The Capital Market Authority and the Palestine Monetary Authority Announce the Results of the Financial Inclusion Reassessment in Palestine.

The Capital Market Authority and the Palestine Monetary Authority announced today the results of the financial inclusion reassessment in Palestine during a ceremony held in the Ramallah and Al-Bireh Governorate. The event was attended by Dr. Feras Milhem, the Governor of the Palestine Monetary Authority, Dr. Nabil Kassis, the Chairman of the Board of Directors of the Capital Market Authority, Mr. Eliki Boletawa, a representative from the Alliance for Financial Inclusion (AFI), as well as leaders from the banking, financial, and economic sectors, along with representatives from various civil society organizations.

The Governor of the Palestine Monetary Authority extended his heartfelt thanks to the partners and attendees, with special gratitude to the strategic partners at the Alliance for Financial Inclusion (AFI) for their continuous support and funding for the implementation of the reassessment study. He also expressed gratitude to the German Agency for International Cooperation (GIZ) for funding this event and various financial awareness and education activities. Furthermore, he recognized the Palestine Economic Policy Research Institute (MAS) and the Palestinian Central Bureau of Statistics for their substantial efforts in conducting the comprehensive survey of both supply and demand aspects, as well as studying the financial inclusion ecosystem and enabling environment.

The Governor of the Palestine Monetary Authority stated that today marks significant progress in the journey to enhance financial inclusion in Palestine as part of the implementation of the National Financial Inclusion Strategy (2018-2025). This progress has been achieved through joint leadership between the Palestine Monetary Authority and the Capital Market Authority, in collaboration with key stakeholders from both the public and private sectors, as well as civil society institutions.

He further noted that in 2022, a field survey was conducted to reassess the levels of financial inclusion in Palestine. The objective of this survey was to measure the developments and the impact resulting from the implementation of the National Financial Inclusion Strategy. It aimed to identify any necessary adjustments that should be made based on the assessment results for the remaining period until 2025.

Dr. Feras Milhem discussed the results of the study, which showed that despite the challenging circumstances during the implementation of the National Financial Inclusion Strategy (2018-2022), there has been significant progress in the three pillars of financial inclusion: access, usage, and quality. The study also demonstrated that previous efforts were not in vain; they not only met the previously set objectives but also exceeded them.

In terms of access and usage of financial services, there has been remarkable improvement compared to the assessment conducted in 2016. The results indicated that the financial inclusion rate has now reached 50.9%, compared to 36.4% in 2016. When considering the ownership of electronic wallets, which were not present previously, the rate rises to 54.2%. It is worth noting that the target set in the strategy and the access plan was a minimum of 50% by the end of 2025.

Additionally, the results revealed tangible progress in the financial literacy level of Palestinian citizens compared to 2016. The percentage of citizens with at least a medium level of financial literacy increased from 41.3% in 2016 to 53.3% in 2022.

Dr. Feras Milhem highlighted the significant and rapid developments taking place worldwide in the context of rapid technological advancement, an unprecedented revolution in financial technologies and innovations, which have substantially altered traditional banking patterns and methods. These changes have brought about profound transformations in the landscape of financial services and economic activities in general. They have also posed fundamental challenges to economic policy-makers.

He emphasized that the Palestine Monetary Authority is committed to monitoring the developments in financial technology, harnessing its potential, and enabling it at the national level while maintaining a balance between risks and protecting consumer rights. The focus is on gaining a deeper understanding of individuals' financial behavior, enhancing the quality of financial services, and providing new services that meet citizens' needs, all contributing to strengthening financial stability and economic growth despite the various challenges and obstacles.

In his statement, His Excellency Dr. Nabil Qassis, Chairman of the Board of the Capital Market Authority, pointed to the progress made in financial inclusion in terms of access and usage of various financial services compared to what it was when the National Financial Inclusion Strategy was launched. He added that due to the developments in financial inclusion, the multiple practical experiences at both regional and international levels, the accumulated local expertise, and the repercussions of the COVID-19 pandemic, there is now a deeper understanding of the reality of financial inclusion and the evolution of its measurement tools. This coincides with the development and use of financial technology in the financial sector, which has brought about changes in financial inclusion data. Therefore, relying on a single measure of financial inclusion is no longer sufficient; there is a need to introduce other measures that cover all related aspects. This has been done in Palestine since 2019, where additional metrics for financial inclusion were developed and adopted based on supply-side data, covering the three main dimensions of financial inclusion: access, usage, and quality. These metrics have been calculated annually since 2019. It is important to note that the results of these indicators support the findings of the financial inclusion reassessment conducted in 2022, particularly in terms of access and usage.

Dr. Kassis emphasized that one of the most important objectives of the reassessment project is to identify the key determinants that hinder the promotion of financial inclusion in Palestine. The assessment data indicated that the economic factor was among the prominent determinants in Palestine, which is expected given the economic challenges faced by the Palestinian economy and its impact on individuals' financial situations. He stressed that this aspect should be taken into consideration when adjusting policies and necessary interventions in the near future. Financial inclusion is not a goal in itself but rather an important and essential factor contributing to stability, economic growth, and the enhancement of social and economic well-being for individuals and households.

He also confirmed that the National Committee has worked on outlining the broad policy directions to be taken in the upcoming period, and specialized teams are working on modifying and developing the action plan for imminent approval, taking into account the results of the financial inclusion assessment.

As for the representative of the Alliance for Financial Inclusion (AFI), Mr. Eliki Boletawa, he commended Palestine's efforts in promoting financial inclusion, particularly in enhancing financial inclusion for women and youth. He also highlighted the achievement of the Palestine Monetary Authority in receiving the award -The Global Youth Financial Award 2022- among the member countries of the Alliance for Financial Inclusion.

The event included a presentation of the key survey results, a session to discuss the main recommendations and findings of the survey and studies, and an opportunity to address inquiries.

The Capital Market Authority and the Chamber of Commerce in Ramallah Organized an Introductory Meeting on the Financial Leasing Sector.

The Capital Market Authority and the Chamber of Commerce and Industry in the Ramallah and Al-Bireh Governorate organized an informational meeting about the financial leasing sector in Palestine with the support of the Italian Agency for Development Cooperation.

Mr. Mohammad Al-Nabali, the Vice Chairman of the Chamber, welcomed the delegation from the Capital Market Authority, emphasizing the importance of such visits that reflect the role of the PCMA in the growth of various sectors, particularly the financial leasing sector.

Al-Nabali added that this sector plays a vital role in the growth and development of the Palestinian economy, as it consists of companies that provide integrated services with significant impact, serving as a cornerstone in any developmental process.

Mr. Barraq Al-Nabulsi, the General Director of the PCMA, noted that the Ramallah and Al-Bireh Governorate serves as a hub for Palestinian companies in the financial leasing sector. He called for said companies to consider a horizontal presence through the regions of Palestine in order to facilitate the sector’s operations.

Al-Nabulsi emphasized that this meeting is part of the PCMA’s strategic plan for the years 2021-2025, aimed at ensuring the sustainability of non-banking financial sectors under the PCMA’s supervision and enhancing their stability.

By the same intimation, Ms. Lina Ghbeish, the Director of the Mortgage and Leasing Directorate at the PCMA, provided an overview of the sector and its role in economic growth in Palestine. She shared key statistics about the sector and highlighted its role in bringing about a qualitative leap in the Palestinian economy through small and medium-sized projects.

Ghbeish emphasized that the financial leasing sector serves as a complementary financing means to the available options in the Palestinian market, whether from banks or small lending institutions.

Participating companies also presented their services for small, micro, and medium-sized projects, as well as their financing mechanisms, including Sharia-compliant financing and other types of financing.

The Capital Market Authority Participates in a Seminar on the Securities Sector at An-Najah University.

The Capital Market Authority participated in a seminar on the securities sector at An-Najah University. The event was organized by the Faculty of Economics and Social Sciences in collaboration with the Palestine Capital Market Authority as part of the An-Najah Weekly Economic Meeting titled “The Securities Sector in Palestine: Current Status and Prospects.” In the presence of Mr. Murad Jadbah, the Director of the Securities Directorate at the PCMA, along Dr. Rafat Al-Jallad, Dean of the Faculty of Economics and Social Sciences, Dr. Doha Al-Tanbour, a lecturer in the Department of Financial and Monetary Sciences. The meeting took place on Thursday, March 9, 2023, and was attended by a large number of students majoring in financial and banking sciences, as well as students from other disciplines within the university and interested members of the community.

During this meeting, several important topics were discussed regarding the working strategy of the Capital Market Authority in the securities sector for the period 2021-2025. These topics included enhancing the sustainability of financial sectors under the PCMA’s supervision, promoting the use of financial technology in the non-banking financial sector, and advancing Sharia-compliant financial services and instruments such as Islamic bonds, investment funds, Islamic Licensing, and more.

Mr. Murad Jadbah highlighted the services provided by the PCMA, including trading oversight, financial solvency examination of member securities companies, risk-based field inspection, anti-money laundering and counter-terrorism financing measures, licensing of securities activities and operations, as well as monitoring the compliance of listed companies and member securities companies with disclosure requirements.

The primary objective of this meeting was to bridge the gap between students and the practical aspects of the financial sector, providing them with a space to familiarize themselves with industry terminology and the functioning of the securities sector within the PCMA, using practical examples.

In the final segment, the agenda for 2023 was discussed, including steps toward foreign exchange trading systems, company share buyback regulations, procedures for the legal transformation of publicly listed shareholding companies, regulating trading in parallel markets, and corporate governance of family-owned companies. The session concluded with a deep dive into financial technology in the securities sector.

The PCMA Participates in the An-Najah Weekly Economic Meeting.

The Faculty of Economics and Social Sciences, in collaboration with the Palestine Capital Market Authority, organized a workshop as part of the An-Najah weekly economic meeting titled “The Palestine Capital Market Authority: Role and

Future Plans." The workshop was attended by Mr. Amjad Qabaha, the Manager of Legal Affairs at the PCMA, Dr. Rafat Al-Jallad, Dean of the Faculty of Economics and Social Sciences, Dr. Doha Al-Tanbour, a lecturer in the Department of Financial and Monetary Sciences, which took place on Thursday 16/2/2023, the event attracted a large number of college students majoring in relevant fields and individuals from various segments of the community who are interested in this matter.

During the workshop, Mr. Amjad Qabaha discussed important introductory topics related to the Palestine Capital Market Authority, its goals, and its role. He also presented key topics regarding the basic standard for distinguishing between banking and non-banking financial institutions based on the established international definition of the financial sector. Additionally, detailed explanations about the financial leasing sector were provided, including its components, products, and financial services. The workshop also covered the legal framework and supervisory authorities related to the mortgage sector.

This meeting had a positive impact on the students in attendance who, in turn, posed important questions and inquiries regarding the securities and finance sectors, seeking direct answers related to the content and subjects of their studies.

At the conclusion of the meeting, Mr. Amjad clarified how the PCMA keeps up with international and local developments, and how it executes its strategy through key programs. Among these programs, the most prominent ones are promoting the use of financial technology (FinTech) in the non-banking financial sector, promoting Sharia-compliant financial instruments in Palestine (Islamic finance), and ensuring the sustainability of financial sectors under the supervision of the PCMA, while enhancing their stability. He also addressed the topic of regulatory oversight of the financial sector through the International Organization of Securities Commissions (IOSCO) and the International Union for Housing Finance (IUHF), based in Europe.

The Faculty of Economics and Social Sciences at An-Najah University aims to organize periodic meetings like this one to discuss current economic, financial, and social topics that are of interest to firstly students and secondly the local community. This is achieved by hosting experts, academics, and decision-makers to provide scientific and practical recommendations, as well as by strengthening relationships with Palestinian institutions and enhancing the students' abilities and capacities through discussions of such topics.

The Capital Market Authority Concludes the Regional Insurance Technology Competition.

The Capital Market Authority has concluded the regional insurance technology competition and announced the winners in the two tracks of the competition. The winners were announced during a ceremony organized by the PCMA in collaboration with the German Cooperation for International Development (GIZ) and the Palestinian Insurance Federation. The competition included two tracks. The first track focused on new creative ideas in financial technology for insurance and was won by two teams from Tunisia and Cameroon, with a prize value of $5,000 for each. As for the second track, it was for established companies, and it was won by two companies from the United Kingdom and the United Arab Emirates, also receiving a prize of $5,000 each. The winning applications in the second track will be hosted by the companies “Al-Mashreq” and “Tamkeen.”

Dr. Nabil Kassis, the Chairman of the Board of the Capital Market Authority, emphasized that the competition during the year 2022 was part of the PCMA’s efforts to promote the use of financial technology, including insurance technology, in non-banking financial sectors. As part of the race to implement the PCMA’s five-year strategy 2021-2025, which has identified enhancing the use of financial technology and providing a conducive environment in non-banking financial sectors as one of its three main pillars.

He mentioned that the PCMA established the Directorate for Digital Financial Services and Innovation at the beginning of 2021, which developed a supervisory incubator platform called “Ebtaker” which is considered one of the pioneering supervisory incubators for the non-banking financial sector in the Arab region. This is aimed at facilitating the journey of entrepreneurs in innovation in the field of financial technology by enhancing and facilitating effective communication between the PCMA and innovative and entrepreneurial solution providers related to the non-banking financial sector.

He expanded that the platform “Ebtaker” has played a crucial role in providing early intervention, supervisory guidance, and support to innovators. It serves as an initial phase for innovators to prepare them for entry into the Regulatory Sandbox environment, which the Capital Market Authority plans to launch in 2023.

Since its inception approximately two years ago, the “Ebtaker” platform, as mentioned by Dr. Kassis, has welcomed a range of innovative ideas and solutions, particularly in the non-banking financial sector, with a specific focus on the insurance sector. Several of these ideas have been qualified and granted “no objection” letters to proceed with their operational phase and put their concepts into practical execution.

He added, due to the unique technical aspects and the challenges faced by the Palestinian insurance sector, which offer significant opportunities for innovative solutions based on insurance technology (Insurtech), the Capital Market Authority recognized the need to expand the scope of attracting more practical ideas and solutions in the field of insurance technology at both the regional and international levels. Consequently, they developed and launched a regional financial technology competition.

He added that the competition successfully attracted insurance technology companies from various regions, including European countries, Southeast Asian countries, the Middle East, and Africa. This diverse participation highlights the distinctive nature of this competition and the promising opportunities it presents for the Palestinian insurance sector. Furthermore, this competition is the first of its kind to target such a vital and essential sector as insurance.

The Chairman of the Palestinian Insurance Federation, Mohammed Al-Rimawi, stressed the importance of knowledge in the rapidly advancing field of technology, commending the Capital Market Authority for its initiatives to promote digital transformation. He further added that one of these platforms is the “Ebtaker” platform, which receives numerous ideas in the non-banking financial sector. Al-Rimawi emphasized the Federation’s commitment to participating in the competition’s judging committees, underscoring its significant importance for digital transformation.

He also mentioned the “strategic steps” taken by some Palestinian insurance companies towards digitization, which reduce costs and expedite procedures. These steps are seen as essential in expanding financial inclusion and enhancing access to insurance services through the advancement of financial technology in the sector.

Johannes Majewski, the Program Manager of the Alternative Finance for the Financial Inclusion Project for Small and Medium-sized Enterprises in Palestine (A-FIN), funded by the German Cooperation for International Development (GIZ), highlighted the economic progress achieved by countries in the region over the past decade. Despite this progress, insurance prevalence remains low, and there is limited awareness of the benefits of insurance. He emphasized that insurance technology creates opportunities to enhance financial inclusion whereas for example it can reduce premium sums through reducing operational cost, and it may also increase insurance literacy through digital channels and change consumer habits regarding how they interact with insurance companies.

The Capital Market Authority has Granted a No-Objection Letter for an Application in the Field of Insurance Technology.

The Capital Market Authority has granted, on Thursday, a no-objection letter for the application “Verify ID” by Jaffa Networks and Computer Systems (Jaffa.net Software), aiming to work in the Palestinian insurance sector in line with terms and conditions stipulated in the no-objection letter. This application is designed to assist insurance companies in verifying the identity of health insurance service recipients using technology-based applications.

Mr. Barraq Al-Nablusi, the General Director of the PCMA, emphasized that issuing the no-objection letter for the Verify ID application is part of the PCMA’s efforts to promote financial technology in non-banking financial sectors, based on its strategy, through the services offered by the “Ebtaker” platform in providing the necessary environment, guidance, and regulatory supervision for innovators in the field of financial technology, including insurance technology.

By the same intimation, Dr. Yahya Al-Salqan, representing Jaffa.net Software, highlighted the significance of receiving the no-objection letter from the Capital Market Authority for the “Verify ID” application. This development is aims to enhance the company’s operations in the insurance sector in Palestine, especially after the support provided by the PCMA to this sector to foster growth and integration with the information technology sector.

It is worth noting that the application focuses on combating fraud in private sector health insurance services provided by insurance companies with which it is contracted. It does so by verifying the identities of insured individuals who apply for healthcare services.

A Decision to Replace and Renew Members of the Board of Directors in the Capital

Market Authority

The Council of Ministers, in its session held in the city of Ramallah on January 3 2023, approved the appointment by the Capital Market Authority to replace and renew the membership of its board of directors.

The decision named Mr. Rami Al-Takhman to represent the Palestine Monetary Authority, replacing the previous representative, effective December 22, 2022. It also renewed the membership of Mr. Jamal Al-Hurani, representing the Association of Banks in Palestine, effective December 29, 2022.

The Launch of the Financial Literacy Coalition in Palestine

The Capital Market Authority, on Saturday, announced the launch of the Financial Literacy Coalition in Palestine in the city of Jericho, with the participation of civil society institutions, media outlets, and academics from various Palestinian universities.

The Financial Literacy Coalition in Palestine aims to promote financial literacy within the non-banking financial sectors and raise awareness among Palestinian citizens regarding financial services.

The coalition includes the Capital Market Authority and representatives from the non-banking financial sector, civil society institutions, universities, journalists, and it has opened membership for all interested parties to join.

Kayed Meari, the Head of Public and International Relations at the PCMA, stated that this coalition works to unify the efforts of all partners to achieve effective financial awareness among Palestinian citizens in the non-banking financial sector. He also noted that the PCMA will lead this coalition with all partners to spread financial literacy in the local community through various interventions, including conducting studies and research, organizing seminars, lectures, and conferences, and developing the capacities of key players in this field.

Conclusion of the Fourth Financial Press Lab Workshop in Jericho

The Palestine Capital Market Authority concluded its Financial Press Lab Workshop in Jericho with the participation of 30 students majoring in journalism and economics from Palestinian universities.

The workshop focused on non-banking financial sectors and provided financial journalism skills over the course of two days. The workshop's opening ceremony was attended by Dr. Shaker Khalil, the Economic Affairs Advisor to the Prime Minister, Barraq Al-Nablusi, the General Director of the PCMA, and Mohammad Musleh, the Director of the Economic Development Program at the Italian Agency for Development Cooperation.

Al-Nablusi emphasized the PCMA's commitment to conducting financial awareness programs and enhancing the awareness of citizens about their rights and responsibilities in the non-banking financial sectors. This contributes to better improving the response of non-banking financial sectors to the needs of citizens and expanding financial services to achieve financial inclusion in line with the PCMA's five-year strategic plan.

In the same vein, Mohammad Musleh highlighted the importance of financial awareness programs as a key component of the Italian Agency's vision in partnership with various components of the Palestinian financial sector, both regulatory and private.

Dr. Khalil discussed the economic situation in Palestine and the efforts made by the government and various components of the Palestinian economy to overcome the challenges facing the Palestinian people, particularly young people. He emphasized the Palestinian government's commitment to empowering youth and university graduates to access the job market.

The workshop included seven training sessions covering the basics of financial journalism presented by journalist Mohammed Khbeisa, as well as a workshop on media and entrepreneurship led by Sa'ed Karazon. Additionally, a training workshop on social media was conducted by journalist Mahmoud Hreibat.

The workshop also included training sessions that provided a general introduction to the non-banking financial sector in Palestine, presented by Ayman Al-Sabbah, Director of the Insurance Directorate at the PCMA. There was also an informative session on the financial leasing sector provided by the Director of the Mortgage and Leasing Directorate at the PCMA. Furthermore, a session on the securities sector was delivered by Murad Jadbah, the Director of the Securities Directorate at the PCMA, and another session on financial technology (FinTech) and financial inclusion was conducted by

Dr. Bashar Abu Zarour, the Director of Digital Financial Services and Innovation at the PCMA.

The Capital Market Authority is Preparing a Draft of Regulations Dealing with Foreign Stock Exchanges.

The Board of Directors of the Palestinian Capital Market Authority, in its session convened on 28/11/2022, adopted the draft of regulations dealing with foreign stock exchanges in accordance with the provisions of Article (3/2) of the Presidential Decree No. (17) of 2009 regarding dealing in foreign stock exchanges. This is in line with the provisions of the Securities Law No. (12) of 2004, the Capital Market Authority Law No. (13) of 2004, and the recommendation to the Palestinian Council of Ministers for ratification.

The General Director of the PCMA, Barraq Al-Nablusi, stated that the activity of trading in foreign global markets will be allowed to be conducted by licensed securities companies approved by the Capital Market Authority, subject to specific controls and regulations. This will occur after the ratification of the regulation by the Palestinian Council of Ministers. The regulation for dealing with foreign stock exchanges allows licensed companies to provide brokerage services for trading in foreign stock exchanges, including securities listed on foreign financial markets, as well as the trading of foreign currencies, precious metals, and more. This service is offered to individual and institutional investors and traders.

He emphasized that the PCMA’s adoption of the regulation is in line with the implementation of its strategic plan for the years 2021-2025. It aims to regulate the non-official financial sector, protect participants from dealing with numerous unlicensed entities and individuals, measure the impact of this activity on financial inclusion indicators in Palestine, and enrich the Palestinian market with professional regional companies with strong financial capabilities and a good reputation. This is achieved by requiring companies to provide professional staff who work to raise awareness in the field of foreign stock market investments.

Al-Nablusi also stated that the PCMA has initiated the preparation of plans and procedures to ensure the enforcement of regulatory tools on entities operating in this sector and qualified individuals, as it is a sector characterized by high liquidity, high-frequency trading, and associated risks.