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IN TECH WE TRUST?

BUILDING RATIONALITY IN ORGANIZATIONAL DESIGN

DEPOSIT PROTECTION CORPORATION

A Critical Financial Safety Net for Bank Depositors in Pakistan

EDITORIAL

Muhammad Mazherul Haq
Editor

Walk the Talk — but How Far?

When it comes to maintaining good health, going for a walk is suggested to be adopted as a regular practice as it provides fresh air to the lungs, which in turn improves the functioning of the heart and mind. Similarly, continuity of talks is always suggested to reach a viable solution for maintaining peace and harmony amongst one another, which otherwise seems difficult to achieve.

Interestingly, when 'walk' and 'talk' are joined together, they produce a very well-known and meaningful phrase, 'Walk the talk' which with its divine power and strength does the miracles. In its true perspective, 'walk the talk' warrants a situation where one is required to do things consistent with what one claims. In other words, one has to exhibit beliefs through one's explicit actions.

For influential spiritual and political leaders, winning the credibility and trust of the masses is regarded as the foremost element which may empower them to emerge as popular and cherished leaders. 'Walk the talk' – no doubt, provides them a fair chance to become popular leaders by showing their resolve to act upon the claims they make publically. Actions speak more than words, and also advocate the success of the practicing person where he/she can meet the expectations of his/her followers. The people feel honored to respect those leaders unconditionally who are known as the role models for the values they promote.

It is a time-tested phenomenon that the people tend to follow advices of the person practicing what he/she is preaching, as 'seeing is believing'. Eventually, when the people start counting upon their mentor in entirety, it creates a unique kind of trust element among them where they start to believe the verdict of their favorite leaders beyond their witnessing. This might lead to a situation known as 'believing without seeing'. And this might be the ultimate pinnacle of faith and strength one can attain.

It is by virtue of this effect that people idealize personalities not just from contemporary times, but from history — well before their own time — be it political or religious figures, philosophers or reformers.

However, this phenomenon of believing without seeing does by no means only apply to the reverence of popular leaders and intelligentsia of society. A closer examination of one's immediate surroundings and relatable experience in contemporary times demonstrates that mentors, public/motivational speakers, bosses, family members (or any person(s) idealized as one's personal hero) who 'walk the talk' have a lasting impact on generations; thereby creating their unique, subjective position of favor in every individual's own life.

If people talk the talk but do not walk, it means that they do not act in a way that agrees with the things they say or simply that they are unfair in meeting their slogans and claims. Trust and respect are hard-earned virtues and, "A man of words and not of deeds, is like a garden full of weeds. And when the weeds begin to grow, it's like a garden full of snow." *

It follows that while no one can negate the strength of 'walk the talk' as an effective means of earning regard and having one's footprints followed, its significance further heightens when it comes to gauge the parental role. We, the parents, are the most significant role models for our children. They emulate our actions, not the long lectures on morality and conduct meted out to them. It follows that children are very clever in detecting hypocrisy. "It is not only children who grow. Parents do too. As much as we watch to see what our children do with their lives, they are watching us to see what we do with ours. I can't tell my children to reach for the sun. All I can do is reach for it, myself." **

But for how far can you keep on walking the talk? In every aspect of life and all the times, is the answer, if you want to be a beneficiary of it and desire that others should follow your footprints, too.

* John Fletcher (1579–1625), English dramatist

**Daphne Joyce Maynard (1953 –), American novelist and journalist

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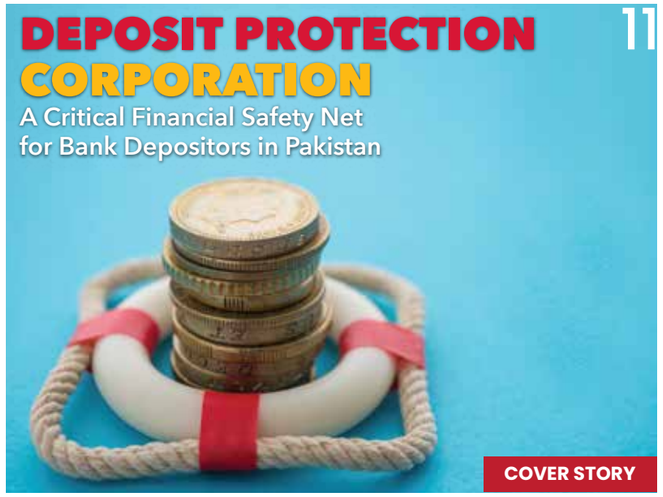

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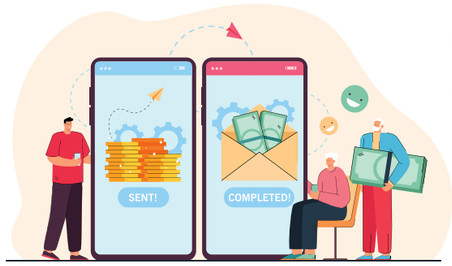

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Training Roundup

October-December 2021

During the quarter October - December 2021, IBP conducted 7 Regular and 15 Customized online training and e-Learning programs. More than 1451 participants were trained during this quarter.

Significant areas of training included: Understanding Letter of Credit - Processing, Documentation and Issues; RAAST - Digital Payment Revolution; Regulatory Requirement for Collateral Management; Credit Risk Review; Regulatory Requirements for On-site and Off-site Inspection of Banks; Gender Sensitization at Workplace; Attempted Frauds Information through Call Centers; State Bank's Concessionary Financing Scheme for People with Disabilities (PWDs) and Customers' Digital Onboarding Framework.

IBP has conducted Branch Manager Development Program for United Bank Ltd (UBL) and Branch Manager Certificate Program for The Bank of Punjab (BOP) at Lahore, and will be training their Branch Managers at Islamabad, Karachi, Multan and Faisalabad.

6TH PAKISTAN BANKING AWARDS 2021

Considered as the industry's definitive benchmark for excellence in banking, the Pakistan Banking Awards (PBA) — the first of their kind — were launched in 2016. These prestigious and widely celebrated national awards create healthy and rewarding competition among banks and financial institutions to establish their lead in conventional and contemporary areas of operations through bringing innovations and adopting out-of-the-box approaches with smart use of IT interventions. Moreover, the winning banks, in a bid to maintain their competitive edge in future as well, offer more customer-centric services to their account holders which consequently help to raise the overall service standards due to the demonstration effect.

For PBA 2021, there were 9 categories of awards to be distributed among 7 banks and 2 Non-Bank Financial Institutions. A total 33 institutions took part in the competition representing commercial banks, microfinance banks, Islamic banks and non-banking entities. 7 Awards for 2021 were given to various banks and financial institutions for their best performance in different categories, the details of which are as follows:

- Best Microfinance Bank Award won by:
  Khushhali Microfinance Bank Limited
- Best Bank for SME received by:
  Habib Bank Limited
- Best Bank for Agriculture went to:
  National Bank of Pakistan
- Best Digital Banking Award given to:
  United Bank Limited
- Best Customer Franchise went to:
  Bank Alfalah Limited
- Best Contribution by a Non-Bank Entity won by:
  Pakistan Microfinance Investment Company Limited
- Best Bank in Pakistan received by:
  Habib Bank Limited

Awards could not be given for the categories of Best Emerging Bank and Most Innovative Business as the competing financial institutions could not meet the basic threshold level for these awards.

The winners were selected by a distinguished jury consisting of five experts from the banking, financial and corporate sectors. As always, they adopted a neutral, transparent and impartial evaluation process to determine the best performers for these awards.

The eminent jury comprised of former SBP Governor Mr. Salim Raza (Chairman of the Jury); former President/CEO Faysal Bank Limited Mr. Naved A. Khan; former Banking Mohtasib Pakistan and former Country Head SCB Pakistan, Mr. Azhar Hamid; former Regional Head of Citibank Middle East and Pakistan Mr. Shehzad Naqvi; and MD & CEO English Biscuit Manufacturers (Pvt.) Ltd. Dr. Zeelaf Muneer.

In his keynote address Dr. Reza Baqir, Governor State Bank of Pakistan, at the outset, appreciated the unrelenting efforts of banks and the other financial institutions for maintaining their service standards and providing enthusiastic support to the State Bank of Pakistan's initiative taken in the backdrop of COVID pandemic and later on to achieve the goal of rapid and sustainable financial inclusion in the country. He categorically mentioned that the availability of uninterrupted banking services particularly during COVID averted any countrywide panic to spread, otherwise. "Their contribution towards promoting digital financial services and banking on equality, despite COVID inflicted situation, is highly commendable," the Governor said.

Re-emphasizing the benefits of digital financial services, Dr. Baqir said that it can be a catalyst in improving living standards, reducing poverty, decreasing fiscal and current account deficits, and providing equal income opportunity to all Pakistanis including the people living abroad. Roshan Digital Account (RDA) is a major initiative of State Bank of Pakistan where hundreds of thousands Non Resident Pakistanis are availing banking, payment and investment activities in Pakistan with the active participation of the commercial banks in promoting the RDA. "Encouragingly, 250 thousand RDA accounts have been opened by Non Resident Pakistanis living in 175 countries and approximately USD 2.7 billion have been received latest by today. In fact, this intervention is going to strengthen the ties of oversees Pakistanis with the country for a longer time to come," the Governor said.

While acknowledging the progress made by the banking industry in supporting low cost housing finance for first time home owners under the Mera Pakistan Mera Ghar, Governor Baqir stressed the banks to further expedite the approval process, but without compromising the prudential regulations. As per the latest numbers of October 18, 2021, he mentioned that "Banks have approved financing of around Rs. 80 billion as against the applications received for more than Rs. 200 billion which required to be matched aggressively by the banks to ensure that the people are not discouraged by the processing time." He invited the attention of the audience to the fact that just two years earlier no one could even think about the scale on which this activity is being promoted by banks and availed by the target group.

Sharing the way forward strategy, Dr. Reza Baqir mentioned about the window of opportunity available with the commercial banks to partner with SBP to bid for developing and promoting infrastructure for the SME finance. He said that it will no more be mandatory for the banks, but will be participative in nature. Climate change is another area of focus for SBP where refinance scheme is on the cards for promoting solar and other clean renewable sources energy. Digital banking framework for Pakistan will cater to the under-banked and un-banked areas and segments of the society efficiently and effectively. Rapid and sustainable economic growth is another priority area where, he said, the SBP is working closely with the government to bring down the current account deficit to its new low. He further mentioned that "Our relationship with other countries as well as with IMF gives a clear message to the world about our seriousness on growth." He assured that, "For FY22, we would again surpass the economic growth targets being projected for the year in different local and international projections as we did last year." He reiterated that market-based forex rate is more suitable for sustainable accumulation of forex reserves through increased export earnings, higher influx of home remittances and increase in direct foreign investment.

Chief Executive IBP Mr. Mansur-Ur-Rehman Khan, in his welcoming address, said that the significance attached by the banks to sponsor the Alternate Delivery Channels and their wholehearted implementation of the fresh initiatives launched by the State Bank Pakistan helped a lot to decipher the dampening impact of lockdowns on the banking transactions, and in turn, the economy. "The banking industry navigated through this difficult situation with courage and confidence and showed good resilience in a difficult situation. This could only be possible, we all know, with the bankers' all-times unconditional resolve to better facilitate the customers and concurrently maintaining their competitive edge," he added.

Highlighting IBP's efforts to cope up with the changed environment in the backdrop of limitation on classroom trainings due to COVID-19, Mr. Khan said the IBP managed to shift its focus onto introducing the online training modules which were highly appreciated by its patrons and the participants. He thankfully acknowledged the positivity of banks and other financial institutions in their taking greater interest in getting their staff trained through the IBP's online training initiatives. Briefing the audience about key highlights, he said, "During the year ended June 30, 2021, 103 online trainings were conducted as compared to 78 training sessions last year. The increase in number of average class-size from 15 participants in previous year to 34 participants during current year has been another encouraging factor which resulted into increasing the depth and spread of training across the board."

He further mentioned that around 12,000 users from various leading banks, including microfinance institutions, this year took part in training and assessment conducted through the elLM platform; the IBP's electronic Learning Management System. The e-learning modules included training on AML/CFT, KYC/CDD, Fair Treatment to Customers, Information Security, Credit Risk Management, Conflict Management and Compliance Management, he said.

He thanked the State Bank of Pakistan for its support and guidance in bringing forth these awards. He expressed gratitude to the eminent jury, comprising of distinguished professionals, who have contributed in keeping the evaluation process transparent throughout. Adding on, he said, "These awards while bring sense of pride and accomplishment among the winners, give impetus to go extra miles in finding out-of-the-box approaches to raise the scope and standards of their products and services. Carrying significant lead and lagged impacts, the banks and financial institutions in pursuit to the Pakistan Banking Awards remain occupied throughout the year: first to emerge as a winner, and later on, capitalizing upon the winning position."

The ceremony was attended by eminent bankers and professionals from Pakistan's banking, finance and business industry. Ms. Shahla Naqvi, Senior Manager Publications and Communication at IBP was the Master of Ceremonies for the evening.

GALLERY

DEPOSIT PROTECTION CORPORATION

A Critical Financial Safety Net for Bank Depositors in Pakistan

Since the Great Depression of 1930, a number of financial safety measures were instituted to ensure financial stability. To infuse confidence in the system, Federal Deposit Insurance Corporation (FDIC) was established in the United States in 1933 for provision of limited but explicit protection to small deposits in the banking institutions. In the following years, all major jurisdictions around the world introduced deposit protection schemes in a bid to minimize the risk of bank runs and likelihood of individual bank failure ensuing into systemic crisis. However, in the wake of numerous big banks' fiasco during the global financial crisis '08, financial stability became the supreme concern for regulators and policymakers around the world. Thus, explicit and formal deposit protection schemes evolved as an imperative constituent of financial safety net and a must for all the jurisdictions to shield themselves against systemic risk.

By: Muhammad Khan Khoso

To enhance the effectiveness of deposit insurance systems by promoting guidance and global cooperation, the International Association of Deposit Insurers (IADI) was constituted in May 2002 under Swiss Law and is domiciled at the Bank for International Settlements in Basel, Switzerland. Members of IADI conduct research and produce guidance for the benefit of those jurisdictions seeking to establish or improve a deposit insurance system. Members also share their knowledge and expertise through participation in international conferences and other forums.

IADI currently represents 88 deposit insurers. Its participants include deposit insurers, central banks, and not-for-profit national and international organizations with an interest in financial stability. In terms of IADI's statistics on global Deposit Protection Systems (DIS) as of July '19, there have been instituted explicit deposit protection schemes in 145 jurisdictions including Pakistan, up from only 12 in 1974. There are another 25 jurisdictions which are considering implementing explicit deposit protection scheme.

In Pakistan, during nationalization drive in 1970s, bulk of the commercial banks in private sector were bludgeoned into five big public banks through Bank Nationalization Act, 1974. By virtue of this Act, bank depositors were committed implicit statutory protection on the expense of tax payers' money. However, with the entry of new foreign banks followed by privatization of once dominant state-owned banks, the banking system in Pakistan has gradually been dominated by private banks which has also made implicit cum statutory protection void and irrelevant. Moreover, hundreds of thousands small and unsophisticated depositors have also been financially included in the system over the past few years under SBP's aggressive financial inclusion strategy in the country. With these developments, it had become necessary to immediately provide protection cover to the ever-increasing number of depositors by ensuring stability in the financial system and to deter any possible financial and systemic risk.

"The objective of DPC is to compensate the depositors, specifically the small and financially unsophisticated ones, to the extent of protection limit in the unlikely event of a bank failure in Pakistan."

To this effect, the Deposit Protection Corporation (DPC), a wholly-owned subsidiary of the State Bank of Pakistan, was established under the DPC Act, 2016. The corporation commenced its business with effect from June 01, 2018.

DPC plays a key role in promoting financial stability by sustaining confidence in the banking system. The objective of DPC is to compensate the depositors, specifically the small and financially unsophisticated ones, to the extent of protection limit in the unlikely event of a bank failure in Pakistan. Thus, the following categories of deposits and banking accounts have been protected/guaranteed by the Corporation:

a. All current and saving accounts, including Roshan Digital Accounts (RDA)

b. All types of branchless accounts

c. Fixed term deposits

d. Call Deposit Receipts (CDR)/Security Deposit Receipts (SDR)

e. Deposit balance kept as cash margins/collateral or under lien, that are payable to depositors after satisfaction of all dues that are payable by them to the bank

f. Foreign currency deposits. However, reimbursement of such accounts shall be made equivalent to PKR at the exchange rate declared by SBP on date of notification of a bank failure.

g. Profit accrued till cut-off date on any of the above type of accounts

h. Any other type of deposits communicated by DPC from time to time

Accordingly, following types of deposits and banking accounts shall not be protected/guaranteed by the Corporation:

a. Government or government institutions

b. Member institutions of DPC

c. Companies as defined under Companies Ordinance, 1984/Companies Act, 2017

d. Corporations, Modarabas, Mutual Funds

e. Branch(es)/Permanent establishment(s) of foreign entities

f. Diplomatic Missions and international organizations/ entities like United Nations, World Bank, IFC and ADB etc.

g. Autonomous Bodies

h. Deposits on which preferential interest or return has been granted by the bank

i. Members of board of directors and senior management of a DPC member bank

j. Engagement partners of auditing firm responsible to certify DPC member bank's financial statements

k. Persons acquired rights to a deposit after SBP's notification of bank failure under DPC Act, 2016

l. Spouses, dependent lineal ascendants and descendants and dependent brothers and sisters of the persons specified at points i, j & k above

m. Deposits arising out of or related to transactions or actions constituting money laundering within the meaning of the Anti-Money Laundering Act, 2010 if the offender has been convicted of such offence

n. Amounts reported under unclaimed deposits by a member bank in compliance of Section 31 of Banking Companies Ordinance, 1962

o. Deposits maintained at branches and subsidiaries of Pakistani banks operating outside Pakistan and branches located in Export Processing Zones (EPZ)

DPC is governed by an independent and professional Board of Directors under the chairmanship of Deputy Governor of State Bank of Pakistan, while its affairs are administered by the Managing Director. The Federal Government nominates the Board of Directors in consultation with the State Bank of Pakistan.

"As a deposit protector, DPC continues to build up its own financial forte. It is now safe to expect DPC to payout compensation from its own kitty to all qualified depositors if an average size bank goes down."

To ensure the coverage to all eligible depositors, all banks scheduled under subsection (2) of section 37 of the State Bank of Pakistan Act, 1956 (XXXIII of 1956) have been made compulsorily member institutions of the deposit protection scheme of DPC and liable to pay the prescribed premium on regular interval without charging a penny to depositors. More importantly, the collected premium from member institutions is managed by DPC separately for both Islamic and conventional banks.

DPC steps forwards in the unlikely event of bank failure upon notification from the State Bank of Pakistan and compensates the eligible depositors of the failing institution up to the prescribed amount within stipulated period of 30 days, under the approved procedure of reimbursement.

Introduction of explicit deposit protection in Pakistan does not only contribute towards financial stability by minimizing the risk of bank runs, but it affords a formal-cum-explicit protection to all eligible depositors by means of provision of immediate liquidity to depositors in case their bank goes under the weather. The more prudent is the ex-ante DP fund maintained by DPC with regular contributions from member banks, which are efficiently employed and invested for compensation to protected depositors in the event of only failure of their banks out of its own fund, unlikely to the concept of statutory protection which takes a toll on tax payers' money. A resolution fund is also on the cards at DPC to provide for treatment of a feeble and diseased bank so that the contagion effects of a failing bank could be curtailed from infecting the others.

To infuse more confidence in the system, DPC has recently enhanced the coverage limit up to PKR 500,000 per depositor per bank within three years of its establishment, which was earlier set as PKR 250,000. The current coverage at half of a million rupees translates into nearly 2.22 times of GDP per capita in Pakistan as of June 2021. There are small, individual, salaried, sole proprietors and partnership accounts in the banking sector, which roughly constitute 98 percent of total depositors in the banking sector in Pakistan, who have now been become entitled for this financial cover. More importantly, 95 percent of these depositors have account balances equal to or less than the total coverage of half of million, which makes them entitled to take full refund of their deposit in case of closure of their bank. Accordingly, DPC has declared all these small and financially unsophisticated depositors as eligible depositors — excluding corporate, institutional, government and other such deposits from its financial canopy.

For an institution which is mandated to provide financial cover to the masses in the event of failure a banking company, the barometer to gauge the level of confidence in the system is its financial viability and ability to indemnify the losses of claimants. As a deposit protector, DPC continues to build up its own financial forte. It is now safe to expect DPC to payout compensation from its own kitty to all qualified depositors if an average size bank goes down. Its legal buff to generate backup and additional funding make it more potent to meet its obligations in time.

DPC has also undertaken aggressive public awareness campaign, especially from the beginning of last year. It has launched a website, disseminated emails, SMS and notices to depositors at mass level in partnership with member banks, and released its annual report from this year. Above all, awareness sessions with member banks' executives and staff are regularly undertaken by DPC. For the knowhow of depositors and general public, DPC has recently advised all member banks to ensure availability of standard information brochures at every branch. Despite all the strides taken towards financial stability and protection of depositors, DPC ought to poise more public confidence through public awareness campaigns and keep on mustering resources to live up to its mandate. ■

BUILDING RATIONALITY IN ORGANIZATIONAL DESIGN

By: Sohailuddin Alavi

The term 'rationality' refers to actions that are founded on known principles and predictable outcomes. Rationality can be described as fundamental to our behaviors and organizations. Having said this, when organization designs are founded on principles, targeted outcomes become even more predictable. In this short article, the author presents his analysis and implications of rationality in organization design as an instrument to augment organization outcomes.

Producing results is the outcome of collaborative efforts of many subsystems and individuals within each subsystem. A number of school of thoughts exist as to how the subsystems and individuals within each system should work so as to attain the performance excellence: Competitiveness, Efficiency, Cost reduction, Innovation and Synergy. Some types of organization designs are productive and some are not so productive. To put it differently, it is evidenced that rational organization designs help incubate innovation, synergy and reduction in cost while designs based on conventional authority driven structures fail to deliver beyond actions.

> **Pseudo teamwork organizations are technically organized along the administrative hierarchies with all the gratifications of ranks and statuses, yet everyone, irrespective of his or her role and position on the hierarchy, stands-by while the task is done by a few.**

Conventional Organization Design

In a typical conventional organization, top-down approach is followed. Positions are identified along the hierarchy, which are basically a manifestation of employees' authority and status: Individuals are identified as seniors vs. subordinates. In most of the situations, work responsibility is identified with the most senior person, while others are considered to assist him or her by performing preparatory or, as referred to sometimes, donkey work. In such scenarios, senior retains the authority and delegates the execution. In this design all the work is done by the donkeys while the credit of doing the work goes to the senior.

The irony of this design is that irrespective of the fact that how critical, complex and sensitive a task may be, it is done by the employees at the front end. Seniors are only there to get things done. In short, the senior distributes his entire task list amongst his/her subordinates. The consequence is that subordinates may be or may not be fit to perform the tasks, especially ones which are critical, complex and sensitive, yet the tasks are assigned to them. In this situation, subordinates can only perform actions but would not attain results, as they would lack the skills, clarity and empowerment required to perform the task. A few proactive subordinates when assigned high level tasks, also proclaim unwarranted authority from their seniors. Not having the required level of empowerment, they inevitably tend to exercise authority for their personal gratification. On the other side, the senior incumbent's inputs are minimized and he/she practically becomes redundant. Managers often can be heard saying, "I have done too much when I was a junior, now it is time for me to sit back". Author Kenneth Davis in his book titled, One Minute Manager described these people as, "Some managers wear sunglasses and sleep in their offices until someone makes a mistake, then they wake-up to reprimand". At the end, the much-needed innovation, synergy and performance excellence are compromised beyond the affordability. Consequently, organizational performance gets restricted to actions but no intrinsic results are attained.

Examples of conventional organization designs abound in our permeable world of work, like typical public sector organizations. Bureaucracy model of organizations is totally based on conventional designs. Once, the author met the principal of a professional academy in a government organization where that person had recently been transferred from operations to assuming the post of head of training function. The author asked him as to how does he see his current job to be different from the previous one. He naively said, "There is no difference, I was working at BPS 18 and this position is of the same rank" — once a boss always a boss. In short, his role perception is simply that he has to get the work done, so he himself does not need to perform any task except assigning tasks to others and ensuring that all the employees have work to do, no matter even if the tasks require higher competence and empowerment. Usually the criteria of delegating the task is based on the subordinate's rank and the senior's personal liking and disliking.

Pseudo Teamwork Organization

A parallel example of conventional organization is the 'Pseudo Teamwork' organization. Such organizations are technically organized along the administrative hierarchies with all the gratifications of ranks and statuses, yet one can see everyone involved in the so-called 'photo session', meaning everyone, irrespective of his or her role and position on the hierarchy, stands-by while the task is done by a few. In other words, the manager, supervisor and subordinates all do the same tasks. For example, if a letter has to be drafted then it begins with the most junior officer, goes to the next senior person for some changes and then goes to the most senior person for making final changes. Here the role of juniors is to make zero draft and the role of the most senior is to make changes, sometimes necessary and sometimes just to add his/her input. Yet it is just one letter drafted involving multiple employees, which means the cost of doing a task is the sum of the cost of so many employees. Isn't this an expensive organization to draft a letter?

Pseudo teamwork organizations are technically organized along the administrative hierarchies with all the gratifications of ranks and statuses, yet everyone, irrespective of his or her role and position on the hierarchy, stands-by while the task is done by a few.

A better solution to this is demonstrated in this example: If the letter contents are stereotyped then prepare a template and delegate the job to the junior person, who can then repeatedly draft such letters on his own. But if a technically complex letter has to be drafted, then the relevant person who has the required competence and information should do the task on his own, rather than banking on the juniors to make zero draft, who neither have the competence nor required information. Doing so, the efficiency will go up, cost of doing the job will come down and last but not the least, accountability can be more precisely fixed. However, in conclusion, it is seen that while everyone is engaged on the same task, it is in fact only the front men who do it, no matter if the task is simple or complex and if it requires higher competence. Consequently, the required level of input is often not achieved and the innovation, synergy and performance excellence are grossly compromised. Another dimension to pseudo teamwork is that people are seen encroaching into each other's roles, thus moving away from their actual role function, which becomes a major cause of their inefficiencies and inter-organizational politics.

Rational Organization Design

A rational organization is one that works on the premise of the right person for the right job. Employees can still be placed at different positions on the hierarchy but not to reflect their authority or ranks, but to reflect their independent roles. Roles can be differentiated based on required competency and empowerment. This follows that managers cannot and should not delegate all their responsibilities down the line, but they must identify the criticality of each task within the activity and ascertain which tasks require lesser competence and empowerment and can be assigned to juniors, and which tasks require higher competence and empowerment that must be done by himself/herself. Doing so, one can attain the standard of 'the right person at the right job' in letter and spirit, and to ensure that everyone intrinsically contributes to the whole, judiciously. We have evidence that in this design, the diversity of inputs from everyone in the hierarchy leads to innovation and synergy which in turn causes performance excellence.

Examples of these types of organizations may not abound but such organizations do exist in the real world of work. A former country head of a reputed company in Pakistan had this habit of counseling his IT managers not to work as software developers, no matter how exciting it may look to them; he used to say, "You are a manager and have something more critical to do."

Once, the author was conducting a goal setting exercise for a division of a larger bank. When he had finished helping the functional tier in setting their goals, the head of the department categorically asked him what should be his goal. Should it be a cumulative performance of all the staff — in that case he has no task but just to wait and see how the staff works. He got excited when the author, being the internal consultant, advised what he had to do. He told him to think of his goals as to how he can make his staff successful in doing their jobs rather than proclaiming their performances as his own. Interestingly, that had changed his entire work paradigm from adopting a passive to a proactive approach.

Conclusion

All organizations have the potential to innovate, synergize and achieve performance excellence, but how they prepare for it and approach it makes the difference. It is the time to ponder, especially for those who design work organizations and also for those who call themselves managers. The author cheerfully reminisces about his career mentor who was also the head of the department where the author was posted. When he assumed the charge of the department, his most immediate target was to transform the organization design, but his biggest challenge was to change the mindset of the employees, as no matter from which background they had come, they operated from a controlling perspective – "My juniors should do my work and I get the credit for it." At the end, every task, simple or complex, was delegated to the employees at the most lower end, whether they were able to do it or not. The employees in the middle acted as link pins between the boss and the doers, thus were the least productive. But with his persistence and clarity, he was able to design and promote competency-based job allocations rather than the ranks, which finally led to augment the performance curve of the organization. ■

SOHNI DHARTI
REMITTANCE PROGRAM

Sohni Dharti Remittance Program (SDRP) is an innovative program designed to incentivize Pakistani workers abroad to send remittances to Pakistan through banks and exchange companies and earn reward points. These reward points could then be used to avail different benefits offered by partner organizations. SDRP can be accessed conveniently from anywhere in the world through a mobile application.

It is a unique and first-ever smartphone application available in English and Urdu language that tracks and updates every remittance a remitter sends home and awards remitters with reward points, which can be redeemed for free of cost services at multiple Public Service Entities (PSEs).

The Honorable Prime Minister of Pakistan, Mr. Imran Khan, inaugurated the SDRP offered jointly by the State Bank of Pakistan, Ministry of Finance and financial institutions on November 25, 2021. Under the SDRP, if an individual sends remittance to the limit of USD 10,000 or equivalent in one fiscal year, then he/she will be awarded one percent as a reward and allotted a green card category.

Similarly, for remittances sent by an individual between USD 10,000 and USD 30,000 or equivalent, the remitter would be given 1.25 percent as reward and classified into gold card category. Lastly, for remittances of more than USD 30,000 or equivalent, he/she will be awarded 1.5 percent as reward and allotted a platinum card category.

Every remittance can upgrade the remitter's category level and earn them more reward points. Reward points appear on the app in the form of a virtual card that updates automatically with reward points after each remittance.

Category	Annual Remittance Amount (in 1 year*)	Reward Points Earning (% of Remittance Amount**)
Green	Up to USD 10,000	1.00%
Gold	From USD 10,001 to USD 30,000	1.25%
Platinum	More than USD 30,000	1.50%

*Fiscal Year July to June
** Equal PKR amount of remittance

The reward points can be redeemed by remitters and their beneficiaries for availing free of cost services from eight (08) participating PSEs at the moment. The services offered include:

- International tickets by Pakistan International Airlines (PIA) and the provision to pay for extra luggage on international flights of PIA;
- Federal Board of Revenue (FBR) has allowed Overseas Pakistanis to pay duty on import of mobile phone and vehicles;
- The National Database & Registration Authority (NADRA) will provide services related to the renewal of CNIC/NICOP and hassle-free renewal of passports by Directorate General of Immigration and Passports;
- Bureau of Emigration and Overseas Employment - Emigrant Registration fees;
- Life insurance premium payment through State Life Insurance Corporation services;
- Facility to pay schools' fee of Overseas Pakistanis Foundation schools; and
- Purchases through a network of Utility Stores across the country.

Federal Investigation Agency (FIA) will provide preferential services to Overseas Pakistanis under the umbrella of this program by installing separate counters and provide priority clearance.

In his address as the Chief Guest at the inauguration ceremony of SDRP, Prime Minister Imran Khan thanked the Overseas Pakistanis for posing confidence in the bright future of their homeland by sending record high remittances of over USD 29 billion in last fiscal year FY21 and continuing the trend in FY22. The Prime Minister noted that his government has always encouraged and appreciated the efforts of Overseas Pakistanis through various initiatives and programs. He especially mentioned the incentives like making remittances transfer free of cost, providing free airtime for remittances received through mobile wallets and covering marketing cost of remittance service providers.

The Prime Minister congratulated State Bank of Pakistan (SBP), Ministry of Finance (MoF), financial institutions, participating public sector entities (PSEs) and all other stakeholders as without their efforts the launch of this remittance incentive program would not have been possible. He termed the launch of SDRP as a tribute to the Pakistani workers abroad who have been contributing in the development of the country through sending their hard-earned money back to Pakistan. He also appreciated the concept of giving incentives through a digital application for sending remittances via official channels.

Governor SBP Dr. Reza Baqir, in his welcome address, expressed heartfelt gratitude to the Prime Minister for his continuous interest and guidance in developing ways to facilitate the Overseas Pakistanis and workers abroad. Dr. Baqir elaborated that Sohni Dharti Remittance Program is another outcome of the PM's vision. Referring to earlier initiatives, he said that Roshan Digital Account and the Naya Pakistan Certificates have been huge successes and the PM's support has played an instrumental role in it. Adding further, he said that other initiative like the Mera Pakistan Mera Ghar scheme providing low cost housing finance for first time home owners is another example where the PM's vision and support has led to a significant takeoff of housing finance in the country, which had otherwise been negligible.

Dr. Reza Baqir said that he was delighted and privileged to announce the launch of SDRP, which is an excellent combined effort of Government of Pakistan, SBP, financial institutions and other organizations. Divulging the details, he disclosed that all home remittances sent from anywhere in the world through legal channels are eligible for inclusion in the SDRP. Besides, funds received in Roshan Digital Accounts which are consumed locally through conversion, and thus become non-repatriable, also qualify for inclusion in the program.

The Governor termed the launch of SDRP another step towards digitalization and financial inclusion that would play a significant role in digital onboarding of Overseas Pakistanis and their beneficiaries in Pakistan. The mobile application of SDRP is available at both Google android and Apple IOS platforms. He took the opportunity to appreciate the participating banks, PSEs and other stakeholders in this regard as it was due to their hard work that this initiative finally saw the light of the day.

Further information about the SDRP may be obtained from:
https://www.sbp.org.pk/sohnidharti/index.html

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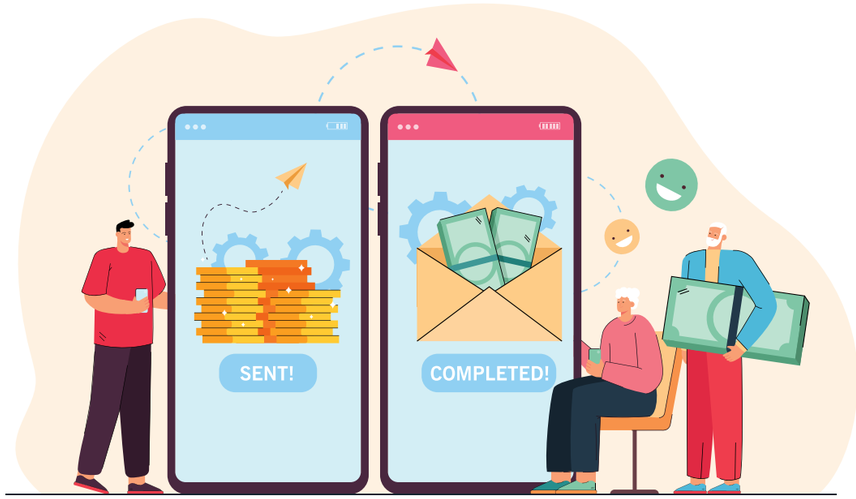


In Tech We Trust?

The complex relationship between financial provider and client has changed exponentially over the past 20 years - but probably no more so than in the context of digital banking. Innovation and functionality, spurred on by influential millennial consumer habits and a sobering pandemic, has created a new landscape in which providers are rediscovering the importance of customer trust.

In the days following the collapse of investment bank Lehman Brothers in September 2008, the worldwide community of banking customers, mortgage holders – and almost anyone with credit in their name – could only look on in despair as the extent of damage across the global financial sector became increasingly clear.

For many, it was a turning point in their understanding of how banks operate. The interconnectivity of the financial markets worldwide, and the realization that – prior to subsequent legislation – certain banks could often leverage far more credit than their ratio limits could cover, meant that levels of consumer trust took a significant drop. The financial sector as a whole became the enemy among those who had their lives turned upside down as a result.

The global banking sector has since applied rigorous and regular stress-testing protocols to ensure financial institutions remain resilient under recessionary conditions. Additional legislation to break up or ring-fence the big banks has, in a similar vein, sought to remove the economic challenges that come with supporting organizations that are 'too big to fail'.

"Trust in a brand cannot be created in a few months; it takes years to build it. But trust in a product can be built much faster..."

Alex Kreger,
UXDA

Fluctuating customer trust in banks is not entirely new, however – and a periodic recession is just one of many reminders to customers that the interface models that the financial sector uses with clients are transforming, due to a number of very apparent factors.

Digital Dividend - or Divide?

The rise of the challenger banks in recent years has undoubtedly brought about a significant transformation in the financial services industry. Technological advancement plays a key role in this. From a sector that brought in £132 billion for the UK economy in 2019, FinTech is reported to contribute more than £6 billion annually. While this suggests that only a small percentage of the 'newcomers' hold sway in financial services, it hides the substantial and growing impact that FinTech is making on the industry as a whole.

Whether from a challenger or an incumbent, the mode of banking now accepted by the vast majority of customers has shifted online via laptops and mobile devices. In the space of a couple of decades, we have witnessed the death or terminal decline of the traditional local bank manager, human branch tellers, secure cashpoints, call center operators, hand-written cheques, plastic cards, paper statements – with even cash, apparently, rapidly on its way out.

On the face of it, all the human and physical attributes of traditional banking are being or have been removed from the equation. But has our trust in the institutions charged with safekeeping our money gone with them?

Accenture's 2020 report – now a series – entitled *Purpose-Driven Banking*, attempts to address what it sees as damagingly low levels of trust in banking – primarily due to the difficult economic circumstances that individuals and small businesses were facing even before the pandemic.

The key findings also show that the pandemic itself negatively affected 42 percent of consumers' finances, and 55 percent of sole traders or small businesses, which had lost sales or gone out of business. At a consumer level, only 14 percent sought help from their bank, while just 35 percent of small businesses said they would use their bank for financial advice.

This trust deficit, according to Accenture, is in turn a disincentive for banks to try to offer value-added services that could provide increased revenue. As the economy rebuilds its way out of the pandemic, however, there is an opportunity to develop "an authentic win-win model that puts customers' interests first, builds trust and unlocks the potential for new revenue streams".

The UX factor

Now that the financial conversation with customers has changed beyond recognition, the behavioral dynamic between provider and client relies on selling the benefits of a convenient, seamless digital-user experience, while needing to reassure them that their data (as well as their money) is safe in their hands.

Merkle, a full-service customer experience agency established in Switzerland, focuses on designing data and tech-led solutions for clients, including the financial sector.

In one of its papers by senior consultant Marco Hauri, it suggests that, "The digital transformation of the financial industry offers an ideal opportunity to strengthen customer trust. However, banks are also dependent on customers using digital services. Customers must be able to rely on a bank's digital infrastructure. Trust is a double-edged sword here. On the one hand, it can be built up through the digitalization of services, and on the other hand it is necessary for digital services to be accepted by customers."

Enter the discipline of UX design, where today customer journeys are designed holistically to maximize the personal experience and comfort of the user. Alex Kreger, Founder and CEO, UXDA, a European specialist agency serving challenger and traditional banking clients, says,

"Consumer trust in banks has been damaged, but not by FinTech companies or challenger banks – by the banks themselves. It's about the attitude and values the banks have demonstrated."

"Once customers have developed the taste for challenger bank benefits - and the new brand proves their expectations and builds a closer emotional connection with customers - mass migration to challenger bank services is possible."

Alex Kreger,
UXDA

The philosophy of UX design is more than marketing a service in that it uses strategies to respond to all the micro elements of human behavior and feeling when they make decisions. In designing such decision journeys, simplicity and directness appeal to customers – vital elements in developing trust because it avoids the innuendo and layered messaging of selling.

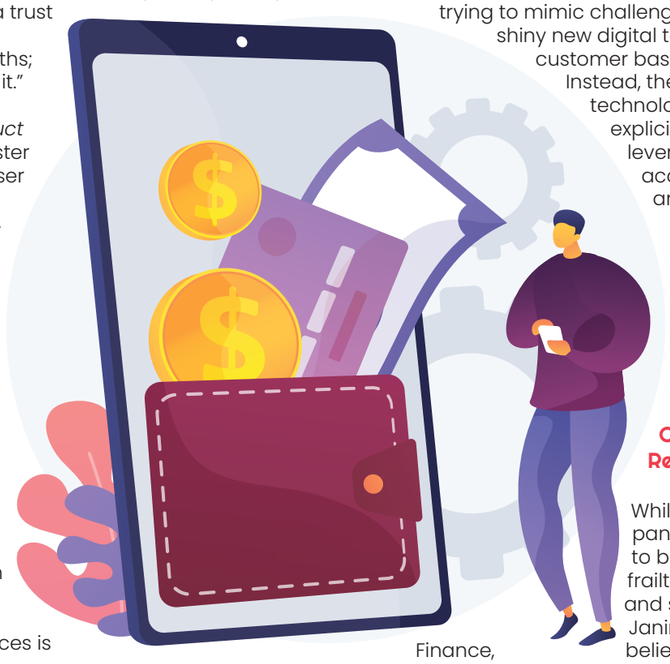
Kreger argues that, for many consumers, it became clear in recent years that traditional financial institutions were willing to risk the funds entrusted to them for the

sake of extra profit. The route out of this, he says, is to surround the customer 100 percent.

"Banks have relied on building trust through customer-friendly service, reasonable fees, digital availability, and automation. Such an approach enabled them to initially build their business around the needs of their customers."

However, it is important, he adds, to distinguish between what he calls brand trust and product trust, "The credibility of Lloyds as a *brand*, for example, is still high enough that the customers keep their primary account there. Such a trust in a brand cannot be created in a few months; it takes years to build it."

"But trust in a *product* can be built much faster by offering a better user experience, better terms and conditions, and better accessibility," he explains. "Consumers are ready to try new financial products incrementally in test mode. But once customers have developed the taste for challenger bank benefits – and the new brand proves their expectations and builds a closer emotional connection with customers – mass migration to challenger bank services is possible."



A parallel can be drawn, he says, with television; Netflix is a prime example of a digitally native media streaming service, proving its worth since 2007 to win over millions of viewers from traditional TV channels.

> **The digital transformation of the financial industry offers an ideal opportunity to strengthen customer trust.**
>
> **Marco Hauri, Merkle**

But where does this leave the role of big banks to future-proof their own propositions? "Of course, having large resources, the traditional banks can influence their situations effectively," explains Kreger. "But to do this, they need to overcome legacy and perform cultural and digital transformation – and that means providing customers with a digital experience that competes, or better surpasses, the challenger banks and FinTechs. Importantly, acquiring FinTechs will not help here, as we have already seen, as they simply suffocate from the banking legacy."

The smarter incumbent banks, therefore, are not trying to mimic challenger banks to show shiny new digital tools to a cynical customer base, argues Kreger. Instead, they are "turning into technology companies that explicitly put customers first, leveraging the power of accumulated knowledge and experience".

He adds, "If others are in a position to make this transition, there's a good chance they will not only survive but also succeed in the digital age."

COVID Spurs the Revolution

While the coronavirus pandemic has revealed to banks the financial frailties of retail customers and small businesses alike, Janine Hirt, CEO, Innovate Finance, believes that the difficult journey many have experienced has been eased by technology. Her premise is that people have since embraced the digital imperative, and are showing increasing loyalty and trust to banking via digital platforms.

"For me, it's important to view current trends of trust in banking within the context of COVID-19," she says. "What COVID did was to force everyone to recognize how core technology is to all our lives, but especially when it comes to financial services."

"Nesta issued a report in August 2020, which deals with trust and money when it comes to mobiles and app management, and it revealed some really interesting numbers. Around 36 percent of those surveyed felt more comfortable with using money management apps post-lockdown, and 23 percent said they actually trusted using money management apps more. I know there's a case to be made for millennial customers, but we're seeing this increase in trust across all age groups."

For Hirt, the evidence points to a willingness across the board among consumers, not least because they are more demanding than ever before. There comes a point where concerns about security or a lack of familiarity are outweighed by the sheer convenience of processing a transaction or moving money around on a mobile device.

"The German robo-adviser firm Scalable Capital has closed down its retail business in the UK," Hirt explains, "but before doing so, more than 50 percent of its customers were over the age of 45. That's is a real testament. Older generations look for this immediate access to better saving techniques, or ways to grow their money. They're turning to FinTechs and online or digital platforms because of their ease of use, but also they're seeing the financial benefits of using these providers."

When COVID hit in March 2020, Hirt and her colleagues saw how institutional players were caught off guard and had to move so much of their services online with very little warning. "FinTechs were able to step in and pick up the slack very quickly, and were able to provide some of those services either directly to the consumer immediately or support the big banks in getting their services online more quickly and efficiently.

"We saw an increase in appetite for partnerships like this. This was less a case of the FinTechs eating the big banks' lunch, but more that the FinTechs were forcing the big banks to up their game," she adds.

> **What COVID-19 did was to force everyone to recognize how core technology is to all our lives.**
>
> **Janine Hirt, Innovate Finance**

The drive to innovate is partly a response to a consumer whose appetite is changing from financial management as a chore or a necessary evil, to something that is both easy to carry out, and highly specific to their needs. In short, the focus is heading inexorably towards hyper-personalization – a crucial element of winning customers' trust and confidence.

"There are a number of FinTechs that are providing this directly," says Hirt, "but we also see institutions working with FinTechs to be able to better understand the data that they have and make it more personalized to the end client. There is also a big push to put the consumer back at the center. If the institutions don't provide that same type of honest engagement with the consumer – not only will they lose out to the FinTechs but they'll also lose out to their peers."

If ever there were an incentive for banks to get it right, this is it.

Hirt does not declare this drive to innovate as an easy journey. The FinTech sector was the subject of a review in July 2020 by Ron Kalifa OBE, in which he was tasked with exploring the priority areas that would most support and nurture the industry's growth.

Hirt says, "One of the aspects that Innovate Finance is advocating for, which came out of the Kalifa Review, is the idea of incentives that would enhance institutions' abilities to work with some of the startups as well. If you look at the UK's FinTech adoption rate, pre-pandemic it was already very high at 71 percent – but it ramped up to 76 percent during the pandemic."

It is clear that under the right circumstances, the innovators' influence starts to gain traction.

The big trend now, says Hirt, is in embedded finance, where customers now expect financial services providers to feed into the other aspects of their lives. No longer is it a separate activity but part of what people do day-to-day.

It is at this sweet spot where the relationship between financial services provider and customer is so interwoven into all the other decisions that we make to manage our home, transport or family needs, that trust becomes a given.

As providers morph from detached transactional entities to familiar life journey 'companions', the next 10 years will, without doubt, herald an exciting new phase for the banking industry. ■

This article originally appeared in the Autumn 2021 issue of Chartered Banker magazine and is reproduced by kind permission of the Chartered Banker Institute.

IMPEDIMENTS IN DOCUMENTING PAKISTAN'S ECONOMY

By: Shahvez Khan

The pessimists complain about the blowing of the wind; the optimists expect it to bring about a good change. Despite all the obstacles in documenting Pakistan's economy, a positive approach in the right direction has been the continued concern of the policymakers to minimize the size of the undocumented economy, which according to some estimates hovers around 30-35 percent of the country's overall GDP. While the existing socio-economic structure of Pakistan — set in stone — demands moving heaven and earth for a constructive change, the top-down approach of condemning the ill practices may prove to be the first stepping stone to correct the adversities.

Implementation of economic reforms targeted towards documenting this undocumented segment of the economy has become inevitable for the nation's betterment. Some of the major hindrances in this process have been elaborated below:

Red-Tapism

According to James H. Boren, "Bureaucracy is the epoxy that greases the wheels of progress". Red-tapism refers to unnecessary and complex regulations or incompatible policy framework. Unfortunately, bribery and inefficiency have become a common practice in the country over the past few decades. This, in turn, breeds non-compliance and corruption.

In this scenario, citizens visiting public offices for the issuance of certificates, licenses or legal documents are required to go through a number of stages. At each step, they are required to fulfill stringent documentary requirements to the satisfaction of corrupt officials. Here, red-tapism is used as the major tool to induce applicants into making bribery offers for getting their work done. In this way, these citizens, like a cat on hot tin roof, are left with no option other than offering bribes to get their applications processed.

Such malpractices badly affect the people belonging to lower income class, who are compelled to pay these illegal sums through their noses. This red-tapism culture, with no strings attached, hampers the economic documentation process and induces many people to abstain from getting themselves registered with the regulating or revenue authorities. Moreover, despite entering the economic cycle, funds gathered in the shape of bribery are kept undocumented due their illegitimate nature.

Embezzlement and Graft

Corrupt practices have become a custom in Pakistani bureaucracy and politics, gradually eroding the elements of professionalism, ethics and merit. According to Transparency International's Global Report on Corruption 2019, Pakistan is more corrupt than before. Similarly, as per the recent report of World Economic Forum, Pakistan's ranking on the Corruption Index rose from 99 to 101 due to an increase in corruption related cases.

Unfortunately, embezzlement has become a routine in Pakistan, where corrupt officials misappropriate funds for their personal gains. This includes stealing funds from development project budgets, padding expense accounts, stealing office supplies and resources, and even setting up fake employees to pocket the pay. In Pakistan, embezzlement has ruined the sectors of education, health, infrastructure, power generation and law enforcement drastically. Some of the public institutions victimized by this scourge include Pakistan Steel, Pakistan International Airlines, government-run schools and colleges, municipal offices etc.

Twisting the knife further, corrupt politicians and corrupt officials often employ graft for their own benefits. An example could be a minister's order directing purchase of vehicles from a particular vendor, at a much higher price than that of its competitors in the market. The motive behind such an order is to get kickbacks from the vendor for awarding the contract. Several politicians of our country, on numerous occasions, went through litigations for being involved in such ill practices; however, due to loopholes in our legal system they were able to evade the punishments without much hassle.

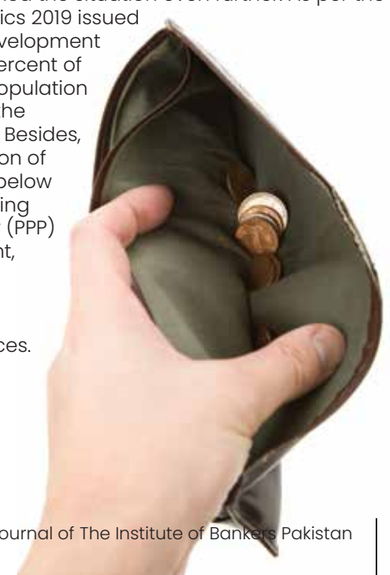
All illegal gains acquired through the above discussed practices are kept in the form of cash, bearer instruments, bullions etc., thus, result into promoting undocumented segment of the economy.

Nepotism

"You show me the man and I'll show you the rules". Sadly, nepotism has also been excessively practiced in Pakistan's politics and government departments. As a result, evidences pertaining to source of income, money trail, assets and taxes are manipulated for money laundering, as well as to evade levies and duties. In many instances, concerned regulatory authorities are prevented from taking any legal action against the relatives and close acquaintances of the ruling political party and influential bureaucrats.

Poverty and Unemployment

Inflationary economic conditions, growing population and unequal distribution of resources have triggered increasing poverty across the country at an accelerating pace. Moreover, unemployment and lack of education have worsened the situation even further. As per the Basic Statistics 2019 issued by Asian Development Bank, 24.3 percent of Pakistan's population lives below the poverty line. Besides, the proportion of population below $1.9 Purchasing Power Parity (PPP) is 3.9 percent, indicating adverse economic circumstances.



People in this segment are in a helpless state, battling hard for their survival. In order to make both ends meet; a majority of them serve as low-scale laborers on daily wages. In the absence of bank accounts, these hard workers are usually paid remuneration against their services in cash mode. Further, lack of employment opportunities force many individuals into committing criminal activities like theft, burglary, ransom, frauds etc. As per IMF (World Economic Outlook), the forecasted unemployment in December 2019 is expected to be around 6.14 percent. Beggary is another byproduct of poverty that needs to be addressed by the government on priority. According to Asian Human Rights Commission, there are around 1.2 million children, who beg on the streets of major cities of Pakistan. It is estimated that the total number of beggars in the country exceed 25 million, which is a massive figure.

These poor people have been left out in the cold since long, due to lack of comprehensive poverty alleviation policies from the government. In order to document the economic activities rendered by these citizens, the government in coalition with the private sector needs to create employment and business opportunities through result oriented planning.

Charities

When it comes to charities, Pakistanis have been found to be generous. Charities are made to needy individuals, as well as to registered and unregistered charitable organizations in the shape of cash, food, clothing, shelter etc. According to a study conducted by Pakistan Centre of Philanthropy, around Rs. 240 billion is paid annually in charities by Pakistani citizens. The Stanford Social Review estimates it to be more than 1 percent of the country's GDP, which is a sizeable contribution. In compliance of the Islamic teachings, most people prefer making charities or donations privately and quietly, which restrains the documenting of such economic activities.

Inherited Debt and Feudalism

Despite the creation of a democratic homeland on the principles of Islam in 1947, the feudal lords continue to exercise influence and boundless powers in their respective localities. These feudal lords possess huge lands and have been mostly associated with agricultural and mining activities. Their position in their respective areas is like that of a dictator or supreme leader. These *waderas, maliks, sardars* and *khans* are treated like godfathers by the locals, who look up to them for resolving their social and economic matters. In many instances, these landlords help them financially through lending, and in return ask for services on their agricultural land or mines. Due to very limited income and lack of awareness, these people often default in the repayment of such loans, coercing them to dwell in slavery. Lack of income compels them to borrow again and again, which further deteriorates the situation. In spite of continuously working for the feudals, these indebted workers often fail to pay off the debt during their lives, which is subsequently transferred to their progeny. Such inherited debts force these people to lead a life influenced and controlled by the feudals.

All economic activities rendered by this helpless and indebted class of the society remains off the record, and consequently, undocumented. These feudal lords do not only influence the poor, rather they also have strong links in Pakistan's bureaucracy, politics and the legal system which inhibits law enforcing authorities from taking any legal action against their malpractices.

Child Labor

Due to poverty and shattered economic conditions in the country, many families are compelled to send their children for work to earn them bread and butter, thus, making these innocent children part of the undocumented labor force in Pakistan. According to a survey conducted by the Federal Bureau of Statistics, in Pakistan, around 19 million children below the age of 14 years are forced into child labor.

It is an extremely unfortunate situation that demands immediate attention and intervention of the government and civil societies. If we look around, we can observe these children working on daily wages in small scale businesses of automobile repairing, restaurants, retail shops, cottage industries etc. Besides, a significant number of them are also employed in the labor force of large scale manufacturing and trading concerns.

Zindagi Trust, being run by a famous Pakistani pop singer turned social worker, Mr. Shahzad Roy, came up with this unique idea of 'I am paid to learn'; exhibiting that when there is a will, there is a way. This idea emerged as a blessing for all such poor families, and became a source to earn their living. The government and NGOs should enhance education seeking opportunities for the children of these underprivileged citizens, and stern policies must be formulated to eliminate child labor from our society.

Illiteracy and Lack of Awareness

Lack of education leads to lack of awareness about the prevailing economic conditions, business prospects, threats and opportunities. As per the latest economic survey, literacy rate in Pakistan is estimated to be around 62.3 percent. People operating micro and small enterprises are neither well educated, nor do they possess any regulatory knowledge of business registration, income tax filing, banking services etc. Lack of education limits their ability to understand and they are generally reluctant to accept the change. In this situation, the concerned business registering bodies, tax authorities and financial institutions need to counsel and create awareness about the various privileges of documenting businesses and filing tax returns. Besides, illiteracy and lack of awareness also instigate corruption and criminal activities in the society.

Micro & SME Business Market

According to Small and Medium Enterprises Development Authority (SMEDA), 90 percent of the companies in Pakistan are SMEs, with most of them operating in the informal sector of economy. Statistics show that up to 80 percent of non-agricultural labor force is said to work in micro, small and medium enterprises, while 70 percent farmers grow crops on land holdings of less than 5 acres in Pakistan. In Pakistan, micro and small business enterprises are engaged in retailing, manufacturing, services and agricultural activities. These comprise of grocery shops, apparel stores, eateries, confectioneries, tailor shops, handicraft manufacturing, shoemaking, hatcheries, farming etc.

These enterprises are usually not registered with the concerned regulating bodies and their business transactions are entirely cash based in nature. Due to lack of registration, bank accounts hardly exist in the names of these business concerns. As per an estimate, there are 110 shadow enterprises operating in the country for every single registered business, ranking Pakistan at number four in terms of informal economy, after Indonesia, India, and Philippines.

Many of the micro entrepreneurs have their business setups in the form of street hawkers, *dhabas* and *khokhas* due to lack of finance and awareness. According to Gallup Survey of Pakistan (2016), 75 percent Pakistanis acknowledged their easy access to these street vendors, which illustrates their significance, especially for the underprivileged urban population. The role of microfinance institutions in such a situation is vital in providing financial assistance to all such individuals to meet their working capital requirements, as well as for the expansion of their existing businesses. Moreover, microfinance could also be used as an effective tool to document this major chunk of the economy.

Cash Based Transactions

Conducting transactions in cash-mode has become a custom in the business circle, especially in the wholesale and retail business markets. A majority of people engaged in these businesses prefer to remain unregistered with the professional bodies and tax authorities. The basic motive behind this practice tends to be profit maximization through tax evasion. In cash based transactions the money is not channelized through the banking system, hence, it becomes quite difficult to ascertain the actual turnover and sales of such business persons and entities.

Agents and brokers associated with the real estate and automobile sectors are generally non-filers, and prefer receiving their commission and fees in cash mode. In addition, end-users and investors also prefer cash based transactions in their buying and selling activities. Such transactions include sale and purchase of bullions, national prize bonds, real estate, automobiles, and foreign currencies.

Investments in National Prize Bonds

Due to lack of Know Your Customer Policy implementation on National Prize Bonds in the past; massive investments were made in these instruments. Since these are bearer instruments, the identity of the purchaser is not documented and it is at the purchaser's discretion whether to disclose such investments in his annual tax returns or not.

Tax evaders are always keen to keep their funds in the shape of prize bonds due to various factors. Firstly, these are bearer instruments, where the purchaser does not need to provide his credentials to the issuing authority or any other regulatory body. Secondly, these instruments are highly liquid in nature and can be sold any time without hassle. Thirdly, they are easy to handle in comparison to cash. In the past, the situation had been similar for other National Saving instruments, where inadequate KYC/AML measures attracted huge investments (even in cash mode) for higher interest yields and money laundering.

National Savings stock-wise report as on October 2019, evidences substantial investments amounting Rs. 719.49 billion in National Prize Bonds of various denominations. Since the origin for such investments remains vague, documenting the source of funds and money trail demands consistent and untiring efforts from the government and banking sector.

Lack of Consistency

Consistency of policies in the long run is vital for their implementation in letter and spirit. Each political party that comes into power tends to implement its own policies and discontinues those of the preceding government. Documenting the economy is a long-run process that could take several years to reveal its positive impacts and effectiveness on overall socio-economic conditions of the country. Each political party that comes into power to run the government should not let the documentation process to a halt, rather, it must be facilitated for the economic uplift of the country; or else all such efforts will be nothing more than a wild goose chase.

Illegal Refugees

Since its inception, Pakistan has been accommodating refugees from various parts of the world on humanitarian grounds. Pakistan has provided shelter to around 2.4 million refugees from Afghanistan, Burma, Bihar, Bangladesh and Iran; out of these, more than one million are expected to be unregistered or illegal ones. Non issuance of Proof of Registration (POR) by National Alien Registration Authority (NARA) to the unregistered refugees seizes their legal employability or business options in Pakistan.

These unregistered refugees are earning their living mainly through odd jobs; however, remunerations are paid under the table for their services. A significant number of them have also been reported for being engaged in illegal or criminal activities, deteriorating the law and order situation in the country. Unauthorized presence of these individuals in Pakistan keeps their economic activities undocumented. In this situation, it is of utmost importance to identify these individuals to either register them as refugees, or to send them back to their respective native countries.

Smuggling

Smuggling of high worth commodities, especially automobiles, electronic goods, bullions etc. has had adverse impacts on Pakistan's economy since long. Illegal channelizing of goods into the jurisdiction of Pakistan results in diminished tax revenues for the government. Further, it affects the local manufacturing businesses adversely, as the prices of smuggled goods are far cheaper in comparison to the locally produced goods. Such huge difference in prices also deprives the traders of free competition.

The annual quantum of smuggling into Pakistan is $6.9 billion (around 1 trillion PKR), resulting loss of $ 3.4 billion (around 550 billion PKR) in revenues each year. The Pak-Afghan border, especially Chaman, is one of the major gateways to smuggle in Pakistan. Many locals have their families and businesses on either side of the border making illegal transportation of goods relatively easier. Similarly, oil and diesel are mainly smuggled via Washuk District on the Pak-Iran border. Shortage of manpower can be estimated from the fact that there is only one custom officer to look after every 1100 sq. km area in Balochistan. Unfortunately, out of the 30 routes, only 6 are reported to be under the control of Pakistan Customs. Major goods that are smuggled into the Pakistani territory comprise of petroleum products, electronic items, tobacco products, automotive parts and household items.

Hawala or *Hundi*

In the prevailing economic environment, *hawala* is like adding insult to injury. *Hawala* is an informal channel that exists outside the banking system, to remit funds from one country to another. Remittances transferred in this manner do not comply with AML/CFT regulations, and are entirely based on the principle of trust. The reasons for preferring this option over other legal ones are lower costs and rapid transfer of funds with minimal, or no documentary requirements at all. According to Mr. Zulfikar Abbas Bukhari, Special Assistant to the Prime Minister for Overseas Pakistanis, more than $15 billion are channelized through *hawala*, while over $20 billion are remitted through proper channel each year in the country by overseas Pakistanis. Many overseas Pakistanis have their families residing in rural areas of the country, where *hawala* appears to be a more convenient option in terms of documentation, cost-effectiveness and accessibility. Thus, due to illiteracy, lack of awareness and limited financial infrastructure, significant amounts are transferred through *hawala* on account of family maintenance.

Due to lack of compliance with AML/KYC regulations, *hawala* could be used as a platform to channelize illegal funds for terrorist financing and other criminal activities, making it lethal for the country's socio-economic situation. A stitch in time saves nine; therefore, firm measures must be implemented across the country to elude its possible catastrophic impacts.

Taxation and Harassment

The existing taxation structure in the country consists of a narrow tax base. As per statistics, 2.561 million people filed tax returns for the year 2018, which makes it around 1.14 percent of the entire population. Currently, the Agriculture sector contributes only 0.6 percent of total tax collections, in contrast to its share of 19.2 percent in GDP. Feudal lords and influential bureaucrats have always opposed tax reform in the agriculture sector. Consequently, a considerable part of agricultural income is untaxed, which exists as an undocumented fraction of the country's economy. Similarly, the annual business in Real Estate sector is estimated to be over Rs. 500 billion with negligible tax collection due to undocumented nature of transactions. According to Mr. Hammad Azhar, Federal Minister for Economic Affairs, taxes from Retail Sector contribute only 0.25 percent of the total collections, against their considerable share of 20 percent in Pakistan's GDP. Therefore, various segments of the economy need to be brought into the tax network for broadening the base, as well as to extend the sphere for economic documentation.

Lack of public confidence in taxation authorities, due to bitter past experiences is another cause of hindrance in the documenting process. Unfortunately, in the past, a few corrupt officials in the revenue authorities used to harass businessmen and individuals for the sake of bribery. Frequent, and even unjust at times, issuance of notices and attachment of bank accounts, created an atmosphere of insecurity, chaos and uncertainty in the business community. Further, it has also become a general perception that funds accumulated in the shape of taxes are not used for the betterment of general public; rather they are wasted in luxurious living of corrupt politicians and bureaucrats.

To promote tax filing and public confidence, the government and FBR need to create awareness in general public regarding tax filing privileges, and should ensure transparency in the utilization of taxes for economic welfare and development.

CONCLUSION

The factors discussed above have played a significant role in hampering the economic documentation process in the country. The socio-economic evils of poverty, unemployment, child labor and illiteracy desperately call for a comprehensive eradication campaign from the government. Illegal and immoral activities like corruption, smuggling and hawala necessitate stringent legislation and punishments for their curtailment. Further, reforms need to be introduced in the taxation system by broadening the tax base and creating awareness among the masses. Hence, the government in collaboration with the private sector and civil societies must leave no stone unturned to augment the economic documentation process in letter and spirit. ■

This Essay was awarded Third Prize in IBP Essay Competition 2019.

Q&A

آسان موبائل اکاؤنٹ

Asaan Mobile Account (AMA) platform is a revolutionary initiative undertaken by branchless banking (BB) providers and telecom operators under the aegis of SBP. The AMA platform has been launched under the National Financial Inclusion Strategy (NFIS) that aims to facilitate general masses, especially the low income segments, to digitally open their BB accounts and use the available financial services in a swift, easy and affordable manner.

Q1. Who can open a bank account on Asaan Mobile Account (AMA) platform?

ANS: Any Pakistani holding valid CNIC can open their bank account in their choice of banks available on Asaan Mobile Account platform (see https://www.sbp.org.pk/-Finc/AMAscheme.html#5) by simply dialing *2262# and following the steps outlined on the following link: https://www.sbp.org.pk/Finc/AMAscheme.html#4

Q2. Do I need an internet connection to access Asaan Mobile Account (AMA) platform?

ANS: No. You only need a valid mobile connection (sim card) to access Asaan Mobile Account (AMA) platform. You can access and operate your bank account and conduct transactions on Asaan Mobile Account (AMA) platform using your mobile sim card connection without need for internet.

Q3. Can I link my existing branchless banking account on Asaan Mobile Account (AMA) platform?

ANS: Yes. You can link your existing bank account in residing in following banks (https://www.sbp.org.pk/-Finc/AMAscheme.html#5) on Asaan Mobile Account platform by simply dialing *2262# and following the steps outlined on this link: https://www.sbp.org.pk/-Finc/AMAscheme.html#4

Q4. How can I transfer funds to another bank account?

ANS: You can transfer funds from your Asaan Mobile Account (AMA) by simply dialing *2262# and following the steps outlined on this link: https://www.sbp.org.pk/Finc/AMAscheme.html#4

Q5. How can I pay bills and conduct mobile top-up?

ANS: You can pay bills/mobile top-up from your Asaan Mobile Account (AMA) by simply dialing *2262# and following the steps outlined on the following link: https://www.sbp.org.pk/Finc/AMAscheme.html#4

Q6. What are the transaction limits on Asaan Mobile Account (AMA)?

ANS: An individual can open his/her Level 0 branchless banking account instantly using the *2262# instantaneously. Further, upon biometric verification and customer's request the account can be upgraded to Level 1 account. The transactional limits for Level 0 and Level 1 accounts are as below:

Account Level	Daily Limit	Monthly Limits	Yearly Limits	Max Balance
Level 0	25,000	50,000	200,000	200,000
Level 1	50,000	200,000	2,400,000	-

Q7. Where can I deposit/withdraw funds to/from my Asaan Mobile Account (AMA)?

ANS: You can deposit/withdraw funds from your Asaan Mobile Account (AMA) from branchless banking agent outlet of your bank. Going forward, the customers can deposit/withdraw funds from any agent location, irrespective of its brand.

Q8. What services are available on Asaan Mobile Account (AMA) platform?

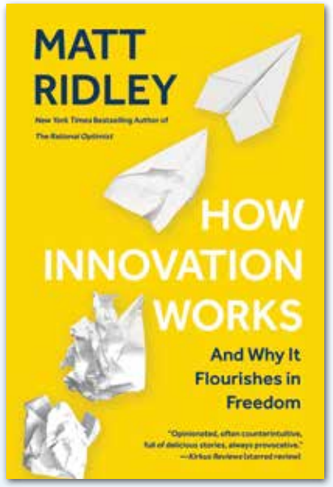
ANS: The following services are available:

- Balance Inquiry – Inquire balance of funds in your account instantaneously from your phone.
- Mini Statement – Obtain statement of account activity instantaneously from your phone.
- Send Money – Transfer funds to any bank account maintained at any Pakistani bank in a secure manner from your phone.
- Bill Payment – Pay mobile top-up and utility bill payments (electricity, telephone, gas etc.) with ease from your phone.
- Change Account Pin – Change your bank account PIN code securely with ease from your phone.
- Account Closure – Allows instantaneous account closure from your phone.

For more details see https://www.sbp.org.pk/-Finc/AMAscheme.html#2

Source: https://www.sbp.org.pk/Finc/FAQs.html

HOW INNOVATION WORKS
And Why It Flourishes in Freedom



By: Matt Ridley

Synopsis

Innovation is the main event of the modern age, the reason we experience both dramatic improvements in our living standards and unsettling changes in our society. Forget short-term symptoms like Donald Trump and Brexit, it is innovation itself that explains them and that will itself shape the 21st century for good and ill. Yet innovation remains a mysterious process, poorly understood by policy makers and businessmen, hard to summon into existence to order, yet inevitable and inexorable when it does happen.

Matt Ridley argues in this book that we need to change the way we think about innovation, to see it as an incremental, bottom-up, fortuitous process that happens to society as a direct result of the human habit of exchange, rather than an orderly, top-down process developing according to a plan. Innovation is crucially different from invention, because it is the turning of inventions into things of practical and affordable use to people. It speeds up in some sectors and slows down in others. It is always a collective, collaborative phenomenon, not a matter of lonely genius. It is gradual, serendipitous, recombinant, inexorable, contagious, experimental and unpredictable. It happens mainly in just a few parts of the world at any one time. It still cannot be modelled properly by economists, but it can easily be discouraged by politicians. Far from there being too much innovation, we may be on the brink of an innovation famine.

Ridley derives these and other lessons, not with abstract argument, but from telling the lively stories of scores of innovations, how they started and why they succeeded or in some cases failed. He goes back millions of years and leaps forward into the near future. Some of the innovation stories he tells are about steam engines, jet engines, search engines, airships, coffee, potatoes, vaping, vaccines, cuisine, antibiotics, mosquito nets, turbines, propellers, fertilizer, zero, computers, dogs, farming, fire, genetic engineering, gene editing, container shipping, railways, cars, safety rules, wheeled suitcases, mobile phones, corrugated iron, powered flight, chlorinated water, toilets, vacuum cleaners, shale gas, the telegraph, radio, social media, block chain, the sharing economy, artificial intelligence, fake bomb detectors, phantom games consoles, fraudulent blood tests, faddish diets, hyperloop tubes, herbicides, copyright and even–a biological innovation–life itself.

Reviews

"Matt Ridley is one the best non-fiction writers of his generation. He could be described as England's Yuval Harari...His latest book is a pleasure to read: he carries his considerable learning with an engagingly light touch...Great book. Read it. You'll be glad you did."
—Forbes

"Ridley constructs a fascinating theory of innovation, including its prehistoric roots, how it will shape the future and what makes it successful."
—Scientific American

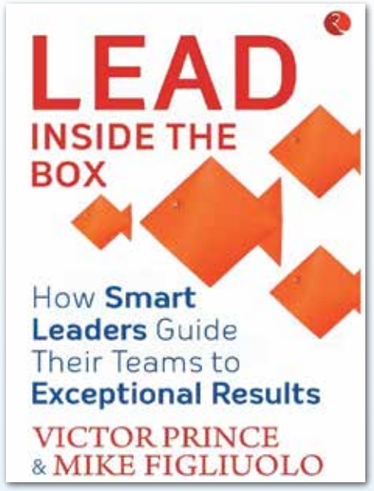
"An insightful and charming exploration of questions that range from the truly profound (How does our species capture energy to stave off decay and death?) to the merely fascinating (Why did it take us so long to invent the wheeled suitcase?)."
—Steven Pinker

"A fascinating look at how innovations have shaped the modern age and how the process remains integral to the contemporary world...*How Innovation Works* is a provocative and necessary read for considering future directions for societies and governments."
— Shelf Awareness

About the Author

Matt Ridley is the award-winning, bestselling author of *The Evolution of Everything: How New Ideas Emerge, The Rational Optimist: How Prosperity Evolves,* and *Genome: The Autobiography of a Species in 23 Chapters*. His books have sold more than one million copies in thirty languages worldwide. He has written for the *Wall Street Journal* and *The Times of London* as well as the *Economist.* He is a member of the House of Lords and lives in Newcastle and London.

LEAD
INSIDE THE BOX
How Smart Leaders Guide Their Teams to Exceptional Results



By: Victor Prince & Mike Figliuolo

Synopsis

It is estimated that between 2 and 5 percent of global GDP (over $3 trillion) is laundered by criminals around the world every year. Once thought to be a problem which only affected banks and the financial services sector, high profile cases, such as the recent leak of the Panama Papers in 2016, have thrust the issue into the public arena, and governments around the world are being forced to put robust systems and controls in place. *Anti-Money Laundering* offers a cost-effective self-development tool for the busy compliance professional eager to progress their career and in need of an accessible, practical and jargon-free introduction to anti-money laundering (AML).

Anti-Money Laundering offers a practical guide to navigate the maze of requirements needed to counter money laundering in an organization. This book separates the different elements of AML practice, featuring a range of case studies and scenarios highlighting issues and best practices around the world. The text demonstrates that it is by foresight and methodology that AML can be mitigated, and provides clarity on complex points to better enable readers to gain the expertise they need to achieve success in practice.

Reviews

"*Lead Inside the Box* provides cogent advice about exactly how to lead from the middle (as well as the top) in ways that enable managers to make good things happen and help the organization prosper. The book contains workable models coupled with incisive questions that will help leaders figure things out for themselves and their teams. With research to back up their findings, Figliuolo and Prince's *Lead Inside the Box* is a resource everyone in leadership will want on their bookshelves."
— John Baldoni, Leadership expert and author of *MOXIE: The Secret to Bold and Gutsy Leadership*

"This book provides simple tools to not only assess team members, but also guide them to be better contributors. The authors' rich experiences and examples convey the effectiveness of their easy-to-follow methods."
— Connie Tipton, President & CEO, International Dairy Foods Assoc.

"Leaders are consistently asked to do more with less. This book provides a simple, effective construct for more efficiently spending time and energy to get significantly better results. It provides a realistic approach for being a better leader."
— Sean Huffman, President, OhioHealth Neighborhood Care

About the Authors

Victor Prince is the Chief Operating Officer (COO) of the Consumer Financial Protection Bureau (CFPB). He helped build a new Federal agency and led a division of hundreds of people. As a consultant with Bain & Company, he helped clients across the United States and Europe develop successful business strategies. Today, he is a consultant and speaker who teaches strategy and leadership skills to clients around the world.

Mike Figliuolo is the Founder and Managing Director of *thought*LEADERS, LLC - a leadership development and training firm. He is also the author of *One Piece of Paper: The Simple Approach to Powerful, Personal Leadership.* He graduated as an Honor Graduate from West Point and served in the US Army. He was a consultant with McKinsey & Co. and also had several executive roles at Capital One Financial and Scotts Miracle-Gro.

THE DOUBLE X ECONOMY

The Epic Potential of Empowering Women

By: Linda Scott

Synopsis

Linda Scott coined the phrase 'Double X Economy' to address the systemic exclusion of women from the world financial order. In *The Double X Economy*, Scott argues on the strength of hard data and on-the-ground experience that removing those barriers to women's success is a win for everyone, regardless of gender. Scott opens our eyes to the myriad economic injustices that constrain women throughout the world: fathers buying and selling daughters against their will; husbands burning brides whose dowries have been spent; men appropriating women's earnings and widows' land; banks discriminating against women applying for loans; corporations paying women less than men; men treating women as their intellectual inferiors due to primitive notions of female brain development; governments depriving women of affordable childcare; and so much more.

As Scott takes us from the streets of Accra, where sex trafficking is widespread, to American business schools, where women are routinely patronized, the pervasiveness of the Double X Economy becomes glaringly obvious. But Scott believes that this rampant problem can be solved. She proposes concrete actions and urges her readers to rise up and join the global movement for women's economic empowerment that is gaining momentum by the day. This book is leading thinker's groundbreaking examination of women's economic empowerment.

Reviews

"Scott's narrative makes clear that the whole population, not just half, matters for the global economy."
— Heather Boushey, *The New York Times Book Review*

"An impassioned account of the personal and societal costs of denying economic opportunity to women."
— Foreign Affairs

"What [Scott] brings to this relatively well-worn argument is a global perspective, drawing on often fascinating vignettes from the African and Bangladeshi villages in which she has worked, but also a rallying cry against blaming women for things that are not their fault . . . Those who have had more than enough "fun" feminist books – frothy you-go-girl stuff by celebrity authors, or compendiums of inspiring women down the ages – may well find [*The Double X Economy*] a tonic."
— Gaby Hinsliff, *The Guardian* (Book of the day)

"A searing analysis of gender bias in the global economy with an agenda for reform . . . *The Double X Economy* is vital in both senses of the word: lively and essential . . . it should leave one feeling shocked and shaking with rage."
—Jane Robinson, *TLS*

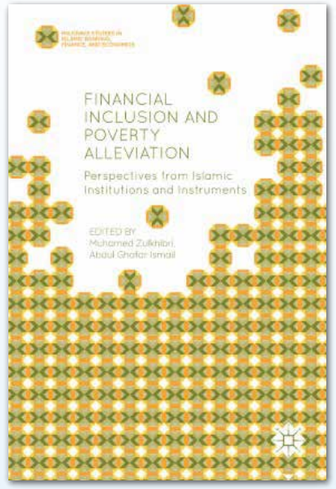
"Linda Scott shines a light on women's essential and often invisible contributions to our global economy —while combining insight, analysis, and interdisciplinary data to make a compelling and actionable case for unleashing women's economic power."
—Melinda Gates, author of *The Moment of Lift: How Empowering Women Changes the World*

About the Author

Linda Scott is a professor emeritus of entrepreneurship and innovation at the University of Oxford and a senior consulting fellow at the Royal Institute of International Affairs. She is the founder of and senior advisor to the Global Business Coalition for Women's Economic Empowerment, and she was named one of the top twenty-five world thinkers of 2015 in *Prospect*. Scott works with multinational corporations, international agencies like the World Bank, national governments, and global NGOs, designing programs to better include women in the world economy. She lives in Rhode Island, USA.

FINANCIAL INCLUSION AND POVERTY ALLEVIATION

Perspectives from Islamic Institutions and Instruments



Edited by: Muhamed Zulkhibri & Abdul Ghafar Ismail

Synopsis

This book explores the relationships between financial inclusion, poverty and inclusive development from Islamic perspectives. Financial inclusion has become an important global agenda and priority for policymakers and regulators in many Muslim countries for sustainable long-term economic growth. It has also become an integral part of many development institutions and multilateral development banks in efforts to promote inclusive growth. Many studies in economic development and poverty reduction suggest that financial inclusion matters. Financial inclusion, within the broader context of inclusive development, is viewed as an important means to tackle poverty and inequality and to address the sustainable development goals (SDGs). This book contributes to the literature on these topics and will be of interest to researchers and academics interested in Islamic finance and financial inclusion.

About the Authors

Muhamed Zulkhibri is a Senior Economist at the Islamic Research and Training Institute, Islamic Development Bank, Saudi Arabia, with years of progressive experience in the Central Bank of Malaysia and policy-oriented institutions. He has authored extensively on monetary economics, financial institutions and markets, finance and economic development, Islamic economics and finance, in leading academic journals, industry reports and the financial press. He has lectured for under and post-graduate programs at the University of Nottingham, UK; and University of Putra, Malaysia. He has a PhD in Economics from the University of Nottingham, UK.

Abdul Ghafar Ismail is Head of Research at the Islamic Research and Training Institute, Islamic Development Bank, Saudi Arabia, and a professor of banking and financial economics at the University Kebangsaan, Malaysia. He has been lecturing at the university since 1987 on economics and finance courses such as money and banking, financial economics, advanced macroeconomics, Islamic economics system, money and capital markets in Islam and international finance; Islamic banking; money, zakat and the real economy; risk management in Islamic banking; and Islamic financial management. His specialization is in the area of Islamic economics and finance. He has a PhD in Economics from the University of Southampton, UK.

IBP TRAINING CALENDAR
JANUARY – MARCH 2022

January

	Workshop	Facilitator	Fee	Timings	
10 Monday	Dynamic and Engaging Virtual Communication	Dr. Hanif Mohammad	PKR 8,500	9:30 AM - 1:30 PM	VIRTUAL TRAINING
11 Tuesday	UCP 600 (Uniform Customs & Practice for Documentary Credits) and Letters of Credit	Ejaz Ahmed Qadri	PKR 8,500	9:30 AM - 1:30 PM	VIRTUAL TRAINING
13 Thursday	SBP ECIB: Significance, Risks and Legal Implications	M. A. Hijazi	PKR 8,500	2 PM - 6 PM	VIRTUAL TRAINING
15 Saturday	Risk Profiling in Trade Finance	Salim Thobani	PKR 8,500	10 AM - 2 PM	VIRTUAL TRAINING
15 Saturday	Certification Course on The Human Firewall	Syed M. Ali Naqvi	PKR 8,500	10 AM - 2 PM	VIRTUAL TRAINING
18 Tuesday	SBP Regulatory Instructions for Financial Inclusion of Persons with Disabilities (PWDs)	Shamwail Sohail	PKR 8,500	9:30 AM - 1:30 PM	VIRTUAL TRAINING
19 Wednesday	Treasury Operations and Management	Faisal Sarwar	PKR 8,500	2 PM - 6 PM	VIRTUAL TRAINING
20 Thursday	Asaan Mobile Account - Branchless Banking	Fahad Shahab	PKR 8,500	9:30 AM - 1:30 PM	VIRTUAL TRAINING
26 Wednesday	Bank Credit – Problem Recognition and Remedial Management	Murtaza Rizvi	PKR 8,500	2 PM - 6 PM	VIRTUAL TRAINING
27 Thursday	International Banking and Foreign Exchange	Ejaz Ahmed Qadri	PKR 8,500	9:30 AM - 1:30 PM	VIRTUAL TRAINING
29 Saturday	SME ASAAN Finance Scheme (SAAF)	Imran Ahmad	PKR 8,500	10 AM - 2 PM	VIRTUAL TRAINING
29 Saturday	Sohni Dharti Remittance Program (SDRP)	M. Ahmad Khan	PKR 8,500	2 PM - 6 PM	VIRTUAL TRAINING
22 | Saturday Karachi	Digital Forensics and Cyber Security	Syed Ubaid Jafri	PKR 12,500	9 AM - 5 PM	CLASSROOM TRAINING

February

	Workshop	Facilitator	Fee	Timings	
04 Friday	Data Transformation & Cleaning with Power Query in Microsoft Excel	Arshad Alam	PKR 8,500	9:30 AM - 1:30 PM	VIRTUAL TRAINING
08 Tuesday	Science of Persuasion for Marketing and Selling of Financial Products	Erum Saleem	PKR 8,500	2 PM - 6 PM	VIRTUAL TRAINING
08 Tuesday	Gender Sensitization at Workplace	Rabia Omar Hassan	PKR 8,500	2 PM - 6 PM	VIRTUAL TRAINING
10 Thursday	Digital Banking Regulatory Framework	Kenneth Fahad	PKR 8,500	9:30 AM - 1:30 PM	VIRTUAL TRAINING
12 Saturday	IT Risk Management	Syed M. Ali Naqvi	PKR 8,500	10 AM - 2 PM	VIRTUAL TRAINING
12 Saturday	Fraud Risk Management and Internal Control	Kamran Hyder	PKR 8,500	10 AM - 2 PM	VIRTUAL TRAINING
15 Tuesday	Financial Market Analysis	Faisal Sarwar	PKR 8,500	2 PM - 6 PM	VIRTUAL TRAINING
16-17 Wed - Thurs	Certification in Trade Based Money Laundering	Aqeel Muslim	PKR 15,000	9:30 AM - 1:30 PM	VIRTUAL TRAINING

	Workshop	Facilitator	Fee	Timings	
17 Thursday	Account Opening Compliance Under New AML/CFT Regulations	Usman Ali Khan	PKR 8,500	9:30 AM - 1:30 PM	VIRTUAL TRAINING
18-19 Fri - Sat	Certification Course in Housing Finance Legal Framework, Mortgage, Monitoring & Documentation	Faisal Murad	PKR 20,000	9:30 AM - 1:30 PM	VIRTUAL TRAINING
19 Feb-6 Mar Saturday & Sunday	Certificate Course in AML/CFT Compliance	Kamran Hyder, Shahzad Hussain, Usman Ali Khan	PKR 40,000	10 AM - 2 PM	VIRTUAL TRAINING
21 Monday	Financial Crimes – Global Regulatory Response and Key Lessons	Maj. (R) Shabbir Ahmed	PKR 8,500	2 PM - 6 PM	VIRTUAL TRAINING
22 Tuesday	Effective Credit Monitoring of Corporate & SME Advances	Munazza A. Majeed	PKR 8,500	2 PM - 6 PM	VIRTUAL TRAINING
23 Wednesday	Green Banking and Environmental & Social Risk Management	S. Asim Ali Bukhari	PKR 8,500	2 PM - 6 PM	VIRTUAL TRAINING
24 Thursday	COBIT 2019 Framework: Introduction & Methodology	Atta Ullah Memon*	PKR 8,500	2 PM - 6 PM	VIRTUAL TRAINING
17 | Thursday Faisalabad	Regulatory Compliance & Internal Control	Atif Sohail	PKR 12,500	9 AM to 5 PM	CLASSROOM TRAINING
22 | Tuesday Muzafarabad	How to Detect Frauds in Branch Banking	Zeeshan Nadeem	PKR 12,500	9 AM to 5 PM	CLASSROOM TRAINING
24 | Thursday Sukkur	Signature Analysis and Fraud Detection	Naveed Elahi Malik	PKR 12,500	9 AM to 5 PM	CLASSROOM TRAINING

March

	Workshop	Facilitator	Fee	Timings	
TBD	Minimizing SBP Penalties & Audit Objections	Rizwan K. Shamsi	PKR 8,500	TBD	VIRTUAL TRAINING
TBD	Processing Effective Credit Proposal & Risk Analysis	M.A. Hijazi	PKR 8,500	TBD	VIRTUAL TRAINING
TBD	Cyber Security Challenges for Banks	Syed Ubaid Jafri	PKR 8,500	TBD	VIRTUAL TRAINING
TBD	Transaction Monitoring and STR	Sumera Baloch	PKR 8,500	TBD	VIRTUAL TRAINING
TBD	International Trade Import Export Documentation & Procedures and Working with Letters of Credit	Aqeel Muslim	PKR 8,500	TBD	VIRTUAL TRAINING
TBD	IT Auditing and Fraud Detection	Syed M. Ali Naqvi	PKR 8,500	TBD	VIRTUAL TRAINING
TBD	Certification Course in Islamic Banking & Takaful	Islamic Banking Experts	PKR 15,000	TBD	VIRTUAL TRAINING
TBD	Avoiding Regulatory Violations in International Trade	Aqeel Muslim	PKR 8,500	TBD	VIRTUAL TRAINING
TBD	Tools and Techniques of Investigation & Reporting E-Banking Frauds	Sufian Saeed	PKR 8,500	TBD	VIRTUAL TRAINING
TBD	Agricultural Value Chain Finance	Kamran A. Bakhshi	PKR 8,500	TBD	VIRTUAL TRAINING
TBD	Time Management Skills : Managing Multiple Tasks, Priorities and Deadlines	Dr. Hanif Mohammad	PKR 8,500	TBD	VIRTUAL TRAINING

	Workshop	Facilitator	Fee	Timings	
TBD	ATM Operations and Settlement	Abbas Dodhiya	PKR 8,500	TBD	VIRTUAL TRAINING
TBD	Operational Risk Management	Khalid Hussain Faridi	PKR 8,500	TBD	VIRTUAL TRAINING
TBD	Digital Finance – Payment Technologies and Product Innovations	Fahad Shahab	PKR 8,500	TBD	VIRTUAL TRAINING
TBD	Using IFRS 16 Effectively in Banking Sector	Hassan Marfani	PKR 8,500	TBD	VIRTUAL TRAINING
TBD Sialkot	Signature Analysis and Fraud Detection	Syed M. Jamil	PKR 12,500	TBD	CLASSROOM TRAINING
TBD Mirpur AK	Minimizing SBP Penalties & Audit Objections	Mudayyar Naqvi	PKR 12,500	TBD	CLASSROOM TRAINING
TBD Peshawar	Regulatory Compliance & Internal Control	Shehryar	PKR 12,500	TBD	CLASSROOM TRAINING
TBD Karachi	Dashboard Reporting and Advanced Data Analysis with MS Excel	Arshad Alam	PKR 12,500	TBD	CLASSROOM TRAINING

Save for Pakistan
Invest in Pakistan

"We ... in general and young men in particular do not know the value of money. A paisa saved today is two paisa tomorrow, four paisa after that and so on and so forth. Because of our addiction to living beyond means and borrowing money we lost our sovereignty over this Sub-continent."

Mohammad Ali Jinnah
Founder of Pakistan
(Ziarat, 1948)

Bank AL Habib

Bank AL Habib Limited

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