. Although it is too early to judge whether my job has become easy due to their efforts, I am certain that those efforts have made my job easier as I found an institution that had come a

long way in building effective legal and executive frameworks in line with best practices while placing the PCMA on a par with similar institutions regionally and internationally.

I have reviewed the PCMA progress reports for the last year, and I have to acknowledge its achievements in cooperating and partnering with the institutions that are subject to the PCMA supervision. No doubt, there are still many goals waiting to be accomplished, and this is reflected in the 2016-2020 Strategic Plan, which was developed by the executive management and presented to the Board for review and discussion. The plan is to extend the discussion to include all stakeholders with a view to launch the strategy in early 2016.

In sum, the year 2015 was replete with activities, but the road ahead is still long as the PCMA accumulates achievements. The PCMA Board of Directors is aware of the priorities in the tasks ahead, and it enters the new year with hope and determination to build on the solid foundations established and the tasks accomplished so far, looking forward to meeting all outstanding challenges and new difficulties in cooperation with the PCMA staff as well as with the other Palestinian institutions concerned with the advancement of economic development.

Organizational Chart



Palestine Capital Market Authority:

The year 2015 marked the conclusion of the PCMA strategy for the years 2012-2015, in which the PCMA commenced the formulation and development of its five-year strategy for the years 2016-2020. The new strategy was developed according to a detailed plan specifically prepared for this purpose and was approved by the Board of Directors. This plan included revision of the current strategy, evaluation of the achievements, and identifying the divergences (if any), followed by analysis of the internal and surrounding environment in order to determine the determining factors alongside identifying the opportunities, threats, strengths, and weaknesses of the PCMA and the sectors supervised by it. Subsequently, the PCMA held consultative meetings with the sectors in order to detect the challenges faced by each sector in order to formulate the strategic goals of the PCMA as well as related sub-goals. It is expected that the Board of Directors will ratify the Strategic Plan of the PCMA for the years 2016-2020 at the beginning of 2016.

As for the development and promotion of the supervisory processes in the sectors supervised by the PCMA, the Board of Directors approved the proposed amendments on the disclosure and listing regulations as well as the modification of Article No. (49) of the Disclosure Regulation and Article No. (7), No. (8), and No. (10) of the Listing Regulation.

The PCMA imposed obtaining professional certificates as a mandatory requirement for the licensing of financial professionals in addition to other requirements stated by the Law and related bylaws. These certificates are part of the certified program, which was developed in cooperation with the Chartered Institute for Securities and Investment (CISI), based in London.

In 2015, the electronic disclosure system was implemented in the securities sector, which specializes in disclosing the financial statements of listed public shareholding companies, including regulating and automating the disclosure procedures in accordance with the latest electronic techniques available. Implementing the disclosure system resulted in a remarkable transformation in the speed and accuracy of disclosures reported by public shareholding companies and a rise in the level of transparency.

In addition, the PCMA in cooperation with the World Bank continued the technical assistance project (third phase), which aims at implementing the Risk-Based Supervision Strategy from practical and technical perspectives, as well as reviewing the legal and supervisory frameworks that govern the operations of different investment funds based on the related IOSCO principles.

Regarding the insurance sector, Order No. (1) was issued to determine the minimum tariff for vehicles and workers for the year 2015 through issuing a circular for insurance companies which took effect at the beginning of 2016. Moreover, the PCMA in cooperation with World Bank carried on the insurance sector development project, which aims at developing the infrastructure needed for Risk-Based Supervision as well as companies wind-up technical procedures, along with the development of supervisory frameworks in reinsurance, in addition to capacity building for the PCMA staff.

Furthermore, the PCMA set the primary steps for implementing the Islamic Finance Project, funded by the World Bank, with activities focused on creating the enabling environment for the development of a Sukuk market as well as developing the Ijarah (leasing) industry. The project activities include a diagnostic review of the legal, institutional, regulatory, and policy framework for the Sukuk and Ijarah markets in order to identify the gaps and constraints impeding the introduction of Sukuk and Ijarah products. In addition, the project aims at proposing a suitable legal, regulatory, and policy framework, drawing on global best practices. Finally, the project provides support in translating the legal framework into appropriate regulations and guidelines for the Sukuk and Ijarah markets.

Corporate Governance:

In 2015, the PCMA continued the implementation phase of the corporate governance scorecard by analyzing and reviewing the pilot phase and determining the pitfalls that need to be revised. In addition, the PCMA organized several workshops for listed companies according to sectorial classifications in order to receive feedback on the scorecard model and to identify relevant challenges and obstacles which these companies faced while filling the surveys, as well as finalizing the scorecard model requirements in close cooperation with involved companies.

Subsequently, the PCMA, in cooperation with the International Finance Cooperation (IFC), held an extended meeting with all listed companies in order to present the results of the pilot phase and determine subsequent steps in order to implement the scorecard model. Moreover, the PCMA continued its efforts in promoting corporate governance awareness through the introduction of a corporate governance course in the curriculum of local universities in association with the IFC.

Securities Sector:

The year 2015 witnessed the transition of the Palestine Exchange (PEX) into Anonymous Market. The Securities Directorate within the PCMA reviewed the proposal presented by PEX and scrutinized the trading environment in order to eliminate the broker symbol from trading screens as well as the Depository and Settlement Center (CDS), both at order entry and order execution. During April 2015, the Anonymous Market environment was approved by the PCMA, and consequently the new system was implemented on 1 May 2015. The new system came in response to the need to facilitate an equal and efficient market for those who deal with securities and to support making investment decisions that are based on sound investment fundamentals without reliance on other parties participating in trading.

Moreover, in order to facilitate a secure and stable sector and to continue dealings with foreign banks, the Securities Directorate forced securities companies to implement the Foreign Account Tax Compliance Act, which was issued in the US and circulated all over the world.

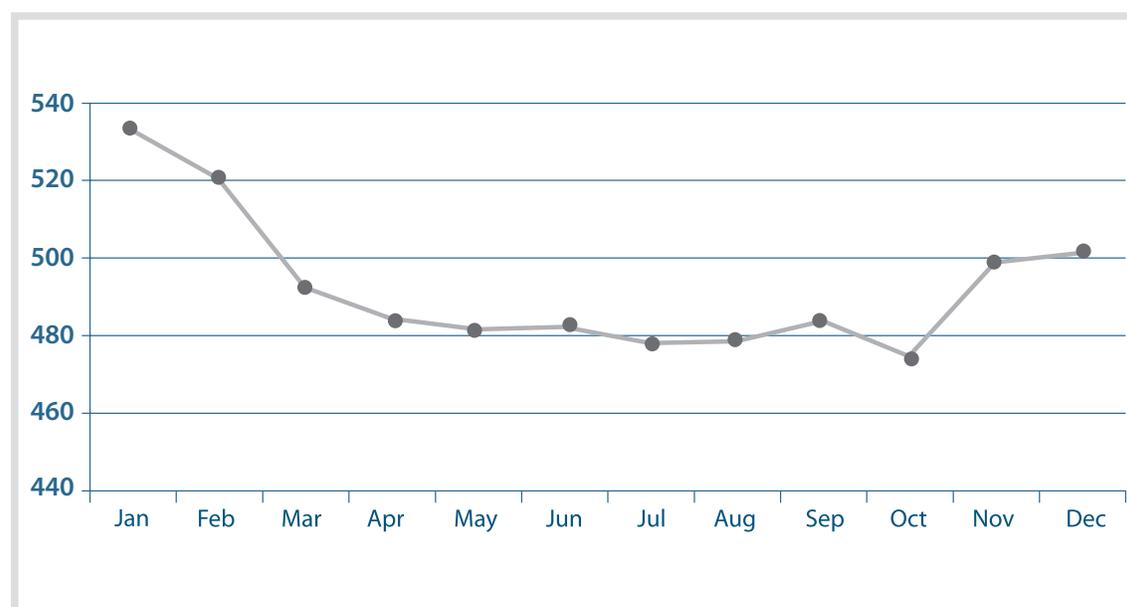
At the end of 2015, AL-Quds index increased by 4.10% compared with previous year record as it closed at 532.73 points.

Key indicators of Palestine Securities Sector for the year 2015

Al-Quds Index Quarterly Performance 2015

Period	Al-Quds index	Percentage change compared with previous quarter (%)	Percentage change compared with 1/1/2015 (%)
1/1/2015	511.77	---	---
31/3/2015	474.94	-7.20	- 7.20
30/6/2015	478.37	0.72	- 6.53
30/9/2015	484.68	1.32	- 5.29
31/12/2015	532.73	9.91	4.10

Al Quds Index 2015



PEX trading activities, 2014-2015

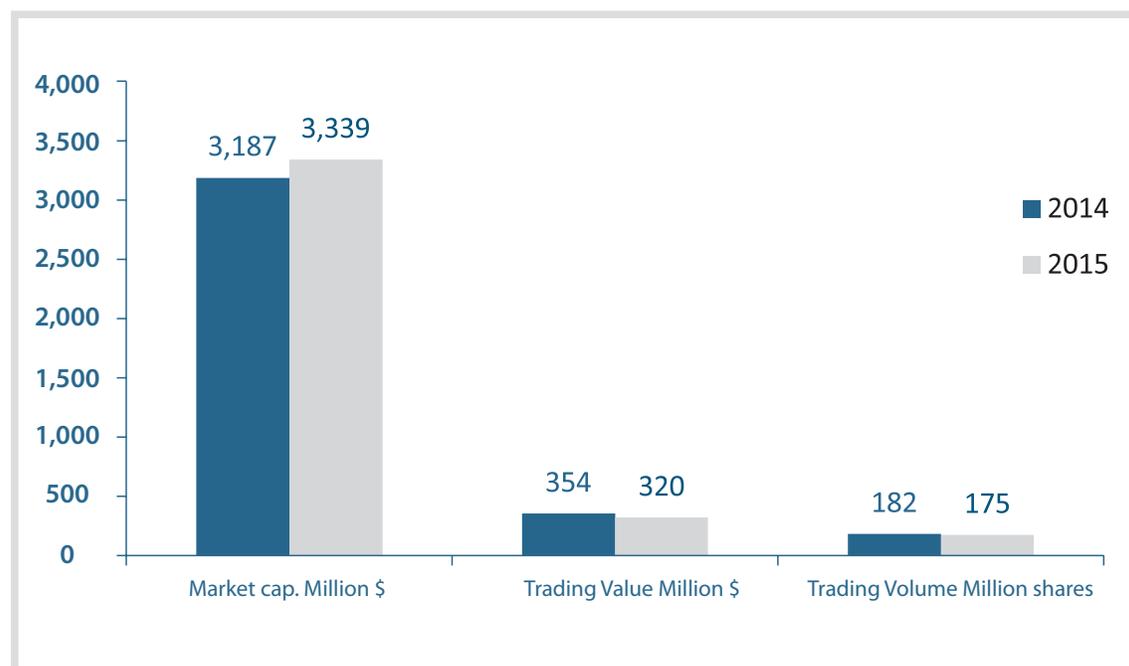
Year	Trading Sessions	Trading volume	Trading value (\$)	Number of transactions	Average daily trading value (\$)	Market Capitalization (\$)
2014	245	181,545,154	353,917,125	41,257	1,444,560	3,187,259,624
2015	246	175,229,463	320,388,214	31,014	1,302,391	3,339,196,379
%	0.41	3.48	-9.47	-24.83	-9.84	4.77

Market capitalization trading value as percentage of GDP

Description	2014 (%)	2015* (%)
market capitalization as % of GDP (constant prices)	42.71	44.74
trading value as % of GDP (constant prices)	4.74	4.29

*2014 GDP was adopted because 2015 GDP was not published yet.

Market capitalization, trading value, and trading volume 2014-2015



Listed companies performance for the period ending 31/12/2015(*)

	Company name	Symbol	Currency	Net Profit (Loss)
1	Arab Islamic Bank	AIB	\$	5,201,692
2	Bank of Palestine	BOP	\$	43,167,433
3	Palestine Islamic Bank	ISBK	\$	10,033,817
4	Palestine Commercial Bank	PCB	\$	1,394,788
5	Palestine Investment Bank	PIBC	\$	1,721,150
6	Palestine Securities	PSE	\$	374,655
7	Al Quds Bank	QUDS	\$	8,018,747
8	The National Bank	TNB	\$	5,441,591
9	Arab Paint Products	APC	JD	1,062,919
10	Palestine Poultry	AZIZA	JD	3,093,633
11	Birzeit Pharmaceuticals	BPC	\$	4,932,566
12	Al Shark Electrode	ELECTROD	JD	90,592
13	Golden Wheat Mills	GMC	JD	(1,194,134)
14	Jerusalem Cigarette	JCC	JD	18,671
15	Jerusalem Pharmaceuticals	JPH	\$	2,224,286
16	Palestine Plastic Industries	LADAEN	JD	(956,910)
17	National Aluminum and Profile	NAPCO	JD	72,895
18	The National Cartoon Industry	NCI	\$	482,720
19	The Vegetables Oil Industries	VOIC	JD	5,364,433
20	Dar Al-Shifa'a for the Manufacturing of Pharmaceuticals	PHARMACARE	\$	3,007,907
21	Ahliea Insurance Group(**)	AIG	\$	-
22	Global United Insurance	GUI	\$	720,281
23	Al Mashriq Insurance (***)	MIC	\$	673,667
24	National Insurance	NIC	\$	1,553,948
25	Palestine Insurance	PICO	\$	71,174
26	Al-Takaful Palestinian Insurance	TIC	\$	1,699,937
27	Trust International Insurance Company	TRUST	\$	1,334,005
28	Arab Palestinian Investment Company (APIC)	APIC	\$	12,408,232
29	Al-Aqariya Trading Investment	AQARIYA	JD	14,926

30	Arab Investors	ARAB	JD	(240,412)
31	Palestine Development & Investments	PADICO	\$	24,982,000
32	Palestine Investment & Development	PID	JD	53,256
33	Palatine Industrial Investment	PIIC	JD	4,106,638
34	Palestine Real Estate Investment	PRICO	JD	1,245,969
35	Union construction and Investment	UCI	\$	164,640
36	Al-Wataniah Towers	ABRAJ	\$	223,435
37	Jerusalem Real Estate Investment	JREI	\$	(877,558)
38	The Arab Hotels	AHC	JD	(907,853)
39	Arab Real estate Establishment	ARE	JD	(58,825)
40	Globalcom Telecommunications	GCOM	\$	(263,056)
41	Nablus Surgical Center	NSC	JD	(41,300)
42	PALAQAR For Real Estate Dev. & Management	PALAQAR	JD	(216,571)
43	Palestine Telecommunications	PALTEL	JD	83,060,000
44	Palestine Electric	PEC	\$	13,648,366
45	Arab Palestinian Shopping Centers	PLAZA	JD	(542,834)
46	The Ramallah Summer Resorts	RSR	JD	(128,120)
47	Palestinian Distribution & Logistics SRVs	WASSEL	\$	(582,468)
48	WATANIYA Palestine Mobile Telecomm.	WATANIYA	\$	(5,137,335)
49	Beit Jala Pharmaceutical Co.	BJP	JD	1,706,893

(*) The figures as stated on the audited annual report by the external auditor.

(**) The company did not disclose the preliminary financial statements.

(**) Symbol is suspended.

PEX monthly trading activities, 2015

Month	Volume	Value (\$)	Trading Sessions	# of Transactions	AI-Quds Index
January	4,769,308	9,184,202	18	1,756	501.43
February	12,412,144	24,534,771	20	2,319	499.04
March	31,255,004	59,375,469	22	3,129	474.94
April	14,279,322	21,000,622	21	3,170	484.04
May	9,003,770	14,916,909	20	2,917	478.85
June	7,864,566	12,716,637	22	1,912	478.37

July	8,531,198	26,798,034	19	1,649	482.41
August	11,024,208	19,339,842	22	2,466	481.81
September	11,336,614	15,197,228	19	1,868	484.68
October	8,280,466	12,041,160	20	2,652	492.62
November	10,042,225	16,618,636	21	3,095	520.3
December	46,430,638	88,664,704	22	4,081	532.73

Insurance Sector:

The Insurance Directorate within the PCMA works continuously on putting strategic plans to ensure the organization and development of the sector as well as the increase in insurance awareness within society in accordance with best international practices, through the development of internal regulations and legislations.

In 2015, efforts concentrated on the adequacy of insurance reserves in accordance with accurate actuarial basis in order to raise and support such reserves while protecting insureds and insurance policyholders. The PCMA, in cooperation with insurance companies, succeeded during 2015 in increasing insurance reserves according to actuarial reports for all insurance companies, where the deficiency of these reserves including those not registered in financial records has been minimized to an unprecedented level since 2012.

Taking into consideration that all statistics and financial statements for the insurance sector in 2015 and the compared years do not include financial statements for Ahleia Insurance Group in this report, because Ahleia 2015 financial statements were not approved until the date of preparing this report. Although, the insurance sector achieved a growth of 2.62% comparing to last year, and 115.9% growth comparing to 2008. This means that the insurance portfolio achieved a 16.5% growth yearly from 2008 to 2015. The insurance portfolio considerably increased from \$76,337,204 at the end of 2008 to \$164,814,461 at the end of 2015.

Key indicators for Palestinian insurance sector for the year 2015:

A. Financial and operational performance for insurance sector 2014-2015*

Currency: (US Dollar)

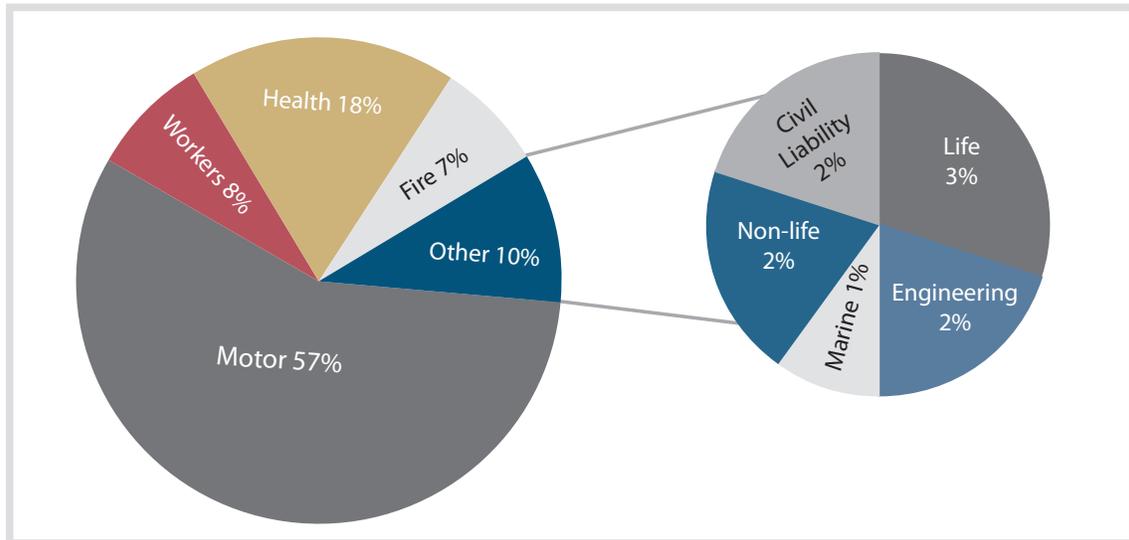
Description		2014	2015
General information	Number of insurance companies	10	9
	Number of insurance companies branches	111	116
	Number of insurance companies employees	1,175	1,156
	Number of insurance agents and producers	215	206

Insurance sector results	Motor insurance premiums	92,912,428	94,667,384
	Workers insurance premiums	13,953,183	13,870,765
	Health insurance premiums	30,673,275	29,336,962
	Fire insurance premiums	8,017,526	10,729,367
	Marine insurance premiums	1,725,948	1,439,006
	Engineering insurance premiums	3,683,090	3,757,628
	Civil liability insurance premiums	2,733,285	2,839,359
	Non-life insurance premiums	3,030,707	2,877,220
	Life insurance premiums	3,881,167	5,296,770
	Total insurance premiums	160,610,609	164,814,461
	Total paid- up claims	101,769,347	97,893,567
	Net incurred claims	(87,039,339)	96,249,654
	General and administrative expenses **	38,702,164	39,006,027
	Net income after tax	11,682,475	7,252,966
	Net profit of technical insurance activities	13,263,666	2,560,809
Summary of assets and liabilities for insurance sector	Total current assets	201,631,075	208,991,779
	Total non-current assets	135,290,185	143,366,034
	Total investments	174,597,393	176,686,826
	Total receivables	58,984,142	60,382,643
	Net receivables	49,799,273	51,387,585
	Accounts payable	14,171,702	17,152,586
	Total assets	336,921,260	352,357,813
	Total insurance policies assets	25,348,330	27,045,536
	Total non-current liabilities	9,513,876	11,297,812
	Total current liabilities	206,154,036	216,452,877
	Total insurance policies liabilities	152,151,953	164,193,960
	Paid-up capital	59,687,306	58,700,000
	Statutory reserve	10,011,001	10,535,020
	Optional reserve	6,272,362	6,629,639
	Cumulative change in assets fair value	17,993,413	22,139,313
	Retained earnings (losses)	10,212,030	10,097,635
	Total shareholder's equity	121,253,348	124,607,124

*Statistics excludes financial statement of the Ahleia Insurance Group.

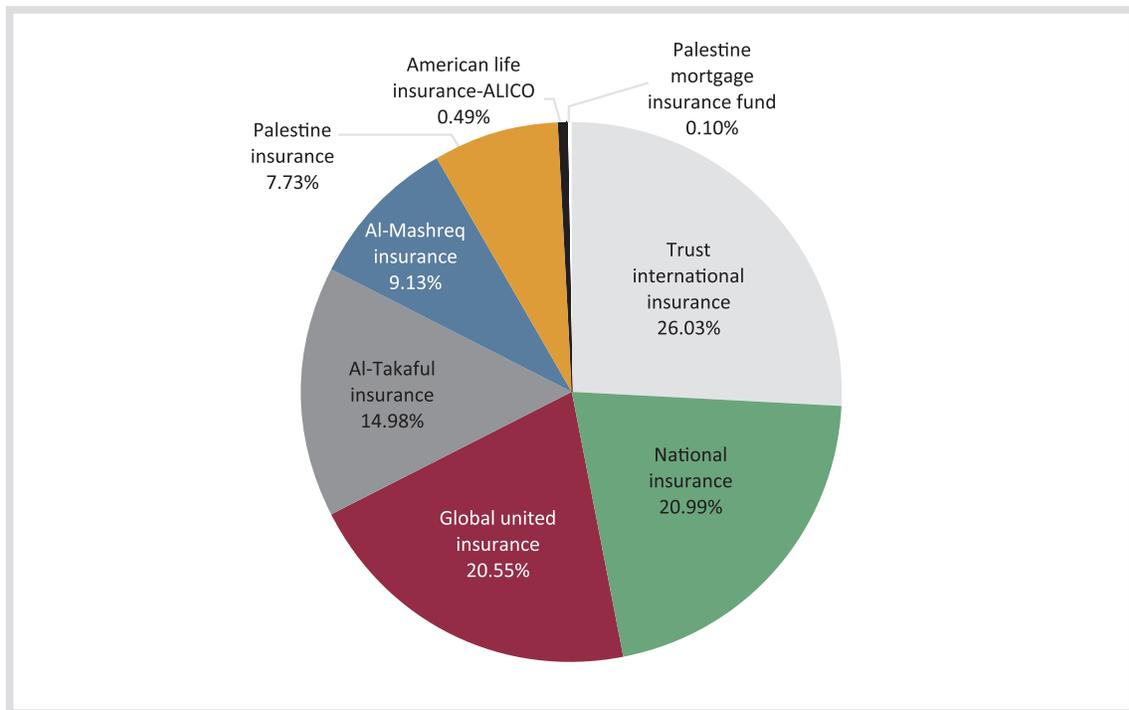
**General and administrative expenses include both distributed and un distributed general and administrative expenses.

B. Total insurance portfolio per product as it is on 31/12/2015 (total value of 164,814,461 US Dollar)*



*Insurance portfolio excludes insurance premiums of the Ahleia Insurance Group.

C. Total insurance portfolio per company as it is on 31/12/2015 (total value of 164,814,461 US Dollar)*



*Insurance portfolio excludes insurance premiums of the Ahleia Insurance Group.

D. Aggregate balance sheet as it is on 31/12/2015*

Currency: (US Dollar)

Description	2014	2015*
Non-current assets		
Net property, plant and equipment	32,333,305	33,600,848
Real estate investments	51,931,835	56,041,509
Contributions in affiliated companies	1,066,967	849,558
Loans for related parties	4,384,946	2,722,102
Financial investments available for sale	37,935,076	40,407,515
Financial investments holding to maturity	0	1,877,592
Cheques under collections (due after more than 12 months)	1,168,169	1,733,394
Restricted deposits	1,750,000	1,750,000
Deferred tax assets	4,719,887	4,383,516
Total non- current assets	135,290,185	143,366,034
Current assets		
Financial investments for trading	36,449,379	31,838,859
Insurance policies, current risk- motor	1,790,177	1,989,947
Insurance policies, current risk- non-life	4,867,397	4,292,264
Insurance policies, reported claims- motor	9,366,079	10,374,471
Insurance policies, reported claims-non-life	8,717,436	9,906,036
Insurance policies- life	607,241	482,818
Total insurance policies	25,348,330	27,045,536
Accounts receivable for insurance & reinsurance companies	4,482,143	4,616,693
Accounts receivable	58,984,142	60,382,643
(Provision for accounts receivable)	(9,184,869)	(8,995,058)

Net accounts receivable	49,799,273	51,387,585
Other accounts receivable	7,275,788	7,294,715
Cheques under collections (due within 12 months)	26,517,127	34,112,592
Bank deposits	41,079,190	41,199,691
Cash and cash equivalent	10,679,845	11,496,108
Inventories	0	0
Total current assets	201,631,075	208,991,779
Total assets	336,921,260	352,357,813
Shareholder's equity and liabilities		
Shareholder's equity		
Paid-up capital	59,687,306	58,700,000
Statutory reserve	10,011,001	10,535,020
Optional reserve	6,272,362	6,629,639
Issuance premium (discount)	255,390	255,390
Cumulative change in fair value	17,993,413	22,139,313
Changes in foreign currency exchange	(1,325,698)	(776,201)
Retained earnings (losses)	10,212,030	10,097,635
Minority interest	6,611,151	6,876,065
Treasury stocks	(174,465)	(436,638)
Head office current account	11,710,858	10,586,901
Total shareholder's equity	121,253,348	124,607,124
Surplus of Takaful fund subscribers	0	0
Non-current liabilities		
Provision for end of services benefits	9,513,876	10,197,043
Long term loans	0	1,100,769
Total non-current liabilities	9,513,876	11,297,812

Current liabilities		
Insurance policies liabilities		
Current risks reserve, motor	30,647,461	33,354,815
Current risks reserve, non-life	16,939,050	19,482,463
Mathematical reserve, life	10,963,605	9,725,474
Total	58,550,116	62,562,752
Outstanding reported claims reserve, motor (compulsory)	35,433,234	37,698,913
Outstanding reported claims reserve, motor (TP)	23,565,591	20,323,450
Outstanding claims reserve, non-life	23,968,238	30,382,546
Unreported outstanding claims reserve	9,532,641	11,789,074
Claims reserve, life	1,102,134	1,437,225
Total	93,601,837	101,631,208
Total current liabilities (insurance policies)	152,151,953	164,193,960
Accounts payable	14,171,702	17,152,586
Accounts payable for insurance & reinsurance companies	6,781,329	5,776,206
Accrued expenses	1,334,567	1,536,635
Other provisions	9,266,489	3,730,651
Other accounts payable	15,351,697	13,134,751
Short term loans	0	1,437,982
Accounts payable, banks	3,111,528	3,741,470
Deferred cheques	3,984,771	5,748,636
Total current liabilities	206,154,036	216,452,877
Total shareholder's equity and liabilities	336,921,260	352,357,813

*Aggregate balance sheet excludes financial statement of the Ahleia Insurance Group.

E. Aggregate income statement for the year ended 31/12/2015 *

Currency: (US Dollar)*

Description	2014	2015
Written insurance premiums	160,610,609	164,814,461
(Reinsurer's share of written premiums)	(19,771,219)	(20,283,964)
Net insurance written premiums	140,839,390	144,530,497
±Change in current risks reserve- mathematical life insurance reserve	367,972	(5,935,804)
±Reinsurer's share in change of current risks reserve- mathematical life insurance reserve	552,594	(424,532)
Net earned premiums	141,759,956	138,170,161
Income from insurance activities	933,686	934,345
Reinsurance commission	2,784,794	2,758,870
(Paid-up commissions)	(9,445,103)	(9,515,736)
Other revenues from insurance activities	227,054	172,323
Net revenues from insurance activities	136,260,387	132,519,963
(Paid- up claims)	(101,769,347)	(97,893,567)
(Paid up premiums to cover loss's surplus)	(54,213)	0
Reinsurer's share of paid up claims	13,188,520	9,181,902
±Change in reserve of outstanding and unreported claims	2,229,735	(9,870,367)
±Reinsurer's share of change in reserve of outstanding and unreported claims	(634,034)	2,332,378
Net incurred claims	(87,039,339)	(96,249,654)
(Losses) profits of currency exchange in converting technical reserves to US Dollar	(2,069,099)	(39,861)
(Distributed general and administrative expenses)	(27,841,117)	(26,936,598)
(Agency fees and speculation expenses) **	(6,047,166)	(6,733,041)
Total expenses of insurance activities	(122,996,721)	(129,959,154)
Net profit of technical insurance activities	13,263,666	2,560,809

Revenues (investments, rents,, interests,,etc)	12,956,338	15,400,794
±Currency differences	(3,127,040)	(502,297)
Provisions of increase (decrease) in fair value of investments	4,086,690	4,721,274
(Undistributed administrative expenses)	(10,861,047)	(12,069,429)
(Allowance for doubtful account)	(377,634)	(220,225)
(Other expenses)	(210,440)	(284,795)
Provision (redemption), takaful fund subscribers loan***	0	0
Net income before tax	15,730,533	9,606,131
(Value added and income tax)	(4,048,058)	(2,353,165)
Net income	11,682,475	7,252,966

*Aggregate income statement does not include financial statement of the Ahleia Insurance Group.

**Agency fees and speculation expenses are remunerations payable to shareholders for their efforts in managing the operations and the investments on behalf of Al Takaful participants.

*** Provision (redemption)- Al-Takaful fund subscribers' loans is the remaining balance of the total contributions paid by policyholders during the year after deducting incurred claims, paid-up claims, expenses, technical reserves, and the agency fees.

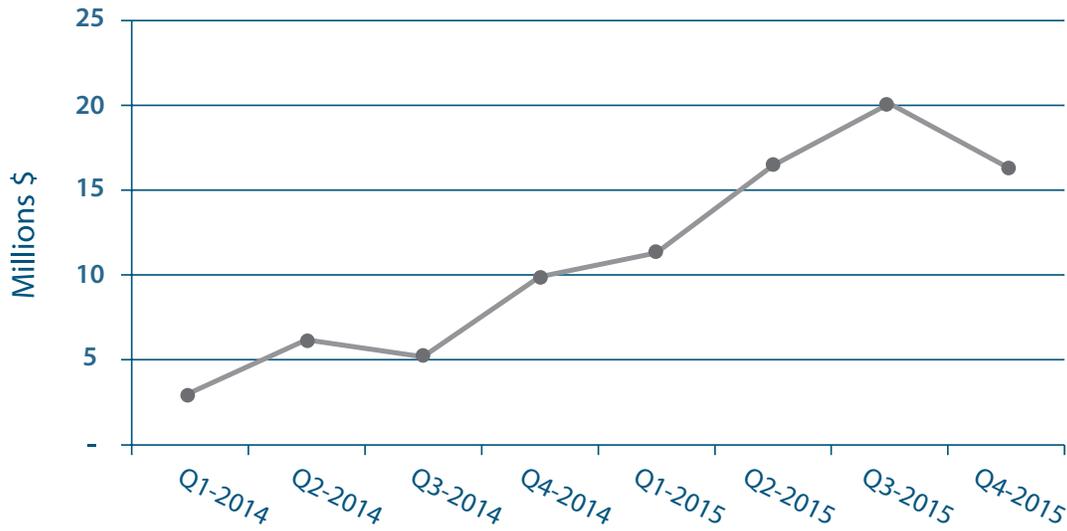
Mortgage Finance & Financial Leasing Sectors:

The mortgage finance sector did not observe any regulatory changes in 2015, as the Mortgage Finance Law draft was not endorsed during the year by the Council of Ministers.

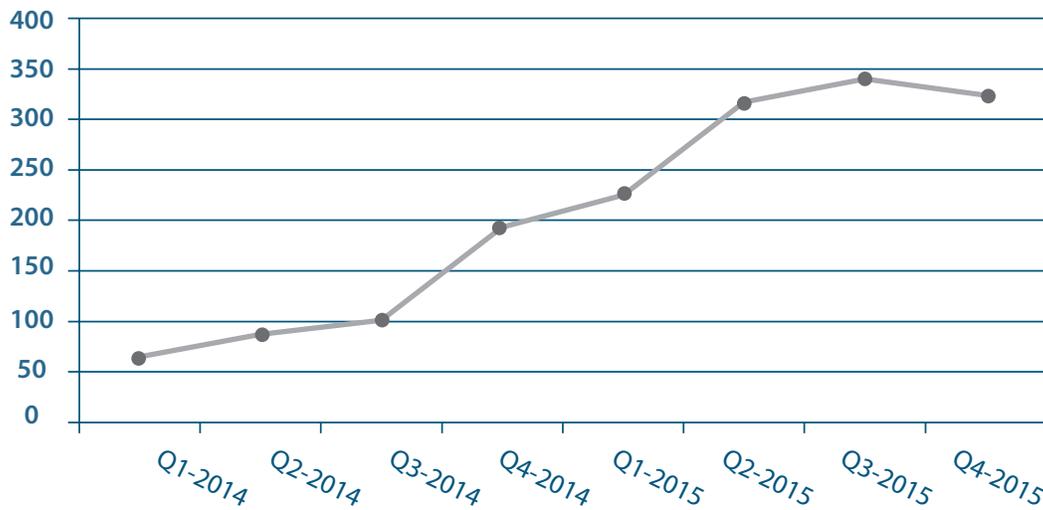
Regarding the completion of the regulatory framework for the development of the leasing sector, and based on the provisions of Decree No. (6) for the year 2014 so as to issue the decisions and draft instructions needed for the provisions of the Decree Law, the Mortgage Finance & Financial Leasing Directorate continued its efforts during 2015 to issue draft instructions for licensing financial leasing companies and supervision of lessors. Throughout the year, several meetings were together with IFC experts, as a result of which a final draft was reached to be endorsed by the Board of Directors in the first quarter of 2016.

During 2015, the PCMA continued its cooperation with the Ministry of Finance, as a part of which the Ministry of Finance ratified the Value Added Tax (VAT) instructions for leasing contracts according to the draft agreed with the PCMA Board of Directors.

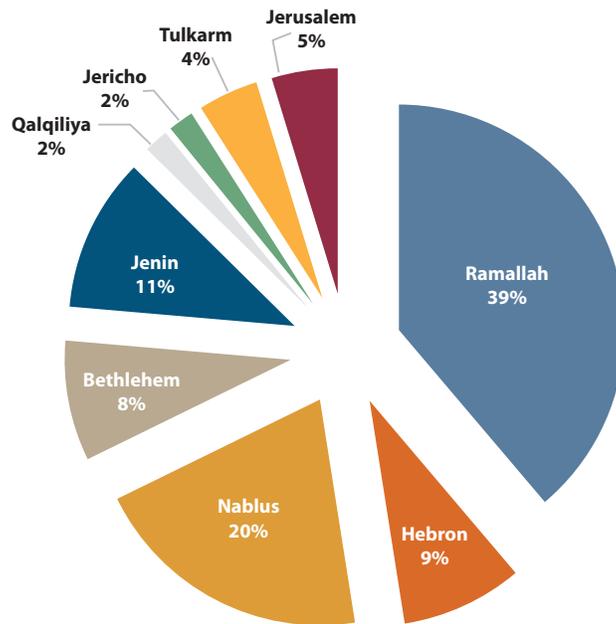
The quarterly development of total investment of financial leasing contracts for the period 2014-2015



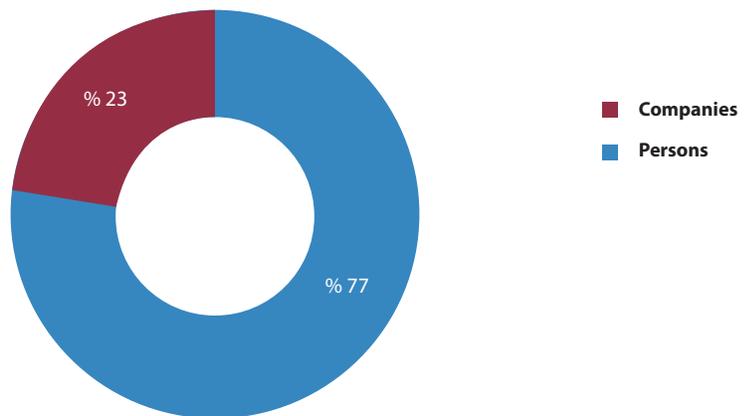
The quarterly development of the number of financial leasing contracts for the period 2014-2015



The distribution of financial leasing contracts across regions in 2015



The distribution of financial leasing contracts based on the nature of contractees for 2015



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