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**Technical and Financial Expert Report
for the National Awareness Campaign on E-Commerce,
Digital Marketing, and E-Payments in Palestine**

Technical and Financial Expert Report for the National Awareness Campaign on E-commerce, Digital Marketing, and E-payments in Palestine

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This report was prepared by the Palestine Economic Policy Research Institute (MAS) in partnership with Global Communities (GC) as part of the Supporting MSMEs' Growth and Competitiveness in Palestine Program (SMCGP), funded by the Swedish Government.



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Jerusalem and Ramallah
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List of Acronyms,

- ABP** – Association of Banks in Palestine
ACH – Automated Clearing House
API – Application Programming Interface
CPMI – Committee on Payments and Market Infrastructures
ECC – Electronic Cheque Clearing
E-KYC – Electronic Know Your Customer
E-SADAD – Electronic Bill Presentment and Payment Platform
GC – Global Communities
IMF – International Monetary Fund
MAS – Palestine Economic Policy Research Institute
MENAP – Middle East, North Africa, and Pakistan
MENA – Middle East and North Africa
MoNE – Ministry of National Economy
MDR – Merchant Discount Rate
MSME(s) – Micro, Small, and Medium-Sized Enterprise(s)
PCMA – Palestine Capital Market Authority
PMA – Palestine Monetary Authority
POS – Point of Sale
PSP(s) – Payment Service Provider(s)
QR – Quick Response
RTGS – Real-Time Gross Settlement
SMCGP – Supporting MSMEs’ Growth and Competitiveness in Palestine Program
SupTech – Supervisory Technology
SWIFT – Society for Worldwide Interbank Financial Telecommunication

Contents

Summary	V
1. Introduction	1
2. Methodology	3
3. Supply-Side Analysis	4
3.1 Palestine Monetary Authority (PMA)	4
3.2 Palestine Capital Market Authority (PCMA)	6
3.3 Ministry of National Economy (MoNE)	8
3.4 Banking Sector Perspectives	9
3.4.1 <i>Digital Readiness and Institutional Capacity</i>	9
3.4.2 <i>Operational Constraints and Ecosystem Dependencies</i>	9
3.4.3 <i>Trust and Adoption Barriers</i>	10
3.4.4 <i>Cybersecurity, Risk Management, and Compliance Culture</i>	10
3.4.5 <i>Strategic Outlook, Adoption, and Awareness</i>	10
3.5 The Main Supply Side Strengths and Gaps	10
4. Demand Analysis	12
4.1 Economic Rationality Under Income Insecurity and Survival Entrepreneurship	12
4.2 Cost Structure of Digitalization and Interaction with Pricing Regulation	13
4.3 Trust, Product Quality, and Liquidity Risk	13
4.4 Platform Economics, Competition, and Value Retention	13
4.5 Access to External Markets and Payment Channels	13
4.6 MSME Policy Expectations	14
5. Gap Analysis: Key Structural Misalignments between Readiness and Usage	15
6. Recommendations	17
6.1 Prioritize High-Value Use Cases that Drive Adoption	17
6.2 Align Regulatory Implementation and Public Communication	17
6.3 Address Micro-Merchant Cost Sensitivity Through Targeted Incentives	17
6.4 Integrate Payment Acceptance with Business-Relevant Digital Services	17
6.5 Enable Phased Formalization Through Low-Friction Onboarding	17
6.6 Reinforce Trust Through Predictable Protection and Redress Mechanisms	17
6.7 Strengthen Institutional Coordination and Data Sharing Enablers	18
6.8 Monitor, Evaluate, and Adapt Interventions	18
7. Conclusion	19
References	20
Annex 1	21

Summary

Digital payments have become a foundational pillar of modern economies, enabling financial inclusion, efficient commerce, lower transaction costs, and greater transparency. Globally, digital adoption has accelerated dramatically over the past decade, reshaping how consumers, governments, and businesses interact within financial systems. Yet in Palestine, despite major progress in building a robust payments infrastructure and advancing key legal reforms, the economy remains overwhelmingly cash-based: 94% of daily transactions are still conducted in cash, only 19–22% of adults regularly use digital payments, and around 85% of MSMEs do not accept electronic payments. This contrast reflects a widening implementation gap between institutional readiness and actual user behaviour.

This report analyses the digital payments ecosystem using a supply–demand analytical framework. The supply side, represented by key institutions such as the Palestine Monetary Authority (PMA), the Palestine Capital Market Authority (PCMA), the Association of Banks in Palestine (ABP), the Ministry of National Economy (MoNE), Quds Bank, Arab Bank, and other stakeholders, has achieved significant advances in infrastructure, regulation, and operational capacity. These institutions have developed instant payment systems, national switching frameworks, interoperable billing platforms, e-cheque clearing, improved supervisory tools, and digital-transformation strategies aligned with global standards. Collectively, they form a strong, technically mature foundation capable of supporting a large-scale shift toward a less-cash economy.

The demand side, captured through focus groups conducted in Hebron and Ramallah, is characterised by low digital readiness, weak financial literacy, deep trust deficits, a preference for cash-based routines, and widespread informality among MSMEs. Consumers report fears related to fraud, errors, and online purchases, while merchants highlight the limited business value they perceive in accepting digital payments. Many micro-enterprises lack the documentation, registration status, or operational incentives required to adopt regulated digital channels. This divergence between supply-side capacity and user behaviour creates a structural imbalance that slows national digital transformation.

A comprehensive gap analysis indicates that the ecosystem suffers from several critical misalignments.

Key Gaps Identified:

1. **Infrastructure vs. Adoption Gap:** Core payment systems such as the Real-Time Gross Settlement (RTGS) system, the Automated Clearing House (ACH), iBuraq (instant payments system), E-SADAD (electronic bill presentment and payment platform), Electronic Cheque Clearing (ECC), and Quick Response (QR) code–based payment acceptance are fully operational; however, their actual usage and adoption by individuals and MSMEs remain extremely low.
2. **Regulation vs. Implementation Gap:** Digital finance laws exist, but essential enablers, including digital identity systems, enforceable electronic signatures, data-protection legislation, and interoperable APIs, remain incomplete or inactive.
3. **Merchant Economics Gap:** Digital tools are available, but MSMEs perceive limited immediate value, particularly in informal sectors where tax visibility and administrative burdens discourage adoption.
4. **Trust and Protection Gap:** Weak dispute-resolution mechanisms, unclear legal remedies, and gaps in consumer protection reinforce the continued preference for cash-based transactions.
5. **Governance and Coordination Gap:** Fragmented institutional responsibilities across ministries limit interoperability, data sharing, and the delivery of seamless digital payment journeys.

These findings point to a central conclusion: Palestine’s primary bottleneck is no longer technical readiness, but rather behavioural, institutional, and structural demand-side constraints.

Strategic Recommendations

Addressing the identified gaps requires a combination of policy reforms, strengthened institutional coordination, and targeted demand-side interventions. Within this broader framework, the National Awareness Campaign serves as an enabling instrument that supports these reforms by translating institutional measures into user understanding, trust, and practical adoption of digital payments. Accordingly, the report recommends the following:

1. Designing the campaign around high-value use cases (e.g., paying government fees online, instant transfers, QR payments for small shops).
2. Integrating campaign messages with legal reforms, including E-Commerce Law bylaws, the digital registry, and e-government services.
3. Building trust through clear, visible consumer protections and simple dispute-resolution pathways.
4. Targeting MSMEs with bundled digitalisation tools, not limited to payment acceptance alone.
5. Supporting gradual formalisation through low-friction onboarding models.
6. Scaling digital and financial literacy through modular, practical content.
7. Improving institutional coordination and data-sharing frameworks.
8. Implementing a monitoring and evaluation (M&E) framework to refine the campaign over time. This framework should include baseline indicators (e.g., digital payment usage, MSME acceptance rates, and awareness of protection and complaint channels), track progress during and after implementation, and incorporate periodic user feedback to adjust messages, delivery channels, and target groups based on effectiveness.

Overall, Palestine stands at a decisive moment. The supply side is technically ready, aligned with international standards, and supported by strong regulatory momentum. The demand side, however, lags significantly due to behavioural, cultural, and structural barriers. A well-designed, evidence-based national awareness campaign, paired with ongoing institutional reforms, can close this gap and lay the foundation for a more inclusive, efficient, and resilient digital economy.

1. Introduction

Digital transformation has become a central driver of economic development and financial inclusion worldwide, reshaping how individuals and firms access and use financial services. Evidence from the World Bank's Global Findex Database 2021 shows that the COVID-19 pandemic acted as a catalyst for digital payment adoption, accelerating the shift away from cash as governments and firms relied on digital channels to deliver wages, transfers, and essential payments (Demirgüç-Kunt et al., 2022). While these emergency-driven shifts expanded short-term usage, persistent structural and behavioural constraints limited sustained adoption among vulnerable groups and small businesses (World Bank, 2022). More recent evidence from the Global Findex Database 2025, based on 2024 data, confirms that digital payment usage has continued to expand beyond the pandemic period; however, adoption remains uneven across regions and income groups, indicating that infrastructure alone is insufficient to ensure sustained use (World Bank, 2025). Consistent with these findings, the International Monetary Fund highlights that digital payment systems can improve efficiency, transparency, and productivity, particularly for small and medium-sized enterprises, but stresses that their effectiveness depends on sound regulation, institutional capacity, and user trust (International Monetary Fund [IMF], 2021).

The Middle East and North Africa (MENA) region has witnessed rapid growth in digital financial services, particularly in digital payments. Recent international evidence indicates sustained double-digit growth in electronic payment usage across several MENA economies, driven by the expansion of mobile wallets, QR-code-based payments, and the growth of e-commerce platforms (World Bank, 2025). These developments reflect a broader regional shift toward cash-lite payment ecosystems, supported by investments in modern and interoperable payment infrastructure and regulatory reforms aimed at improving efficiency, transparency, and financial inclusion (Committee on Payments and Market Infrastructures [CPMI], 2022; International Monetary Fund [IMF], 2021).

In Palestine, digital transformation has become a strategic necessity rather than a policy option. The local economy faces structural constraints, including restrictions on movement, persistent reliance on cash, and limitations within traditional financial channels. Despite these challenges, recent data indicate measurable progress in the adoption of digital payment instruments. According to the Palestine Monetary Authority, the number of electronic wallets reached 234,083 in 2021, before increasing substantially to more than 418,000 in 2022, reflecting growing demand for non-cash payment solutions (Palestine Monetary Authority [PMA], 2022; PMA, 2024). In parallel, the number of issued payment cards rose from approximately 1.44 million in 2021 to 1.61 million in 2022, and further to 1.90 million in 2023, with debit cards accounting for more than 80 percent of total cards in circulation across the West Bank and Gaza (PMA, 2024). These developments suggest that, while access to digital payment infrastructure has expanded steadily, significant gaps remain between availability and effective usage, underscoring the need for complementary regulatory reforms, trust-building measures, and demand-side incentives to reduce cash dependence and support the growth of e-commerce and financial inclusion.

However, despite measurable progress in the expansion of digital payment infrastructure, adoption gaps remain substantial. Evidence from the Palestine Monetary Authority's Financial Inclusion Diagnostic Report indicates that cash continues to dominate everyday economic activity, with approximately 94 percent of daily transactions still conducted in cash. At the individual level, only 19–22 percent of adults regularly use digital payment tools, reflecting limited effective usage despite growing access. Merchant adoption remains even more constrained, with around 85 percent of micro and small enterprises (MSEs) not accepting electronic payments, underscoring a persistent disconnect between supply-side readiness and demand-side behaviour (PMA & Palestine Economic Policy Research Institute [MAS], 2023). These patterns confirm that the primary barriers to digital payment adoption in Palestine are no longer technological, but rather behavioural, institutional, and incentive-related, reinforcing the need for coordinated policy reforms, trust-building mechanisms, and targeted demand-side interventions.

These indicators highlight a structural gap between access to financial services and their actual usage, suggesting that availability alone is insufficient without trust, affordability, and products tailored to real market needs. At the institutional level, the national financial ecosystem has evolved notably in recent years. The Palestine Monetary Authority has modernised key components of the national payment system, licensed new electronic payment service providers, promoted instant payment services, and advanced the objectives of the National Financial Inclusion Strategy (2018–2025) (PMA & Palestine Capital Market Authority, 2018; PMA, 2024). These developments have created new opportunities for innovation through mobile wallets, digital banking applications, QR-code transactions, online payment gateways, and integrated financial solutions. However, their impact remains constrained by regulatory barriers, as well as broader structural issues affecting businesses and consumers.

The purpose of this report is to provide an evidence-based qualitative assessment of the digital payments’ ecosystem in Palestine. The analysis integrates supply-side insights derived from structured interviews with key regulatory authorities, financial-sector oversight bodies, and market-support institutions, together with demand-side evidence generated through targeted focus-group discussions with consumers and micro and small enterprises across selected regions of the West Bank. By triangulating institutional perspectives with real-world user experiences, the report seeks to identify the principal structural constraints, behavioural barriers, and policy gaps shaping digital payment adoption, as well as the opportunities for strengthening usage, trust, and ecosystem coherence within the national digital payments landscape.

The report aims to support the National Awareness Campaign on E-Commerce, Digital Marketing, and E-Payments by developing clear and practical recommendations that strengthen trust, improve market readiness, and enhance inclusive access to digital financial services in Palestine. To contextualise the Palestinian experience, selected global and regional indicators are presented in Table 1, drawing on data from the World Bank, the IMF, and leading industry sources that highlight trends in developing economies and the MENA region.

Table 1: Recent Global and Regional Digital Payment Statistics

Statistics / Insight	Source / Year
In 2021, in developing economies, the share of adults making or receiving digital payments rose to 57%, up from 35% in 2014.	(Demirgüç-Kunt et al. 2022).
In developing economies in 2021, 36% of adults received a payment into a formal account; of those, 83% reported making a digital payment.	(Demirgüç-Kunt et al. 2022).
In low- and middle-income economies (post-COVID-19), 61% of adults, or 82% of accountholders, made or received digital payments.	(World Bank 2025)
In the MENA region, digital wallets accounted for around one-fifth of online consumer spending in 2023, indicating a growing shift toward alternative digital payment methods	(Worldpay 2023)
The fintech sector in MENAP is forecast to nearly triple its 2022 revenues by 2025, reflecting rapidly growing demand for digital finance services.	(McKinsey & Company 2023)

2. Methodology

This report adopts a multi-stage qualitative methodology designed to examine the digital payment landscape in Palestine from both institutional and user perspectives. The approach combines supply-side insights from key policymakers, regulators, and financial institutions with demand-side evidence gathered directly from users and MSMEs. The objective is to capture how digital payment systems are designed, regulated, and implemented in practice, and how they are experienced by businesses and consumers on the ground.

The supply-side analysis is based on a series of semi-structured interviews conducted with core institutions involved in the regulation, supervision, or operation of digital payment systems in Palestine. These included the Palestine Monetary Authority (PMA), the Palestine Capital Market Authority (PCMA), the Association of Banks in Palestine (ABP), the Ministry of National Economy (MoNE), as well as representatives from Quds Bank and Arab Bank. Together, these institutions provided insights into the strategic, operational, and regulatory dimensions that shape how the digital payment ecosystem currently functions.

Across these interviews, the discussions focused on progress achieved in modernizing the national payment system; challenges facing the expansion of merchant acceptance; constraints related to settlement delays between banks, payment service providers (PSPs), and merchants; fee structures and their impact on MSMEs; gaps in regulatory and consumer-protection frameworks; interoperability between payment channels; and longer-term strategies for promoting digital payments and financial inclusion. The interviews also explored institutional perceptions of user behaviour, trust in digital channels, and barriers limiting wider adoption. All interviews were documented and analysed to identify common themes, areas of divergence, and potential areas for policy or operational improvement.

To complement institutional perspectives, the report incorporates demand-side evidence collected through two focus group discussions held in Hebron and Ramallah, designed to capture real experiences and perceptions from end users. These locations were selected to reflect differing economic contexts and levels of exposure to digital financial services. Hebron represents an environment where many businesses continue to rely on cash and face structural barriers to digital adoption, while Ramallah functions as a central economic hub with higher exposure to banking services, digital platforms, and e-commerce.

Participants included small business owners (retail, services, and food industries), market traders, freelancers and online sellers, university students, unbanked and underbanked individuals, existing users of e-wallets, POS machines, or banking applications, as well as individuals who rely almost entirely on cash. The sessions explored a range of key issues, including trust in digital payments, clarity of fees and charges, delays in receiving funds, technical problems with applications or POS devices, experiences with e-wallets and bank transfers, reasons for preferring cash, concerns about fraud or errors, customer-service quality, and expectations of banks, PSPs, and government institutions. All discussions were recorded, transcribed, and coded to identify recurring concerns, regional differences, practical barriers, and potential solutions.

Building on the preceding sections, which separately examined supply-side and demand-side conditions, the analysis integrates these findings through a Supply–Demand Framework. Rather than restating institutional readiness or user behaviour in isolation, the framework focuses on how these two dimensions interact in practice. On the supply side, it considers the capacity of the financial system’s regulatory arrangements, payment infrastructure, and institutional provision to support digital payments. On the demand side, it captures actual usage patterns, trust, affordability, digital literacy, and perceived risks among consumers and MSMEs. By jointly assessing these dimensions, the framework enables a systematic identification of gaps between policy intent and real-world outcomes, highlighting where institutional expectations diverge from user behaviour and where structural or behavioural frictions constrain effective adoption.

3. Supply-Side Analysis

This section examines the supply side of the digital payments ecosystem in Palestine by analysing the institutions responsible for regulation, infrastructure, technology, and operational capacity supporting digital financial services. It focuses on how regulatory bodies, banks, and market-support institutions shape the availability, efficiency, and reliability of digital payment services. The following analysis draws on institutional interviews and is organised around core analytical themes to highlight system-level strengths, gaps, and readiness.

3.1 Palestine Monetary Authority (PMA)

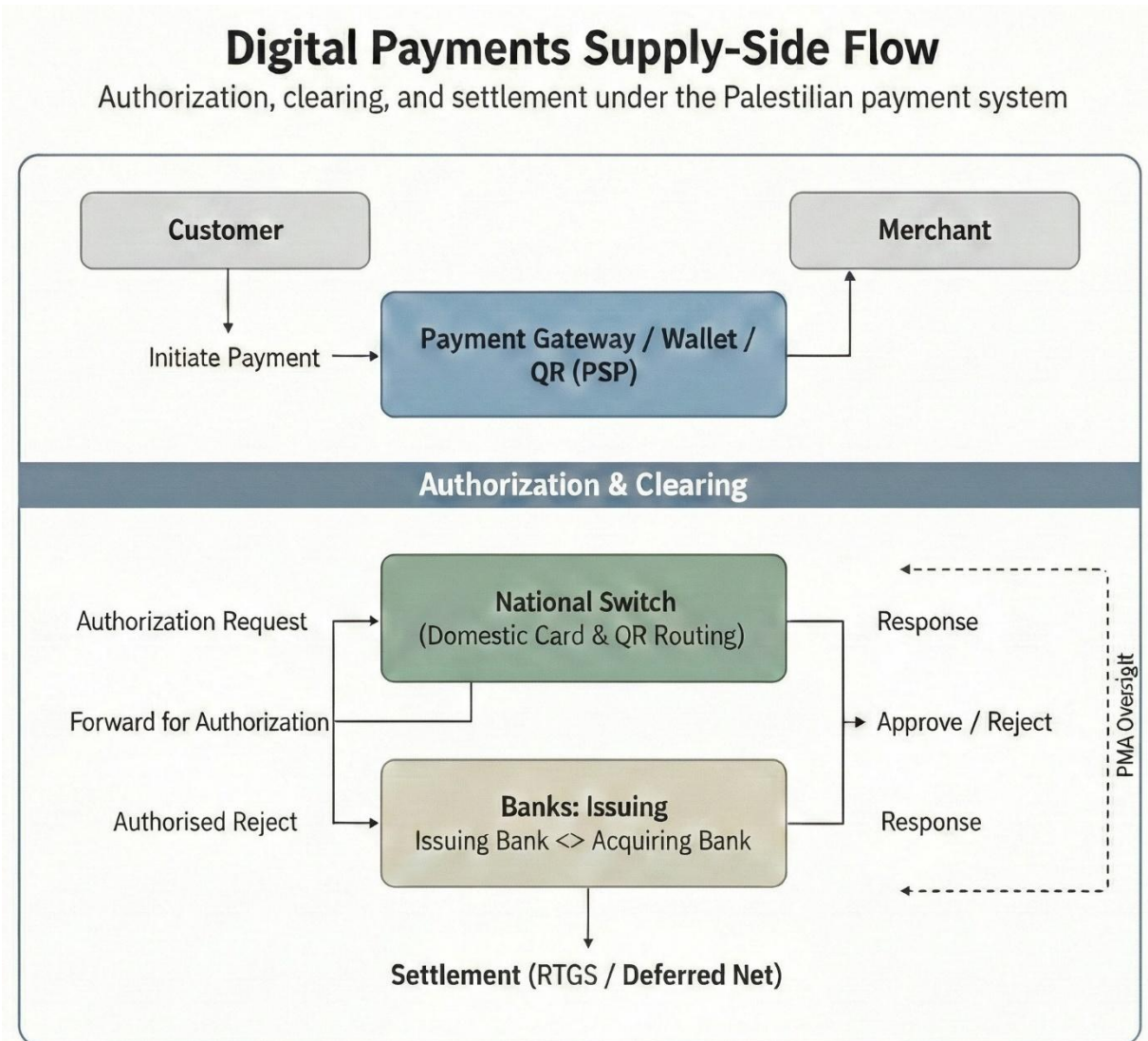
The Palestine Monetary Authority (PMA), as the de facto central bank, plays a central role in shaping Palestine's digital payments ecosystem through regulation, infrastructure development, and system oversight. From the PMA's perspective, digital payments are a core pillar of a cash-light economy, financial inclusion, and broader digital transformation. The Authority assesses the supply side as largely ready, while recognising that effective usage remains constrained by liquidity management challenges, ecosystem coordination, and demand-side behaviour.

3.1.1 Payment Infrastructure and System Architecture

Palestine's national payment system is built around a comprehensive set of core infrastructures that support high-value, retail, and government payments. These include real-time gross settlement and automated clearing systems for interbank and batch retail transactions, a national switch connecting ATMs and POS terminals, centralised electronic bill presentment and payment platforms, instant payment rails enabling real-time transfers between accounts and wallets, and electronic cheque clearing. Collectively, these systems provide full functional coverage across the payment value chain and are designed to accommodate transaction volumes significantly above current usage levels.

To clarify how the national digital payment infrastructure operates in practice, Figure 1 illustrates the end-to-end supply-side flow of digital payments in Palestine. The figure presents the institutional and technical routing of transactions across payment service providers, PMA core payment systems, the national switch, and banks, distinguishing between authorisation, clearing, and settlement stages. This visual overview provides the operational context for the detailed infrastructure and system analysis discussed below.

Figure 1: Digital Payments Supply-Side Flow under Palestine’s National Payment System



Source: Author’s own illustration based on report findings.

The figure illustrates the institutional and technical flow of digital payment authorisation, clearing, and settlement in Palestine, highlighting the roles of payment service providers, PMA core systems, the national switch, and issuing and acquiring banks.

A key structural shift has been the localisation of domestic card switching, whereby local debit and prepaid card transactions are processed through the national switch rather than international schemes. According to PMA, this transition has reduced transaction costs, improved settlement efficiency, and strengthened national control over payment data and flows. In parallel, centralised biller connectivity through E-SADAD has simplified integration for utilities, government entities, and service providers, lowering system complexity and supporting the digitisation of public and corporate payments.

3.1.2 Operations, Liquidity, and Market Design

Operationally, PMA emphasises system resilience, scalability, and continuity. Core payment systems are subject to redundancy and disaster-recovery requirements, and their operational performance has demonstrated the ability to function even under severe disruption. At the same time, the absence of a national currency imposes persistent liquidity constraints, requiring settlement and clearing

arrangements to operate within externally constrained correspondent relationships and multi-currency balances.

Episodes of cash shortages have reinforced the importance of digital payment channels, while also exposing the need for careful liquidity coordination to ensure uninterrupted settlement. PMA's market-design choices reflect these realities, favouring low-cost, efficient instruments that minimise settlement risk. QR-based payments and instant transfers are positioned as accessible tools for small merchants and informal or semi-formal businesses, while traditional POS infrastructure continues to serve higher-value transactions and card-based use cases. From PMA's perspective, these design choices aim to balance efficiency, sustainability for payment service providers, and affordability for end users.

3.1.3 Supervision, Cybersecurity, and Data Protection

Supervision of payment systems and service providers is supported by the use of supervisory technology (SupTech), enabling enhanced monitoring of system performance and compliance. PMA places particular emphasis on reliability and availability, recognising that even isolated system failures can undermine public trust. Core systems are periodically assessed against international standards, and card and messaging infrastructures comply with established global security and interoperability frameworks.

While Palestine does not yet have a standalone data-protection law, PMA relies on banking legislation and regulatory requirements to enforce strict confidentiality and data-handling standards. Customer data sharing is subject to explicit authorisation, and payment systems are designed to limit data retention to what is strictly necessary for transaction execution. Within PMA's own supervisory databases, encryption and data-segmentation practices are used to reduce the risk of unauthorised disclosure.

3.1.4 Strategy, Governance, and Inclusion Dynamics

Digital payments development is guided by national strategies, notably the National Financial Inclusion Strategy (2018–2025) and the forthcoming National Payment Strategy. These frameworks are conceived as multi-stakeholder national strategies rather than PMA-only initiatives, aligning payment system modernisation with financial inclusion objectives and broader digital government reforms.

From an inclusion perspective, PMA views digital payments as a practical entry point into formal financial services, emphasising that account ownership is unlikely to be sustained unless users can actively pay bills, transfer funds, and manage liquidity through digital channels. Experience during periods of severe disruption has reinforced this view, as digital payment instruments enabled continued transactions when cash access was constrained. At the same time, PMA recognises that infrastructure readiness alone is insufficient, highlighting the importance of awareness, trust, and clear use cases to activate network effects and translate technical capacity into sustained usage. PMA also identifies the absence of a nationally integrated digital identity and e-KYC framework as a remaining structural constraint, limiting fully remote onboarding and seamless digital journeys across financial and non-financial services.

3.2 Palestine Capital Market Authority (PCMA)

The Palestine Capital Market Authority (PCMA), as regulator of the non-bank financial sector, including insurance, leasing, and capital markets, approaches digital payments and FinTech as system-enabling infrastructure rather than isolated technologies. From PCMA's perspective, the effectiveness of digital payments lies in their capacity to support wider financial-sector modernisation, strengthen consumer protection, and expand access to formal financial services beyond the banking system.

3.2.1 Digital Payments as an Enabler of Non-Bank Financial Services

PCMA views digital payment rails as a foundational layer for innovation across non-bank financial activities. Digital payments enable electronic insurance policy issuance and premium collection, digital claims processing, remote investor onboarding and settlement in capital markets, and more efficient microfinance disbursement and repayment for MSMEs and low-income clients. Without reliable and interoperable payment systems, PCMA considers most FinTech initiatives to remain fragmented or limited to small-scale pilots.

While payment connectivity itself is largely available, PCMA emphasises that the ability of non-bank institutions to deliver end-to-end digital services remains uneven. Larger and more technologically advanced institutions have progressed more rapidly, whereas smaller entities continue to rely on legacy processes that limit scalability and user experience.

3.2.2 Regulatory, Identity, and Data-Sharing Constraints

A central constraint identified by PCMA relates to gaps in national digital enablers rather than sector-specific regulation. In particular, the absence of a comprehensive digital identity framework, legally robust electronic signatures, and interoperable access to government registries constrains fully digital onboarding and service delivery. As a result, institutions are often required to rely on manual verification and physical documentation, increasing operational costs and weakening user confidence in digital channels.

PCMA also highlights limited data-sharing frameworks between public registries and regulated institutions as a systemic bottleneck. The lack of standardised APIs, clear legal bases for data exchange, and unified governance for cross-institutional data access has resulted in fragmented digital solutions that are difficult to scale. From a supervisory perspective, this fragmentation undermines efficiency and reduces the potential benefits of digitisation for both providers and users.

3.2.3 MSMEs, Incentives, and Adoption Dynamics

In contrast to fee-focused explanations, PCMA emphasises that MSMEs reluctance to adopt digital payments is primarily driven by perceived value rather than cost. Many micro and informal businesses operate with minimal documentation, weak financial records, and established cash-based routines. For these enterprises, digital payments are unlikely to be adopted unless they are clearly linked to tangible business benefits.

PCMA therefore supports incentive-based and use-case-driven approaches, where digital payment adoption is bundled with services that directly support business operations such as insurance discounts, access to platforms, or simplified compliance processes. In this framework, trust is not treated as an abstract concept, but as a regulatory outcome shaped by consumer protection, dispute resolution, and clarity of legal obligations.

3.2.4 Regulatory Stance, Risk Management, and Coordination

From a regulatory standpoint, PCMA adopts a risk-based approach to digital finance and cybersecurity, drawing on international standards relevant to securities, insurance, and information security. Digital platforms that handle client funds or critical market functions are subject to stricter oversight, while proposals involving opaque governance or unclear custody arrangements are treated with caution.

At the national level, PCMA notes that regulatory coordination remains uneven across public institutions, particularly in areas related to data protection, cloud usage, and cybersecurity responsibilities. This lack of horizontal coordination creates uncertainty for innovators and slows implementation of advanced digital models. PCMA's assessment is that addressing these governance

gaps is essential for translating payment infrastructure readiness into broader financial-sector transformation.

3.3 Ministry of National Economy (MoNE)

The Ministry of National Economy (MoNE) is a central government actor in shaping the legal, regulatory, and institutional environment for e-commerce and digital payments in Palestine. While the Palestine Monetary Authority oversees the financial and payment system infrastructure, MoNE's mandate focuses on business regulation, consumer protection, market organisation, and fair competition. From MoNE's perspective, digital payments are a critical enabler of a trusted and formal digital trade environment rather than a stand-alone financial instrument.

3.3.1 Legal Framework for E-Commerce and Digital Formalization

A cornerstone of MoNE's approach is the recently adopted E-Commerce Law, which establishes the legal basis for electronic transactions, consumer rights, and the accountability of online sellers. The law is designed to address long-standing trust deficits in online commerce by clarifying obligations related to product disclosure, payment terms, returns, and dispute resolution. Importantly, the law is complemented by implementing bylaws that will operationalise registration requirements, procedural standards, and compliance mechanisms.

In parallel, MoNE is developing a digital e-commerce registry and registration platform through which e-commerce businesses will be registered electronically and linked directly to digital payment channels. By integrating registration, documentation, and fee payment into a single digital process, the platform aims to reduce informality, improve transparency, and create a clear distinction between registered and unregistered online sellers. From MoNE's perspective, this institutional linkage between legal registration and digital payments is a key mechanism for strengthening trust and market discipline.

3.3.2 Consumer Protection, Trust, and Market Organization

MoNE identifies weak consumer trust as a major driver of cash-on-delivery preferences and reluctance to prepay digitally. Past survey evidence and complaint patterns suggest that negative online purchasing experiences, such as non-delivery, misrepresentation of products, or weak after-sales accountability, have reinforced risk-averse payment behaviour among consumers. The E-Commerce Law and the public-facing registry are therefore intended to shift the basis of trust from informal reputation and personal networks towards enforceable legal accountability.

Under this framework, consumer complaints are expected to become more structured and actionable, as responsibilities between sellers, platforms, and authorities are clearly defined. MoNE views this transition as essential for enabling wider adoption of digital payments in e-commerce transactions, particularly for advance payments and recurring digital billing.

3.3.3 MSMEs, Informality, and Capacity-Building

MoNE recognizes that a significant share of e-commerce activity in Palestine is conducted by micro and home-based businesses, many of which operate informally through social media platforms. Rather than adopting a punitive enforcement approach, the Ministry emphasizes gradual formalization, combining simplified registration procedures with post-registration support.

Once the digital registry is operational, MoNE plans to use it as a foundation for targeted capacity-building programs, including training on digital payments, customer service, compliance requirements, and returns management. Digital payments, in this context, are positioned as a tool for professionalization and market access rather than as an administrative burden. MoNE's assessment is

that lowering procedural complexity and improving perceived benefits are essential for encouraging voluntary compliance among small digital businesses.

3.3.4 Competition, Fairness, and Policy Implications

MoNE also highlights concerns related to fair competition between traditional brick-and-mortar businesses and unregistered online sellers. By bringing e-commerce activities within a clear legal framework, the Ministry aims to level the playing field while protecting compliant businesses and consumers. While taxation continues to be a separate legal obligation governed by existing laws, MoNE emphasises that the primary policy objective of the E-Commerce Law is regulatory clarity, consumer protection, and market organisation.

Looking ahead, MoNE expects that improved organisation of digital trade will support broader economic objectives, including job creation through small digital enterprises, expansion of domestic products in online markets, and gradual integration of e-commerce into national digital economy strategies. However, the Ministry stresses that progress will be incremental and dependent on coordination with financial regulators, digital infrastructure authorities, and private-sector stakeholders.

3.4 Banking Sector Perspectives

Interviews with leading banks suggest a broad consensus that the Palestinian banking sector is technically and operationally ready to support a significant expansion of digital payments. Banks have invested substantially in payment infrastructure, digital channels, and integration with the Palestine Monetary Authority (PMA)-led platforms. However, these investments have not translated into proportional uptake. Adoption remains constrained by behavioral, infrastructure, and ecosystem factors rather than gaps in banking technology.

3.4.1 Digital Readiness and Institutional Capacity

From the perspective of large and midsize banks, digital payment capabilities are now well established. Banks offer mobile and internet banking, card-based payments, point-of-sale (POS) terminals, QR code payments, online bill pay, and instant transfers linked to national systems. Interviewees reported that these platforms are scalable and can support transaction volumes well above current levels.

One institution emphasized that its regional experience has enabled it to deploy standardized digital processes and security protocols aligned with international best practices, while adapting them to the local Palestinian context. Another highlighted banks' role as stability anchors within the payment ecosystem, noting their contribution to liquidity management, interoperability, and operational continuity during periods of stress. Through interviews, banks viewed themselves as ready to support deeper digital transformation should ecosystem constraints ease in parallel.

3.4.2 Operational Constraints and Ecosystem Dependencies

Despite technical readiness, banks identified several operational constraints that limit the reach and reliability of digital payment services. Chief among these is telecommunications infrastructure, uneven network coverage across regions, and delays in the rollout of high-speed mobile connectivity. Banks emphasized that digital payments depend on stable, affordable internet access, and that service interruptions directly erode customer confidence and willingness to shift away from cash.

Banks further noted dependencies on government systems for identity verification, licensing, and customer onboarding. Limited interoperability with civil and commercial registries prevents fully digital onboarding and forces manual workarounds, reducing efficiency and scalability. In short, banks' internal systems can support more comprehensive digitization, but the surrounding institutional environment must mature to enable seamless end-to-end services. Several banks observed that periods

of stress in cash management can accelerate temporary shifts to digital channels, underscoring both system resilience and the need for sustained behavior change beyond crisis periods.

3.4.3 Trust and Adoption Barriers

Through the interviews, banks repeatedly pointed to two central barriers: entrenched cash use and limited trust in digital channels. While younger, urban customers are increasingly comfortable with digital payments, many remain comfortable with cash for day-to-day transactions. Banks attributed this preference to routine, a sense of control over physical money, and concerns about fees, errors, or delays in dispute resolution.

In banks' view, trust depends not only on technical security but on consumer protection spine: clear rights and obligations, fee transparency, effective complaint handling, and consistent service quality. Several banks observed that uptake tends to increase once customers experience reliable online bill pay or salary transfers, but initial skepticism remains a material barrier. Awareness and user education are therefore essential complements to infrastructure investment.

3.4.4 Cybersecurity, Risk Management, and Compliance Culture

Banks consistently describe cybersecurity as a core priority and a prerequisite for sustained trust in digital payments. They reported substantial investments in security infrastructure, monitoring systems, and staff training, aligned with PMA requirements and international standards, including Society for Worldwide Interbank Financial Telecommunication (SWIFT) security controls and PCI frameworks. Given the sensitive operating environment, banks adopt a conservative risk management approach, emphasizing continuity, data protection, and rapid incident response.

National-level cybersecurity frameworks and coordination mechanisms, however, remain under development. Even where institution-level controls are generally robust, banks underscored the need for clearer national guidance on data hosting, cloud use, and cross-institutional incident response to reduce uncertainty and support innovation within safe boundaries.

3.4.5 Strategic Outlook, Adoption, and Awareness

Banks expressed cautious optimism about the outlook for digital payments over the next five years. They expect that improvements in telecommunications infrastructure, broader merchant acceptance, and continued integration with national platforms will drive gradual increases in uptake. Strategic priorities cited by banks include expanding instant payments, widening adoption of QR-based payments, rolling out direct debit services, and developing secure digital identity solutions.

However, banks consistently emphasized that the primary remaining constraint is no longer technical capability but adoption, shaped by social and behavioral factors. Without a coordinated national effort to raise awareness, improve digital literacy, and build confidence in noncash transactions, infrastructure alone is unlikely to deliver the intended outcomes. From the banking sector's perspective, digital payments are not solely a banking initiative but a national transition that requires sustained collaboration among regulatory bodies, government agencies, telecom providers, civil society, and the private sector.

3.5 The Main Supply Side Strengths and Gaps

Overall, the supply side assessment indicates that Palestine has made substantial progress in establishing the core institutional, regulatory, and technical framework for a modern digital payments ecosystem. Key strengths include a comprehensive national payments infrastructure, effective regulatory oversight, improved interoperability across payment channels, and sustained investment by financial institutions in digital platforms and cybersecurity. Taken together, these elements indicate that the system's technical and institutional capacity exceeds current usage levels.

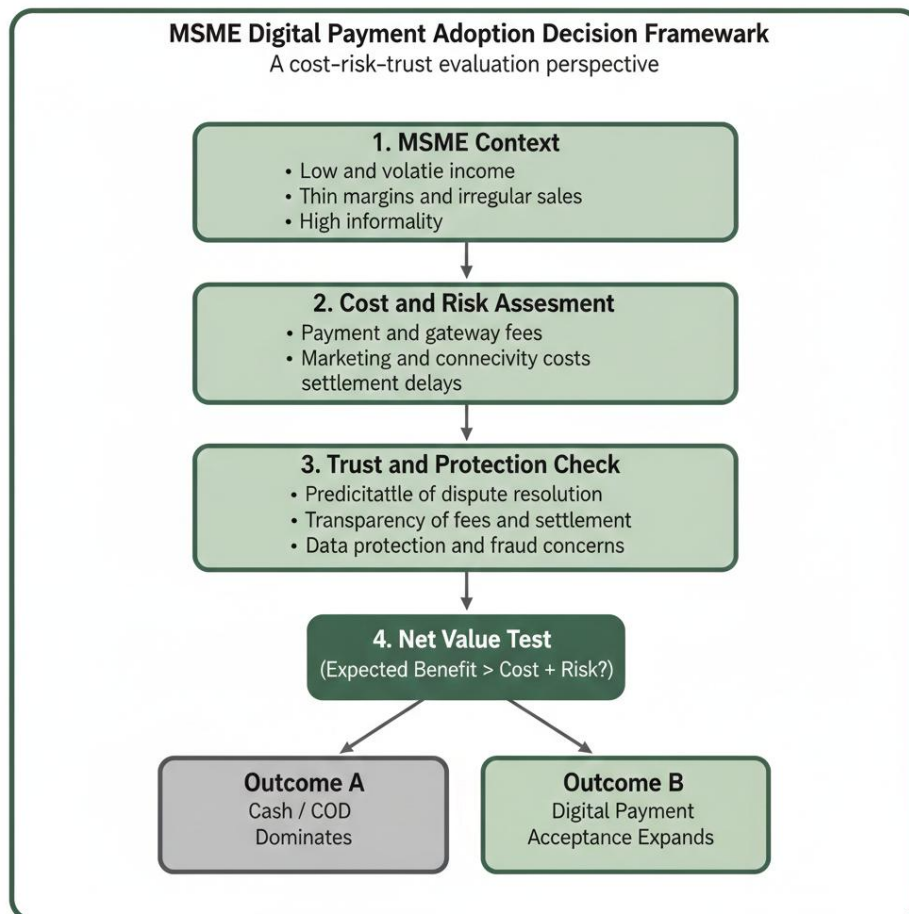
The analysis identifies persistent gaps on the supply side that constrain the effective translation of infrastructure readiness into widespread adoption. These include structural liquidity management constraints linked to the absence of a national currency; incomplete integration with public registries and digital identity systems; uneven coordination across regulatory bodies and government agencies; and limited mechanisms to align payment services with the concrete needs of micro, small, and medium enterprises (MSMEs) and consumers. Trust, awareness, and clearer legal and data governance frameworks remain critical enablers that sit outside technology but shape whether users adopt and stay with digital payments.

These findings suggest that the primary constraints on digital payment adoption in Palestine are no longer the absence of systems or providers, but rather systematic coordination, limited institutional linkages, and demand activation. This synthesis lays the groundwork for the adequacy assessment and reform recommendations that follow, which focus on closing the remaining gaps between institutional readiness and the sustained, effective use of digital payment services.

4. Demand Analysis

This section examines demand-side barriers to digital payment adoption among micro and small enterprises (MSEs) operating under income insecurity, informality, and limited market access. Drawing on focus group inputs, the analysis moves beyond description to explain adoption behavior through economic logic, highlighting how perceived costs, liquidity risk, trust, and expected benefits shape MSME decisions. Figure 2 presents a simplified decision model that frames adoption as a net value assessment and provides the analytical lens for the discussion that follows.

Figure 2: Decision Framework for MSME Digital Payment Adoption



Source: Author's illustration based on focus group findings and report analysis.

Figure 2 illustrates how MSEs assess digital payment adoption across income stability, perceived costs, liquidity risk, and trust. Adoption follows a net value assessment: digital payments are used only when perceived benefits outweigh costs and risks.

4.1 Economic Rationality Under Income Insecurity and Survival Entrepreneurship

Across both focus groups, MSMEs emphasized that adoption decisions are driven primarily by income stability and risk management rather than by technology awareness. Many participants, particularly women-led and home-based businesses, operate in a state of income insecurity and treat e-commerce as a survival strategy rather than a growth pathway. In this context, the primary objective is to secure predictable cash flow to meet basic household needs, not to maximize scale or digital sophistication.

Limited local purchasing power further constrains the commercial viability of online sales, especially for nonessential goods. As a result, investments in websites, digital storefronts, or online marketing are often perceived as financially risky unless they clearly translate into higher or more stable revenues. This landscape shapes a cautious approach to digital payments, particularly prepaid methods that shift liquidity risk onto merchants.

4.2 Cost Structure of Digitalization and Interaction with Pricing Regulation

Participants consistently highlighted the cost structure of digitalization as a major deterrent to adoption. For micro and low-margin businesses, merchant discount rates and gateway fees, reported at 2–3 percent for online card payments, represent a material cost. These charges are compounded by fixed digital marketing costs (primarily on social media platforms), website maintenance, and relatively high domestic internet prices.

These costs interact directly with regulated fee frameworks. PMA regulations aim to keep fees reasonable and prevent excessive charges, but uniform pricing structures do not appear to reflect micro merchants' cost sensitivities. For micro enterprises with low ticket sizes and irregular sales, even regulated fees can erode thin margins and reduce the perceived net benefit of accepting formal digital payments. Regulatory fee controls alone, therefore, are unlikely to drive adoption without complementary measures such as differentiated pricing for micro merchants, targeted subsidies, or incentive schemes that offset fixed and variable digitalization costs.

This gap between regulation and merchant economics explains why digital payment infrastructure may be available yet underused, particularly among informal and semiformal MSMEs.

4.3 Trust, Product Quality, and Liquidity Risk

Limited trust in online transactions emerged as a central constraint on demand, shaped by repeated experiences of product misrepresentation, delivery failures, and slow dispute resolution. For consumers and merchants alike, these frictions translate into direct financial risk. Refunds and chargebacks, especially on international cards, can take weeks to process, placing liquidity pressures on businesses operating with minimal working capital.

In this environment, cash on delivery (COD) serves as a risk mitigation mechanism, however, it has a higher operational cost. It allows both parties to verify product quality before payment and avoids delayed reversals that tie up scarce liquidity. Continued reliance on cash may reflect risk management under weak consumer protection enforcement and limited trust, rather than resistance to digital tools per se.

4.4 Platform Economics, Competition, and Value Retention

MSMEs also emphasized the role of platform economics in shaping adoption incentives. Local delivery and marketplace platforms were viewed positively for expanding reach and standardizing logistics, but commission structures and service fees can compress net margins. Participants also raised concerns that foreign-backed or Israeli platforms entering Palestinian markets may use superior capital and technology to capture market share and extract data and profits from the local economy.

From the demand side, adoption is more likely when platforms retain local value, create jobs, and offer transparent, predictable cost structures. Where platforms are perceived as extractive or unfairly advantaged, MSMEs become reluctant to invest further in digital engagement.

4.5 Access to External Markets and Payment Channels

A consistent issue across both focus groups was Palestinian MSMEs' inability to access global e-commerce platforms and international payment gateways. The lack of internationally recognized

Palestinian payment credentials limits direct sales to diaspora customers and foreign markets, forcing some businesses to rely on intermediaries. While this can provide limited market access, it reduces net revenue, complicates accounting, and weakens financial autonomy.

For many participants, access to external markets is not a growth aspiration but a condition for economic viability. The absence of secure, direct international payment channels, therefore, remains a binding demand constraint on digital adoption.

4.6 MSME Policy Expectations

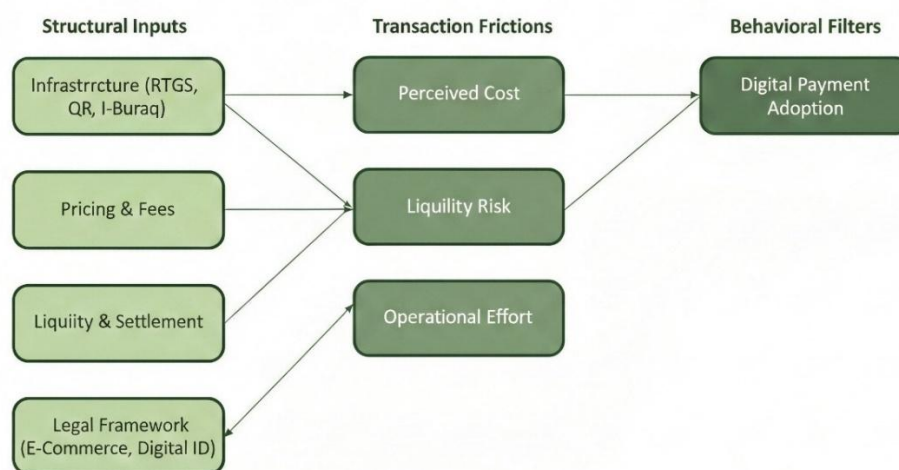
In both focus groups, MSMEs emphasized that effective digital transformation requires practical, income-enhancing support, not only legal frameworks. They pointed to measures that reduce costs and risk and make digital transactions more reliable, including lower or differentiated digital payment fees for micro merchants; subsidized or standardized e-commerce packages; faster, more transparent refund and dispute resolution mechanisms; protection for local platforms; and targeted support programs tied to measurable digital sales outcomes.

Participants stressed that unless digital adoption demonstrably improves profitability, reduces risk, or stabilizes income, many MSMEs will continue to operate partly informally and rely on cash, regardless of available infrastructure.

Figure 3. Digital Payments Adoption Network: A Network-Based Representation of Adoption Dynamics

Digital Payments Adoption Network

A network-based representation of adoption dynamics



Adoption emerges when structural readiness passes economic and behavioral filters.

Source: Author’s illustration based on report findings.

Explaining why institutional readiness does not automatically translate into effective usage, Figure 3 illustrates how structural conditions influence digital payment adoption through economic perceptions and behavioral filters.

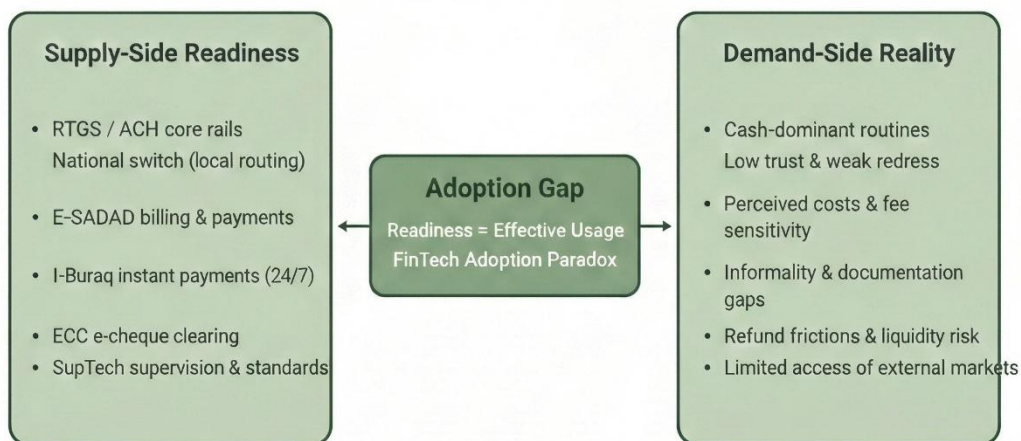
5. Gap Analysis: Key Structural Misalignments between Readiness and Usage

Figure 4 draws together the preceding supply- and demand-side analyses by setting out the central *fintech adoption paradox*: institutional readiness has advanced, but the effective use of digital payment systems remains constrained by economic incentives, trust, informality, and governance gaps. It provides the analytical lens for the gap analysis summarized below.

Figure 4. Fintech Adoption Paradox: Supply–Demand Misalignment in Digital Payments

FinTech Adoption Paradox Framework

Supply-side readiness vs. demand-side reality



Key message: Technical readiness exists, but adoption is constrained by incentives, risks, and trust.

Source: Authors' illustration, based on report findings.

The framework above provides a conceptual overview of the key misalignment shaping digital payment adoption in Palestine. While supply side institutions have established advanced infrastructure and regulatory foundations, demand behavior, economic incentives, and governance frictions continue to constrain effective use. Through this prism, Table 5 translates the adoption paradox into concrete, observable gaps across infrastructure, regulation, merchant economics, formality, trust, and coordination. Figure 4 frames the problem; Table 5 shows where it surfaces in practice, both of which inform the adequacy assessment and the recommendations that follow.

Table 2. Gap Analysis: Key Structural Misalignments between Readiness and Usage

Misalignment area	Observed gap
Infrastructure readiness, adoption lag	PMA payment rails, RTGS, ACH, the national switch, iBuraq, e-SADAD, and ECC, are described as robust and scalable, with capacity for higher digital volumes than current usage. Yet individuals and MSMEs continue to rely heavily on cash, suggesting that adoption is constrained less by technical capacity than by demand side incentives, trust, and perceived value.
Regulatory progress, missing enablers	New legislation, including the e-commerce decree, the electronic transactions decree, and the e-payment decree, establishes a legal basis for digital payments and online trade. Implementation remains incomplete because executive regulations are still pending, a national digital ID and fully recognized e-signatures are not yet in place, and a comprehensive data protection law has yet to clarify data rights and obligations. These gaps create uncertainty for providers and users and slow down fully digital onboarding and transaction flows.
Merchant economics vs. product and fee design	QR payments and digital wallets can be cheaper and better suited to micro merchants than POS terminals, and the PMA has structured some payment rails to reduce reliance on costly international schemes. Yet many MSMEs do not perceive a clear economic upside from accepting digital payments. For informal and very small enterprises, perceived administrative burden, potential tax exposure, and onboarding complexity often outweigh the benefits, even when fees are not the primary barrier.
Formality and registration gaps	MSMEs account for roughly 98 percent of enterprises, and a large share operate informally. These businesses often lack formal registration, financial records, and standardized processes, making it difficult to meet KYC requirements, open merchant accounts, and access regulated digital payment channels. The Ministry of National Economy (MoNE)'s forthcoming digital registry aims to reduce these imbalances, but the shift from informal to formal status remains a major practical hurdle.
Trust, redress, and consumer protection	Repeated negative experiences with online purchases, misrepresented products, poor quality, or non-delivery, reinforce a preference for COD and reduce willingness to prepay digitally. Trust is closely tied to clear consumer safeguards, effective complaint handling, and predictable remedies. The absence of a comprehensive data protection and privacy framework further undermines confidence in digital channels.
Fragmented governance and coordination	Limited access to government registries, lack of interoperable APIs, and unclear allocation of cybersecurity and data governance responsibilities contribute to fragmented solutions, duplicated efforts, and disrupted digital processes, especially where services require data from multiple ministries or public institutions.
Overall finding: readiness–usage gap	The ecosystem shows a readiness–usage gap: Technical and regulatory foundations are more advanced than actual uptake, but demand constraints, informality, and governance gaps keep the system well below its full capacity and potential.

6. Recommendations

A coordinated set of policy, regulatory, and institutional measures is needed to reduce structural barriers to adoption, realign incentives for MSMEs and consumers, and strengthen trust in digital payment channels. Within this broader reform agenda, a national awareness campaign should be positioned as a complementary conduit that helps translate institutional reforms into user understanding and sustained adoption, not as a stand-alone solution.

6.1 Prioritize High-Value Use Cases that Drive Adoption

Policy efforts should prioritize use cases where digital payments deliver clear advantages over cash and remove recurring transaction frictions. Priority areas include government fees and e-government services; recurring utility payments through e-SADAD; instant transfers via iBuraq; QR-based payments for taxis and micro-retail; and digital collections for delivery and marketplace platforms. Targeting frequent, unavoidable transactions can help normalize digital payments and expand their routine use across the network.

6.2 Align Regulatory Implementation and Public Communication

The implementation of the e-commerce decree (and its executive regulations), the digital registry, and government e-services should be paired with coordinated public communication that emphasizes consumer protection, transaction traceability, and dispute resolution, not solely taxation. Clear, consistent messaging can reduce uncertainty and fear-driven resistance among MSMEs and position compliance as a means to strengthen market access, legal protections, and longer-term business sustainability.

6.3 Address Micro-Merchant Cost Sensitivity Through Targeted Incentives

Because micro and informal businesses are highly fee-sensitive, regulatory bodies and financial institutions should consider targeted incentives and varied pricing to reduce entry barriers. Options include lower MDR tiers, time-bound fee reductions, bundled onboarding packages, and sector-specific incentives (e.g., PCMA's digital discount model). These measures address the merchant economics gap identified in the demand side analysis.

6.4 Integrate Payment Acceptance with Business-Relevant Digital Services

Digital payment adoption should be promoted as part of a broader business digitization package rather than as a stand-alone technology. Bundling payment acceptance with basic invoicing, bookkeeping, delivery integration, and access to online marketplaces aligns adoption with tangible business value and supports gradual transitions from informality toward formal participation.

6.5 Enable Phased Formalization Through Low-Friction Onboarding

A graduated onboarding approach should allow micro and home-based businesses to start with low-risk digital tools (e-wallets, QR codes for receipts) and formalize their operations as transaction volumes grow. Clear guidance on thresholds, exemptions, and rights reduces perceived regulatory risk and encourages voluntary entry into regulated digital channels.

6.6 Reinforce Trust Through Predictable Protection and Redress Mechanisms

Trust in digital payments depends on credible enforcement, not awareness alone. Institutions should strengthen and clearly communicate consumer protection rules, refund and dispute resolution procedures, and data protection safeguards. Awareness efforts should focus on demonstrating how users

can verify merchants, document transactions, and access redress, thereby converting abstract protections into practical confidence.

6.7 Strengthen Institutional Coordination and Data Sharing Enablers

Structural barriers linked to fragmented governance should be addressed through closer coordination among PMA, PCMA, MoNE, and relevant ministries. Key priorities include interoperable APIs for public registries, a clear national digital ID roadmap, and progress toward a comprehensive data protection law. Visible coordination enhances system credibility and reduces uncertainty for users and providers.

6.8 Monitor, Evaluate, and Adapt Interventions

All interventions should be accompanied by a clear monitoring and evaluation framework, using baseline indicators such as digital payment usage, MSME acceptance rates, and awareness of protection mechanisms. Regular feedback loops should inform adjustments to incentives, communication, and coordination, ensuring that policy responses remain grounded in observed behavior rather than assumptions.

7. Conclusion

Palestine is now at a point where the supply-side foundations for a modern digital payment ecosystem are largely in place. Interoperable payment rails, instant transfer capabilities, national switching systems, electronic billing platforms, and more capable supervisory tools together provide a technically solid infrastructure that is broadly aligned with international practice. From an institutional and operational standpoint, the system can support materially higher transaction volumes than current usage suggests.

Yet day-to-day economic activity remains predominantly cash-based, shaped by informality, income insecurity, and limited trust in digital channels. This divergence points to the core challenge: the question is no longer whether digital payments can function, but whether users experience them as efficient, safe, and economically advantageous relative to cash. The evidence presented in this report suggests that, under current conditions, digital payments already offer a practical option for many routine transactions, particularly where infrastructure is reliable, settlement is predictable, and institutional backing is clear. Broader adoption, however, depends on aligning incentives, reducing perceived risks, and demonstrating tangible user value.

A transition to a less-cash economy, therefore, requires more than just the availability of technology. It requires behavior change supported by appropriate pricing and incentives and sustained institutional coordination. Individuals need confidence that digital payments are secure, affordable, and backed by effective complaint handling and dispute resolution. MSMEs need to see measurable gains, faster settlement, reduced cash-handling burden, improved recordkeeping, and better market access, before shifting away from entrenched cash practices. Vulnerable and informal groups require phased, low-friction pathways that reflect their financial capacity and digital literacy, while extending legal protections and simplifying procedures.

Within this broader reform agenda, a national awareness campaign can play a catalytic role by translating institutional readiness into user confidence and practical uptake. Aligned with reforms such as digital identity development, secure data-sharing frameworks, stronger e-commerce regulation, and simplified business registration, the campaign can help normalize digital payments as everyday tools rather than abstract innovations. Emphasizing concrete use cases, paying government fees, settling utility bills, receiving instant transfers, accepting QR payments, and managing accounts remotely, allows users to compare digital payments with cash in real-time and recognize the advantages where they exist.

Over time, a coordinated package of regulatory reinforcement, institutional coordination, targeted incentives, and informed public engagement can reshape the Palestinian financial landscape. A more digitally enabled economy can expand financial inclusion, increase transparency and operational efficiency, reduce reliance on cash and recurring liquidity strains, and help MSEs reach new customers and use modern financial services. The hinge point is alignment. Digital payments will succeed only if technology, institutions, and users advance together. With that alignment, digital payments are not just feasible; they are cost-effective. They can also become a credible, efficient, and resilient alternative to cash, supporting inclusive growth despite persistent political, geographic, and monetary constraints.

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Annex 1

Table 1. Payment Infrastructure Components and Strategic Objectives

Infrastructure component	Key features and strategic relevance
Core payment systems (since c. 2010)	<ul style="list-style-type: none"> - RTGS (real-time gross settlement): Core system for high-value interbank transfers and final settlement. The World Bank regularly assesses the system against international standards, providing external assurance on safety and efficiency. - ACH processes retail batch payments (e.g., salaries, supplier payments, multi-transaction files). Enables bulk, multilateral clearing across multiple banks in a single processing cycle.
National Switch	<ul style="list-style-type: none"> - The national switch connects ATMs and POS terminals across banks. Since 2022, domestic prepaid and debit card transactions have been processed locally rather than routed through Visa and Mastercard. This shift saves the country tens of millions of US dollars annually in international scheme fees.
Newer digital rails	<ul style="list-style-type: none"> - e-SADAD is an electronic billing platform that serves as a central hub for bill presentment and payment (utilities, telecom, government fees, etc.). It reduces paper use, speeds reconciliation, and supports government and corporate digitalization. - iBuraq is a 24/7 real-time instant payment rail for transfers between accounts and wallets. It uses ISO 20022 messaging standards and is being prepared for international certification and recognition. ECC is a dedicated image-based check-clearing platform that shortens check-clearing cycles and improves liquidity.
Digital identity verification	<ul style="list-style-type: none"> - A digital ID—under development, with the PMA as a key stakeholder—is critical to shifting from in-person identity verification to digital identity. It enables e-KYC, remote onboarding, and more seamless use of digital financial services.
PMA strategic infrastructure objectives	<ul style="list-style-type: none"> - Reduce cash use substantially (not eliminate cash). - Support national digital transformation by digitizing government payments and collections. - Ensure Palestine is technically aligned with global payment systems and standards in an efficient, low-cost manner.

Table 2. Supply Side Interviewees

Stakeholder	Role	Location/Date	Interviewee(s) and title(s)
Palestine Monetary Authority (PMA)	PMA regulates the financial sector and oversees banks and national payment systems.	Ramallah (November 2025)	Fares Hindi, Payment System Director
Association of Banks in Palestine (ABP)	Industry association representing Palestinian banks.	Ramallah (November 2025)	Bashar Yasin, General Manager
Arab Bank – Palestine	Commercial bank (retail and corporate services).	Ramallah (November 2025)	Wael Khatib, Director of Individuals Sector; staff member
Palestine Capital Market Authority (PCMA)	Regulator of the nonbank financial sector.	Ramallah (November 2025)	Dr. Bashar Abu Zarour, Adviser to the General Director for Development Affairs
Ministry of National Economy (MoNE)	Ministry responsible for economic policy and MSMEs.	Ramallah (November 2025)	Rashaad Yousef, Director of Studies and Policies
Quds Bank	Palestinian commercial bank.	Ramallah (November 2025)	Walid Tellawi, Director of Strategic Planning and Digital Transformation; Sarah Al-Hajj, Strategic Planning Supervisor

Table 3. Demand Side Focus Group

Location	Host	Participants
Hebron	Hebron Chamber of Commerce & Industry	MSME representatives, members of the public, and university students
Ramallah	MAS	MSME representatives and members of the public