The Capital Market Authority Organizes a Panel Discussion on the Opportunities for Utilizing Technology in the Insurance Sector.

The Capital Market Authority held a panel discussion today, Monday, titled “Opportunities to Use Technology in the Insurance Sector” as part of its partnership with the Ministry of Entrepreneurship and Empowerment and in collaboration with the Palestinian Insurance Federation, with support from the German Agency for International Cooperation (GIZ).

The panel discussion included Deputy Chairman of the Palestinian Insurance Federation, Nihad Assad, and representatives from the entrepreneurship sector in Palestine, including Majd Khalifa, the Director of the “Flow” business accelerator, and Mona Demaidi, the Director of the N Gate program. The event was attended by a group of partners, entrepreneurs, and individuals interested in this field.

On his part, Ayman Al-Sabbah, the Director of the Insurance Directorate at the PCMA, emphasized that this event is part of the PCMA’s strategy to develop the insurance sector, leverage financial technology, stay updated with developments in this context, and enhance the insurance services available to all stakeholders, especially citizens, by making these services more accessible.

The speakers discussed the vision for insurance technology within insurance companies and the entrepreneurial sector, as well as the challenges and obstacles that hinder tangible progress. Additionally, they also explored the interventions

required to embrace and develop technological solutions in the insurance industry.

The Appointment of Ayman Al-Sabbah as the Director of the Insurance Directorate at the Capital Market Authority.

The Board of Directors of the Capital Market Authority has issued a decision appointing Ayman Al-Sabbah as the Director of the Insurance Directorate at the PCMA as part of the PCMA's efforts to strengthen the insurance sector and enhance its supervisory mechanisms.

Mr. Al-Sabbah holds a Master's degree in Business Administration from Birzeit University and international financial certifications in various areas such as corporate governance, international financial reporting standards, actuarial science, and Islamic financial markets. He is also a certified expert in digital financial services, leadership, and team management, and has obtained several certifications in risk management.

It is worth noting that Mr. Al-Sabbah previously held the position of Director of the Insurance Directorate at the PCMA. He has also served in several managerial and supervisory roles, including as the head of the interim committee for managing the operations of the Palestine Insurance Company, Director of the Finance and Administrative Affairs Directorate, and a member of the Board of Directors of the Palestinian Road Accident Victims Compensation Fund.

Additionally, he worked as a financial manager in the World Bank project for establishing the Palestinian Pension Agency in 2005.

The Capital Market Authority Launches the Financial Press Lab in its Third Edition

The Capital Market Authority and the Palestinian Journalists' Syndicate launched, on Tuesday, the Financial Press Lab in its third session.

The lab was titled "Financial Leasing and Financial Inclusion in Palestine" and is a partnership between the Capital Market Authority and the Italian Agency for Development Cooperation through the Palestinian Ministry of Finance.

Kayed Meari, Head of Public and International Relations at the PCMA, stated that this program is part of financial awareness initiatives aimed at citizens and individuals interacting with the non-banking financial sector. He emphasized the depth of the partnership and collaboration with the Palestinian Journalists' Syndicate and the Italian Agency for Development Cooperation in developing specialized financial journalism in the field of non-banking financial sectors subject to the supervision of the Capital Market Authority.

On his part, Nasser Abu Bakr, the Head of the Palestinian Journalists' Syndicate, emphasized the importance of strengthening the partnership with the PCMA to develop specialized economic journalism. He also outlined the efforts of the PCMA in this field through the establishment of the

network of economic journalists and praised its good work in the development of specialized training programs.

By the same intimation, Taha Ahmad, representing the Ministry of Finance, highlighted the significance of the financial leasing sector in achieving financial inclusion and reaching marginalized groups in Palestine to realize economic development. He complimented the efforts of the PCMA and its effective partnership with the Italian Agency for Development Cooperation through the Ministry of Finance.

Mohammad Musleh, Director of the Economic Cooperation Program at the Italian Agency for Development Cooperation, praised the efforts aimed at economic development and finding innovative ways to enhance financial inclusion. He noted that financial inclusion is a priority in the cooperation between the agency and the Palestinian government, represented by the Ministry of Finance, the PCMA, and the Palestine Monetary Authority.

The workshop will continue for two days, with the participation of a group of economic journalists and representatives from the financial leasing companies in Palestine.

The training program addresses the topic of characteristics, opportunities, and challenges of the non-banking financial sector. It is presented by Ayman Al-Sabbah, the Director of Finance and Administrative Affairs Directorate. Lina Ghbeish, the Director of the Mortgage and Leasing Directorate, provided a presentation on financial leasing statistics. Nisreen Jarar, the Head of the Licensing Department in the Directorate of Mortgage and Leasing, discussed the concept of financial leasing. Finally, Mohammad Bawatneh, the Head of the Inspection and Financial Analysis Department in the Mortgage and Leasing Directorate, presented the economic importance of financial leasing.

The program also included the presentation of local and Arabic

media models related to the financial leasing sector and practical applications for preparing journalistic reports. This was delivered by the economic journalist Ayham Abu Ghosh and the economic journalist Mohammad Al-Rajoub.

The Launch of the National Financial Inclusion Strategy Working Groups.

The Palestine Monetary Authority and the Capital Market Authority in Ramallah held the first meeting of the National Financial Inclusion Strategy Working Groups. The meeting was attended by members of these groups, which include approximately 70 representatives from public sector institutions, private sector, civil society organizations, and relevant academic institutions in the field of financial inclusion.

The meeting was opened by the joint Technical Committee for Financial Inclusion, represented by Mr. Eyad Zeitawi, Acting Executive Director of the Financial Stability Group at the Palestine Monetary Authority the Palestine Monetary Authority and Dr. Bashar Abu Zarour, Director of the Digital Financial Services and Innovation Directorate at the Capital Market Authority.

The purpose of the meeting was to launch the work of the three Financial Inclusion Working Groups: ‘Consumer Empowerment,’ ‘Innovative Financial Products,’ and ‘Small and Medium-sized Enterprises (SMEs) and Entrepreneurship.’ These groups aim to contribute to the implementation of the National Financial Inclusion Strategy and its defined objectives as outlined in

the strategy’s action plan.

During the meeting, a summary of the latest developments in the implementation of the National Financial Inclusion Strategy was presented, along with the key achievements made in the previous period. Discussions also centered around the reassessment of financial inclusion in Palestine and the comprehensive field survey, which is scheduled to be conducted in the current year, 2022.

Within the Activities of the Arab Financial Inclusion Day 2022.

The Capital Market Authority issues a report on the challenges and opportunities in implementing the National Financial Inclusion Strategy, specifically concerning the non-banking financial sector.

The Capital Market Authority issued a report today, Wednesday, on the challenges and opportunities in implementing the National Financial Inclusion Strategy as part of the Arab Financial Inclusion Day activities, in response to the initiative of the Arab Monetary Fund.

The report addressed a set of challenges that faced the implementation of the National Financial Inclusion Strategy in Palestine, primarily stemming from the financial and economic policies of the occupation, especially the crises of clearance and the cessation of tax transfers by the occupation, which it collects on behalf of the Palestinian government. The first crisis occurred in 2019, followed by the second crisis at the

beginning of 2020.

These two crises resulted in the interruption of salaries for public sector employees and the suspension of governmental financial transfers. The Palestinian government was unable to meet its financial obligations to private sector suppliers of goods and services, leading to a sharp decline in their basic needs and the ability to fulfill their pensionary financial commitments, particularly those related to the financial sector, such as loan repayments, insurance premiums, and monthly installments on financial leasing contracts, among other financial obligations. Consequently, this led to a significant decrease in the overall demand in the Palestinian economy due to a sharp reduction in Palestinian citizens' per capita income levels.

The report also discussed the effects of the COVID-19 pandemic. The pandemic, which began in the first quarter of 2020, had negative impacts on all aspects of life worldwide, and the Palestinian economy was not immune to its repercussions. In fact, the Palestinian economy experienced more severe consequences due to the preexisting challenges, including the two clearance crises, and the absence or weakness of intervention tools by the Palestinian government. One of the key factors contributing to this challenge is the absence of a national currency, which limits the government's ability to implement monetary policies, quantitative easing mechanisms, or fiscal policy tools, similar to other countries.

These factors resulted in a lack of tangible progress in financial inclusion indicators during the first four years of implementing the strategy. Conversely, it is noteworthy that the non-banking financial sectors were not significantly negatively affected by the repercussions of the COVID-19 pandemic. This was evident in the absence of a sharp and sustained decline in financial inclusion indicators. These indicators rebounded in 2021 to levels approximately to those

achieved in 2019, essentially returning to pre-pandemic levels. One of the reasons for this is that most insurance policies are annual and are typically issued at the beginning of the year (for general insurance), so when the pandemic hit in March 2020, many of these policies had already been issued. The same applies to financial leasing contracts.

The report recommends conducting a comprehensive assessment of the financial inclusion landscape in Palestine in light of the achievements and implementation of the National Financial Inclusion Strategy. This assessment should also consider the recent developments in the financial sector and the use of financial and insurance technology. Furthermore, it suggests a reevaluation of the strategic objectives outlined in the Financial Inclusion Strategy and its corresponding implementation plan, with any necessary adjustments based on the evaluation results, including a reconsideration of priorities and needs.

The full report can be accessed by visiting the following link: Arab Financial Inclusion Day 2022 Reports – Capital Market Authority (pcma.ps).

The PCMA Prohibits Insiders from Trading for Seven Companies that have Failed to Disclose.

The Capital Market Authority has decided to prohibit insiders and their relatives from trading in securities on the Palestine Exchange until the disclosure of financial data for

the first quarter.

Seven (7) out of forty seven (47) listed companies on the Palestine Exchange have failed to comply with the legal deadline for disclosing interim financial data for the first quarter of 2022. These companies are:

- Ahlia Insurance Group (AIG)
- Al Mashreq Insurance (MIC)
- Palestine Insurance Company (PICO)
- Dar Al-Shifa Pharmaceuticals (PHARMACARE)
- Golden Wheat Mills (GMC)
- Palaqar (PALAQAR)
- Sanad Construction Resources (SANAD)

This decision is based on Article 3/1/d of the current disclosure regulations of the Palestine Exchange, which stipulates that 'listed companies must disclose interim data to the market by preparing a periodic report (quarterly) in accordance with International Accounting Standards within a maximum period of 45 days from the end of each three-month period, subject to external audit by the company's external auditor.'

The PCMA Prohibits Trading for Insiders in a Number of Companies Due to Non-Compliance with Disclosure

Instructions.

The Capital Market Authority has decided to prohibit insiders and their relatives from trading in securities until the annual report is disclosed, in accordance with the provisions of Article (2) of Instructions No. (1) of 2019, for four companies listed on the Palestine Exchange. These companies are: Ahlia Insurance Group (AIG), Palestine Insurance Company, Dar Al-Shifa Pharmaceuticals, and Sand Construction Resources.

This decision is based on the provisions of Article (35) of the Securities Law No. (12) of 2004.

The Capital Market Authority Launches Islamic Index Guidelines for Companies Listed on the Palestine Exchange.

The Capital Market Authority has launched special standards for the listing of shares of public shareholding companies, listed on the Palestine Exchange, that are compatible with Islamic Sharia principles. These companies will be included in a dedicated index named after the eternal capital of Palestine, called the 'Al-Quds Islamic Index.'

This initiative is in line with the objectives that the Capital Market Authority seeks to achieve, specifically within its strategic plan 2021-2025, related to developing the

ecosystem for Islamic financial services in Palestine.

The standards include issuing regulatory controls to create an Islamic index based on Standard No. (21), which is related to financial transactions in securities including stocks and sukuks, issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

In the same vein, this decision provides greater capacity to meet the needs of investors seeking Sharia-compliant investment opportunities, and keeps pace with the increasing demand for ethical investment by investors in Islamic countries and beyond.

The process of reviewing and certifying the shares of the companies included in this index will be conducted annually, in conjunction with the announcement of the list of Sharia-compliant companies, and is prepared in accordance with the Palestine Exchange standard for issuing, owning and trading shares.

It is worth noting that the Higher Sharia Supervisory Board adopted the regulatory criteria for the Islamic Index guidelines for companies listed on the Palestine Exchange during their Special Meeting No. (4) of 2021.

The Capital Market Authority Organizes a Meeting on the Role of Incubators in

Promoting Financial Technology.

The Capital Market Authority organized a roundtable discussion titled ‘The Role of Incubators and Business Accelerators in Promoting Financial Technology in the Non-Banking Financial Sector.’ The event included the participation of several Palestinian and Arab incubators as part of the ongoing collaboration with the German Agency for International Cooperation (GIZ).

The meeting was inaugurated by the General Director of the PCMA, Barraq Al-Nabulsi, who affirmed the PCMA’s strategy. He emphasized that the PCMA has given priority to financial technology in its five-year strategy, placing the enhancement of financial technology in the non-banking financial sector at the top of its priorities and at the forefront of its action plans.

Al-Nabulsi emphasized the PCMA’s readiness to collaborate and partner with the incubators and the business accelerators sector, aiming to establish mechanisms that regulate the relationship and contribute to the growth of this sector due to its significant impact on the national economy.

The meeting is part of the PCMA’s ongoing efforts to promote the use of financial technology in the non-banking financial sector and create a supportive legal and regulatory environment for this sector.

Karim Samra, the founder of Changelabs, emphasized that the financial technology sector is considered the largest source of capital investment in the Middle East and North Africa region. During the meeting, attention was drawn to the local Palestinian economy, startups, and entrepreneurs to seize this opportunity and invest in the financial technology sector.

By the same intimation, Dr. Bashar Abu Zarour, the Director of the Digital Financial Services and Innovation Directorate at the PCMA, presented mechanisms for creating specialized paths in financial technology within the incubators and business accelerators. He highlighted the key characteristics that distinguish technology-based innovations in the non-banking financial sector.

The participants recommended the importance of enhancing communication between regulatory authorities and business accelerators and incubators to develop a national roadmap for promoting the use of financial technology in the non-banking financial sector.

The Capital Market Authority Issues Amendments to Regulations Related to Disclosure

The Board of Directors of the Capital Market Authority issued amendments to extend the disclosure period for the financial reports of public shareholding companies listed on the Palestine Exchange, which are reviewed by the external auditor, for both the first and third quarter period from 30 days to 45 days.

The amendment came to give public shareholding companies listed on the Palestine Exchange and their auditors sufficient time to review the financial statements for the first and third quarters and issue them within the specified legal period, especially with the presence of public shareholding

companies listed on the Palestine Exchange with multinational holding investment activity whose commercial activities spread in many countries and markets, regional and foreign, hence reviewing and preparing the financial statements from the external auditor for these groups requires an appropriate period of time.

The PCMA has announced new regulations related to disclosure by member companies in the Palestine Exchange. This includes requiring member companies to prepare a semi-annual report audited by an external auditor instead of relying on the company’s internal auditor.

The new regulations aim to enhance disclosure efficiency and transparency, aligning with best practices in the field of disclosure for member companies in their dealings with shareholders and clients. They seek to achieve a higher level of transparency, especially in light of ongoing efforts to formalize new licenses related to foreign exchange activities. This necessitates strict oversight within precautionary measures to ensure the stability of such activities and those engaged in them.