



# PBA monthly update

## SBP-PBA coordination meeting

A PBA-SBP coordination meeting was held on February 21, 2023 to discuss key matters affecting the banking sector.

Chairman PBA, Mr Muhammad Aurangzeb, CEO PBA, Mr Tawfiq Hussain, and other EC members were in attendance at the meeting where action points were listed,

arising from the matters discussed.

Key takeaways from the meeting will soon be shared separately with the members. ◆

## Fundraising for Turkey/Syria Earthquake

On February 8, 2023, PBA was requested by FBR to invite members for an urgent Zoom meeting held by Senator Mohammad Ishaq Dar, Minister for Finance & Revenue, on the 'Fundraising for the Devastating Earthquake Victims of brotherly Republic of Turkiye.'

PBA's members were informed of the urgent meeting and all available CEOs of member banks joined in via Zoom, which was also broadcast live to the nation. ◆

## Shared eKYC Project

The 1st phase of implementation of the eKYC project will be commencing in March 2023, after the official Agreement signing ceremony being held on March 2, 2023. The contract document was finalized following several discussions between the

## PBA-World Bank Round Table

On February 9, 2023, the World Bank's South Asia Regional Director for Equitable Growth, Finance, and Institutions, Mr. Mathew Verghis and his team members, visited PBA to discuss matters of interest pertaining to the banking industry and to take PBA Executive Committee members' input on key matters.

PBA CEO, Mr Tawfiq Hussain, and other EC members attended the Round Table where the key areas of discussion included;

- The overall profitability and health of the banking sector
- Impact of macro vulnerabilities on holders of domestic debt
- Opportunities for greater financial intermediation to the private sector

Mr. Mathew Verghis was in Pakistan to meet with senior government and private sector officials and to discuss the current macroeconomic conditions and the state of banking in Pakistan. ◆

## Enterprise Technology Governance & Risk Management Framework

PBA has provided its feedback/comments to SBP on the draft framework of amendments in 'Enterprise Technology Governance and Risk Management Framework for Financial Institutions', on February 3, 2023.

SBP had requested PBA's feedback

**Meetings,  
matters addressed/  
submitted to SBP  
February 1 – 28, 2023**

eKYC Working Group and the vendor and following consultations with SBP and with PBA's legal advisors, M/S Mandviwala & Zafar. PBA has also conducted awareness sessions for member banks, so that members are fully aware of the benefits eKYC offers for the banking industry, as it also requires external engagement and preparation for banks to be able to roll out the shared eKYC capability, timely and successfully. ◆

on the amendments necessitated due to latest developments in international best practices, information security standards, cyber threat landscape and the resulting cybersecurity requirements. PBA's Cyber Security Forum reviewed the subject draft and the cybersecurity issues that may have significant impact on banking operations. The feedback given by PBA included the following key areas, in which amendments were suggested by SBP;

- Cybersecurity Governance
- Cybersecurity in Enterprise Risk Management
- Cybersecurity Controls
- Cybersecurity recovery & response
- Cybersecurity in third party services. ◆

## Climate Smart Agriculture Finance

The 'Methodology for Allocating the Climate Smart Agriculture Financing (CSAF) targets' for banks and the communication of targets for

each bank, is in the process of being finalized by PBA's CSAF related small group which will facilitate in implementing Climate Smart Agriculture Financing within the banking industry. Agricultural Credit Targets for banks for the fiscal year 2023-2024 will also subsequently be determined.

Climate Smart Agriculture (CSA) will primarily focus on the management of agricultural practices that address the issues pertaining to climate change and is also aimed at reducing carbon emissions. Potential deliverables under CSA include;

1. Utilization of Solar Energy for all SBP eligible items for Agricultural Financing.
2. Afforestation of fallow lands
3. Biogas plants & biogas generators and Sulphuric Acid generators
4. Organic Farming.
5. Water Management (Conservation of water in agriculture sector through drip & sprinkler irrigation techniques etc.)
6. Specialized Agro Machinery for Waste management of crop stubble, especially rice crop.
7. Climate Certified Dairy/ Livestock industry.
8. Environmentally controlled farming (Tunnel Farming/Greenhouse/hydroponic).
9. Use of technology such as satellite based farm advisory, weather forecasting, use of drones etc.
10. Modernizing the storage solutions.

The initial CSAF strategy was drafted by PBA's Agriculture Finance Sub Committee and includes the comprehensive action plan for developing innovative CSAF products, assignment of product financing targets, adoption of specific KPIs, promotion of CSAF products and allocation of refinance limits to farmers. ◆

## Key matters in the pipeline: in brief



As on February 28, 2023

- 1. Federal Budget and Tax Proposals, 2023-24:**  
suggestions for the Federal Budget for the fiscal year 2023-24, have been requested from PBA members. As per PBA's annual practice, the consolidated proposals will be submitted for consideration to FBR with a copy to SBP, towards the end of March/beginning of April, once the members' input is reviewed at PBA office and recommended by its Accounting and Taxation Sub Committee for final approval by the Executive Committee.
- 2. Centralized Fraud Database:** upon SBP's request, PBA is working at creating a reporting format for case studies, typologies and modus operandi of frauds & forgeries to be used by banks and reported to PBA on a quarterly basis. The information will then be disseminated to members for cautionary measures to be subsequently employed.

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