Annual Report 2024

Foreword by the Chairman

Since its establishment twenty years ago, the Palestine Capital Market Authority has placed the development of capital market sectors at the forefront of its legislative, supervisory, and regulatory priorities. The PCMA has diligently regulated, licensed, and monitored the components of the non-banking financial sectors under its supervision with high efficiency, despite the difficult political and economic conditions faced by the State of Palestine. The PCMA has achieved many significant accomplishments and maintained the stability and continuity of these sectors. Its supervisory activities have kept pace with best practices and international standards, reinforcing its position as an effective regulatory body.

I am pleased to present to you the twentieth annual report of the PCMA, which includes sector performance results, and the most important activities carried out by the PCMA during the past year. On the legislative level, the PCMA issued several decisions aimed at regulating the market, such as approving a policy for establishing companies to engage in securities-related activities. There is no doubt that the legislative and policy framework developed by the PCMA is intended to enhance the regulatory and developmental environment of the capital market sectors.

On the organizational level, the Board of Directors of the Capital Market Authority, during the year 2024, granted licenses to several companies to operate in unregulated foreign exchanges. This is part of the PCMA's regulation of this sensitive sector and its efforts to expand the official financial sector at the expense of the informal sector. On the developmental front, the PCMA focused its recent efforts on achieving government-set objectives, particularly digital transformation agendas. The PCMA allocated a comprehensive program to accelerate digital transformation internally and within key supervised sectors, striving for full integration with the broader system. It also launched a series of technical and consultative workshops with the insurance sector and all relevant parties as part of the development process for a new comprehensive insurance law draft that meets all needs, addresses deficiencies in the current law, and aligns with service developments and insurance demands in Palestine. In terms of insurance sector results, the insurance penetration ratio increased to 3.51% by the end of 2024, compared to 2.29% at the end of 2023, indicating a relative recovery in the depth of the insurance market.

The year 2024 witnessed many developments detailed in this annual report, in addition to the PCMA's mechanisms and precautionary measures taken to confront the challenges arising from the Israeli aggression on the Gaza Strip, which had painful consequences on various capital market sectors and other vital sectors in Palestine. Despite these challenges and impacts, the PCMA demonstrated its ability to adapt and confront these crises with high technical flexibility, reinforcing its role as a fundamental pillar in the stability of the Palestinian economy.

The content presented in the annual report serves as a rich reference for those interested in capital market sectors, investors and dealers, due to the statistics, data, and information it provides on non-banking financial sectors such as insurance, securities, and financial leasing. It also serves as a comprehensive database offering a vivid picture of the Palestinian capital market sectors.

We look to the year 2025 with hope and optimism to overcome challenges and enhance the PCMA's position and its supervisory role over the capital market sectors, contributing to sustainable economic and social development.

Finally, I would like to thank the PCMA's Board of Directors, the executive management, and the staff for their dedication and efforts. We also appreciate the efforts of the PCMA's partners, each of whom contributes in their own way to achieving the PCMA's vision and mission of stability and sustainability of its non-banking financial sectors.

Ammar Aker

Chairman of the

Board of Directors

Preamble

Preamble > Vision, Mission and Goals

Introduction

The Capital Market Authority is a public institution that enjoys legal personality, financial and administrative independence, and legal capacity, based on Article No. 2 of the Capital Market Authority Law No. 13 of 2004.

The PCMA aims to create a suitable environment for the stability and growth of the capital market by regulating, developing, supervising, and monitoring non-banking financial sectors (securities, insurance, financial leasing, mortgage financing, in addition to Islamic financial products and services). The PCMA also works on regulating financial technology to protect the rights of users and investors.

Vision

An effective regulatory body working to elevate the capital market in Palestine and protect the interests of its participants.

Mission

Regulation, supervision, and oversight of the performance of the securities, insurance, mortgage financing, financial leasing, and factoring sectors in Palestine, and their development in line with the principles of transparency, fairness, and integrity in accordance with best international practices.

Strategic Objectives:

1. Promote the use of Financial Technology (FinTech) in the non-banking financial sector and provide an enabling environment for it.
2. Advance financing services and tools compliant with Islamic Sharia.
3. Ensure the sustainability and stability of the financial sectors under the PCMA's supervision.

Capital Market Sectors

Capital Market Sectors > Securities Sector > Introducing the Sector

The Securities Sector in Palestine consists of the Palestine Exchange, the Depository and Transfer Center, listed public shareholding companies, licensed brokerage firms, and licensed legal entities and natural persons practicing financial professions.

The Palestine Exchange concluded its trading activities for the year 2024, a year that, in all its phases, represented an exceptional situation that cast a shadow over investor activity. It was one of the most difficult years experienced by the securities sector and the Palestinian economy as a whole. This was affirmed by the data provided by the Palestinian Central Bureau of Statistics regarding the outcomes of 2024 and the forecasts for the upcoming year, 2025, which pointed to a complete collapse of the economic system in the Gaza Strip and a sharp decline in the productive base in the northern governorates, accompanied by a steep rise in unemployment rates.

1. Legislative Environment

- Issuance of Instructions Regarding Brokerage Companies Dealing with Unregulated Foreign Exchanges No. (1) for 2024.
- Issuance of standards for treating shares as liquid assets.
- Circular regulating the approval of third-party reliance by member securities companies.
- Suspension of new license applications for securities companies until 30/6/2025 for review of securities activities.
- Contracting a consultancy to study legal separation of the Depository and Transfer Center from the Palestine Exchange, covering legal, financial, technical, and IT aspects.
- Publication of the first draft of corporate governance instructions and guidelines for licensing exchange-traded funds (ETFs) for public consultation.

2. Supervisory Measures on Trading in the Palestine Exchange

- Monitoring and addressing violations by some listed securities and investors, in accordance with supervisory guidelines.
- Notifying member brokerage firms of market and financial solvency violations.
- Regulating the acquisition process by National Insurance Company of Abraj National Company, through the purchase of shares held by minority shareholders in Abraj National Company, and mandating their sale, given that the National Insurance Company holds the majority stake in the company.
- Approving the delisting of Abraj National Company following its conversion to a private shareholding company.
- Capital reduction of Al-Safa Bank and Jerusalem Real Estate Investment Company by 22,865,817 and 2,000,000 shares respectively.
- Reviewing IPO prospectuses for Al Baraka Islamic Insurance and Holy Land Takaful Insurance.
- Enforcing field inspections of entities and parties licensed by the PCMA. In 2024, inspection rounds were completed in accordance with the approved plan, focusing on risk-based inspections and anti-money laundering and counter-terrorism financing efforts.
- Completion of surprise inspection activities on entities licensed by the PCMA, based on

received directives and with violations referred to the competent authority.

- Reviewing financial disclosures and conducting regular follow-up on the capital adequacy reports of member securities companies to ensure their compliance with the Securities Law and the capital adequacy instructions issued by the PCMA, in a manner that safeguards the soundness and stability of member securities companies and protects investors' funds and rights.

- Listing the names of two individuals on the blacklist, which prevents them from obtaining licenses from the PCMA to engage in any legally permitted financial activities.

3. Supervisory Measures on Unregulated Foreign Exchanges

- Licensing 3 member securities companies to operate in unregulated foreign exchanges after meeting all requirements.
- Launching the electronic system for central custody and monitoring investors' foreign trading.
- Linking securities companies to the electronic custody system and generating regulatory reports related to investor data, cash deposits and withdrawals, active clients, open trades, leverage, company transactions with the liquidity provider, and statistical reports.
- Implementing the digital awareness campaign strategy "Forex Activity 2024," with a focus on raising awareness among traders and investors about the high risks associated with engaging in forex activities.
- Executing targeted advertising campaigns on social media to reach a specific audience through sponsored ads.
- Publishing a list of unlicensed platforms and pages by the PCMA that promote forex trading, education, and marketing activities in Palestine.

4. Measures Aimed at Protecting Investors' Rights.

- Requiring the National Insurance Company, as part of its acquisition procedures of Abraj National Company, to provide the PCMA with an unconditional payment guarantee, payable to the order of the PCMA, in the amount of USD (401,969.80), to be re-evaluated on a quarterly basis in accordance with what is paid to the shareholders of Abraj National Company in return for the transfer of their shares to the National Insurance Company, and in return for their unpaid cash dividends for previous years.
- Requiring the Holy Land Insurance Company, as part of the approval procedures for the license of the initial public offering share issuance prospectus, to provide the PCMA with an unconditional payment guarantee payable to the order of the PCMA for the full issuance amount, in the sum of USD (1,817,500), ensuring the PCMA is authorized to compensate the rights of the ultimate beneficiary shareholder,

provided that the guarantee remains valid for two years from its date, and does not include the contributions of the shares of the company’s chairman and board members, insiders, and founders whose names are listed in the approved issuance prospectus.

- Requiring the Holy Land Insurance Company, as part of the approval procedures for the license of the initial public offering share issuance prospectus, to submit an independent declaration accompanied by the company’s legal advisor’s declaration, which is attached to the subscription form, and the investor acknowledges that they have reviewed the legal advisor’s declaration of the issuing company regarding the initial public offering, that they are aware of the material events, that they understand the risks of the subscription, and that they bear legal responsibility individually.

5. Services Provided to the Sector

- Approval of the appointments of board members and designations of professionals at member securities companies.
- Renewal of the licenses of 10 member securities companies to conduct financial brokerage activities for their own account, for others, and for managing issuances. In addition, the renewal of licenses for 26 accredited brokers, 6 financial advisors, and 5 banks to operate as custodians, alongside the renewal of the Palestine Exchange license and other legal entities to conduct investment advisory and issuance management activities.
- Handling 13 written complaints and taking the necessary legal measures accordingly, in order to protect the rights of market participants.

Approval of the Following Issuances:

Company	Issuance Type	Number of Shares
1. National Insurance Company	Free Shares	1,250,000
2. Quds Bank	Free Shares	5,000,000
3. Palestine Investment Bank	Free Shares	2,000,000
4. Tamkeen Insurance Company	Free Shares	624,000
5. United International Insurance Company	Free Shares	912,000
6. Arab Palestinian Investment Company – APIC	Free Shares	8,000,000
7. Vegetable Oil Industries Co.	Free Shares	4,000,000
8. Nablus Surgical Center	Free Shares	222,447
9. Al Mashreq Insurance Company	Free Shares	1,000,000
10. Bank of Palestine	Strategic Partner	30,265,693

11.	Safa Bank	Secondary Public Offering	22,865,817
12.	Al Baraka Insurance Company	Initial Public Offering	2,250,000

6. Disclosures

The following table shows the extent of compliance by the listed companies with the disclosure of periodic reports during the year 2024.

Periodic Reports	Deadline for Disclosure of Periodic Reports	Listed Companies	Committed Companies	Commitment Ratio
Interim Financial Statements 2023	17/3/2024	49	47	96%
Annual Report 2023	30/4/2024	49	47	96%
First Quarter 2024 Financial Statements	16/6/2024	49	46	94%
Semi-Annual Financial Statements 2024	15/9/2024	49	47	96%
Third Quarter 2024 Financial Statements	17/11/2024	48	46	96%

Capital Market Sectors > Insurance Sector > Introducing the Sector

The insurance sector is considered one of the vital pillars of the Palestinian economy due to its pivotal role in supporting economic and social stability and promoting the concepts of security and social solidarity. Through the contractual relationship between the insurer and the insured, insurance fulfills a dual function with social and economic dimensions; it provides protection against risks, serves as an effective tool for capital accumulation, and is an essential element in the production process, which contributes to stimulating growth and strengthening the resilience of the national economy.

The insurance sector in Palestine has witnessed, in recent years, remarkable development, both in terms of the expansion of the insurance portfolio size and the diversity and quality of insurance services offered to the public. This sector continues to grow and adapt despite increasing challenges, reaffirming its position as a stable and effective pillar within the Palestinian economic system.

The insurance sector is supervised and regulated by the PCMA pursuant to the PCMA's Law No. (13) of 2004 and Insurance Law No. (20) of 2005. The Insurance Directorate is responsible for carrying out these tasks by monitoring the performance of insurance companies and ensuring their compliance with the applicable laws, regulations, and instructions. Despite the difficult regional and local challenges that dominated the landscape during 2024, chief among them the ongoing Israeli aggression on the Gaza Strip since October 2023, resulting in widespread destruction and profound humanitarian and economic impacts, in addition to regional tensions in Yemen, Lebanon, and other neighboring countries that negatively affected the investment climate and economic confidence, the Palestinian insurance sector demonstrated notable resilience, adaptability, and achieved positive outcomes.

The total insurance premiums collected in the Palestinian market amounted to USD 383 million during 2024, compared to USD 398 million in 2023, representing a decrease of 4%. This decline is mainly attributed to the weakened purchasing power, especially in areas affected by the war, and the overall slowdown in economic activity. Conversely, the value of claims paid by insurance companies to beneficiaries of insurance coverage rose to USD 259.9 million, compared to USD 257.7 million in the previous year, achieving an increase of approximately 1%.

As for net profits, insurance companies recorded profits amounting to USD 15.9 million in 2024, compared to USD 7.1 million in 2023, reflecting a growth rate of 123%. This significant improvement is attributed to several factors, the most prominent of which are:

- The resumption of operational activity of insurance companies to acceptable levels in the West Bank, which constitutes the largest portion of the portfolio, while the contribution of the Gaza Strip sector did not exceed 2%.
- The completion of the implementation of the International Financial Reporting Standard (IFRS 17), including reversing its impact on previous years, which contributed to improving the financial position of insurance companies.
- The effectiveness of the regulatory procedures and supervisory measures adopted by the PCMA to control the sector's performance and improve the efficiency of risk management.

Regarding the technical indicators:

- The insurance penetration ratio (total premiums to current-price GDP) rose to 3.51% at the end of 2024, compared to 2.29% at the end of 2023, indicating a relative recovery in the depth of the insurance market.
- Meanwhile, the insurance density (average per capita share of the insurance portfolio) decreased to USD 69.74 compared to USD 71.22 in the previous year, attributed to the economic contraction and decline in individual income in several areas.

These indicators reflect the Palestinian insurance system's ability to withstand challenges, respond effectively, and maintain a balance between insurance protection and financial sustainability, even amid a regional and local environment characterized by instability and ongoing fluctuations.

Year	Total Premiums (USD million)	Population (in million)	Gross Domestic Product (USD billion)	Per Capita Insurance Expenditure Rate (USD)	Insurance Percentage in Gross National Product (%)
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
2023	398,033,735	5.5	17.396	71.22	2.29
2024	383,555,711	5.5	*10.914	69.74	3.51

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

Categories and Subdivisions	2022	2023	Development Rate (%) 2022/2023	2024	Development Rate (%) 2023/2024
Vehicle Insurance	274,437,047	269,831,483	-0.02	266,692,758	-0.01
Workers' Insurance	30,231,348	25,872,492	-0.14	27,736,952	0.07
Health Insurance	40,806,747	43,587,176	0.07	38,573,866	-0.12
Civil Liability Insurance	5,170,864	6,251,140	0.21	5,474,850	-0.12
Other Insurances	8,452,926	11,883,278	0.41	7,484,801	-0.37
Fire Insurance	18,579,776	20,331,383	0.09	17,948,637	-0.12
Marine Insurance	1,938,222	2,679,045	0.38	2,018,502	-0.25
Engineering Insurance	7,764,396	8,521,222	0.10	7,530,165	-0.12
Life Insurance	8,631,384	8,468,182	-0.02	9,824,793	0.16
Agricultural Insurance	0	608,335	0	270,388	-0.56
Total Premiums	396,012,710	398,033,735	0.01	383,555,711	-0.04

Years	2018	2019	2020	2021	2022	2023	2024
Installments	279,370,598	302,509,068	303,244,103	363,019,897	396,012,710	398,033,735	383,555,711
Compensation Paid	166,307,996	182,660,629	179,630,303	227,977,187	255,872,881	257,690,889	259,940,376

Capital Market Sectors > Insurance Sector > Major Developments of 2024

Key Developments 2024

The year 2024 witnessed a series of qualitative developments in the insurance sector in Palestine, resulting from continuous efforts to improve the regulatory and technological environment, enhance governance and transparency, and promoting innovation while responding to emerging challenges. The following are the most prominent of these developments:

1. **New Insurance Law**: The draft of the insurance law was presented to the Council of Ministers for the first reading, and feedback was received from several parties including ministries, government institutions, the Palestinian Insurance Federation, and the Palestinian Road Accident Victims Compensation Fund. A series of workshops were held to discuss these comments, some of which were adopted, while explanations were provided for those not accepted. The agreed-upon comments were incorporated into the amended draft, with follow-up continuing with the Council of Ministers to complete the approval procedures.
2. **Promoting Innovation and Technology in the Insurance Sector**: As part of the administration's plan to provide a supportive technological environment, the administration participated in implementing the first phase of a cooperation agreement with the International Finance Corporation (IFC) aimed at developing a roadmap for Financial Technology (FinTech) and Insurance Technology (InsurTech). Meetings were also held with business accelerators to explore opportunities for supporting innovation and enhancing their capacities to establish specialized tracks in this field.
3. **Removing Legal Barriers to Innovation**: The administration held meetings with insurance companies to discuss the PCMA's orientations regarding electronic platforms and mechanisms for dealing with them. A meeting is currently being arranged with the company (E-SADAD) to facilitate electronic payment processes in the sector.
4. **Monitoring and Evaluating Electronic Service Platforms of Insurance Companies**: Evaluation has been undertaken for a number of electronic platforms and innovations submitted by insurance companies for the digital delivery of their services. The no-objection letter for the vehicle pricing project using artificial intelligence was also renewed and addressed to Mr. Ahmad Kanaan. In addition, licensing procedures were followed up for the electronic platforms of the following insurance companies: Al-Mashreq, Palestine, Tamkeen, and Ahlia Group. Licensing procedures are currently being finalized for the platform of Al-Baraka Islamic Insurance Company.
5. **Strengthening Complaint Handling Mechanisms**: As part of the development of the beneficiary protection system, the performance of the Complaints Department within the Insurance Directorate was evaluated, and recommendations were made to improve its effectiveness and to involve partner entities more broadly.
6. **Agricultural Insurance and Microinsurance**: Specialized workshops were organized in partnership with the Ministry of Agriculture and Oxfam to encourage insurance companies to offer products targeted at marginalized groups, particularly in the fields of agricultural insurance and microinsurance.
7. **Development of the Compulsory Vehicle Insurance Pricing System: Work** is being done to amend the vehicle insurance pricing system to shift to a risk-based pricing model, and recommendations have been made to complete the required actuarial study.
8. **Insurance Sector Environment Analysis**: Recommendations were submitted to the Board of Directors of the PCMA based on the results of a market and enabling environment analysis study, with the aim of developing insurance policies in line with changes in the local market.

9. **Improving the Insurance Database**: Work is underway to feed the unified information system with historical accident data and to develop a classification list of high-risk insured individuals.
10. **Cooperation with the Ministry of Labor**: Work is underway to sign a memorandum of understanding with the Ministry of Labor regarding the implementation of the provisions of the Insurance Law related to workers' insurance and workplace injuries, with the possibility of establishing electronic linkage between insurance companies and the Ministry to enhance transparency and compliance.
11. **Oversight and Financial Reporting**: The administration continued its duties in reviewing financial statements and actuarial reports, updating risk registers, and issuing solvency certificates. A periodic statistical database was also developed, along with a risk-based supervision methodology. The presentation of financial data for insurance and reinsurance contracts was standardized, despite the economic challenges caused by the war in the Gaza Strip and the clearance crisis.
12. **Electronic Integration with the Ministry of Transport**: Technical integration with the Ministry was completed to provide application programming interfaces (APIs) for insurance companies to query vehicle data.
13. **Field Supervision of Insurance Companies**: A total of 100 supervisory visits were conducted at the headquarters and branches of insurance companies during 2024 to monitor compliance with laws and regulatory instructions.
14. **Complaints Follow-up**: The Complaints Department received 88 complaints during the year, of which 76 were addressed and closed, while 11 complaints remained incomplete due to missing required documents.
15. **Granting, Refusal, and Renewal of Licenses for Insurance Companies, Agents, and Insurance Professionals**: The Insurance Directorate renewed the licenses for 2024 for all insurance companies authorized by the PCMA, in addition to renewing licenses for insurance professionals registered in the Directorate's records.

The PCMA also renewed the operating licenses of insurance companies for the year 2024, according to the details provided in the tables attached to this report.

Capital Market Sectors > Financial Leasing Sector > Introducing the Sector

The financial leasing sector represents a key component of the non-banking finance system, as it provides flexible financing solutions that help individuals and institutions acquire assets. It is supervised by the PCMA as part of its vision to develop an effective and stable non-banking financial sector that supports economic and social development in Palestine and stimulates investment in vital sectors.

This sector is considered a strategic tool to enhance financial inclusion and expand the base of beneficiaries of financial services, especially in light of the financing challenges faced by certain segments and small and medium-sized enterprises.

The PCMA's supervision of this sector falls within its mandate stipulated in Law No. (13) of 2004 and Law by Decree No. (6) of 2014 Concerning Financial Leasing, which forms the legislative framework regulating the contractual and professional relationships among the various parties in this field.

Capital Market Sectors > Financial Leasing Sector > Major Developments of 2024

The number of financial leasing companies licensed by the Palestine Capital Market Authority reached nine companies as of the end of 2024. During the year, a new independent company was licensed that applied to engage in financial leasing activities compliant with Islamic Sharia.

In the context of the PCMA's strategic plan, which dedicates a specific focus to enhancing the regulatory and legal environment for leasing operations, and as part of the PCMA's ongoing efforts to develop financial leasing products, the PCMA has worked on preparing specialized instructions necessary for companies engaged in financial leasing activities compliant with Sharia provisions (Ijara). These instructions are expected to be issued next year. The instructions emphasize the decisions and recommendations of the Higher Sharia Supervisory Board, including the necessity of separating traditional commercial activities from Sharia-compliant activities, the requirement to appoint a Sharia advisor under specified criteria, and the relationship between existing legislation and the standards of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). Naturally, these instructions are expected to have a positive impact by expanding the client base of financial leasing companies and meeting the needs of financial service consumers who prefer Sharia-compliant financial leasing services, thereby contributing to the broader goal of increasing financial inclusion rates.

In line with the PCMA's third strategic goal, focusing on the sustainability of financial sectors under its supervision and enhancing their contribution to economic development, and its sub-goal of expanding the scope of financial leasing services, the PCMA held several technical meetings and discussions with the Ministry of Transport to update the instructions for registering vehicles leased under financial leasing, which were originally issued in 2017. These meetings resulted in new instructions that address the issues found in the previous instructions, as well as detailed new provisions related to the leasing of public vehicles. This, in turn, organizes the relationship between the Ministry, leasing companies, and the PCMA, and expands the operational scope of financial leasing companies to include vehicles operating in the public sector. The instructions were signed by His Excellency, the Minister of Transport on 18/12/2024 and shall take effect upon their publication in the Official Gazette.

At the sectoral level, expanding financial leasing services will deepen the financial leasing sector and increase its penetration rates, diversify the portfolio of leased assets, and have positive effects on the housing sector in general by enhancing the interaction between supply and demand forces.

Regarding the PCMA's first strategic goal, enhancing the use of technology, particularly in the area of electronic integration with companies, facilitating their operations, empowering them, and enabling direct and seamless access to necessary data and information, work has been carried out in cooperation with the Information Systems Department. As a result, companies can now generate detailed reports on their activities through the electronic contract registration system, thereby improving their operational efficiency and data accuracy.

Key Financial Indicators of the Sector:

In this section, the following table presents a comparison of the most important key financial items of the financial leasing sector for the years 2024 and 2023:

Key Comparative Financial Items for the Financial Leasing Sector for the Years 2024 and 2023

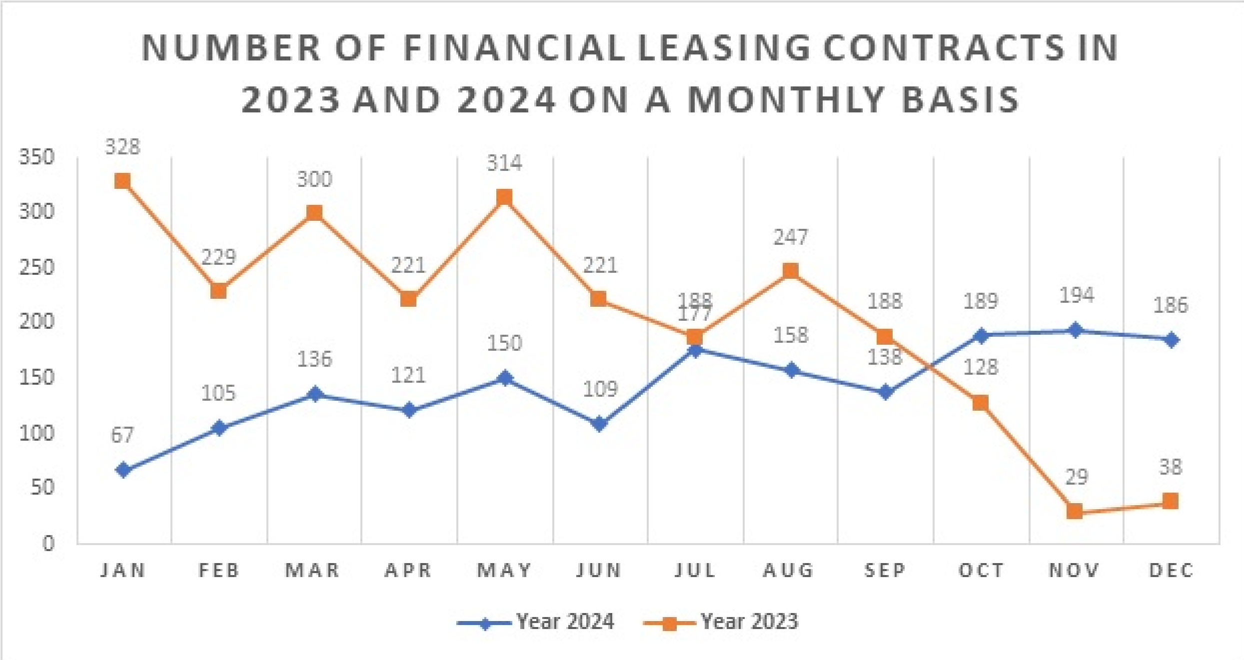
-	**2024**	**2023**
Item	**USD**	**USD**
Total Assets	191,316,318	192,412,983
Total Liabilities	134,431,743	138,028,060
Total Equity	56,884,575	54,384,921
Paid-in capital	45,360,456	43,910,252
Net Investment in Financial Leasing Contracts	142,015,273	146,517,900
Delinquency Rate	15.85%	5.75%

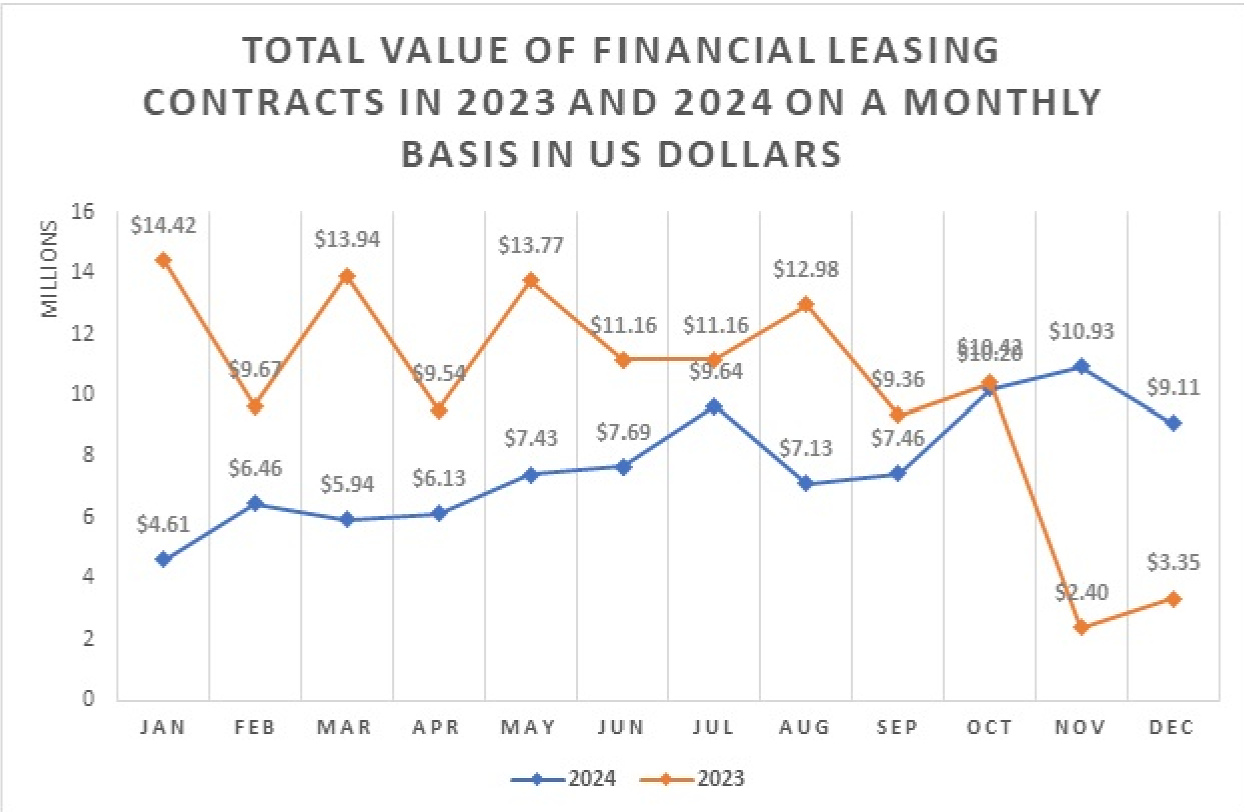
Sector Statistics

The total value of investment in financial leasing contracts registered with the PCMA by the end of the year reached approximately USD 7.92 million, covering 1,730 contracts. The 2024 statistics represent a decrease of 24.1% in contract value compared to 2023, and a 28.8% decrease in the number of contracts.

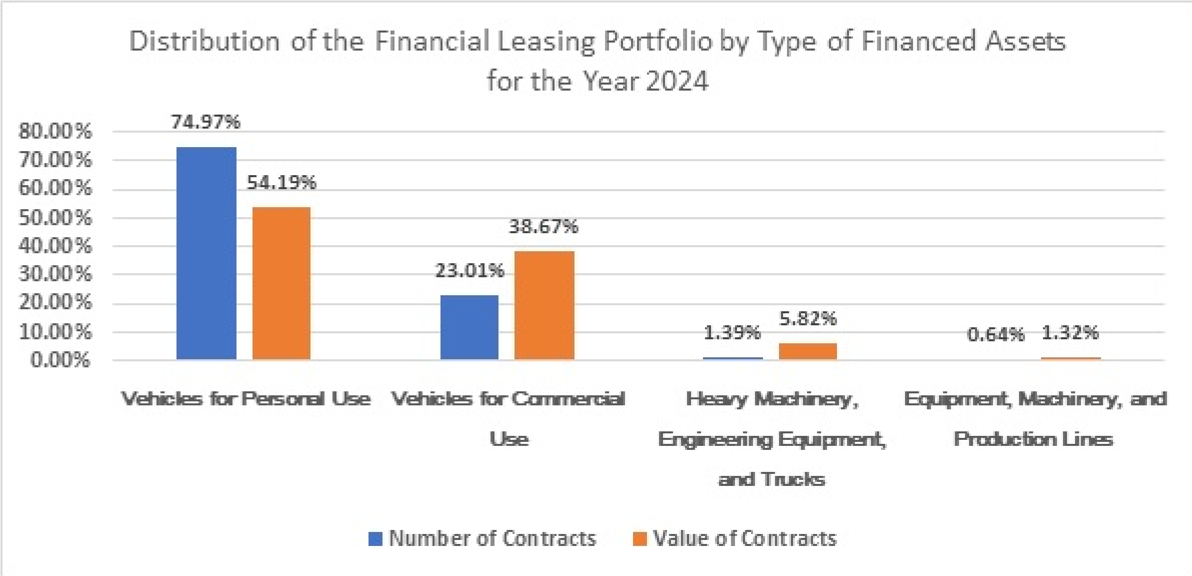
This decline is temporary and transitory, reflecting the decrease in key economic indicators such as investment and consumption, as mentioned above. However, it is important to note that this sector continues to grow and remain competitive, as it targets various productive and consumer assets, and has demonstrated its ability to withstand and resume activity during previous financial and economic crises.

The charts illustrate the monthly growth/decline in the value and number of financial leasing contracts between the years 2023 and 2024:

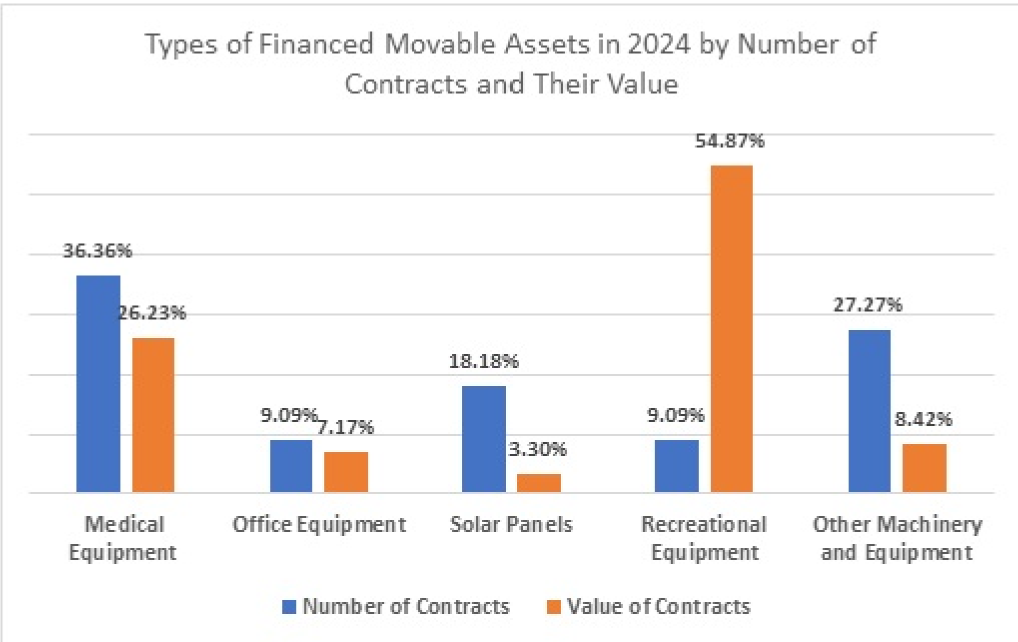




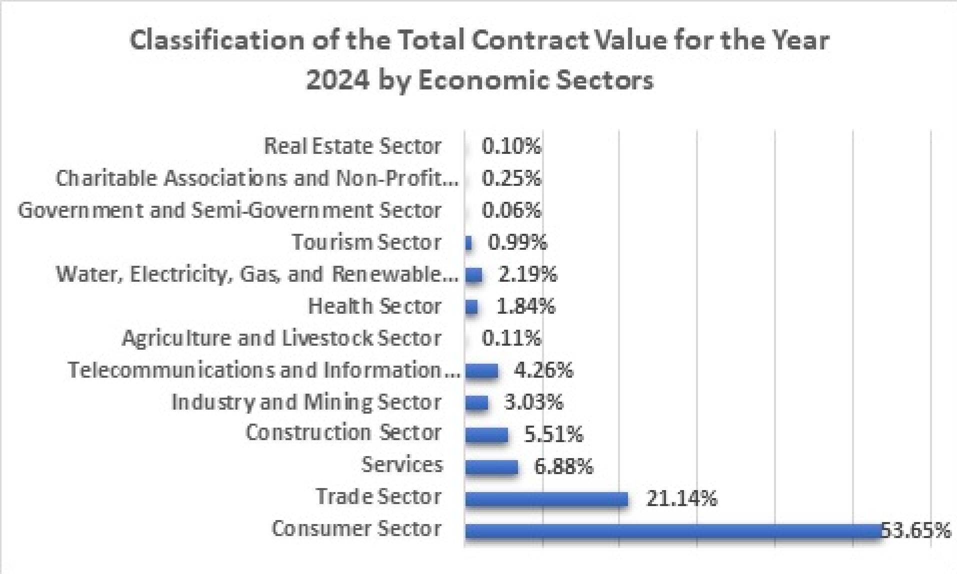
As for the distribution of the financial leasing contract portfolio in the year 2024, by type of assets and purpose of use, we see that vehicles for personal use are the most financed assets, with the contract value accounting for 54.19% of the total value of contracts, and 74.97% of the total number of contracts.

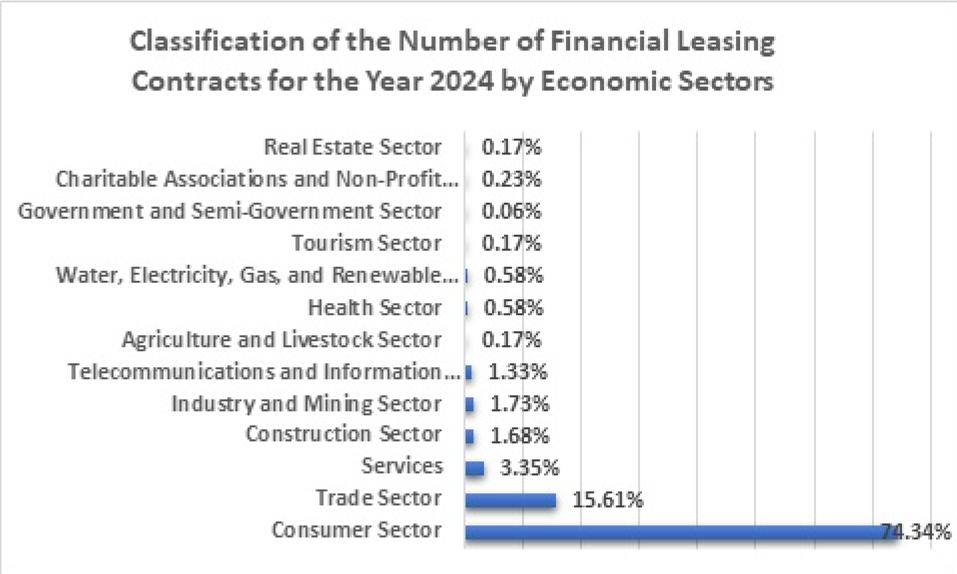


Below, we present a chart illustrating the distribution of movable assets (such as machinery, equipment, production lines, etc.) by asset type, both in terms of value and number. These assets accounted for 1.32% and 0.64% of the total value and number of registered contracts, respectively. The reclassification of financial leasing contracts in the PCMA's electronic system enabled us to categorize these assets by type and determine each type's share within the movable assets portfolio, as follows:

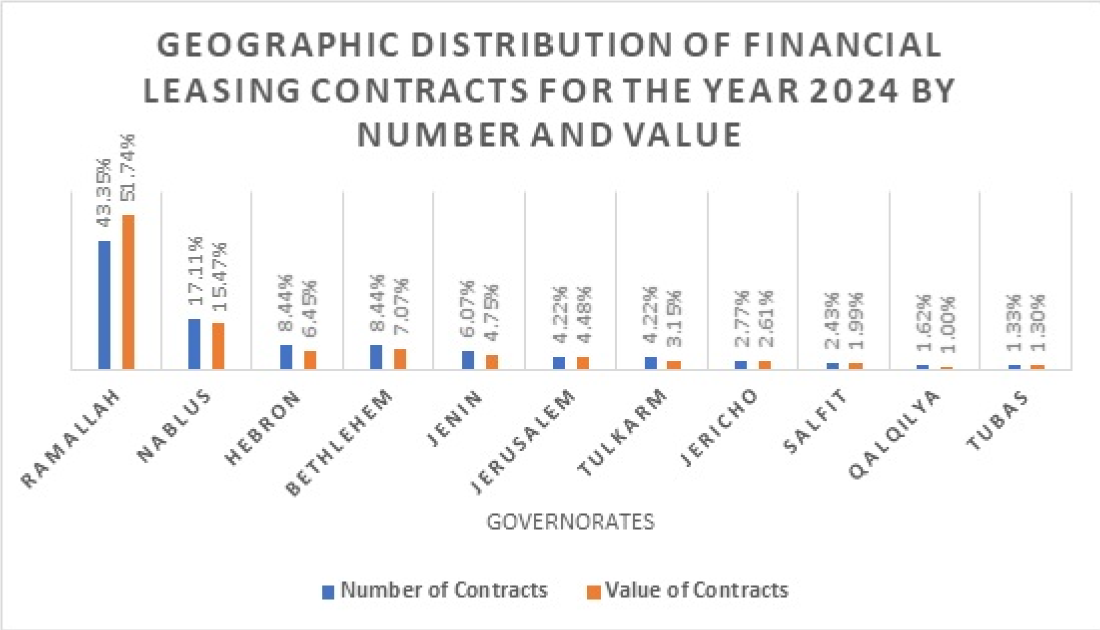


As for the share of each economic sector in financial leasing, the chart illustrates the proportion of contracts by value and number for each sector. We observe that the consumer sector is the largest beneficiary, with contracts accounting for 53.65% of the total contract value and 74.34% of the total number. These contracts primarily finance vehicles for personal use, which aligns with the prevailing consumption-based economic pattern.

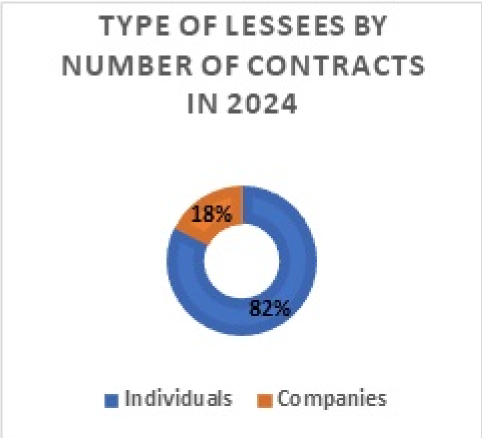




Regarding the geographic distribution of the contract portfolio, Ramallah and Al-Bireh Governorate holds the largest share of the portfolio, accounting for 51.74% in terms of value and 43.35% in terms of number, followed by Nablus Governorate, then Hebron Governorate. This distribution aligns with the economic structure and business concentration across the governorates.



As for the nature of the lessees, whether individuals or companies, individuals accounted for 59% of the contract value and 82% of the contract number, as illustrated in the following charts:



Capital Market Sectors > Financial Leasing Sector > Factoring

Factoring is a financing tool that helps businesses, particularly small and medium-sized enterprises, manage their working capital and use the assets listed on their financial statements as a form of collateral to obtain funding. By providing liquidity to these companies, factoring contributes to their growth and enhances their role in the economy.

The PCMA, in cooperation with the European Bank for Reconstruction and Development, has prepared a draft factoring law that is consistent with local legislation. This draft was reviewed by the legal team appointed by the European Bank for Reconstruction and Development in comparison with the Model Law on Factoring issued by the International Institute for the Unification of Private Law (UNIDROIT). Following confirmation that the Palestinian draft aligns with the Model Law, the legal team proceeded to prepare an explanatory memorandum and a legislative policy paper for the law in Arabic. At the same time, the PCMA's team is currently reviewing these documents in preparation for presenting them to the Board of Directors, as well as to the public and relevant stakeholders for discussion.

Capital Market Sectors > Mortgage Finance Sector > Introducing the Sector

Based on Capital Market Authority Law No. (13) of 2004, the PCMA carries out the supervision and oversight of the mortgage finance sector, stemming from its primary objective of creating a suitable environment to achieve capital stability and growth, and to protect investors’ rights, by preparing the legislative framework regulating the work of the mortgage finance sector, including real estate appraisers.

Banks dominate the primary market (which involves direct loan grants to citizens) in the mortgage finance sector due to the high liquidity enjoyed by the Palestinian banking sector, the low cost of deposits (the banks’ main funding source), and their wide presence across many branches. This situation poses a challenge for mortgage finance companies to compete and operate within the direct (primary) market of the mortgage finance sector.

As for the secondary market (refinancing operations of loan portfolios granted by banks to citizens) in the mortgage finance sector, Palestine Mortgage and Housing Corporation continues to operate in the market through its financing arm, the Palestine Housing Finance Corporation, which has had a significant impact on the expansion and growth of the mortgage finance market by refinancing mortgage loan portfolios for banks. However, due to the availability of liquidity in banks, the provision of financing facilities, and the increase in informal activity in the real estate financing field, the secondary market activity represented by Palestine Mortgage and Housing Corporation’s refinancing of mortgage loans has declined.

As for real estate appraisal, given the importance of this profession in determining the value of property collateral on which loans are granted, the ratio of the property’s value to the loan amount is considered one of the prudential policy tools used to maintain the stability of the mortgage market. Therefore, the more accurate and realistic the appraised value of the property is, the more it contributes to achieving the goal of stabilizing the mortgage market, ensuring that the financed property values closely reflect reality in the event of borrower default and the banks’ need to foreclose on these properties to recover their funds.

The PCMA, in cooperation with the Palestinian banking sector, held a real estate appraisal training course from October 27 to 31, 2024, for the purpose of obtaining a real estate appraisal license.

During the year, cooperation was also established with the Land Authority, through the Council of Ministers, by providing qualitative feedback on the draft Real Estate Appraisal and Appraisers Licensing Regulation, based on practical and scientific expertise related to real estate appraisal and appraisers’ qualification, with the aim of enhancing knowledge and technical exchange between the two institutions.

Additionally, during the year, licenses were granted to five (5) appraisers.

Sector Statistics

There are two companies operating in the mortgage finance sector: Palestine Mortgage and Housing Corporation and the Palestine Housing Finance Corporation. The Palestine Housing Finance Corporation offers a loan refinancing program to banks, with the outstanding balance of the refinanced portfolio amounting to USD 1.76 million as of the end of 2024. It is noted that there is limited demand for the company’s services due to the challenges mentioned above.

A total of 72 real estate appraisers are working in the real estate appraisal sector for mortgage finance purposes as of the end of 2024, distributed across all governorates according to the following table:

Governorate	Number	Ratio
Ramallah and Al-Bireh	22	31%
Hebron	8	11%
Bethlehem	9	13%
Jenin	8	11%

Qalqilya	3	4%
Tulkarm	9	13%
Nablus	4	6%
Gaza Strip	6	8%
Jerusalem – Al-Eizariya	1	1%
Salfit	1	1%
Tubas	1	1%

In 2024, the PCMA continued its efforts to promote the use of financial technology in the non-banking financial sectors and encouraged innovators and entrepreneurs to submit their ideas and solutions through the “Ebtaker” platform (the {PCMA’s regulatory sandbox/incubator). Since its launch in 2021, a total of 65 innovations targeting various non-banking financial sectors have been submitted through the “Ebtaker” platform.

- The PCMA worked, in 2024, in cooperation with the International Finance Corporation (IFC), on developing and establishing a specialized track for financial technology within business accelerators, incubators, and technology parks at Palestinian universities. This important project aims to enhance the readiness and capacity of business incubators to attract and support fintech-related innovations, recognizing the critical role this plays in facilitating the innovation journey for entrepreneurs and increasing their preparedness to engage with regulatory bodies, particularly the Palestine Capital Market Authority, and to meet the requirements for admission into the regulatory business incubator. In this context, the following was accomplished during the year 2024:
    1. An assessment of the current state of financial technology in Palestine, particularly in relation to the non-banking financial sectors (Fintech Map), and an evaluation of the progress made by the PCMA in establishing an enabling regulatory environment to promote financial technology.
    2. Development of a time-bound executive roadmap for establishing a specialized financial technology track within the non-banking financial sector at business accelerators and incubators in Palestinian universities.

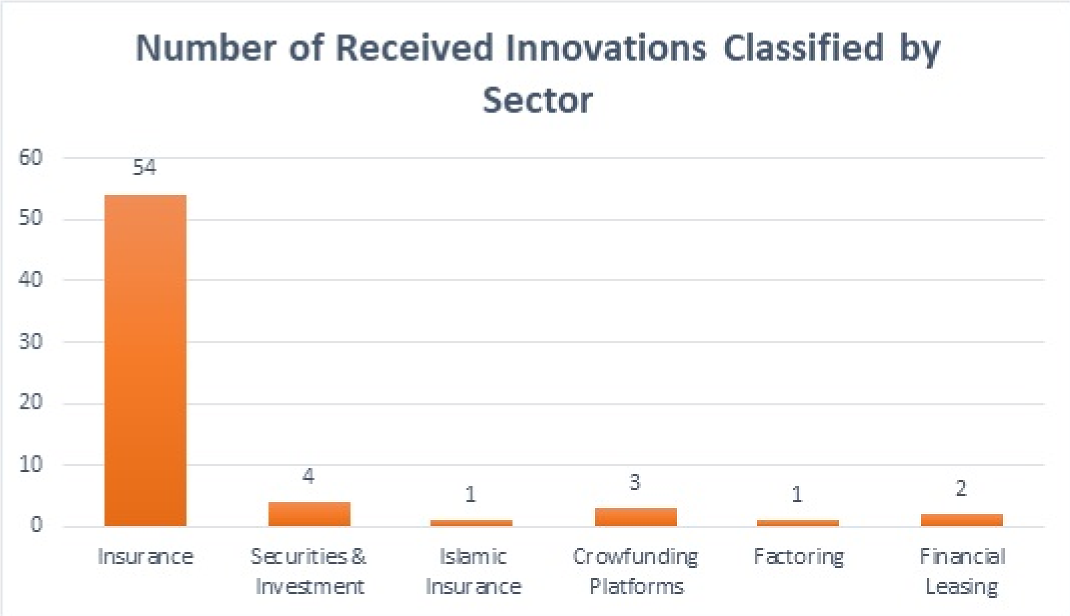
  This was carried out through a series of phases, beginning with a comprehensive review of existing studies, surveys, and assessments. It was followed by a wide range of bilateral meetings with business accelerators and incubators, as well as universities that host incubators and technology parks. Subsequently, a thorough evaluation was conducted of the PCMA's achievements in creating an enabling environment for financial technology, particularly through the Ebtaker platform. The PCMA's policies for encouraging fintech innovations were also assessed, along with the regulatory and legislative frameworks and tools that have been introduced, such as the no-objection letter and the regulations related to licensing electronic platforms, among other policies and procedures.

The Regulatory Innovation Platform "Ebtaker"

The Ebtaker platform has received, since its launch by the PCMA in March 2021, a total of 65 innovation and idea submissions up to 2024. All of these submissions consist of ideas and solutions related to financial technology that serve the non-banking financial sector in Palestine.

Figure 1, below, illustrates the distribution of innovations received through the platform by sector, showing a concentration of innovations in the insurance sector, followed by those related to the securities sector and the financial leasing sector.

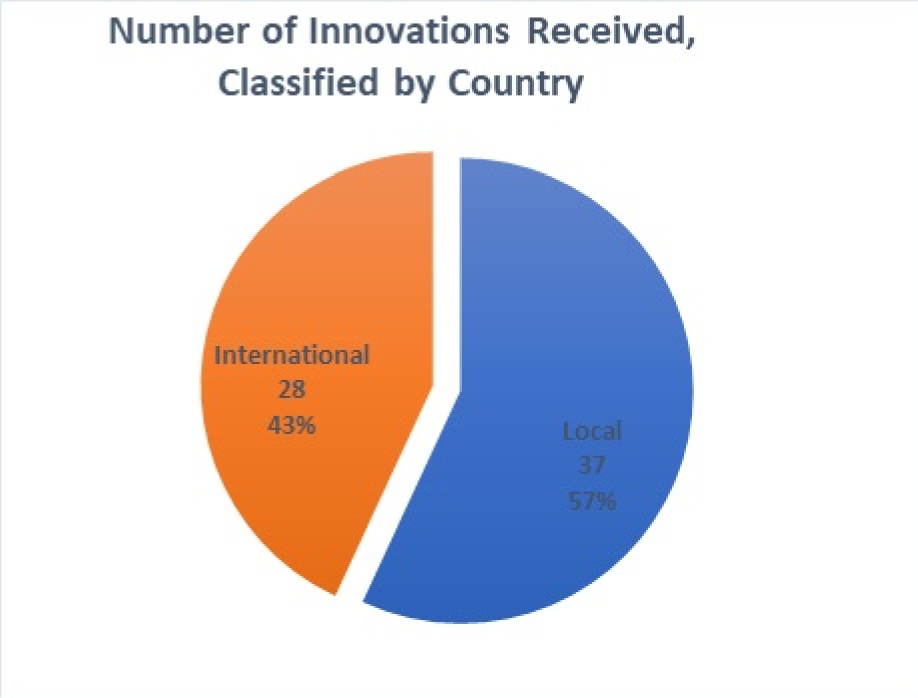
Figure 1: Innovations Received through the Ebtaker Platform, Classified by Sector



During 2024, two innovations related to the insurance sector were submitted for licensing under the current regulations, after receiving the necessary guidance and support. The data indicates that innovations have been received from several countries, with the most prominent being Palestine, followed by the United Arab Emirates and Egypt, as well as contributions from other countries such as Jordan, Saudi Arabia, Türkiye, and Lebanon. This reflects the growing regional presence of the platform and its ability to attract innovators from outside Palestine.

Figure 2 below shows the number of innovations received classified by country. The data indicates that 42% of the innovations were submitted internationally, while 58% were submitted locally. This reflects the platform's broad regional presence and its ability to attract innovators both from within Palestine and abroad. Additionally, the PCMA made strong efforts to increase the share of local innovations; however, the repercussions of the Israeli aggression on the Gaza Strip hindered these efforts.

Figure 2: Number of Innovations Received, Classified by Country



- **Platform Development:**

The Ebtaker website was developed and integrated with the PCMA’s official website during 2024 after technical updates and improvements, making it more visible internationally and regionally, and available in both Arabic and English. The website development included automating the Ebtaker forms and adding platform features that allow applicants to create their own accounts to submit applications and track the progress of their ideas. This enables Ebtaker to receive innovators’ requests for support and guidance in a fully automated manner, in addition to accepting electronic submissions. The new Ebtaker portal provides innovators with the general information they need about the platform and prepares them adequately before submitting any requests through it.

- During 2024, the PCMA completed work on developing the corporate governance guidelines for companies listed on the Palestine Exchange. This effort was aligned with developments in the relevant legislative frameworks, particularly Law by Decree No. 42 of 2021 on Companies, as well as recent advancements in corporate governance principles over the past few years. These changes highlighted the need to update the Corporate Governance Code issued in 2009. The old Companies Law No. 12 of 1964 had been one of the main legal obstacles to enforcing the provisions of the 2009 Corporate Governance Code.

  Following the issuance of the new Companies Law under Law by Decree No. 42 of 2021, which was designed to reflect various developments in Palestine and better align with governance principles, the PCMA found it necessary to update the Corporate Governance Code to reflect the legal developments introduced by the new law. This was done through the issuance of corporate governance instructions for listed companies, which include mandatory governance rules. The instructions also allow the PCMA to issue optional governance rules, with the aim of ensuring alignment, compliance, and consistency with legislation, enhancing companies' ability to effectively adapt to achieve compliance, and improving their level of governance in line with recent developments in corporate governance principles.

  In this context, and as part of its efforts to establish sound rules and best practices for the governance of publicly listed companies on the Palestine Exchange, the PCMA, in partnership with the International Finance Corporation (IFC), worked on developing corporate governance rules for listed companies. This process involved assessing the current situation, identifying gaps based on specific standards and the experiences of regional and neighboring countries, and conducting a comparative assessment with seven countries: Jordan, Egypt, Saudi Arabia, Türkiye, South Africa, the United Kingdom, and Vietnam. The outcome was a draft set of corporate governance instructions for companies listed on the Palestine Exchange, along with a set of optional governance rules, aligned with the prevailing conditions and legislation in Palestine. The draft also incorporates developments introduced by the new Companies Law No. 42 of 2021, taking into account governance principles and standards recommended based on a review of current regional and international best practices, with greater emphasis on control environments, written policies, and conflict of interest prevention.

The Objective of Issuing the Corporate Governance Instructions for Companies Listed on the Palestine Exchange

The objective of issuing the Corporate Governance Instructions for Companies Listed on the Palestine Exchange is to establish a legal framework for regulating the affairs of listed companies, including a regulatory framework for their governance. This complements the relevant legal requirements set forth in the laws and regulations in force in Palestine. Adherence to governance principles brings significant benefits to companies, positively impacting their performance and development, and helping to build an environment based on trust, transparency, and accountability. More specifically, the governance rules aim to improve the quality of board practices, enhance company performance, increase competitiveness, raise company value, and strengthen the confidence of other stakeholders in the company. Governance also helps improve the investment climate, activate and expand the financial market, and boost the competitiveness of the economy by increasing stakeholder trust, enhancing the country's ability to manage risks, and preserving financial and economic stability.

Scope of Application

Without prejudice to the applicable laws, regulations, and instructions in force in Palestine, the principles and provisions of the proposed corporate governance instructions apply to public shareholding companies listed on the Palestine Exchange, unless otherwise provided for in any other legislation. Based on the importance of stakeholder consultation, the PCMA launched a broad dialogue on the draft corporate governance instructions during the fourth quarter of 2024. This was done by publishing the draft on the PCMA's website for the public and interested parties and circulating it to all relevant stakeholders and entities to obtain feedback. The PCMA received a valuable set of comments and addressed them with care and responsibility. A large number of these comments were reflected in the revised draft, leading to the second draft of the corporate governance instructions for listed companies, which was also circulated for feedback to listed companies and the Palestine Exchange. The final corporate governance instructions for companies listed on the Palestine Exchange are expected to be issued during 2025.

Despite the challenges imposed by the genocidal war on our people in the Gaza Strip, and the policy of destruction, killing, abuse, and military closures imposed by the oppressive Israeli occupation on the West Bank, as well as the political and economic repercussions that followed and continue to affect all sectors, including commercial, industrial, and others, the PCMA was able to move forward in implementing some of the programs assigned to it in the financial inclusion plan. This was done while taking into account that the financial sector, both banking and non-banking, has borne a significant share of the repercussions and effects of the genocidal war and mass killing practiced against the Palestinian people, as witnessed at the end of last year and continuing to this day. This, without doubt, had a direct impact on the implementation of the national financial inclusion strategy plan and on executing the activities and programs that were scheduled to be carried out during the war period. Many projects, programs, and activities that were supposed to be implemented during the past period stopped working, and any projects or plans related to the strategy and new plan programs were frozen. Furthermore, the restrictions imposed by the oppressive Israeli occupation on the movement of individuals within Palestine, and the prevention of travel between governorates, had the greatest impact by preventing citizens from accessing and using financial services and products, and affected the protection of consumer rights under these circumstances, in addition to the ongoing clearing crises. Despite the uncertainty of the future outlook, and considering that the war has not yet ended, work is underway to assess the current situation and attempt to identify the repercussions caused by the war for the purpose of taking corrective and constructive steps in the field of financial inclusion, within the difficult circumstances being experienced, and in coordination with partner institutions supporting the national financial inclusion strategy. Below are the most prominent developments in advancing financial inclusion during 2024:

- **Monitoring the Implementation of the Executive Plan for the National Financial Inclusion Strategy**

Despite the direct impact of the aggression on various sectors in Palestine, the halt of many activities, and its direct and indirect effect on the financial sector, the PCMA achieved some progress in implementing the programs of the executive plan for financial inclusion. As part of its efforts to promote financial technology, which in turn enhances financial inclusion rates in Palestine, the PCMA worked on developing the innovation platform “Ebtaker,” which is dedicated to receiving innovations related to financial technology in the non-banking financial sector and providing regulatory guidance. This encourages financial innovations in the non-banking financial sector to become more attractive and easier to access and engage with for innovators at both the international and regional levels, in both Arabic and English. The platform also includes new sections that track the progress of submitted ideas, contributing to the implementation of financial inclusion goals in Palestine by supporting the optimal use of technology to expand the reach and use of formal financial services. In line with implementing executive plan programs related to raising financial literacy and enhancing financial awareness among community groups, especially youth, the PCMA launched a university course titled “Financial Literacy.” The course aims to integrate financial information into Palestinian universities in a modern way, keeping pace with developments in the banking and non-banking financial sectors, aligned with the Palestinian context. It helps raise the financial literacy and capabilities of youth, contributing to creating a financially aware and educated generation capable of effectively and positively engaging with the financial sector, relying on itself armed with a culture of work and self-reliance, and able to take personal financial responsibility when making important financial decisions. This contributes to achieving financial inclusion among this group.

· Holding a Meeting of the National Financial Inclusion Committee Chairmanship

The Chairmanship of the National Financial Inclusion Committee held a meeting during the second quarter of 2024 to review the most important developments regarding the progress of implementing the National Financial Inclusion Strategy and related updates. The meeting discussed the negative impacts caused by the brutal war on the progress of the plan’s implementation, in addition to the efforts of both the PCMA and the Monetary Authority to continue executing whatever programs related to enhancing financial inclusion are possible under these difficult circumstances.

The discussion also covered financial inclusion indicators and emphasized the necessity of holding the ninth meeting of the National Committee to review the latest developments and repercussions on the National Financial Inclusion Strategy, as well as the mechanisms to complete the implementation of the financial inclusion plan. The Chairmanship of the Technical Committee was tasked with preparing a progress report, including the efforts of all partner institutions, to be discussed at the upcoming National Committee meeting. This aims to obtain the Committee’s guidance regarding the assessment of the war’s impact, the effect on the financial inclusion programs outlined in the plan, and the implications for the National Financial Inclusion Strategy. Additionally, it includes evaluating the progress of all activities listed in the executive plan, studying their effectiveness, and reviewing priorities in light of the ongoing war, all in coordination with the strategy’s partners.

One of the key topics discussed during the meeting was the necessity of conducting an assessment of the impact of the aggression on the National Financial Inclusion Strategy after the end of the war, and proposing a reordering of priorities in response to the current situation, in coordination with all partners. The Chairmanship of the National Committee emphasized promptly obtaining feedback from the strategy partners regarding programs, activities, and proposals, each within their respective areas.

- ### Increasing Financial Awareness and Financial Capabilities among Different Segments of Society

Despite all the current circumstances the country is going through, the PCMA adopted the priorities of the 2024 financial inclusion work plan, foremost of which is enhancing financial awareness and culture among different segments of society, especially youth and women. In this regard, the Palestine Capital Market Authority, in cooperation with partners, launched a university course titled “Financial Literacy,” aiming to raise the level of financial knowledge among university students. This reflects the belief that Palestinian universities are the main source for building Palestinian competencies and supplying the labor markets. This initiative is part of the activity related to developing academic courses targeting the raising of financial awareness and culture among specific groups in society, particularly youth, and it has been included as an elective course in several Palestinian universities for students of various faculties.

- ### Holding the Ninth Meeting of the National Financial Inclusion Committee

The ninth meeting of the National Financial Inclusion Committee was held at the beginning of the first quarter of 2024 to review the achievement report of the National Financial Inclusion Strategy for the period from July 2023 to June 2024, which includes the progress report on the implementation of the financial inclusion work plan. The meeting also aimed to review the latest developments regarding the implementation of the executive plan for the National Financial Inclusion Strategy 2023-2025, the repercussions caused by the war, and the resulting negative effects that hinder the implementation of the financial inclusion strategy programs and their executive plan.

The meeting included discussions on many important issues related to enhancing financial inclusion in Palestine and the impact on the plan’s programs, some of which have been halted due to the prevailing conditions. Among the most significant points was the necessity of concerted efforts to ensure the continued provision of banking and non-banking financial services to citizens during these difficult times and under the prevailing political and economic circumstances.

- ### Activating the Tripartite Plan between the PCMA, the Palestine Monetary Authority and the Ministry of Education

Coinciding with the return of schools to in-person attendance, the Ministry of Education worked on activating the tripartite plan between the PCMA, the Palestine Monetary Authority, and the Ministry of Education. This came after the plan had been halted and discontinued since the beginning of the previous academic year, which coincided with the start of the brutal aggression on the Gaza Strip.

It is worth mentioning that the tripartite plan targets one of the most important segments of financial inclusion, namely children and youth, taking into account the student population in public schools (approximately 879,000 students), in addition to the staff of teachers and supervisors (about 51,000 teachers) and Ministry employees and directorates across the governorates. The importance of completing the implementation of the tripartite plan between the Ministry, the PCMA, and the Palestine Monetary Authority lies in building on previous efforts in this context, especially with the return to in-person schooling and the near regularity of the educational process. The tripartite plan was discussed among the three parties, and implementation priorities were evaluated according to the current situation and the Ministry of Education’s priorities and vision in this field.

Anti-Money Laundering and Terrorist Financing

The risk management framework at the PCMA provides the overall intentions and directions of the PCMA regarding risk management. It also sets out the procedures and arrangements for implementing and continuously improving risk management in line with the risk management context, and the core elements of this framework include establishing the context and risk appetite, risk assessment (identification, analysis, and evaluation), risk treatment, information and communication, awareness, training, and risk monitoring, follow-up, and review.

Legislation:

The circulars issued by the PCMA aim to enhance the efficiency and capacity of companies to address the risks of money laundering and terrorism financing, and to adopt a risk-based approach in detecting suspicious transactions. Several circulars were issued during 2024, as outlined below:

- Circular on the guidance manual for the annual report of compliance officers on anti-money laundering and counter-terrorism financing.
- Circular on United Nations Security Council resolutions issued electronically by the Public Prosecution, totaling 4.
- Circular listing high-risk countries that are prohibited from dealings, published on the PCMA website.
- Circular on a United Nations Security Council resolution issued electronically by the Public Prosecution, totaling 1.
- Circular listing high-risk countries that are prohibited from dealings, published on the PCMA website.
- Circular on United Nations Security Council resolutions issued electronically by the Public Prosecution, totaling 2.
- Circular listing high-risk countries that are prohibited from dealings, published on the PCMA website.
- Circular on reliance on third parties – Securities.

Specialized Inspection Rounds and Preparation of Risk Registers:

- Since the beginning of 2024, the supervisory departments have prepared an operational plan for the inspection division for regular field visits, based on the updated risk register at the end of 2023. The aim is to verify the compliance of companies under the supervision and oversight of the Palestine Capital Market Authority with the law, instructions, circulars, and regulations related to anti-money laundering and counter-terrorism financing.
- The supervisory departments have completed implementing these plans since the beginning of the year, and cooperation with the Anti-Money Laundering and Counter-Terrorism Financing division will continue to conduct several inspection rounds during this year as needed.

Administrative Violations and Penalties:

None

- **Participation in Conferences, Workshops, and Training programs:**

- Completion of the Risk Management Diploma and obtaining the CERMP certificate.
- Meeting with the Financial Follow-up Unit to enhance market entry procedures.
- Workshop on "Awareness of Compliance with Financial Crimes," organized by the Training and Capacity Building Institute at the Arab Monetary Fund, in cooperation with the Regional Arab Clearing and Settlement Institution.
- PCMA's membership in the national team is responsible for assessing risks of money laundering, terrorism financing, and proliferation of arms, according to the Council of Ministers decision issued in its weekly session No. (19/14) held on 9/7/2024.
- Invitation to the remote program titled "Environmental and Social Management," in cooperation with the Capital Market Authority of the Kingdom of Saudi Arabia.
- Participation in the national risk assessment of money laundering and terrorism financing.
- Participation in the workshop launching the results of the national risk assessment of money laundering and terrorism financing.

Local and International Cooperation

_Requests for Local Cooperation Received from the Competent Authorities:

- Responding to inquiries and requests received from the competent authorities and providing them with the necessary data falls within the legal authorities of the PCMA in this regard, and was as follows:

    - The PCMA responded to inquiries and requests received from the competent authorities as follows:

    - Responded to 4 requests received from the Office of the Public Prosecutor.
    - Responded to 1 request received from the Anti-Corruption Crimes Court.
    - Responded to 14 requests received from Execution Departments, Court rulings, and the Ministry of Interior.
    - Responded to 6 requests received from the Financial Follow-up Unit.
    - Responded to 2 requests received from the Financial Follow-up Unit.

    - The PCMA responded to inquiries and requests received from the competent authorities as follows:

    - Responded to 6 requests received from the Office of the Public Prosecutor.
    - Responded to 3 requests received from the Anti-Corruption Crimes Court.
    - Responded to 13 requests received from Execution Departments, Court rulings, and the Ministry of Interior.
    - Responded to 1 request received from the Financial Follow-up Unit.

    - The PCMA responded to inquiries and requests received from the competent authorities as follows:

  - Responded to 7 requests received from the Office of the Public Prosecutor.
  - Responded to 7 requests received from the Anti-Corruption Crimes Court.
  - Responded to 54 requests received from Execution Departments, Court rulings, and the Ministry of Interior.
  - Responded to 2 requests received from the Financial Follow-up Unit.

International Cooperation Requests Issued/Received:

None

Non-Banking Financial Awareness

As part of its central role in enhancing the legal environment, developing, and regulating the non-banking financial sectors, the PCMA carried out a series of awareness and communication activities during 2024. These efforts were aligned with its strategic objectives outlined in the 2021-2025 five-year plan and the tasks assigned to it under the legislation and laws governing its work.

These activities focused on raising public awareness about the importance of the non-banking financial sector and enhancing the financial literacy of citizens in the various areas overseen by the PCMA. The PCMA also sought to strengthen its relationships both domestically and internationally by conducting multiple meetings and implementing targeted initiatives aimed at expanding its influence and reinforcing partnerships.

The war launched by the Israeli occupation on the southern governorates of the country during the past year cast a shadow over various aspects of economic life, necessitating intensified awareness and communication efforts by the PCMA to keep pace with the challenges.

Below, we present the most prominent awareness activities and programs implemented during the year 2024:

- **The PCMA Launches a Financial Literacy Course for Palestinian University Students**

The PCMA, in partnership with the German Agency for International Cooperation (GIZ), launched a university course titled "Financial Literacy" in the presence of PCMA Chairman Ammar Aker and General Director Barraq Al Nabulsi, with the participation of representatives from the PCMA, the course developers, and representatives from several Palestinian universities.

- **The Palestinian Capital Market Authority and Al-Quds Open University Sign a Memorandum of Understanding**

The PCMA and Al-Quds Open University signed a Memorandum of Understanding. The MoU was signed on behalf of the PCMA by its Chairman, Mr. Ammar Aker, and on behalf of the university by its President, Prof. Dr. Samir Najdi.

This memorandum reflects the desire of both parties to strengthen avenues of cooperation in order to achieve their shared strategic goals, in a way that reflects a spirit of collaboration while ensuring the independence of each party in terms of vision, mission, and purpose. It also aims to enhance non-banking financial awareness, as well as engage in various fields and programs related to knowledge exchange, student and academic capacity building, and the development and integration of specialized educational courses.

The memorandum also includes areas of cooperation related to financial literacy and the promotion of financial inclusion in Palestine, based on the University's orientation toward strengthening financial and banking knowledge among its students, and in alignment with the national five-year strategy (2018-2025) adopted by the PCMA as part of its vision to create financial inclusion in Palestine.

- **The PCMA Participates in the Palestine Award for Economic Journalism in its Second Edition**

The PCMA participated alongside the main organizer of the award, the Network of Economic Journalists within the Palestinian Journalists Syndicate, in the "Palestine Economic Journalism Award" in its second edition.

The award was sponsored by several partner entities, including the Palestine Investment Fund, the Palestine Monetary

Authority, and the Association of Banks in Palestine.

Attending the event on behalf of the PCMA were Mr. Ammar Aker, Chairman of the Board, Mr. Barraq Al Nabulsi, General Director, several department directors, as well as the PCMA's Public and International Relations staff.

Aker emphasized that the existential threats facing the national cause make it more urgent than ever for all sectors and components of Palestinian society, particularly the governmental, banking, and non-banking financial sectors, to strengthen cooperation and partnership. This must go hand in hand with the media, journalism, and components of Palestinian civil society to enhance our capacity to respond to these challenges and strengthen citizens' resilience.

The PCMA's participation in the award also reflects its commitment to developing the skills and capabilities of Palestinian journalists, enabling them to cover economic and financial topics with high professionalism.

- **The PCMA Launches World Investor Week 2024 for the Seventh Consecutive Year**

The Palestine Capital Market Authority, in partnership with the Palestine Exchange, participated in the activities of "World Investor Week 2024" at the beginning of October

2024. The event was held under the theme “**Technology, Digital Finance, Crypto Assets, and Sustainable Finance**,” marking the seventh time it has been conducted in Palestine as part of the annual initiative launched by the International Organization of Securities Commissions (IOSCO), and in partnership with the World Federation of Exchanges (WFE), which includes many securities regulators and stock exchanges from more than 120 countries worldwide.

The participation of the Palestine Capital Market Authority and the Palestine Exchange, this year, aligned with the exceptional circumstances following a full year of the Israeli aggression and its repercussions. The participation was limited to a series of awareness sessions at three Palestinian universities (An-Najah National University, Al Istiqlal University, and Palestine Technical University – Kadoorie). Additionally, activities were activated on social media platforms, focusing on key themes including sustainability, technology and digital finance, and crypto assets.

It is worth noting that the International Organization of Securities Commissions (IOSCO) is the highest professional body in the field of regulation and supervision of capital markets. It is responsible for setting the international and technical standards that member securities regulators must follow. It should also be noted that Palestine has held full membership in IOSCO through the Palestine Capital Market Authority since 2014.

- **The PCMA Organizes an Interactive Workshop on the Securities Sector**


The PCMA held an interactive workshop focused on the securities sector, attended by representatives from licensed securities companies and a number of investors, hosted by economic expert Dr. Naser Abdelkarim.

During the workshop, the PCMA presented some statistical data on investor transactions in the Palestine Exchange, as well as in forex markets, aiming to understand investor behavior, the challenges they face in the local market, and to raise financial awareness for making sound investment decisions, regardless of the investment tools used.

This workshop is part of the PCMA's ongoing awareness efforts to protect participants and investors in the non-banking financial sector, ensuring the sustainability and continuity of these sectors, in a way that serves the public interest and contributes to advancing the national economy.

- **The PCMA Organizes an Interactive Workshop on the Securities Sector**

As part of its ongoing efforts to enhance protection and awareness in capital markets, in the last quarter of 2024, the PCMA launched a comprehensive digital awareness campaign targeting the securities sector, with a special focus on forex activity.

This campaign coincided with the licensing of three companies to operate in this activity, and was conducted through social media platforms and Google, alongside a series of specialized radio episodes and podcasts.

The campaign included producing and preparing a set of simplified and engaging educational videos designed to deliver guidance messages to the general public, enhancing their understanding of the nature and risks of forex activity. It also involved preparing and publishing multiple multimedia economic reports.

Through this campaign, the PCMA aims to raise awareness among market participants, investors, and the public about the risks of forex activity, warning against dealing with platforms or entities not licensed by the PCMA. The campaign also included educational videos aimed at promoting a culture of safe and informed investment among the general public.

This campaign represents part of the PCMA’s continuous efforts to protect market participants across the sectors it supervises, especially the securities sector, and reflects the PCMA’s commitment to promoting safe investment culture and encouraging responsible trading practices in the Palestinian market.

Annexes

Capacity Building of the PCMA's employees

The PCMA staff participated in several specialized training programs related to the PCMA's fields of work during 2024, as part of ongoing efforts to enhance and develop employee capacities. A group of employees attended specialized training courses in the insurance industry held in cooperation with Oxfam. These courses focused on financial management of agricultural insurance, the fundamental aspects of agricultural cooperative insurance, and the standards/principles of International Financial Reporting Standards (IFRS).

In the same context, the PCMA participated in a series of specialized remote training programs organized by the Arab Monetary Fund and the Union of Arab Securities Authorities. These programs covered topics including sukuk structures and their uses in financing, the development of Arab capital markets, corporate governance, environmental and social governance (ESG), as well as wealth and investment management.

The PCMA staff also participated in a number of specialized training programs in professional, financial, and administrative fields. These included specialized training on artificial intelligence in financial institutions, data analysis for the business sector, and Islamic finance (standards and governance). Additionally, there was specialized training on management and leadership for supervisory-level staff. In the field of communication, the PCMA took part in a specialized course on digital media in cooperation with the Ministry of Communications and Digital Economy.

Course Type	**Number of Courses**	**Number of Participants**
Internal Courses	4	9
External Courses - In-Person/Remote	9	13