



February, 2021

▪ PBA Campaigns – February 2021

LOW COST HOUSING FINANCE

Following support of PBA members for an advertising campaign on SBP's Mark-up, subsidy programme for housing finance, under PBA's umbrella, PBA initiated the campaign work on low cost housing for release on electronic, print and digital media.

The key message of PBA's advertising will feature the incentives being offered by banks for low cost housing to the lower income segment of the country.

With a focus on the potential beneficiaries of this scheme, the campaign is to highlight SBP's objective of increasing housing finance in the country, in keeping with the government's Naya Pakistan initiatives.

▪ **Circular on Unclaimed Deposits**

To facilitate stakeholders, it was decided by SBP, to review and consolidate instructions on Unclaimed Deposits which were first released by SBP in 2006 and since then several subsequent instructions have been issued.

Consolidated instructions by SBP have now been issued after reviewing all previously issued guidelines for requirements, of all deposit instruments which have not been operated upon during the period of last ten years, except deposits in the name of a minor, a government or a court of law, have now been issued by SBP.

The current draft Master Circular on Unclaimed Deposits was sent to PBA for a review and following feedback from PBA's member banks it has been submitted to SBP.

▪ **PBA's new website**

Following a detailed process of design and development and in keeping with the modern trend of a single page scroll, the PBA website will be formally rolled out shortly.

The emphasis while creating the new face of PBA is to facilitate navigation and keep stakeholders up to date regarding PBA's coordination efforts with Banks and their regulatory bodies.

AWARENESS REGARDING DIGITAL FRAUD

The rising problem of cyber-fraud impacting bank customers' accounts and negatively affecting banks had raised a number of concerns for SBP.

PBA was asked by SBP to launch a comprehensive awareness plan on all media, addressing the exploitation of digital services by fraudsters.

The awareness campaign is centred on fraudulent means being used to extract confidential customer information by persons impersonating as SBP or bank officers.

A nationwide release of awareness messages in early March will address current and potential digital banking customers with cautionary messages and steps to follow in case of a fraud attempt.

▪ **The Financial Markets Association of Pakistan' (FMAP) – broker accreditation criteria.**

FMAP in its role as a Self-Regulating Organization (SRO) has been tasked with the responsibility of Accreditation of Interbank Brokerage Business as per a certain criteria approved by State Bank of Pakistan.

FMAP recently proposed to make a revision in the accreditation criteria and accordingly shared the revised document with SBP. PBA was sent the revised draft of the brokerage accreditation criteria by SBP for review and feedback. PBA's Sub Committee on Treasury and Capital Markets reviewed the document and following no objections, the approved draft by PBA has been sent to SBP.

▪ **Anti-Money Laundering, Combatting the Finance of Terrorism & Countering Proliferation Financing (AML/CFT/CPF) Regulations**

Some of PBA's member banks had raised queries related to compliance of AML/ CFT/ PF regulations issued by SBP. The queries were discussed in the PBA, General Banking Sub Committee meeting and a matrix of queries has been sent to SBP for clarifications/ guidance.

Sectoral Matters

Submitted to SBP

January 1 - January 31, 2021

Information sessions

January 2021

- **World Bank assessment of Pakistan on insolvency and Creditor/Debtor rights**

A meeting / information session was held between PBA CEO, Mr Tawfiq Hussain, and his team, along with officials of select banks from Risk, Corporate and Legal departments with the World Bank (WB) officials on January 20, 2021 in connection with collecting information from banks for Pakistan's assessment of Insolvency and Creditor/ Debtor Rights (ICR). The questionnaire prepared by WB to assess Pakistan's non-performing loans (NPLs) and for enhancing access to finance was discussed during the meeting, following which, several suggestions on the questionnaire have been sent to the World Bank.

- **Readiness of Business Continuity Plan (BCP) and natural disaster/terrorist attack**

Training sessions by BCI-UK at IBP for BCP Professional training is expected to be held soon and the registration process with banks' nominees has begun.

- **Reducing the Gender Gap in Financial Inclusion:** An SBP-PBA focus session was held on the policy initiative of SBP for promoting women's financial inclusion. Banking industry's input is being sought on the updated draft policy through PBA platform.

Matters in the pipeline

Ending January 31, 2021

- **Blockchain eKYC Platform for the Banking Industry**

The smaller group of Compliance Sub Committee after detailed analysis has submitted its recommendations after which POC proposals have been submitted for approval of EC.

- **Development of Database of proscribed persons and PEPs**

Another meeting of smaller group of Compliance Sub Committee has been held with a vendor to rationalize costs. The vendor will consider the points and revert with revised costs structure

- **Draft Islamic FX Master agreement & Draft Conventional FX Master agreement**

Drafts under review by PBA's external legal counsel, as requested by PBA Treasury & Capital Market Sub Committee

- **Fraudulent Transaction Dispute Handling (FTDH)**

Matter under discussion by the PBA Consumer Sub Committee.

- **PBA Federal Budget Proposals 2021-22**

PBA would be formulating its proposal for FBR, on Federal Budget, for the year 2021-22. Accordingly, member banks have been requested to forward their suggestions.

- **National Cyber Security Policy 2021**

The Ministry of IT & Telecom has formulated a draft policy which was sent to PBA for feedback. It is being reviewed by PBA's Cyber Security Forum for further input.