

# The Palestine Capital Market Authority Warns Against Dealing with Crowdfunding Platforms

The Palestine Capital Market Authority (PCMA) has warned the Palestinian public against dealing with electronic platforms or applications, individuals, companies, sponsored advertisements, or promotional campaigns related to dealing with crowdfunding platforms, due to the absence of a legal framework regulating their operations in Palestine.

The PCMA clarified today, Tuesday, that it has not granted any company, individual, or platform a license or a no-objection certificate to engage in such activity. The authority urged the public to exercise extreme caution before dealing with any crowdfunding platforms, and to ensure the existence of a license from the relevant authorities before investing in any project or startup company.

Furthermore, the PCMA reaffirmed its full commitment to protecting investors' rights and enhancing confidence in non-banking financial sectors under its supervision.

You can refer to the PCMA's website to check the licensed or granted entities with a no-objection letter by [clicking here](#).

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## The Insurance Sector Has

# Overcome the Effects of Implementing IFRS 17.

The Palestine Capital Market Authority (PCMA) stated that the insurance sector has overcome the effects of implementing the International Financial Reporting Standard (IFRS) 17 on “Insurance Contracts”.

In a press release issued today, Thursday, the PCMA affirmed that it has directed insurance companies since the issuance of the International Standard or Financial Reporting No. 17 in 2017 to take necessary actions and prepare for the implementation of the standard, which became mandatory at the beginning of 2023.

The statement clarified that the application of international financial reporting standards and international accounting standards is not optional but obligatory for all insurance companies and licensed auditing firms, especially the IFRS 17 standard for insurance contracts, accompanied by the application of IFRS 9 standard for financial instruments for insurance companies.

Ayman Al-Sabbah, the Director of the Insurance Directorate at the PCMA, stated that the directives issued to companies include investment in upgrading systems and employees, as well as conducting annual evaluations to identify gaps and expected financial impacts, allocating part of the retained earnings as a provision to absorb the expected impacts of implementing Standard 17 and Standard 9 for companies that did not choose to apply them before 2023. He pointed out that Standard 17 includes methodologies and mechanisms for application based on the portfolio structure of insurance contracts for each company. There are common issues and matters that apply to one company and may not apply to another. Therefore, it is the responsibility of the company’s management to apply the

standard according to its internal context. Additionally, it is the responsibility of the external auditor to express an opinion on the extent to which the company complies with this standard. The choice of any company to adopt a specific approach and absorb the impacts on the results of one year does not imply that the choice of other companies is incorrect.

It is worth noting that due to the current circumstances in Palestine the PCMA has decided to postpone the disclosure deadline of the final financial statements for publicly traded companies until April 30, 2024, and whereas the majority of insurance companies have not yet released their final results, the preliminary financial data for insurance companies for the year 2023, disclosed on March 17, 2024, particularly when comparing the key financial items aggregated for the insurance sector for 2022/2023, show the impact of applying the International Financial Reporting Standards IFRS 17 and IFRS 9 on insurance companies. It is important to emphasize that the final results may differ depending on any changes that may occur in the data.

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## **The Palestine Capital Market Authority Launches the Financial Literacy Course for Palestinian University Students.**

The Palestine Capital Market Authority (PCMA), in partnership

with the German Agency for International Cooperation (GIZ), launched today, Tuesday, a university course titled "Financial Literacy" in the presence of the Chairman of the Board of Directors of the PCMA, Ammar Aker, and its General Director, Barraq Al-Nabulsi.

Representatives from the PCMA, course instructors, and representatives from several Palestinian universities participated in the event.

The Financial Literacy course aims to enhance financial knowledge among university students and youth in general, thereby contributing to improving their interactions with financial sectors in Palestine.

The Chairman of the Board of Directors of the PCMA, Ammar Aker, emphasized the importance the PCMA places on financial awareness in its work programs to create a generation capable of dealing with financial policies and services in Palestine across various financial sectors. He added that the PCMA values its partnership with Palestinian universities, which constitute the main source for building Palestinian competencies and supplying labor markets and expressed his gratitude to the course instructors for their tremendous efforts in completing the course in record time.

Similarly, the general supervisor of the course preparation, Dr. Thabit Abu Al-Ros, reviewed the course content, indicating that the idea for the course came after conducting an extensive study by the PCMA, focusing on non-financial university specializations, enhancing financial literacy, and considering the Palestinian circumstances in all study units.

Abu Al-Ros pointed out that the course consists of 10 chapters covering 10 financial topics, including financial planning (budgeting), credit and financing, savings, investment, risk management, financial rights substantiation methods (contract management), sources of financial information, taxes,

retirement planning, and consumer protection.

Shurouq Qawariq, the FinTech Consultant at the GIZ, stated that her organization has a long-term partnership with the PCMA to enhance financial inclusion in Palestine.

Qawariq praised the achievement of the Financial Literacy course, considering it one of the most important projects in financial awareness.

Contributors to the course preparation included Dr. Shadi Hamad, Director of the Professional Academy for Finance and Management, Dr. Mohammed Abu Sharba, an expert in Islamic banking and finance at the Arab American University, Dr. Mohammed Barghouti, lecturer at Al-Quds University, Dr. Doha Tanbour, lecturer at the Department of Finance at An-Najah National University, Dr. Adnan Qubajeh, Dean of the Faculty of Administrative and Financial Sciences at Palestine Ahliya University, Dr. Ra'fat Jallad, Dean of the Faculty of Economics at An-Najah National University, Dr. Raed Handal, lecturer at the Faculty of Economics at Bethlehem University, and Dr. Mohammed Talalweh, Head of the Financial and Banking Sciences Department at Al-Quds Open University, along with Bakr Saleh, Licensing and Control Officer at the PCMA.

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**The Palestine Capital Market Authority's Call for Prompt Reporting of Any Violations:**

# **We Do Not Have Entities Licensed to Engage in Foreign Exchange (Forex) Activities.**

The Palestine Capital Market Authority (PCMA) issued a warning to the Palestinian public against engaging with electronic platforms, applications, individuals, companies, sponsored advertisements, or promotional campaigns related to trading in foreign global stock markets (Forex).

The PCMA reiterated in a statement that it has not granted any company, individual, or platform a license to engage in such activities and transactions.

The PCMA urged citizens to promptly report any violations by individuals or entities claiming to engage in trading in unlicensed foreign markets, so that appropriate legal action can be taken against them in accordance with the prevailing laws and regulations in Palestine.

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# **The Palestine Capital Market Authority Has Published a Regulation on Dealing with Foreign Stock Markets.**

Today, Tuesday, the Palestine Capital Market Authority (PCMA) published a regulation governing the operations of financial

securities companies with foreign stock markets. This regulation was approved by the Palestinian Cabinet to regulate and control transactions, reduce risks, and consequently contribute to the stability of the non-banking financial securities sector in Palestine. The regulation was enacted based on Law No. (17) of 2009 regarding transactions in foreign stock markets, allowing licensed financial securities companies authorized by the PCMA to engage in brokerage activities and operations in foreign and global stock markets.

By the same intimation, Murad Jadbah, the Director of the Securities Directorate, affirmed that the PCMA has not yet granted any entity a license to engage in foreign stock market transactions involving foreign currencies, precious metals, commodities, and indices. He mentioned that the PCMA will announce the list of licensed entities to conduct such activities once they fulfill the licensing requirements, conditions, and technical regulations set by the PCMA to ensure compliance with its licensing policy for companies wishing to engage in these activities.

Jadbah explained that the PCMA aims to transform the activity of trading in foreign stock markets, currency markets, indices, and commodities into a regulated formal sector. This move is intended to enhance the ability to measure the impact of this activity on the national economy and financial inclusion indicators, and to establish regulations to regulate and mitigate risks in this sector.

It is worth noting that the regulation includes licensing requirements, such as capital requirements, fund segregation procedures, financial guarantees, internal control procedures including data preservation, enhancing information security, technical infrastructure, electronic applications, and software. Requirements for central linkage procedures with the PCMA's regulatory systems will be announced once the technical

systems are ready.

You can access the provisions of the regulation through the following link: [\[Regulation Link\]](#)

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## **For the Sixth Consecutive Year, the Palestine Capital Market Authority Launches the World Investor Week 2023.**

As part of its diligent efforts and continuous endeavor to enhance non-banking financial sectors, the Palestine Capital Market Authority (PCMA), in partnership with the Palestine Exchange, launches the World Investor Week 2023, which will take place from October 2nd to 8th of the current year.

The participation of the PCMA, representing the State of Palestine, in the World Investor Week for the sixth consecutive year, will focus this year on important topics related to investment fundamentals, notably sustainable finance and the risks associated with investing in cryptocurrencies.

The participation of the PCMA in the World Investor Week is in line with its commitment to actively participate in various events and activities of the International Organization of Securities Commissions (IOSCO) and its various committees. This enables it to stay updated on the latest developments related to its tasks and to keep pace with international

standards relevant to securities activities.

The World Investor Week for the current year is expected to shed light on the importance of raising awareness on four key issues:

“Investor Education”: Providing investors with the tools to withstand negative financial shocks, understand investment risks, and emphasize the importance of financial planning for stable financial lives.

“Sustainable Finance”: This includes governance implementation, environmental and social investment, and the need for investors to understand this finance, starting from reviewing the disclosure data of the target company for investment and ending with verifying the alignment of sustainable finance-related investments with its goals.

“Fraudulent Practices and Financial Fraud”: Smart investor obligations to mitigate fraud, such as ensuring that the broker has the required license, independently studying and evaluating investment opportunities, avoiding promises of quick profit and guaranteed wealth, protecting personal data, and above all, being cautious against online investment fraud.

“Cryptocurrency Assets”: Understanding the associated risks, being aware of warning signs of financial fraud practices, and avoiding rushing into investments based on celebrity and influencer endorsements.

The PCMA’s participation in this year’s event will focus on the educational campaign on the topic of “Sustainable Finance” as the driving force for sustainable development, without neglecting other issues, of course, by broadcasting awareness messages extensively.

It is noteworthy that the PCMA obtained full membership in the

International Organization of Securities Commissions (IOSCO) in 2014. IOSCO is the highest professional body in the field of financial market regulation and supervision. It focuses on setting international and technical standards that must be adhered to by the regulatory bodies of the financial markets that are members of the organization. Additionally, the PCMA's accession to the signatory countries of the IOSCO's Multilateral Memorandum of Understanding followed the completion of all technical, regulatory, and legal requirements. This membership serves as a global certificate that the Palestinian securities sector is regulated and supervised by the PCMA in accordance with the international principles and standards required by IOSCO, which are committed to by all member countries of the organization.

Murad Jadbah, the Director of the Securities Directorate at the PCMA, emphasizes that awareness aspects constitute a fundamental axis of the World Investor Week in Palestine, especially among youth and students, aiming to create an awareness and educational mindset about the financial system, including the stock market. This is to ensure that these sectors receive the attention they deserve from the educational system.

Jadbah explains that the PCMA has established networking relationships and partnerships with many public and private institutions, such as the Ministry of Education, the Ramallah and Al-Bireh Governorate, the Association of Palestinian Local Authorities and Chambers of Commerce, the Environmental Quality Authority, and universities. They all worked together to achieve the desired goal and give momentum to awareness campaigns.

Jadbah expresses pride in the PCMA for addressing crucial areas such as the role of women in economic development through implementing programs and activities in cooperation with partner institutions. This is considered one of the goals of sustainable development and within the pioneering

contributions of the PCMA, whether in highlighting existing financial tools to support development or advocating for the introduction of new financial instruments to the Palestinian market. These include investments in important areas such as environmentally friendly investments, green economy, and waste recycling, aiming to facilitate citizens' lives and their right to live in a pollution-free environment.

"We ensure that our programs and activities leave a positive impact on citizens and economic development, creating promising investment opportunities," says Jadbah.

He adds, "Our future plan includes continuing to focus on educational aspects, promoting investment and savings culture, and protecting investors' interests regarding high-risk investments, particularly those associated with online investment fraud and developments in financial technology. The PCMA always calls for concerted efforts and overcoming all obstacles to encourage investment towards clean energy through issuing green bonds and financing environmentally safe vehicles, and addressing solid, medical, and animal waste."

Jadbah emphasizes the PCMA's commitment to implementing programs that create a promising future that meets the needs of citizens and facilitates their lives. As such, the PCMA managed to reach marginalized and less fortunate areas to understand their essential needs, especially in the agricultural system, whereby the PCMA launched important initiatives such as agricultural insurance and microinsurance to protect farmers.

He calls on the government to provide support and enact policies that encourage investment in these sectors, such as providing tax and legislative incentives.

Meanwhile, Nihad Kamal, the General Manager of the Palestine Exchange, affirms that the Exchange's participation in the World Investor Week for the sixth consecutive year

consolidates the concept of the global nature of the Palestinian securities sector. He says in this regard, "Our experience every year has been successful in achieving the desired goals of participating in such a global event. The importance of Palestinian participation in this event stems from its role in promoting financial culture, spreading investment awareness, and benefiting from regional and global experiences and expertise in the securities market sector."

Regarding the impact of the World Investor Week on the stock exchange and its investors, specifically on non-banking financial sectors in general, Kamal explains that the participation of the Palestine Exchange in such global events usually reflects positively on the Palestinian economic situation. This event helps strengthen Palestinian international relations, which in turn achieves goals and plans to develop the Exchange's operations and align it with changes in global financial markets. This stems from the Palestine Exchange's determination and ongoing efforts to become an integral part of the global investment map, which, in turn, helps increase the number of local and foreign investors.

Additionally, the events of this week provide an extra opportunity to educate investors and the public from outside the banking sector about the latest technologies and investment tools, paving a clear path for investors. It also enables those interested in these field and aspiring investors to enter the world of the stock market confidently and easily.

Kamal indicates that the Palestine Exchange's focus on developing initiatives for this year's World Investor Week stems from its recognition of the event's significance. He states, "This year, we have intensified our efforts to yield results that will enhance investment awareness. As part of our plans for this year, we have intensified educational lectures for university students on the stock market and investment. Extensive sessions have been prepared to be delivered at

various branches of Kadoorie University, which will serve the Exchange's goals in investment and economic awareness. Additionally, there's a focus on presenting studies and scientific research that will shed light on new developmental directions in this field through workshops involving various segments of society. In this regard, arrangements have been made for a workshop with Dr. Nasr Abdul Kareem to present a scientific study aimed at exploring investment opportunities in Palestine. The results of this study will allow us to add new developmental directions for the Exchange. We haven't overlooked the significant role of social media platforms in our plans. A concentrated campaign has been planned to raise awareness and provide an introduction for the Palestinian stock market. We believe in the importance of increasing economic awareness and its role in raising the level of investment culture among investors."

It is worth noting that the "World Investor Week" is an annual international educational initiative launched by IOSCO aimed at raising financial knowledge levels, enhancing investor culture, and protecting investors locally and globally. More than 100 countries participate in its annual events, including Palestine represented by the Palestine Exchange, which have officially joined IOSCO membership in 2014.