



PAKISTAN BANKS' ASSOCIATION

Quarterly E-Newsletter

APRIL 2024

CEO & Secretary General's Message



Dear Members,

I am both humbled and honoured to write to you as the newly appointed CEO & Secretary General of the Pakistan Banks' Association (PBA). As I step into this role, I do so with a profound sense of responsibility and enthusiasm for the journey that lies ahead.

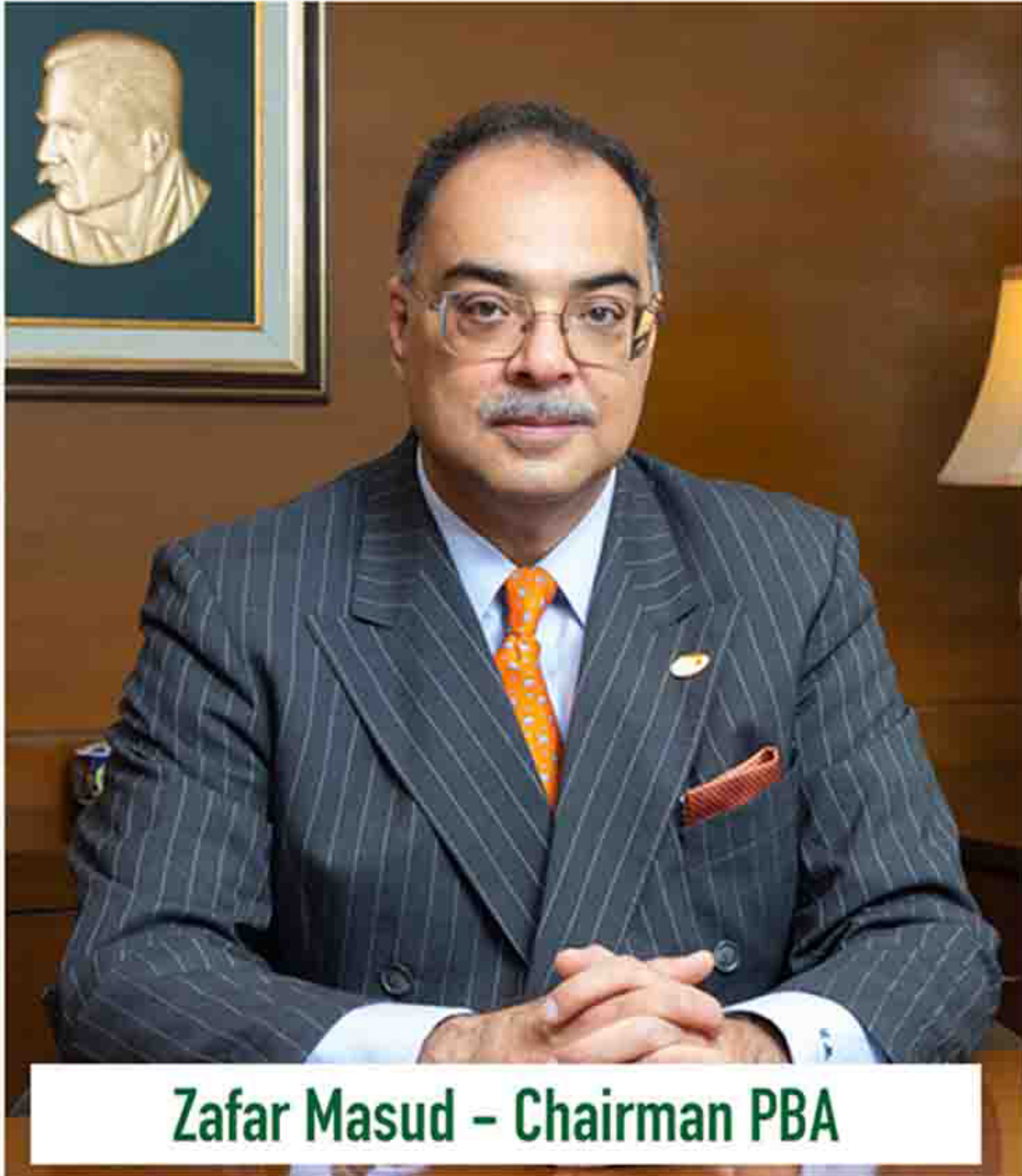
First and foremost, I want to extend my heartfelt gratitude to all members for their unwavering commitment to excellence in the banking sector. It is your dedication, expertise, and tireless efforts that have propelled our Association as an effective industry body. I also want to express my sincere appreciation to Tawfiq Hussain for his leadership, which has played a pivotal role in guiding PBA to its current position as a leading industry body in the country.

In today's rapidly evolving landscape, the banking industry faces a myriad of challenges and opportunities. From technological advancements to regulatory changes, we must remain vigilant and adaptive to thrive in this dynamic environment. It is incumbent upon us to continue to embrace innovation, leverage emerging technologies, and explore new business opportunities that will enable us to better serve our customers and drive sustainable growth.

Equally important is our collective responsibility to promote financial inclusion, diversity, and sustainability within the banking sector and beyond. As leaders in our respective institutions, we have the unique opportunity to drive positive change and make a meaningful impact on the communities we serve. By working together, we can empower individuals and businesses to achieve their financial goals, while also contributing to the economic development of Pakistan.

In the days and weeks ahead, I look forward to actively engaging with you individually or collectively, to gain valuable insights, feedback, and perspectives on how we can further advance PBA's mission and objectives. Your input is invaluable as we navigate our way forward and position PBA for continued success in the years ahead, Insha'Allah.

Warm Regards,
Muneer Kamal



Zafar Masud – Chairman PBA



Yousaf Hussain – Senior Vice Chairman PBA



Ahmed Bozai – Vice Chairman PBA

News In-FOCUS

1. Announcement of the new Office Bearers at PBA

March, 2024

After Mr. Muhammad Aurangzeb, the sitting Chairman PBA, assumed the role of Federal Minister of Finance and Revenue for Pakistan, earlier last month, the PBA Executive Committee met on Friday, March 22, 2024, to elect PBA's new Chairman. The PBA EC elected Mr **Zafar Masud, President & CEO - The Bank of Punjab (BOP), as the new Chairman of PBA.** Following this development, **Mr Yousaf Hussain, President & CEO - Faysal Bank Limited, has been elected as Senior Vice Chairman - PBA,** with **Mr. Ahmed Bozai, the Managing Director & Citi Country Officer – Citibank N.A., Pakistan, assuming the role of Vice Chairman – PBA.**

The Association congratulates the unanimously elected individuals and firmly believes that, under the new leadership, PBA will continue to effectively represent the banking sector through further nurturing close relationships with all the key stakeholders, including the State Bank of Pakistan (SBP). It will increase its focus on aligning banks to further build up the technology & digital framework, maintain the highest compliance standards, and play a strong role in increasing financial inclusion in the country.

2. Announcement of Mr. Tawfiq Hussain's Retirement

March, 2024

PBA announces the retirement, with effect from, March 31, 2024, of its longstanding CEO & Secretary General, Mr Tawfiq A. Hussain. After more than a decade of meritorious service to the Association, Tawfiq Hussain leaves behind a legacy marked by notable achievements and substantial growth of the organization. His strategic vision and unwavering commitment to excellence have raised the profile of the PBA and positioned it as a leading industry body in Pakistan. Following his retirement, the Executive Committee, presented a token of appreciation to thank Tawfiq Hussain and wished him success in his future endeavours.





3. PBA Fraud Prevention Forum Awareness Advisories

January - February, 2024

The PBA Fraud Prevention Forum (FPF) issued multiple advisories during the quarter, urging banks to remain vigilant against counterfeit cheques and various types of fraud. The first advisory on “Heightened Vigilance Against Counterfeit Cheques”, issued in January, emphasized the need to safeguard both banks and customers, through due diligence in verifying cheque presenters' identities, staff training on Authentic Security Features, and customer education on the risk related to counterfeit cheques. The advisory stressed the importance of adherence to standard protocols to effectively combat the rising fraudulent activities and proactively address any threat of counterfeit cheques.

The second advisory on ‘Typologies for Card Fraud and General Fraud’, issued in February, delved into the different typologies of card frauds and phishing scams that banks need to be vigilant of. It also highlighted General Fraud Typologies and included detailed information on topics like Identity Theft, Impersonation, Cash-related Fraud, Fraud through Unauthorised Chequebook(s), Counterfeit Fraud, Forgery of Documents etc.

The advisories issued by the PBA Fraud Prevention Forum play a critical role in keeping banks abreast of the latest developments and trends in fraudulent activities, enabling them to promptly address any suspicious activities as they arise. PBA FPF will continue to issue advisories and provide the latest information, prioritizing the best interest and security of PBA members and their clients.

4. PBA conducted TBML Training for Members in Karachi and Lahore

February, 2024



Delivering upon its commitment to further strengthen the financial sector against local and global trade risks, PBA successfully conducted two training sessions on Trade-Based Money Laundering (TBML) for member banks one each in Karachi and Lahore.

The TBML training was based on a training module of The International Finance Corporation (IFC), an affiliate of the World Bank Group. The objective of the training also aligned with the State Bank of Pakistan’s (SBP) requirement for financial institutions to implement robust measures in accordance with the regulatory framework and international standards, including regular training for staff to monitor, identify, and report any suspicion of TBML to the Financial Monitoring Unit (FMU).

The training sessions were conducted jointly by Amjad Iqbal, Head – Legal & Regulatory Affairs and Yawar Shamim, Head – Special Projects & Initiatives while the opening, closing and Q&A sessions were led by Mr Tawfiq Hussain, the then CEO & Secretary General - PBA.



5. SBP's Awareness Campaign about the Islamic Banking System across the Country

February 2024

The Federal Government of Pakistan issued a notification on December 23, 2022, announcing the establishment of a Steering Committee (SC), overseen by the Federal Minister for Finance and Revenue and chaired by the Governor SBP. The SC was entrusted with providing strategic direction for implementing the Federal Shariat Court (FSC)'s directive on Riba. Subsequently, SBP formed a Committee for Transformation (CT) to transition from conventional banking to Islamic banking system while several Working Groups have been established to facilitate this transformation.

Among these Working Groups, the one responsible for awareness creation & capacity building at SBP has formulated an extensive awareness creation strategy to promote Islamic finance adoption and to address any related misconceptions. The strategy calls for collective participation from all banks in various activities to target potential Islamic Banking customers. Moreover, the strategy proposes an estimated budget, based on which SBP has requested PBA to develop a budget-sharing formula to ensure an equitable contribution of the budget, that will be shared by 29 participatory (commercial) banks, which excludes MFBs and DFIs.

Accordingly, PBA has maintained its existing budget-sharing formula (based on the deposit size of each bank) for this awareness campaign as well. Its existing formula had been used earlier for special projects/initiatives like FATCA, CRM, Low-Cost Housing, and Cyber Fraud Awareness campaigns, as well.

Individual emails containing SBP's Strategy Document and the allocated share (as per the budget-sharing formula) have been sent to all commercial banks' presidents. PBA encourages its members to actively participate in SBP's Islamic Banking Awareness Campaign.

6 Budgetary Proposal for Sindh Budget 2024-25

February 2024

In adherence to its practice of seeking input from diverse stakeholders before finalising the budget proposal, the Sindh Revenue Board (SRB) also sought suggestions from the PBA on the proposed budget. Following consultations with the members, PBA has duly conveyed its recommendations to the SRB.

7. International Women's Day Digital Campaign by PBA

March - April 2024

On March 8, 2024, PBA launched its International Women's Day Digital Campaign, highlighting the sector's contribution to promoting gender parity within the financial workforce. Through a collection of short videos, the campaign showcased banks' recognition of women as equal participants in driving economic prosperity, while also highlighting ongoing initiatives aimed at enhancing financial and female inclusion in Pakistan's banking industry.

This ongoing campaign also features women bankers, highlighting their long-term association with the sector. Through short testimonials, select women bankers continue to share their experiences of not only working in the banking industry but excelling within it. By highlighting these achievements and the sector's commitment to advancing gender equality and inclusion, this campaign contributes towards showcasing the ongoing efforts of the industry to expand female inclusion through both its customer base and workforce.





Projects in Progress

1. Federal Budget Proposals 2024-25

Suggestions for the Federal Budget for the fiscal year 2024-25 have been collated by PBA and proposed recommendations are in the process of being finalised. Subsequently, the recommendations will be submitted to the Federal Board of Revenue (FBR) with a copy mailed to Governor SBP. This collaborative effort ensures that the banking industry's perspectives and needs are adequately represented and considered in the budgetary process.

2. Update on the Shared Electronic Know Your Customer (e-KYC) Platform

Keeping in view that a number of participating banks were not ready with the required infrastructure, the planned soft launch for eKYC has been moved to April 2024. PBA has duly informed the Steering Committee and communicated this change to all relevant stakeholders.

3. Update on Pakistan Banking Summit:

Due to the recent changes in the PBA management and its office bearers, the Pakistan Banking Summit (PBS) has been postponed till August. More details on the date and venue will be shared with members in due course.

Meetings Held

1. Executive Committee Meeting

Executive Committee Meeting

22/03/2024 at PBA Office

2. Subcommittees' Meetings

1. General Banking	01/02/2024
2. Accounting & Taxation	09/01/2024 via Zoom, 22/01/2024
3. Marketing & Communications	31/01/2024 at PBA Office
4. Agriculture Finance	22/01/2024
5. Investment Committee	28/03/2024

3. Working Groups' Meetings

eKYC Working Group	01/02/24, 13/02/24, 15/02/24, 20/02/24, 22/02/24, 27/02/24, 05/03/24, 07/03/24, 12/03/24, 14/02/24, 19/03/23, 21/03/24, 27/03/24, 28/03/24
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4. Meetings of the Forums

1. Cybersecurity	26/01/2024
2. Fraud Prevention	30/01/2024

5. SBP Meetings

1. Meeting with SBP	SBP-PBA Coordination Meeting with Governor SBP and PBA EC on 11/02/24
2. Meeting with SBP	Islamic Banking Awareness - Budget Sharing Formula via Zoom on 07/02/24