



PAKISTAN BANKS' ASSOCIATION

Monthly E-Newsletter

November 2024

News In-FOCUS

1. PBA and IMF Hold Key Discussion on Economic Trends

Thursday, October 31, 2024

The IMF team held a virtual call with the PBA to discuss the current state of Pakistan's economic landscape and financial developments. During the call, IMF's Resident Representative, Ms. Esther Perez Ruiz, delivered a comprehensive presentation on Pakistan's economic progress since the launch of the Stand-By Arrangement (SBA) last year. The presentation also provided a historical perspective on the IMF's engagement with Pakistan, placing the current program within the broader context of past initiatives. Following the presentation, PBA members participated in an engaging Q&A session, where they discussed various economic challenges and the role of the banking industry in fostering sustainable economic growth.

2. PBA collaborates with SBP and IMF for the Development of Cybersecurity Strategy Across the Financial Sector

Friday, October 25, 2024

The Pakistan Banks' Association Cybersecurity Forum (PBA CSF) recently took part in a virtual technical assistance program aimed at developing a comprehensive cybersecurity strategy for Pakistan's financial sector. This initiative, led by the State Bank of Pakistan (SBP) in collaboration with the International Monetary Fund (IMF), brought together industry stakeholders to share insights into the financial cybersecurity landscape of Pakistan.

Key discussions with the IMF Mission Team focused on critical areas, including cybersecurity strategy and framework, governance, risk assessment (with third-party dependencies), recovery and business continuity planning, information sharing, incident reporting, and testing through cyber simulation exercises. The PBA CSF delivered a detailed presentation highlighting the current standing of the cybersecurity infrastructure in Pakistan and the relevant challenges.

This collaboration represents a significant advancement toward bolstering cybersecurity resilience across Pakistan's financial sector. By addressing vulnerabilities and enhancing preparedness, this initiative aims to protect the industry against evolving threats and support its continued growth in an interconnected digital landscape.

3. PBA Proposes Framework to Streamline PRI Screening Process for Inward Remittances

Thursday, October 03, 2024

In a recent initiative to support and enhance the process for inward remittances, the PBA has proposed a framework for PRI (Pakistan Remittance Initiative) Screening to the SBP for consideration. The proposed framework is designed to eliminate duplicative screening procedures within Pakistan, a step expected to improve customer experience and optimize resource utilization across banks.

The proposed framework seeks to streamline workflows and reduce the need for repetitive requests for information (RFIs) and follow-up responses from banks by minimising redundant screening processes. It will significantly improve the efficiency of remittance processing, ultimately benefiting both customers and financial institutions. PBA awaits SBP's feedback on the proposed framework to take the initiative forward.



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4. PBA Participates in NAVTTC's Skill Mapping Survey to Address Industry Skill Gaps

Thursday, October 24, 2024

PBA recently participated in a skill mapping survey conducted by the National Vocational and Technical Training Commission (NAVTTC). This survey aimed to address skills shortages across various sectors, including the banking industry in Pakistan. Senior HR professionals from various member banks participated in the discussion.

By gathering insights from all registered trade associations in Pakistan, the survey was aimed at identifying both current and anticipated skills demands and gaps across industries. The results will enable NAVTTC to adjust its existing training programs and develop new initiatives, ensuring the evolving skills needs of the various workforces are met over the next five years.

5. 59th Annual General Meeting of the PBA

Friday, October 25, 2024

PBA held its Annual General Meeting (AGM) on Friday, October 25, 2024, where several important matters were discussed. The meeting began with confirming the minutes from the last AGM, held on October 27, 2023, followed by a review and adoption of the PBA's audited annual accounts for the year ending June 30, 2024.

The appointment of auditors for the year 2024/2025 was also approved. The meeting, attended by members both in person and virtually, concluded by reinforcing PBA's commitment to transparency and driving improvements within the banking sector.

Project Updates

1. Electronic Know Your Customer (eKYC)

Eight of the nine banks that volunteered for phase I of the implementation have now completed their System Integration Testing (SIT) and signed off on User Acceptance Testing (UAT). Of these, six banks have fully deployed their Production Environment, while two more are finalising their deployment. PBA anticipates these banks to go live by the end of November 2024.

Simultaneously, an independent vendor is conducting Vulnerability and Penetration Testing (VAPT) on the platform, scheduled for completion in mid-November 2024. After addressing any identified issues, PBA will move forward with a soft launch of the project. PBA continues to actively collaborate with the industry vendors and remaining member banks for the completion of phase II of the e-KYC project.



2. Priority Sector Initiatives:

October, 2024

The recent meeting chaired by the SBP's Executive Director, Syed Irfan Ali, focused on the Priority Sector Initiatives and examined the progress on recommendations from the PBA Task Forces dedicated to Agriculture, SME, and Digitization & Technology. This discussion was essential for evaluating how effectively these sectors are moving toward the targets set, especially in light of the regulatory framework already in place. The PBA, in conjunction with SBP, aims to ensure a more impactful and streamlined approach to address sector-specific challenges and capitalize on emerging opportunities.

In the agriculture sector, efforts are being made to integrate digital land records managed by the Punjab Land Record Authority, enabling more efficient lending processes. Additionally, there is a push to scale up the Electronic Warehouse Receipt Financing (EWRF) program, with PBA coordinating with SBP and the Ministry of National Food Security & Research to certify PASSCO warehouse facilities by March/April 2025 for the upcoming harvest. PBA is also working with Meezan Bank to finalize and promote Islamic agri-financing products, ensuring banks consolidate offerings by the end of November 2024, which will enhance financing options for Islamic agricultural finance.

For the SME sector, the PBA is close to finalizing an agreement with Ipsos/Reenergia to develop the SME Environment and Performance Index (SEPI) by the end of November 2024. This index will provide essential insights for improving SME financing.

The Digitization & Technology sector has made strides with RAAST integration for payment and receipt functions across Accountant General offices in Punjab, Balochistan, and Gilgit Baltistan. The PBA has also submitted requests for reduced SMS and NADRA verification charges and is addressing feedback from banks on the installation of Cash Deposit Machines (CDMs).

Additionally, discussions with the Venture Capital Association of Pakistan are ongoing to establish a Private Equity fund that will support fintech solutions specifically geared toward agri and SME banking needs.

3. Pakistan Banking Summit:

October, 2024

To ensure the highest quality and impact of the summit as the first industry-led initiative, PBA has decided to defer the Pakistan Banking Summit until February 2025. The revised dates of the summit are **Monday, February 24, and Tuesday, February 25, 2025**. PBA will share more details with members soon.

Meetings Held

October 01 - October 31, 2024

1. Annual General Meeting	on 25/10/2024 (Hybrid)
2. Executive Committee Meeting	on 21/10/2024 (Hybrid)
3. Sub-Committee Meetings	
Accounting & Taxation	on 24/10/24 via Zoom



4. Meetings of the Forums

Fraud Prevention	on 25/10/2024 at the PBA Office
Cyber Security Forum	Industry-wide BCP Drill via Zoom on 16/10/24

5. Priority Sectors' Task Force Meetings

Task Force Meetings	04/10/24, 08/10/24, 11/10/24, 18/10/24, 25/10/24, 31/10/24
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6. Pakistan Banking Summit Steering Committee Meetings

Pakistan Banking Summit	on 03/10/24, 08/10/24, 14/10/24, 16/10/24, 23/10/24, 30/10/24
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7. Working Groups

eKYC Working Group	07/10/24, 17/10/24, 18/10/24
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8. Meetings with SBP

1. Meetings on Raast	07/10/24, 10/10/24
2. Meeting with IMF on Cybersecurity	on 25/10/2024 at the SBP
3. Meeting on IFRS9	on 07/10/2024 at the SBP

9. Other Meetings

1. Survey Meeting with NAVTTC	on 24/10/24 at the PBA Office
2. Meeting with IMF's Resident Representative	on 31/10/24 on Zoom