

Annual Report 2022

Foreword by the Chairman



At the beginning of each year since assuming the Chair of the Board of Directors of the Palestine Capital Market Authority, I take the time to write a presentation relating to the annual report of the previous year. As I did this work in early 2023, I thought not only of the PCMA's achievements and work in 2022, but also of the period since September 2015 when I assumed the Chairmanship of the PCMA and its Board of Directors, as this will be the last submission I write of an annual report issued by the PCMA, as 2023 will mark the end of my second and final term, under the Capital Market Authority Law, as I would have served eight years in this position.

While each year brings with it new experiences and challenges, our mission, core duties and essence at the PCMA remain unchanged. We always aspire to achieve the goals of the PCMA and provide a conducive environment for the growth of the non-banking financial sectors, as defined in the law, where the PCMA undertakes supervisory and regulatory tasks as part of the efforts made by state institutions to achieve economic growth, improve the standard of living and ensure prosperity for citizens. We carry out our mission under all circumstances, constantly burdened by the illegal Israeli occupation of the Palestinian land, which practices policies of killing, oppression and destruction of the national economy and financial stability without international deterrence, in a world governed by self-interests, injustice and double standards. Additionally we face other adverse circumstances that are beyond our control, such as the Covid-19 pandemic during the last two years. Nevertheless, we continue to work towards accomplishing the goals of the PCMA cumulatively, driven by our determination and our confidence in the justice of our cause and the inevitability of ending the Israeli occupation and achieving liberation. This is overseen by the PCMA's Board of Directors, and translated into action by the dedicated and committed employees of the executive management, the general administrations and the supporting units through their diligent and dedicated work.

Over the past seven plus years, through these efforts, the PCMA has achieved financial stability and almost complete self-sufficiency. While the PCMA still seeks financial and technical support from donor countries and development support institutions for its ongoing development projects in fields witnessing continuous global development, especially financial technology and financial inclusion, the PCMA also aims to reduce dependence on such assistance for basic needs. It has

already succeeded in doing so, to a degree that it can fully cover its annual recurring budget through its own resources. It has also been able to provide a high percentage of the requirements for establishing its own modern building, designed with the latest scientific and technological advancements in its fields of work, including environmental protection measures. This is the first time since the PCMA's establishment almost two decades ago that it has been able to do so, eliminating the need to rent unsuitable buildings originally designed for residential purposes. At the time of writing this report, Construction work of the PCMA building has already commenced, which is being constructed on land allocated for this purpose in the town of Surda-Abu Qash, adjacent to cities of Ramallah and Al-Bireh cities. Hopefully, the building will be ready within the next two years. I would also take this opportunity to express by gratitude to His Excellency the President of the State of Palestine, His Excellency the Prime Minister and His Excellency the Minister of Public Works for the support they have provided in this endeavor.

I will not attempt to summarize in this presentation the numerous details of the work carried out by the PCMA, in the past year, as any summary will not compensate for the need to read the entire report. I invite the esteemed reader to do so. However, I would like to draw attention to the fact that despite the significant achievements and remarkable and noticeable progress made by the PCMA in certain sectors, there are goals in the PCMA's strategic plan of 2021-2025 and beyond that are awaiting accomplishment. We are aware that merely identifying challenges and problems is only an important initial step on the path to achieving progress and growth in these sectors.

As Chairman, I have had the privilege of serving on the board of directors of the PCMA, alongside members with formal, financial, academic and private sector backgrounds. It was an honor to work with them, and I would like to take this opportunity to express my gratitude for their contributions to the Board's work and their collaboration in our joint efforts to enhance the PCMA. Additionally, I thoroughly enjoyed working with the PCMA's staff, particularly the Director General, the General Managers, the heads of the main supporting units in legal affairs and information technology, the Director of the Chairman's Office, as well as all the PCMA's employees and staff in various positions. Although my familiarity and professional contact with them vary depending on their positions, I closely witnessed how this team operates as a whole with high professionalism and dedication to the public interest, exerting effort to uplift this institution that deals with an important non-banking financial sector in the country.

My tasks at the PCMA were not always easy. While the role of Chairman of the Board of Directors may not require extraordinary effort for someone in such a position, my work as Chairman of the PCMA often demanded involvement in the details of the daily operation - without interfering in the realm of executive management. During my tenure, the PCMA faced numerous challenges, which is normal. I believe that it successfully confronted and overcome most of these challenges by adhering to the laws and regulations while maintaining flexibility in dealing with entities overseen and monitored by the PCMA. This was an opportunity for me to have utilized my previous experience in various positions and to continue learning. It is said that "Learning when young is like carving in rock", meaning that it always leaves a lasting impact. This holds true in adulthood as well although it can be difficult task in many cases. However, knowledge in adulthood often proves to be enjoyable, especially when it requires problem-solving skills, which I chose to learn half a century ago through the study of physics and mathematics. For this opportunity, I am grateful to those who entrusted me to serve these positions.

Chairman of the Board

Nabeel Kassis

Preamble

Preamble > Vision, Mission and Goals

Preamble

The Palestine Capital Market Authority is an institution that enjoys legal personality, financial and administrative independence, and legal performance in accordance with Article No. 2 of the Capital Market Authority Law number 13 of 2004.

The PCMA aims to create the appropriate environment to achieve stability and growth in the capital market, by regulating, developing, and supervising the activities of the non-banking financial sectors (securities, insurance, financial leasing and financial mortgage, in addition to Islamic financial products and services). The PCMA also works on regulating the financial technology, with the aim of protecting the rights of customers and investors.

Vision

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

Mission

Regulating, supervising, and monitoring 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

1. Enhancing the use of financial technology in the non-banking financial sector and providing the suitable environment therefor.
2. Promoting Islamic Sharia-compliant financing services and tools.
3. Sustainability of the financial sectors under the supervision of the PCMA and enhancing its stability.

Capital Market Sectors

Capital Market Sectors > Securities Sector

Capital Market Sectors > Securities Sector > Introducing the Sector

Despite the factors surrounding the local investment environment and the lack of liquidity in the market, the year 2022 witnessed a number of positive signs indicating the ability of the securities sector to continue and grow. During 2022, approximately US\$ 473 million was traded, corresponding to an increase of 13% of the trading values in comparison of 2021, thus recording one of the highest annual trading values achieved by the Stock Exchange over the course of thirteen years since 2010. The number of shares traded in this year increased by 21%, reaching approximately 244 million shares, through approximately 35 thousand transactions, an increase of 4% over the number of transactions executed during the previous year 2021. The daily average of trading was about US\$ 1.9 Million, distributed over 247 trading sessions, while the market value of the Stock Exchange at the end of 2022 reached the highest number in its history, about US\$ 4.9 Billion, corresponding to an increase of 11% compared to 2021.

It should be noted that the noticeable increase in trading volumes, referred to above, came as a result of executing the largest deal in the history of the Palestine Exchange, with a value of approximately US\$ 51 million involving Palestine Development and Investment Company.

Capital Market Sectors > Securities Sector > Major Developments of 2022

Legislative Environment

- Issuance of the Islamic index controls for companies listed on the Palestine Stock Exchange, and approving the "Quds Islamic Index," according to what has been approved by the Higher Sharia Supervisory Board in Palestine.
- Preparation of a draft system for dealing in foreign stock exchanges in implementation of the provisions of Article (2/3) of Decree No. (17) of 2009 regarding dealing in foreign stock exchanges, and recommending it to the Palestinian Cabinet for approval.
- Preparation and publication of draft directives relative to companies purchasing their own shares for the purposes of general advice of those interested, and to make recommendations accordingly.
- Conducting preliminary studies of a number of legislations relating to the companies purchasing and disposing of their shares, the transformation of the legal form of listed public shareholding companies, the regulation of dealing in the parallel market, the central custody of issuers of securities not listed in the regular market, and the governance of family companies.

Monitoring the Capital Market Institutions

The General Administration of Securities, through the Market Operations Supervision Department, continued its efforts to provide an appropriate climate for investment in securities, and to promote the Palestinian capital market in accordance with the highest international standards and practices, specifically the principles emanating from the International Organization of Capital Markets Supervisory Authorities (IOSCO), through:

- **Monitoring of Trading:** by spotting violations of behaviours and dealings of some listed securities, and dealing with them and with clients investing in such securities in accordance with the regulatory controls. As for the regulatory warnings that affect the closing prices of securities, 13 cases of price impact cancellation were dealt with as a result of the sudden change in the closing price of the security during the last five minutes of the trading session. The action of cancelling the price impact aims to enhance investors' transparency of trading and to protect the rights of dealers in the security.
- **Financial Analysis:** by reviewing financial disclosures and periodically following up on the solvency reports of member securities companies, to ensure their compliance with the Securities Law and the solvency directives issued by the PCMA, in a way that ensures maintaining the safety and stability of the member securities companies' positions, and preserving the funds and rights of their investors.
- **Inspection:** the inspection team is considered the monitoring arm over the entities and parties licensed by the PCMA. During the year 2022, two inspection rounds were completed according to the approved plan relating to risk-based inspection and combating money laundering and terrorist financing. The inspection team was also dispatched to carry out specialized tours at the request of the Financial Follow-up Unit.
- **Complaints:** During 2022, the General Administration of Securities dealt with five written complaints, based on which the PCMA took the legal measures for the purpose of protecting the rights of those dealing in the market.

Services provided to the Sector:

- **Licensing:** One of the main tasks of the PCMA is to license the activities and business of securities, which contributes to maintaining the integrity of dealing in the Securities Sector, protecting the Sector from risks that may be exposed to it, and protecting those dealing with it. The General Administration of Securities has granted the following licenses and renewed the activities and business of securities to the following entities for the year 2023 as follows:
 - Licensing of eight member securities companies to carry out financial brokerage activities for its own account and for the account of third parties and to manage issuances.
 - Licensing of 27 accredited brokers and 7 financial advisors.
 - Licensing of 5 banks to act as custodians.
 - Licensing the Palestine Stock Exchange.
 - Licensing of other legal bodies to practice the activity of an investment advisor and issue management.
- **Issuances:** the PCMA agreed to increase the capital of thirteen listed companies, as follows:

Company	Issuance type	Number of Shares
1. Arab Palestinian Investment - APIC	Stock dividends	7,000,000
2. Ibn Sina Specialized Hospital	Secondary public subscription	8,000,000
3. Bank of Palestine	Stock dividends	6,525,050
4. Arab Islamic Bank	Stock dividends	4,500,000
5. Al Quds Bank	Stock dividends	3,566,204
6. Palestine Islamic Bank	Stock dividends	5,000,000
7. Sanad Construction Resources	Private subscription	13,121,264
8. Sanad Construction Resources	Stock dividends	7,996,881
9. Birzeit Pharmaceuticals	Stock dividends	19,382,449
10. Al Mashriq Insurance	Stock dividends	1,500,000
11. The Ramallah Summer Resorts	Stock dividends	300,000
12. Dar Al-Shifa Pharmaceuticals	Stock dividends	406,132
13. The National Bank	Stock dividends	8,503,653

- **Disclosure:** Initial and periodic accurate disclosure and making available the information to the public and dealers in securities, are among the main objectives of the PCMA that aim to reaching a stock exchange characterized by fairness, efficiency and transparency. The General Securities Department follows up the commitment of the companies that issue securities to the provisions of the Securities Law No. (12) of 2004 and the instructions of the disclosure system issued by the PCMA and the Stock Exchange, and takes the necessary measures against violators.

The following table shows the extent of commitment of listed companies to disclose periodic reports during 2022:

Periodic reports	Disclosure deadline	Listed companies	Compliant companies	Compliance percentage
Initial financial statements for 2021	15/2/2022	47	45	96%
Annual reports for 2021	31/3/2022	47	43	91%
First quarter financial statements 2021	31/5/2022	47	37	79%
Semi-annual reports for 2021	15/8/2022	49	46	94%
Third quarter financial statements 2021	16/11/2022	49	47	96%

Capital Market Sectors > Insurance Sector

Capital Market Sectors > Insurance Sector > Introducing the Sector

The most prominent statistics and results in the insurance market:

Insurance premiums amounted to 396 million US\$ for the year 2022, while they were 363 million US\$ in 2021; with a growth rate of 9%. The total compensation paid to beneficiaries of insurance coverage increased from US\$ 227.9 million in 2021 to US\$ 255.8 million in 2022, with a growth rate of 12%.

Insurance companies achieved net profits of US\$ 21.7 million in 2022, compared to US\$ 12.4 million in 2021, an increase of 68.2%.

The insurance penetration rate, which represents the total premiums of the insurance portfolio attributable to the gross domestic product at current prices at the end of the year 2022, was approximately 2.07%, compared to approximately 2% at the end of the year 2021. The insurance density increased to about US\$ 73.08 at the end of 2022 from US\$ 68.6 at the end of 2021, as this ratio refers to the individual's share of the total insurance portfolio.

Year	Total Premiums (in USD Million)	Population (in millions)	Gross Domestic Product (in US dollars)	Average individual spending on insurance	Insurance percentage in gross national product (%)
2018	279,370,598	4.6	16.277	56.8	1.72
2019	302,509,068	4.7	17.134	60	1.77
2020	303,244,103	4.8	15.561	58.72	1.95
2021	363,019,897	5.2	18.036	64.55	1.89
2022	396,012,710	5.4	19.112*	73.08	2.07

* According to the estimated data issued by the Palestinian Central Bureau of Statistics.

Types and branches	2020	2021	Growth rate (%) 2020/2021	2022	Growth rate (%) 2021/2022
Vehicle insurance	208,203,153	250,481,204	20.31	274,437,047	9.56
workers insurance	24,105,476	27,630,301	14.62	30,231,348	9.41
health insurance Civil	32,103,237	38,009,154	18.40	40,806,747	7.36
Liability Insurance	4,238,377	4,980,362	17.51	5,170,864	3.83
Other insurances	4,873,296	7,040,572	44.47	8,452,926	20.06
Fire insurance	15,753,554	18,535,124	17.66	18,579,776	0.24

Marine insurance	1,542,319	1,858,807	20.52	1,938,222	4.27
Engineering insurance	6,061,942	7,377,363	21.70	7,764,396	5.25
Life insurance	6,362,749	7,107,010	11.70	8,631,384	21.45
Total premiums	303,244,103	363,019,897	19.71	396,012,710	9.09

Year	2016	2017	2018	2019	2020	2021	2022
Premiums	215,249,149	255,421,729	279,370,598	302,509,068	303,244,103	363,019,897	396,012,710
Paid compensation	122,632,194	144,320,228	166,307,996	182,660,629	179,630,303	227,977,187	255,872,881

Capital Market Sectors > Insurance Sector > Major Developments of 2022

1. The draft Insurance Law has been prepared and submitted to the Council of Ministers for the purpose of completing the necessary procedures for its approval and issuance in accordance with the rules.
2. During 2022, the Insurance Companies' Supervision Department continued reviewing the financial statements and actuarial reports, updating the risk registers, and the issuance of certificates of financial solvency for insurance companies. Reviewing the quarterly and semi-annual financial statements and final financial statements of the insurance companies contributes to achieving many objectives in the work environment, including: granting the PCMA's no objection to publishing such data, and carrying out financial and technical analysis of insurance companies, and thus examining the companies' ability to fulfil their obligations by reviewing the solvency margin (capital adequacy), and issuing solvency certificates. The PCMA has also worked on issuing the periodic statistical database for the insurance sector, developing the risk-based control methodology, as well as following up on insurance companies regarding the preparations and procedures undertaken by the PCMA in preparation for the implementation of the International Financial Reporting Standards No. 9 and 17 (IFRS17 IFRS9).
3. A part of the annual plan for field visits to the headquarters of insurance companies and their branches was implemented, as 113 monitoring rounds were carried out during 2022, which focused on following up on the implementation of insurance companies and insurance professionals with the provisions of the Insurance Law and the secondary legislation issued pursuant thereto.
4. With respect to following up on complaints received by the PCMA, the Complaints Department dealt with 73 complaints submitted to it during the year 2022, out of which 67 complaints were dealt with and closed, while 5 complaints remained incomplete, and therefore cannot be considered, while one complaint is being followed up.
5. Approval was granted by the PCMA's Board of Directors to license a new Takaful insurance company, "Al Baraka Islamic Insurance", which is expected to start its operations in early 2023.
6. With respect to renewal of licenses for insurance companies and other insurance professionals for 2022, insurance licenses have been renewed for all insurance companies approved by the PCMA, as well as licenses for insurance professionals registered in the records of the General Administration of Insurance. Licenses for insurance professionals who failed to comply with the licensing conditions were cancelled.

Services provided to the Sector:

- **Granting, declining and renewing practice licenses to insurance companies and insurance agents and professionals:**

The licenses of insurance companies and insurance professionals have been renewed, as shown in the table below. One license was granted to a commission agent, 2 licenses to insurance brokers, and 2 licenses to insurance services management. In contrast, licenses for insurance professions were cancelled according to the directives in place, whereby seven licenses of insurance agents were revoked. The PCMA also renewed licenses to practice for insurance companies in 2022, as follows:

Insurance companies operating in Palestine for the year 2022

License number	Company	Licensed insurance categories
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2	Al Mashriq Insurance Company	Vehicles and related responsibilities. Maritime, aviation, transportation and related responsibilities. Fire, theft and allied dangers. General accidents and civil liabilities. Health insurance. Other categories of insurance.
3	Palestine Insurance Company	Vehicles and related responsibilities. Maritime, aviation, transportation and related responsibilities. Fire, theft and allied dangers. General accidents and civil liabilities. Health insurance. Other categories of insurance.
4	American Life Insurance Company	Life insurance.
5	National Insurance Company	Vehicles and related responsibilities. Maritime, aviation, transportation and related responsibilities. Fire, theft and allied dangers. General accidents and civil liabilities. Health insurance. Life insurance. Other categories of insurance.
7	Trust International Insurance Company	Vehicles and related responsibilities. Maritime, aviation, transportation and related responsibilities. Fire, theft and allied dangers. General accidents and civil liabilities. Health insurance. Life insurance. Other categories of insurance.
8	Al-Ahlia Insurance Group Company	Vehicles and related responsibilities. Maritime, aviation, transportation and related responsibilities. Fire, theft and allied dangers. General accidents and civil liabilities. Health insurance. Other categories of insurance.
9	Palestine Mortgage Insurance Company	Mortgage Lending Insurance.
10	Al-Takaful Palestinian Insurance	Vehicles and related responsibilities. Maritime, aviation, transportation and related responsibilities. Fire, theft and allied dangers. General accidents and civil liabilities. Health insurance. Life insurance. Other categories of insurance.
11	Global United Insurance Company	Vehicles and related responsibilities. Maritime, aviation, transportation and related responsibilities. Fire, theft and allied dangers. General accidents and civil liabilities. Health insurance. Life insurance. Other categories of insurance.

Vehicles and related responsibilities.
Maritime, aviation, transportation and related responsibilities.
Fire, theft and allied dangers.
General accidents and civil liabilities.
Health insurance.
Life insurance.
Other categories of insurance.

Capital Market Sectors > Financial Leasing Sector

Capital Market Sectors > Financial Leasing Sector > Introducing the Sector

The PCMA continues to monitor and supervise the financial leasing sector in accordance with the legal system regulating this sector, including Laws, Directives, and Decisions. The PCMA works in a manner that ensures compliance of the entities subject to its control within this scheme. In addition, the PCMA seeks to achieve a balance between the rights and obligations of each of the tenants and landlords, and to encourage the work of these companies within a fair competition environment.

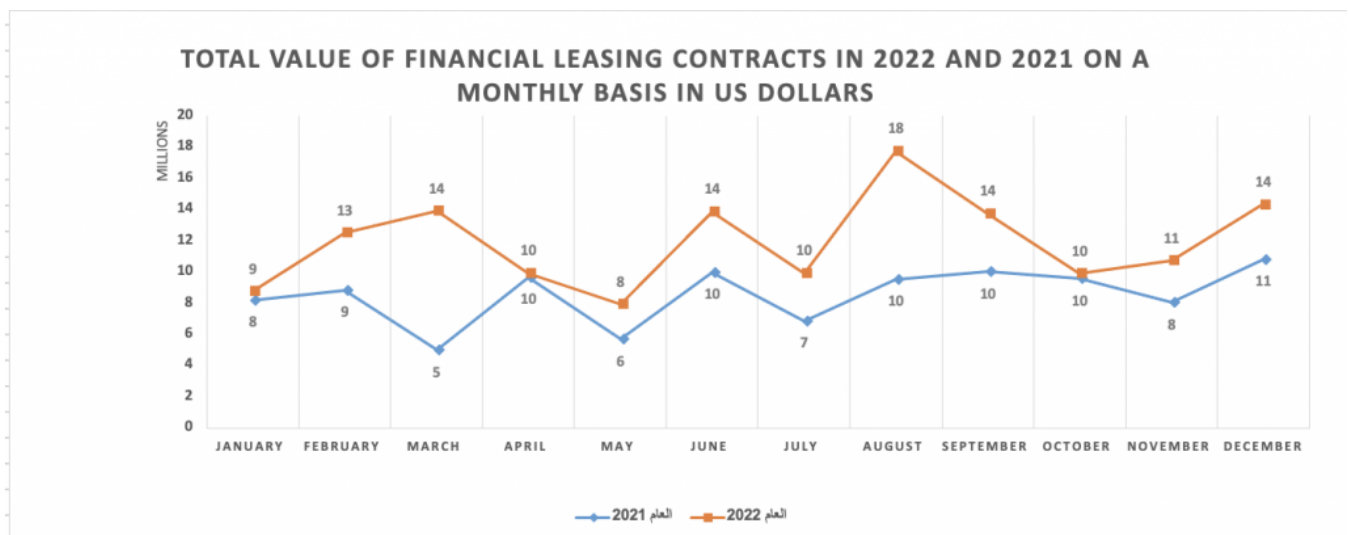
In 2022, the financial leasing sector proved its ability to resist during crisis, and achieved double-digit growth rates after the Covid-19 pandemic, which left an impact over all countries of the world. This sector witnessed a growth in the number of contracts registered with the PCMA during the past years, to reach a record number of 2800 contracts in 2022, with a total investment in financial leasing contracts amounting to US\$ 143,141,843 in 2022.

Capital Market Sectors > Financial Leasing Sector > Major Developments of 2022

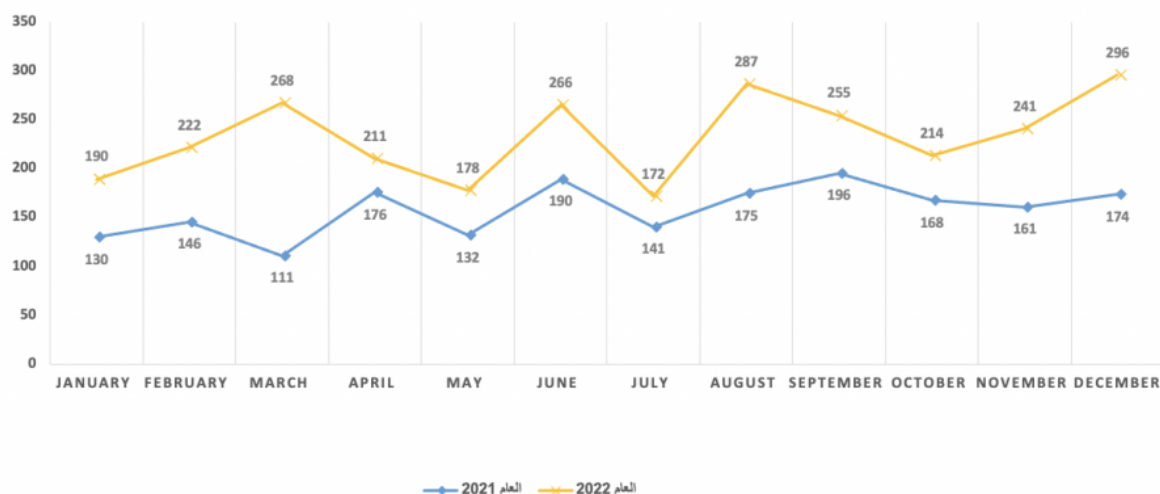
Sector Statistics

Following the PCMA requesting additional information upon registering financial leasing contracts, and classifying this information on the electronic system for registering financial leasing contracts, the PCMA was able to prepare more detailed statistics relating to the financial leasing sector in terms of served economic sectors, types of movable assets leased as financing leases other than vehicles, the actual uses of the vehicles; whether for commercial or personal use, the actual addresses where the assets will be used, and thus determine the governorates' share of the portfolio of financial leasing contracts that reflects reality. This information will benefit the PCMA and companies in becoming more aware of the financial leasing sector, so that it helps the PCMA in setting appropriate regulatory and development policies for this sector, as well as helping companies in increasing their ability to plan and develop appropriate marketing policies, and develop plans to penetrate underserved sectors.

The total investment in financial leasing contracts registered with the PCMA amounted to US\$ 143 million, with 2,800 contracts as of the end of 2022, representing an increase of 40% compared to 2021, and 47% in relation to the number of contracts. This increase came as a result of the companies returning to their activities after a year of recovery from the Covid-19 pandemic, increasing awareness of financial leasing activity, and increasing companies' access to various governorates. The following graphs show the monthly growth in financial leasing contracts in terms of value and number between the years 2021 and 2022:

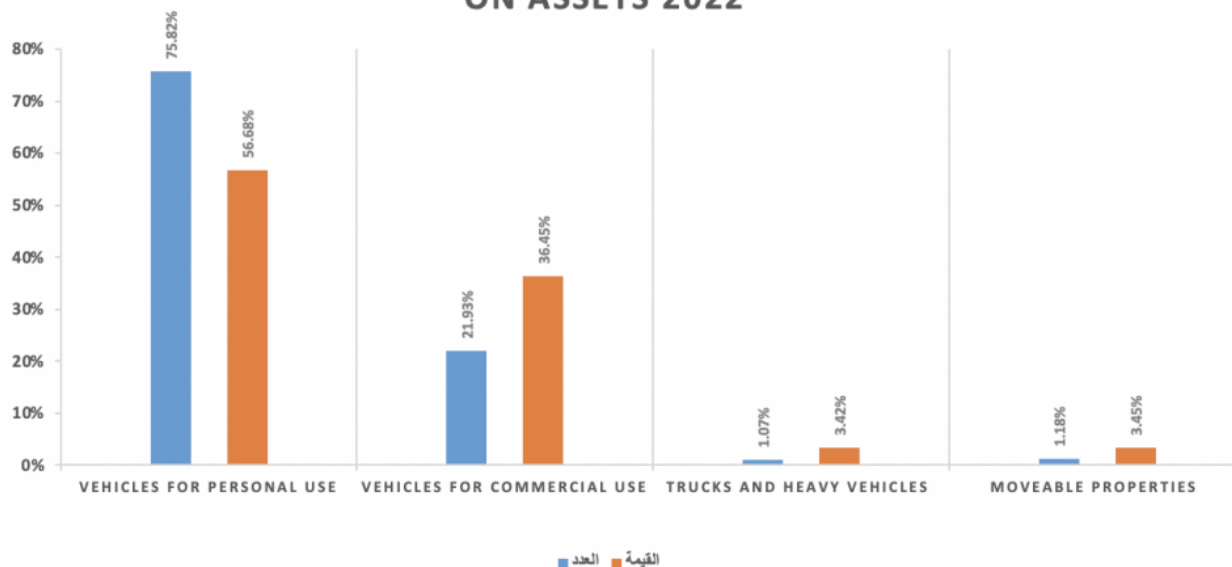


THE NUMBER OF FINANCIAL LEASE CONTRACTS IN 2022 AND 2021 ON A MONTHLY BASIS



As for the distribution of the portfolio of financial leasing contracts in 2022 according to the type of assets and the purpose of use, and following the reclassification of the financial leasing contracts, the four classifications into which the moveable assets are classified are: vehicles for personal use, vehicles for commercial use, engineering equipment, trucks and heavy vehicles, and finally, the movable assets or properties such as machines, equipment, production lines, and others. The chart below shows the distribution of the portfolio in these categories for 2022:

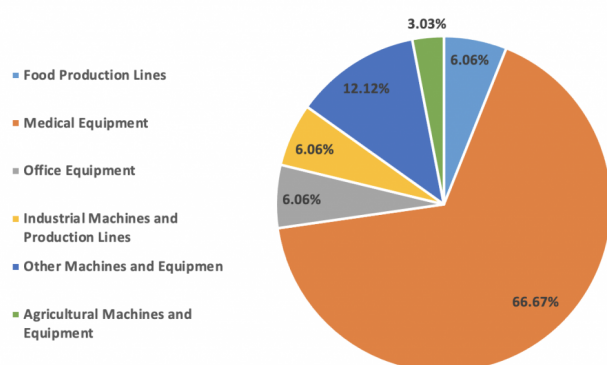
DISTRIBUTION PORTFOLIO OF THE FINANCIAL LEASING BASED ON ASSETS 2022



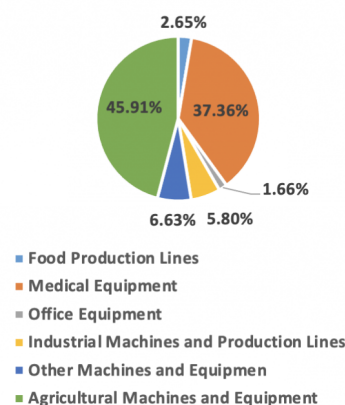
Below is also a chart that reflects the distribution of the category of moveable assets - moveable properties (machinery, equipment, production lines, etc...) in terms of the type of assets, value and number, as the reclassification of financial lease contracts enabled us to classify these assets according to their type, and to know the share of each one of them

from the moveable assets portfolio, as follows:

Number of contracts - moveable assets 2022

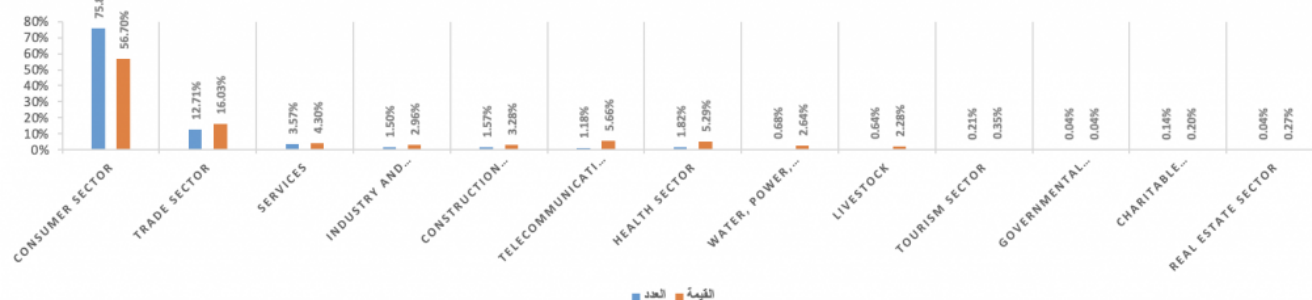


Value of contracts - moveable assets 2022

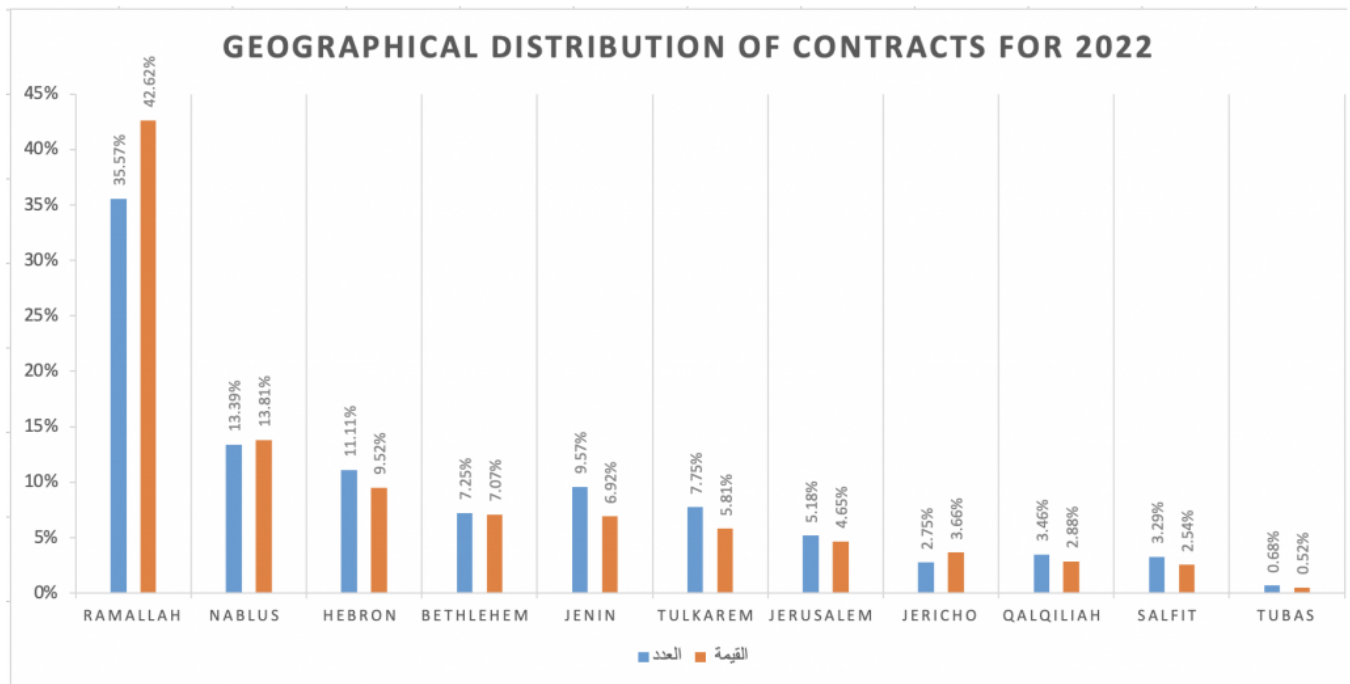


As for the share of each economic sector in the financial leasing portfolio, the following chart shows the share of each sector in term of the contracts, value and quantity. The reclassification of the financial lease contracts for the contracts registered on the electronic system enabled the PCMA to identify the sectors served, and the share of each sector in the portfolio of financial lease contracts.

DISTRIBUTION OF ECONOMIC SECTOR PORTFOLIO 2022

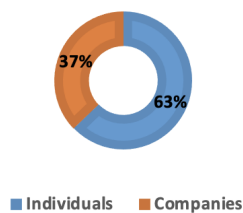


With regard to the geographical distribution of the contract portfolio, Ramallah and Al-Bireh governorate accounts for the largest share of the portfolio by 43% in terms of the value of financial lease contracts, and 36% in terms of their quantity, followed by Nablus governorate, and then Hebron governorate. This distribution is compatible with the structure of the economy and the concentration of businesses in the governorates. The reclassification of financial leasing contracts on the electronic system, by requesting the real-actual address of the lessee, in addition to the address mentioned in identity cards, contributed to determining the governorate in which the actual use of the asset will be made, and thus the geographical distribution reflects the reality of the situation. The following is the graphical geographical distribution of financial leasing contracts, by value and quantity, by governorate:

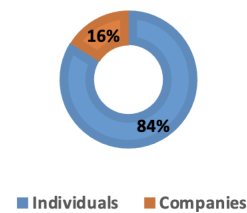


As for the nature of the tenants; whether as an individual or a company, it is shown in the following charts, where the Decree allows the tenant to be a natural or legal person, and these statistics help in identifying the percentage of each of the two categories of the portfolio (quantity or value). However, to learn more about the type of benefit and use of assets, the classification of financial lease contracts was used to learn more about the purpose of using the assets leased as a financial lease; whether the tenant is an individual or a company:

TYPE OF LESSEES ACCORDING TO THE TOTAL VALUE OF CONTRACTS IN 2022



TYPE OF LESSEES ACCORDING TO THE NUMBER OF CONTRACTS IN 2022



Capital Market Sectors > Financial Leasing Sector > Factoring

Based on the PCMA's role in regulating, controlling and supervising the activities of non-banking financial institutions, including factoring activity, in order to ensure the provision of this type of financing, which will contribute to enhancing liquidity in the Palestinian capital market, and assist small and medium enterprises in obtaining appropriate financing to finance working capital, the PCMA has completed its activity to build the legislative environment that regulates this activity.

Major Developments:

Following the initiation of the development of the factoring activity project, in cooperation with the European Bank for Reconstruction and Development, and reaching a preliminary version of the draft law, several meetings were held, remotely, with the regional team (the office in Jordan and the office in Palestine) responsible for drafting the law in Arabic. The administration and the legal department of the PCMA participated in such meetings, where the draft law was discussed and certain amendments were made thereto. The experiences of the countries that issued the law (the United Arab Emirates) were taken into consideration. A final draft in an agreed upon version was reached that is compatible with local laws and capable of being implemented, which will be submitted to the PCMA's Board of Directors.

Capital Market Sectors > Mortgage Finance Sector

Capital Market Sectors > Mortgage Finance Sector > Introducing the Sector

In accordance with the Capital Market Authority Law No. (13) of 2004, the PCMA carries out monitoring and supervision over the mortgage financing sector, in view of its primary objective of creating an appropriate environment to achieve capital stability and growth in addition to protecting the rights of investors, by preparing the legislative environment regulating the work of the mortgage financing sector, including real estate appraisers, noting that banks dominate the primary market for the mortgage financing sector due to the high liquidity enjoyed by the Palestinian banking sector, which posed a challenge for mortgage financing companies to compete and operate within the direct (primary) market for the mortgage financing sector.

As for the secondary market for the mortgage finance sector, the Palestine Mortgage Finance Corporation is still operating in the market through its financing arm, the Palestine Mortgage Finance Corporation, which had a significant impact on the extension and expansion of the mortgage finance market, due to its major role in refinancing mortgage loan portfolios of banks. However, due to the availability of liquidity in banks, the granting of financing facilities, and the increase of informal activity in the field of real estate financing, this has led to a decline in the activity of the secondary market represented by the Palestine Mortgage Finance Corporation, to refinance mortgage loans. However, given the recent global interest rate hike, and its impact on borrowers in Palestine and on deposits, it is expected that the Company will have an opportunity to return and resume its activity in refinancing loan portfolios to banks.

Capital Market Sectors > Mortgage Finance Sector > Major Developments of 2022

In continuation of the special efforts in cooperation with the Land Authority, the Chairman of the Board of Directors of the PCMA, Dr. Nabeel Kassis, and the President of the Palestinian Land Authority, Judge Muhammad Ghanem, signed a memorandum of understanding to develop work in the field of real estate appraisal at the Land Authority, in addition to exchanging accumulated experiences between the two parties. This memorandum came as a culmination of the joint efforts made by the two parties to unify the national efforts in the field of real estate valuation, as the PCMA will work in accordance with this memorandum in providing its practical and scientific expertise in relation to real estate valuation and monitoring it, which will have a significant impact on the development and organization of the real estate sector in Palestine, and strengthening knowledge, technology and technical exchange between the two institutions.

The memorandum provides for achieving joint cooperation and coordination, setting work mechanisms, specifying the tasks and obligations of the relevant parties, and cooperating to organize and develop the real estate appraisal sector and real estate appraisers, including unifying the appraisal standards, monitoring and supervising real estate appraisers.

In cooperation with the Banking Institute, the PCMA held two real estate appraisal training courses on August 6th, 2022 and August 18th, 2022 for the purposes of obtaining a real estate appraisal license, benefiting 32 participants, followed by a real estate appraisal exam that was held on December 18th, 2022, in the presence of 30 participants, 13 of whom passed the exam. It is worth mentioning that five new real estate appraisers have been licensed, bringing the number of licensed real estate appraisers to 65.

Capital Market Sectors > Digital Finance and Innovation Services

Capital Market Sectors > Digital Finance and Innovation Services > Introducing the Sector

During the year 2022, the PCMA worked on enhancing the role of financial technology in the non-banking financial sector, and opening horizons for financial service providers, innovators, and pioneers with financial technology solutions, while ensuring the protection of the rights of users of these technological solutions and services, and maintaining financial stability.

The Directorate of Digital Finance Services and Innovation has worked in accordance with its five-year strategy 2021-2025, which aims to promote the use of financial technology in the non-banking financial sector, and in accordance with the approved plans and work programs, which aim to create an encouraging and friendly environment for innovations and solutions based on financial technology, due to the significant impact of these technological services and solutions in reducing the cost of providing these services and increasing their horizontal expansion.

Capital Market Sectors > Digital Finance and Innovation Services > Major Developments of 2022

- **Issuing Directives for licensing electronic platforms and related decisions**

Within the framework of the PCMA's endeavor to promote the use of financial technology in the non-banking financial sectors to create an encouraging and friendly environment for innovations and solutions based on financial technology, and based on the monitoring and supervisory role the PCMA plays in enhancing the possible regulatory environment for the use of financial technology in the non-banking financial sectors, the PCMA issued Directives No. (2) of 2022 relating to "licensing of electronic platforms for the sale or the provision of services relating to collection and comparison of non-banking financial services," and Decision No. (1) of 2022 was issued regarding "technological controls and rules for securing and protecting information relating to the provision of non-bank financial services via electronic platforms" which Decision was issued in accordance with the Instructions, in addition to the issuance of Decision No. (3) of 2022 regarding "the issuance of insurance contracts electronically through insurance companies third-parties' electronic platforms."

- **Working on developing the regulatory framework necessary for the work of the experimental control environment (Regulatory Sandbox) to accommodate and encourage financial innovations.**

The PCMA seeks to complete its strategic goal of employing financial technology in the sectors it supervises. In this context, during the year 2022, the PCMA paved the way towards the launching of the experimental control environment, which is considered as an experimental environment that allows developers of innovative non-bank financial technology services to experiment applications of innovative financial technology in reality, and on real customers, which, currently, the developers of financial technology services are unable to provide in the Palestinian market, either due to the existence of regulatory obstacles or the absence of regulatory rules regulating it. The experimental control environment enables emerging companies in the field of modern financial technologies to work within the framework of an experimental environment, and provide their services to a limited number of consumers, which helps the gradual maturation of the business models of these companies. The experimental regulatory environment aims to reduce the cost of innovation in some cases, and to give room for the entry of regulatory authorities, which provides a safe and formal framework for direct testing and market monitoring, which is considered an indication of regulators' openness to innovations, by testing the innovation in a live market on the basis of both the time and scope specified to reach the appropriate regulatory status before the innovation can fully operate in the market.

- **"EBTAKER" platform**

Two years after the launching of the EBTAKER platform, the number of innovations received through the platform reached 53, out of which 40 innovations were received during the year 2022.

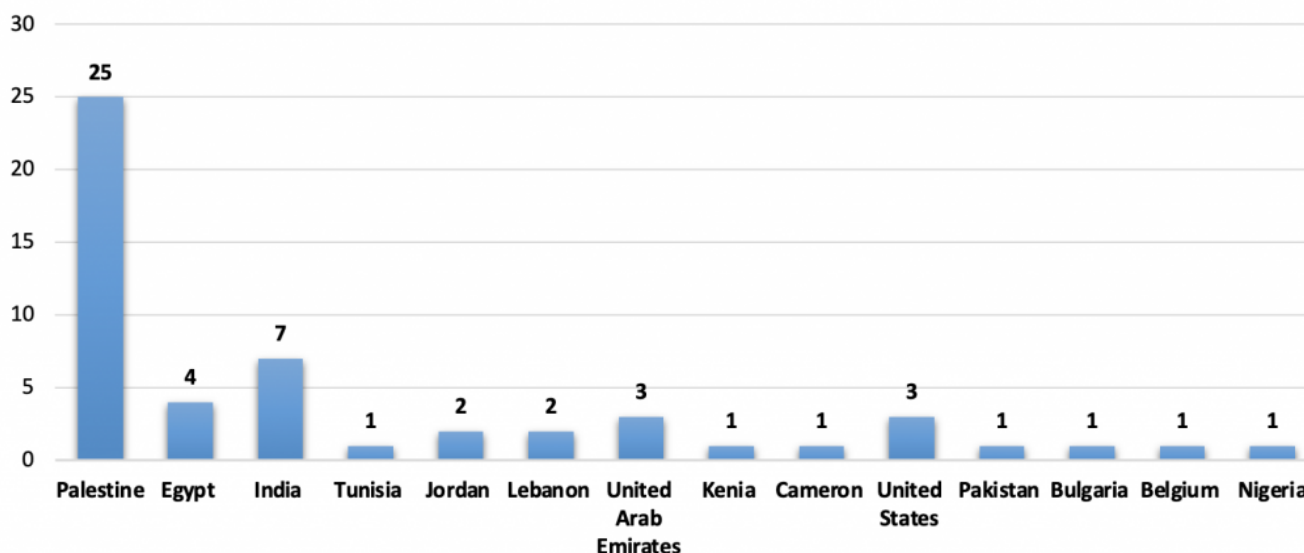
At the beginning of 2022, and after receiving many innovations and ideas relating to the non-banking financial sector, it was noted that there were no applications capable of addressing the existing challenges in the insurance sector, or ready to meet the urgent needs of the sector. From this standpoint, the PCMA worked to develop and launch the Insurtech Wizard, a regional competition that expanded the scope of attracting entrepreneurs and innovators in the surrounding countries, especially Palestinian entrepreneurs in the diaspora. It also aimed to receive specific solutions and applications that contribute to addressing the existing challenges that the Palestinian insurance sector suffers from. The competition was divided into two tracks:

- The first track: Insurtech hackathon, targeting people with creative ideas in the field of insurance technology.
- The second track: the Innovation Challenge, targeting emerging and existing companies of different sizes, whether local or international, that have solutions and applications under implementation, or ready to be applied in the field of insurance technology.

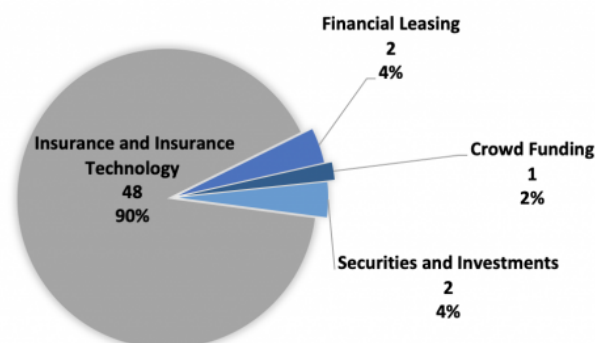
This competition has contributed to introducing the Authority's role in promoting financial technology, specifically the "EBTAKER" platform, as well as highlighting the Palestinian insurance sector at the regional and international levels, whereby 35 applications for participation in the competition were received, and they were processed according to the terms of the competition, through the various arbitration committees that were appointed in context of the competition. The winners of both tracks are expected to be announced during January of next year.

Thus, the number of applications processed through the "EBTAKER" platform in the year 2022 reached 40 innovations, with different categories of applications sent, whether they are individuals or companies, or through the platform directly, or those received through the competition. These innovations were directed to suit the PCMA's policy and the need of the non-banking financial sector in Palestine, by providing (non-binding) follow-up and guidance thereto, and some of them were given a non-objection letter and others have extended the non-objection letter granted, such as the Middle East Initiative Company/Tamweely Application, which works to provide networking and awareness services in the insurance sector. It is worth noting that the insurance sector occupied the largest percentage of the number of innovations presented to the platform, followed by innovations relating to the financial leasing and securities sectors.

Number of innovations received, classified by countries



NUMBER OF INNOVATIONS RECEIVED, CLASSIFIED BY SECTOR



In this context, during the year 2022, strenuous efforts were made to update and develop the “EBTAKER” platform with relevant guidelines and models, and international experiences were taken into account in this regard, to include the regional scope of attracting creative financial and technological ideas from outside Palestine, for the purpose of bringing and investing in them within the Palestinian financial sector. In addition, during 2022, a number of introductory and awareness-raising workshops were held on the “EBTAKER” platform in a number of universities, and meetings were organized targeting Palestinian business accelerators.

- **Providing the appropriate environment for the development of innovative financial products**

Stimulating crowdfunding services: In the context of providing an appropriate environment for the development of innovative financial products, the PCMA began preparing the legal framework regulating the work of crowdfunding funds. The German Corporation for International Cooperation (GIZ) prepared a legal diagnostic study aiming to a preliminary review of the existing legal framework, in addition to the available options before the regulatory bodies and the international and Arab experiences in the control and supervision of crowdfunding funds.

- **Holding awareness activities to promote financial technology in the non-banking financial sector:**

1. **A round table meeting was held in March 2022 entitled “The Role of Business Incubators and Accelerators in Promoting Financial Technology in the Non-Banking Financial Sector”, with the participation of a number of Palestinian and Arab incubators.** During the meeting, the PCMA’s readiness for cooperation and partnership with business incubators and accelerators was emphasized, leading to the establishment of mechanisms that regulate the relationship between the two parties, endeavoring to sign agreements contributing to the growth of the non-banking financial sector, in addition to highlighting the local Palestinian economy, emerging companies and businessmen to take advantage of this opportunity and investment in the financial technology sector. It is worth mentioning that the meeting was done in coordination and cooperation with GIZ.
2. **A dialogue discussion entitled “Opportunities to use technology in the insurance sector” was organized in partnership with the Ministry of Entrepreneurship and Empowerment and the Union of Insurance Companies, supported by the German Corporation for International Cooperation (GIZ).** This event came as a result of the implementation of the PCMA’s strategy aimed at developing the insurance sector, employing financial technology, keeping abreast of developments in this context, and improving and expanding the reality of insurance services to serve all customers, especially citizens, and facilitate their access to these services.

Financial Sustainability Services

Financial Sustainability Services > Corporate Governance

- **Developing the Code of Environmental, Social and Corporate Governance (ESG) in Palestine:**

Pursuant to the approval of the new Companies Law No. (42) of 2021, the update of the Code of Corporate Governance Rules in Palestine will be completed during the year 2023 by incorporating the requirements of the new Companies Law into the Code. It is expected that the first draft will be completed and shared with the relevant authorities before the end of the year in order, to obtain the comments of those parties. It is worth mentioning that updating the Code began during the year 2021, in cooperation with the International Finance Corporation (IFC).

- **Corporate governance course program in Palestinian universities:**

Through the signing of a cooperation agreement between the PCMA and the International Finance Corporation (IFC), and tripartite cooperative agreements involving the PCMA, the International Finance Corporation, and the universities interested in the inclusion of the course, the program of integrating the governance course with Palestinian universities continued. Four Palestinian universities included the course in their teaching plan during the year 2022: Birzeit University, Palestine Technical University-Khadoori, Al-Quds Open University and the Arab American University. In the same context, the number of applicants for the course since the launch of the program, until the end of the first semester of the academic year 2022/2023, reached 5,804 students, out of whom 5194 students passed the course successfully, with a success rate of 89%, while the percentage of students who did not pass the course reached 11%, corresponding to 610 students, as shown in the below chart. Students passing the course receive a certificate approved by the PCMA and the International Finance Corporation (IFC). Chart number (2) shows the distribution of students applying for the course by gender. The percentage of male students reached 34%, compared to 66% female students.

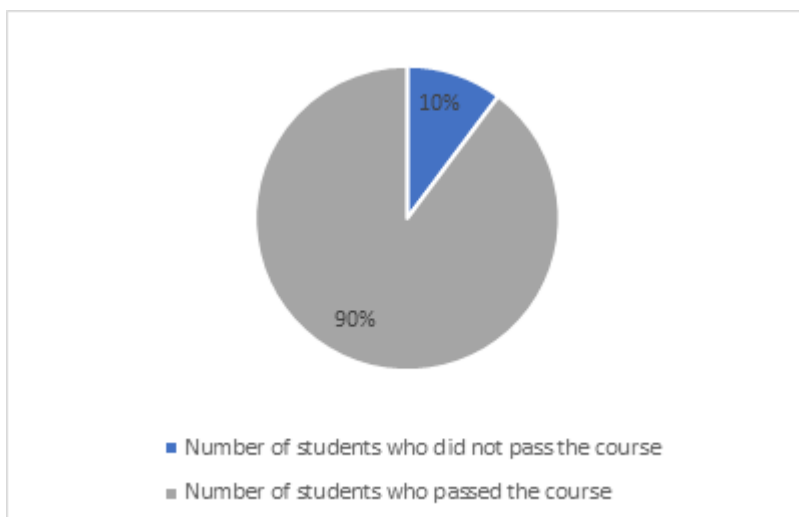
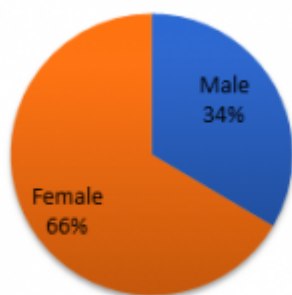


Figure 2: Percentage of Distribution of Students Applying to the Course by Gender



■ Male ■ Female

Financial Sustainability Services > Financial Inclusion

After nearly passing half the timeframe set for implementing the National Financial Inclusion Strategy approved by the Council of Ministers in 2018, the PCMA was able to accomplish many achievements in the context of enhancing financial inclusion in Palestine. It should be noted that the executive plan of the national strategy encountered many challenges during the past years due to the economic and political crises that faced the country, more specifically as a result of Israel withholding of Palestinian tax revenues (Makasa) and the Covid-19 pandemic crises and its repercussions, which had a direct impact on the implementation plan of the National Financial Inclusion Strategy, and thus imposed new challenges. However, the regulators doubled their efforts to preserve the integrity of the financial sector, both banking and non-banking, including developing the necessary plans to deal with the developments taking place, and continuing to work to achieve the goals of financial inclusion. In this context, during the year 2022, the PCMA and the Monetary Authority worked on the implementation of a mid-term re-evaluation process, and had launched a re-evaluation project for financial inclusion through a contract with the Palestinian Economic Policy Research Institute - "MAS", to prepare a re-evaluation study based on a survey analysis of the supply and demand at the national level, within a project funded by the Global Alliance for Financial Inclusion (AFI). The technical committee has developed an integrated action plan that includes the main stages of the re-evaluation process, with a specific time frame for each stage. The study is expected to contribute to evaluating the implementation of the strategy, ensuring that it is proceeding according to the action plan, and take the necessary measures and amendments, if any.

In turn, the "MAS" Institute contracted with the Palestinian Central Bureau of Statistics to implement the field survey (the demand part). The technical committee also worked in cooperation with the technical team of the "MAS" Institute on the development of the questionnaire for the field survey on the demand side, which was used by the Palestinian Central Bureau of Statistics in the process. The research sample focused on individuals and not on families, as the demand side targeted a sample of 8,500 individuals of 18 years of age and above, which is a more comprehensive sample than that used in 2016. With regard to the levels of publication, it was approved at the level of entire Palestine, and then at the level of the northern, central and southern West Bank, and the northern, central and southern Gaza Strip by gender (male and female), and at the level of the governorates of the country. The "MAS" Institute also worked on implementing a supply-side survey that included financial service providers, in addition to the regulators of the financial institutions, as well as conducting focus group interviews specialized in specific topics. The results of the demand and supply side survey provide information about the current situation and the development of financial inclusion in Palestine.

In the same context during 2022, the PCMA continued its efforts in implementing the financial inclusion strategic plan in cooperation with key partners. The following initiatives were implemented:

- A project to enrich the educational curricula in cooperation with the Ministry of Education; and
- MSME's business strategy.
-

Anti-Money Laundering and Terrorist Financing

The PCMA aims to initialize the appropriate environment to achieve stability and growth of capital, to regulate, develop and monitor the capital market in Palestine, and to protect the rights of investors, in view of its responsibilities and objectives aiming at achieve stability in the capital market, and in order to prevent the capital market sectors from the risks of money laundering and terrorist financing activities, which may threaten the continuation of these sectors and expose them to financial, operational, legal risks among others. As of the beginning of 2022, the PCMA continued its role in harmonizing compliance in implementing the national strategy to combat money laundering and terrorist financing, as follows:

Legislation:

The circulars issued by the PCMA would raise the efficiency and enhance the ability of companies to confront the risks of money laundering and terrorist financing, and follow the risk-based approach in detecting suspicious transactions. In 2022, several circulars were issued, as follows:

- Circular regarding the sending of an annual report on all activities related to combating money laundering;
- Circular containing 10 resolutions issued by the UN Security Council;
- Circular containing 3 decisions regarding high-risk countries that are prohibited to deal with and publication of same on the PCMA's website;
- Circular relative to publishing Directives No. 2 of 2022 relating to combating money laundering and terrorist financing for financial institutions;
- Publication of Directives No. 1 of 2022 regarding the implementation of Security Council resolutions, and registration on the website of the implementation of Security Council resolutions and immediate implementation;
- Circular regarding the implementation of the provisions of Decree No. 39 of 2022 regarding combating money laundering and terrorist financing;
- Circular regarding the implementation of the provisions of the Presidential Decree in relation to implementing Security Council Resolutions No. 14 of 2022;
- Circular regarding the opening bank accounts for insurance companies;
- Circular regarding the work of insurance agents and brokers;
- Circular regarding updating work policies and procedures; and
- Circular regarding the self-assessment guide.

Specialized field inspection rounds and preparation of risk registers:

- Since the beginning of 2022, the General Administration of Securities has completed 14 inspection rounds on all securities companies and the Stock Exchange, pursuant to the risk-based plan.
- The General Administration of Financial Leasing represented by its Monitoring and Inspection Department has completed 8 specialized inspection rounds in cooperation with the Anti-Money Laundering and Terrorist Financing Department.

- As of the beginning of 2022, the General Insurance Administration has completed 10 inspection rounds aiming to verify viability of companies and their compliance with the provisions of anti-money laundering and terrorist financing laws and directives.

Specialized field inspection visits upon request of the Financial Follow-up Unit:

The General Securities Administration has delegated an inspection team at the request of the Financial Follow-up Unit for the year 2022, in order to verify the integrity of the due diligence measures taken by a securities company regarding a client's file and its financial movements.

Administrative Violations and Penalties:

- The PCMA's Board of Directors imposed a second-degree penalty of (10,000) ten thousand Jordanian Dinars as a fine against Al Hadaf Jordan and Palestine Securities Company.
- The General Department of Mortgage and Financial Leasing directed a correction letter to a financial leasing company based on an inspection round at the end of the year 2021. This letter included granting the company a deadline to amend the policy and procedures for combating money laundering and terrorist financing crimes, so that they are comprehensive and sufficient for the requirements stipulated in the laws, directives and legislation.
- The General Department of Mortgage and Financial Leasing dispatched a written warning to 3 financial leasing companies for not providing the PCMA with an updated copy of the policies and procedures for combating money laundering and terrorist financing, after giving them a deadline to provide the PCMA with the updated copies.
- The General Directorate of Mortgage and Financial Leasing directed 7 letters for rectification of status based on the observations of the field inspection team.
- After completing the inspection rounds in the first half of 2022, the General Securities Administration formed investigation committees for 5 companies, to investigate the violations that were discovered during the field visit process, and after the completion of the meetings, a deadline was given to the companies to comply and rectify the situation for the violations.

Participation in conferences, workshops and training programs:

- The PCMA's team specialized in providing the Financial Follow-up Unit with data and statistics relating to

combating money laundering and terrorist financing participated in a workshop regarding the mutual evaluation of the State of Palestine on March 2nd 2022 at the Carmel Hotel, Ramallah.

- A team from the PCMA participated remotely in a workshop entitled "The Real Beneficiary", organized by the Financial Intelligence Unit in Ecuador, via Zoom on March 15-16th
- A meeting was held with the liaison officer of a financial leasing company discussing the 2021 general inspection report. This meeting is considered feedback.
- In preparation for the process of mutual evaluation of the State of Palestine for 2022, many meetings and conferences were held with the Financial Follow-up Unit, and provided them with data and statistics to enhance the technical commitment and the effectiveness of the PCMA's efforts in combating the money laundering and terrorist financing crimes.
- In continuation of the preparation for the mutual evaluation process of the AML/CFT system, a workshop was held entitled "Preparing Statistics and Information Required for the Mutual Evaluation Process", at the National School - Abu Shkheidem on April 13th 2022, where 12 employees of the PCMA participated therein.
- Responding to all inquiries received by the PCMA from the team of mutual evaluation experts, in line with the requirements of technical compliance.
- A meeting was held remotely via Zoom with experts from the World Bank, for training on the Mutual Evaluation Program for the State of Palestine.
- On July 6th, 2022, a team from the PCMA and from the sectors under the monitoring and supervision of the PCMA was invited to participate in a workshop relating to the preparation of the PCMA and the sectors under its monitoring and supervision for mutual evaluation. The workshop was sponsored by the Chairman of the PCMA's Board of Directors, and His Excellency the Governor/Chairman of the National Committee.
- On July 26th 2022, a team from the PCMA was invited to participate in the fourth and final workshop to prepare the national authorities for the mutual evaluation process.
- On July 27th 2022, the General Securities Administration held a workshop as an orientation of the liaison officers of the securities companies for the mutual evaluation process.
- Participation in the workshop of the Secretariat of the Middle East and North Africa Financial Action Task Force (MENAFATF) relative to the preparation of the State of Palestine for the mutual evaluation process, direct results (7, 8, 9), which was held on April 8th, 2022, at the Carmel Hotel, Ramallah.
- On August 27th 2022, the PCMA published an educational video about the most important achievements of the PCMA in combating money laundering and terrorist financing.
- Participation in the international symposium on "Supervising and Investigating Virtual Assets" on September 6-7th, 2022.
- Participation in a workshop on the implementation of Security Council resolutions on October 5th
- The PCMA, in cooperation with the Financial Follow-up Unit, held, on October 11th 2022, a workshop for liaison officials for all sectors subject to the control and supervision of the PCMA on mechanisms for implementing Security Council resolutions.
- On October 18th 2022, the General Department of Mortgage and Financial Leasing held a workshop to train communication officials in financial leasing companies on how to follow the risk-based approach and the mechanisms for conducting self-assessment.
- Participation in a workshop on the risk-based approach to financial institutions, professionals and unspecified financial businesses - in Cairo between December 13-15th
- Participation in a workshop on the real beneficiary at the Carmel Hotel on December 22nd, 2022.

Local and International Cooperation:

Request for local cooperation received from the competent authorities:

- During 2022, the PCMA responded to 15 inquiries and requests received from the Financial Follow-up Unit.
- Responding to the 10 letters received from the Office of the Attorney General.
- Responding to the letters received from the Corruption Crimes Court.
- Responding to the letters received from the Execution Departments and Court Decisions, totalling to 28 letters.

Outgoing request for international cooperation:

- The PCMA responded to an inquiry request from the Federation of Arab Securities Authorities about dealing in virtual currencies.
- The PCMA responded to an inquiry request from the Capital Market Authority in the Sultanate of Oman about the duties of the liaison officer and the terms of employment.

Non-Banking Financial Awareness

The PCMA has implemented a number of awareness activities relating to the development of the legal environment, the development of the PCMA's technical work, and raising public awareness of the importance of the non-banking financial sector, which is an essential pillar of the PCMA's mission towards the public of citizens in Palestine. The PCMA seeks to enhance the capabilities of citizens and their financial culture in the sectors it supervises, in addition to strengthening its internal and external relations through many meetings and initiatives, based on its plans, programs and tasks enjoyed under the law and the strategic objectives specified in the five-year strategic plan 2021-2025. Below is set of educational activities and programs that were implemented during the year 2022:

Launching the Financial Awareness Coalition in Palestine



The PCMA launched the Financial Awareness Coalition in Palestine, participated by civil society organizations, the media, and academics from various Palestinian universities.

The Financial Awareness Coalition in Palestine aims to spread societal financial culture and raise the level of awareness among Palestinian citizens in the field of services provided by the non-banking financial sectors.

The coalition includes representatives from the non-banking financial sector, civil society organizations, universities, and journalists. Joining this coalition is welcomed for all parties interested.

The PCMA will lead this Coalition with all partners in an endeavour to spread financial culture in the local community, through a set of interventions represented in preparing studies and research, organizing seminars, lectures and conferences, and developing the capabilities of the main players in this field.

Launching the Financial Journalism Lab in its third and fourth editions



The PCMA launched its third edition of the Financial Journalism Lab in Ramallah over two days. The focus during the lab was on the financial leasing sector in Palestine. The PCMA also launched the fourth edition in the city of Jericho over two days, with the participation of 30 media and economics students from Palestinian universities.

The Journalism Lab comes within the PCMA's partnership with the Italian Agency for Development Cooperation through the Palestinian Ministry of Finance.

The training program for the Journalism Lab, in its third edition, dealt with the characteristics, opportunities and challenges of the non-banking financial sector, presenting the statistics of financial leasing, in addition to introducing the program and its economic importance.

The program also dealt with presenting local and Arab press models on the financial leasing sector and practical applications for preparing press reports presented by the two economic journalists, Ayham Abu Ghosh and Muhammad Rajoub.

The Journalism Lab, in its fourth edition, was attended by the Prime Minister's Advisor for Economic Affairs, Dr. Shaker Khalil, Director General of the PCMA, Barraq Al-Nabulsi, and Director of the Economic Development Program at the Italian Agency for Development Cooperation, Muhammad Musleh.

The Journalism Lab dealt with seven training sessions relating to the basics of financial press, presented by journalist Muhammad Khabisa. A training workshop regarding media and entrepreneurship was presented by Saed Karazon, and a training workshop regarding social media presented by journalist Mahmoud Hreibat.

The Lab encompassed training meetings that included a general introduction to the non-banking financial sector in Palestine, an introductory presentation regarding the financial leasing sector, in addition to a meeting regarding the securities sector, and another meeting regarding financial technology and financial inclusion.

Hebron: The PCMA organizes a tour of industrial facilities

Commercial and introductory meeting on financial leasing



During the past year, the PCMA carried out a tour at the industrial and commercial establishments in Hebron Governorate, in partnership with the Chamber of Commerce there.

The Governor of Hebron, Major General Jibreen Al-Bakri, received the PCMA's team, presenting the economic reality in the governorate, the efforts exerted to achieve growth and stability, and the mechanisms of cooperation between the governorate, the Chamber of Commerce and all components of the Hebron community.

On the same day, the PCMA organized an introductory meeting on the financial leasing sector in the governorate, in cooperation with the Hebron Chamber of Commerce and Industry, and with the support of the Italian Development Cooperation Agency, with the participation of financial leasing companies in Palestine.

It is noteworthy that the financial leasing sector in Palestine plays an important and effective economic role in the development and growth of the Palestinian economy, by supporting the base of productive assets and increasing the competitiveness of the local economic establishment and keeping pace with technological development.

The PCMA launches the World Investor Week 2022 in Palestine



In partnership with the Palestine Exchange, the PCMA launched the “World Investor Week 2022” activities, entitled “Flexible Investment and Promoting Sustainable Development,” according to the initiative launched by the International Organization of Supervisory Authorities on Financial Markets (IOSCO).

The launching came through a panel discussion in cooperation with the Palestinian Federation of Local Authorities and the Environment Quality Authority, aiming to highlight the most prominent projects of local authorities and promising opportunities, presenting local success stories in green energy, the most prominent achievements of the Environmental Quality Authority, the role of awareness and environmental education, and their contributions to Promoting sustainable development, future aspirations, and obstacles facing the sustainable development project.

During the week, many activities were implemented that focused on the issue of flexible investment and the promotion of sustainable development in parallel with the Securities and Exchange Commissions in (103) countries around the world.

During the Global Investor Week, and in partnership with the Palestine Exchange, the PCMA launched a joint campaign on its social media platforms, in order to broadcast important messages about sustainable development and flexible investment. A short video and an electronic brochure were produced for the same purpose, in addition to a number of radio and television interviews and on podcast channels.

A dialogue session on the opportunities of using technology in the insurance sector

Holding Several Cooperation Meetings with a Number of Academic and University Institutions



The PCMA organized a dialogue session entitled “Opportunities to use technology in the insurance sector”, as part of its partnership with the Ministry of Entrepreneurship and Empowerment, and the Federation of Insurance Companies, with the support of the German Cooperation Agency (GIZ).

The session was attended by the Vice President of the Union, Nihad Asaad, representatives of the entrepreneurship sector in Palestine, the director of the business accelerator “Flo” Majd Khalifa, and the director of the (N gate) program, Mona Dmaidi, in the presence of a group of partners, entrepreneurs and those interested in this field.

The speakers reviewed the vision of insurance technology for insurance companies and the entrepreneurial sector, and the challenges and obstacles that prevent the creation of tangible progress in this regard, in addition to exploring the interventions required to develop technological solutions in the insurance industry.

The issuance of a report on the challenges of implementing the national strategy for financial inclusion within the activities of the Arab Financial Inclusion Day 2022

In response to the initiative of the Arab Monetary Fund, the PCMA issued a report addressing the challenges and opportunities for the implementation of the national strategy for financial inclusion within the activities of the Arab Financial Inclusion Day.

The report dealt with a set of challenges that faced the implementation of the national strategy for the financial inclusion in Palestine, as a result of the repercussions of the financial and economic policies of the occupation, especially the two clearing crises, and the Israeli occupation stopping supplying the taxes it collects on behalf of the Palestinian government. The first crisis was in 2019 and the second one took place at the beginning of the 2020.

These two crises resulted in the interruption of the salaries of the public sector's employees, the interruption of government financial transfers, and the inability of the Palestinian government to fulfill its financial obligations towards suppliers of goods and services in the private sector. This led to a sharp decline in the basic needs of the private sector, or the fulfillment of the retirement obligations, especially those relating to the financial sector, such as the payment of loan installments, premiums of insurance policies, monthly installments resulting from financial leasing contracts, and other financial commitments. This resulted in a decline in the volume of aggregate demand in the Palestinian economy as a result of a sharp decline in the level of per capita income of the Palestinian citizen.

The full report can be viewed under the following link:

[تقارير اليوم العربي للشُمول المالي 2022 - هيئة سوق رأس المال \(pcma.ps\)](https://pcma.ps/تقارير_اليوم_العربي_للشُمول_المالي_2022_هيئة_سوق_رأس_المال)

Signing local Memoranda of Understanding

The PCMA and the Palestinian Land Authority signed a memorandum of understanding for the development of the work in the field of real estate valuation at the Land Authority, in addition to exchanging the accumulated experience s

between the two parties.

The memorandum provides for achieving cooperation and joint coordination, setting work mechanisms, defining the tasks and obligations of the relevant parties, and cooperating to organize and develop the real estate appraisal sector and real estate appraisers, including standardizing appraisal standards, monitoring, and supervising real estate appraisers.

With regard to spreading awareness of the non-banking financial sectors in the academic institutions, a memorandum of understanding between the PCMA and the Birzeit University was renewed, which includes various areas of cooperation.

In the same context, the PCMA and An-Najah National University entered into a memorandum of understanding aiming to enhance cooperation, exchange experiences, and raise awareness of non-banking financial sectors among students.

Annexes

Annexes > Securities sector statistics and data

Annexes > Insurance sector statistics and data

Annexes > Financial leasing statistics and data

Capacity Building of the PCMA's employees

Within the continued efforts of the PCMA in raising the capabilities of its employees, the PCMA's employees participated in several specialized training courses in the areas of the Capital Market Authority; whereby, the employees of the General Insurance Department participated in two specialized courses that were held remotely, in cooperation with the Financial Services Institute of the Egyptian Financial Supervisory Authority, relating to agricultural and micro-insurance, in addition to participating in a training program organized by the Arab Monetary Fund, relating to the control and supervision of the insurance sector, in addition to a training program relative to the reinsurance and its applications.

In the same context, the employees of the General Administration of Securities participated in a set of training programs that were held remotely, organized by the Arab Monetary Fund and the Union of Arab Securities Authorities, relating to infrastructure of financial markets: principles and practices, artificial intelligence in financial institutions, wealth management and investment, and financial derivatives. A group of the management employees of the PCMA also participated in a specialized course relating to capital market operations, which was organized remotely by the Statistical, Economic and Social Research Center for Training for Islamic Countries, in cooperation with the Istanbul Stock Exchange.

Employees of the General Department of Mortgage and Leasing Finance also participated in a specialized remote training program on leasing and its applications in Islamic banking, in addition to a specialized program on financing alternative and renewable energy.

As part of a technical assistance project provided by the German Agency for International Cooperation, the PCMA's employees participated in specialized training programs relating to digital media diploma organized by the Media Development Center at Birzeit University, in addition to two other specialized courses relative to obtaining the certificate of a certified expert in digital finance, and a certified expert in financial inclusion, as well as specialized training programs in the field of financial technology.

Course type	Number of courses	Number of participants
Internal course	11	45
External/remote courses	17	51