



GOVERNMENT GAZETTE

OF THE

REPUBLIC OF NAMIBIA

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Government Notices

MINISTRY OF FINANCE

No. 159

2012

EXTENTION OF EXEMPTION ORDER: BANK WINDHOEK LIMITED, FIRST NATIONAL BANK OF NAMIBIA LIMITED, NEDBANK NAMIBIA AND STANDARD BANK NAMIBIA LIMITED

Under paragraph 9.3 of Determination No. FICD 2 issued under the Financial Intelligence Act, 2007 (Act No. 3 of 2007), published under General Notice No. 69 of 7 May 2009, on the recommendation of the Bank of Namibia, I extend the three year exemption period for the following accountable institutions with effect from the date of the publication of this Notice until 5 October 2013:

Bank Windhoek Limited

First National Bank of Namibia Limited

Nedbank Namibia

Standard Bank Namibia Limited

S. KUUGONGELWA-AMADHILA
MINISTER OF FINANCE

Windhoek, 29 May 2012

MINISTRY OF FINANCE

No. 160

2012

**EXEMPTION ORDER FOR ACCOUNTABLE INSTITUTIONS LISTED IN
ITEM 6 OF SCHEDULE 1 IN RESPECT OF E-MONEY ACCOUNT:
FINANCIAL INTELLIGENCE ACT, 2007**

Under section 51 of the Financial Intelligence Act, 2007 (Act No. 3 of 2007), on the recommendation of the Bank of Namibia, I make the exemption order as set out in the Schedule.

S. KUUGONGELWA-AMADHILA
MINISTER OF FINANCE

Windhoek, 29 May 2012

SCHEDULE

Definitions

1. In this exemption order, unless the context indicates otherwise, a word or expression defined in the Act or the Regulations has that meaning, and -

“the Act” means the Financial Intelligence Act, 2007 (Act No. 3 of 2007);

“the Regulations” means the Financial Intelligence Regulations published under Government Notice No. 74 of 5 May 2009;

“electronic money issuer” or e-money issuer” means any bank or non-bank entity authorized to issue electronic money in terms of the Payment System Management Act, 2003 (Act No. 18 of 2003);

“e-money account holder” means the recipient or beneficiary of the funds or value received in an e-money account;

“e-money account” means an account that receives monetary value from another source and stores such value electronically until claimed or accessed by an e-money account holder;

“electronic money” or e-money” means monetary value as represented by a claim on its issuer, that is -

- (a) stored electronically;
- (b) issued on receipt of funds;
- (c) accepted as a means of payment by persons other than the issuer; and
- (d) redeemable upon demand for cash denominated in Namibian Dollars.

2. Exemption from certain sections and regulations made under Act

2.1 Every accountable institution listed in item 6 of Schedule 1 of the Act is exempted from compliance with regulations 4(1) and (2) and regulation 10(1)(b), (c), (d) and (e) of the Regulations (*concerning a client's identification particulars to be obtained*

and verified) and from sections 13(1) and (2), 15(1)(a), (b), (c), (d) and (g) of the Act (*concerning the steps to be taken in order to establish the identity of a client and keeping the required identification records*) in respect of every business relationship or single transaction which -

- (a) enables an e-money account holder to receive funds or value into an e-money account, directly from an existing bank account held at an accountable institution as referred to in paragraph 2.1 above, or from another e-money account held at the same accountable institution, of an amount not exceeding N\$2 0000 per day and not exceeding N\$25 000 per month;
- (b) enables the e-money account holder to maintain a balance in that e-money account not exceeding N\$2 000 at any time;
- (c) enables the e-money account holder to withdraw or transfer the funds or value received in subparagraph (a) to another e-money account;
- (d) does not enable the e-money account holder to effect a transfer of funds out of that e-money account to any destination outside Namibia; and
- (e) does not enable the e-money account holder to effect a transfer of funds out of that e-money account to a similar account held at another accountable institution.

2.2 This exemption is subject to the following conditions that -

- (a) the c-money account does not remain dormant for a period exceeding 180 days;
- (b) the original source of funds used in funding such an e-money account, comes from an existing bank account, which was opened and maintained in terms of the Act and the Regulations and held at an accountable institution, referred to in paragraph 2.1;
- (c) an e-money account would be subjected to enhanced and ongoing transactional monitoring to ensure that suspicious transactions or product abuse are timeously identified;
- (d) only funds or value transfers between c-money accounts are allowed;
- (e) a business relationship or single transaction referred to in paragraph 2.1 entails holding of an c-money account where -
 - (i) the balance maintained in that c-money account does not exceed N\$2 000 at any time; or
 - (ii) the same person does not simultaneously hold more than one such c-money account with the same accountable institution referred to in paragraph 2.1.

2.3 Despite the exemption granted under paragraph 2.1 -

- (a) transactions of a large amount or structured transactions may, by its very nature, give rise to a suspicion or belief that requires a report to be made in terms of section 21 of the Act, and such exemption does not excuse an accountable institutions referred to in paragraph 2.1 from the obligation to report such suspicion or belief in terms of that section;
- (b) records of all transactions on the e-money account should be kept in accordance with section 15 of the Act and such exemption does not exempt accountable institutions

referred to in paragraph 2.1 from obligations to keep records of all transactions on the c-money account.

2.4 Should any of the conditions referred to in paragraph 2.2 not be met, no transaction from an e-money account may be effected unless -

- (a) the prescribed steps referred to in section 13 and 14 of the Act, read with the Regulations, concerning the establishment and verification of the identity of the client concerned are completed; and
- (b) the records pertaining to the establishment and verification of the identity of the client referred to in subparagraph (a) which an institution is required to keep in accordance with section 15 of the Act are obtained.

2.5 The conditions prescribed by paragraph 2.4 apply whenever -

- (a) the balance in an c-money account referred to in paragraph 2.1(b) exceeds N\$2000;
- (b) a person acquires more than one e-money account referred to in paragraph 2.1(c), with the same accountable institution as referred to in paragraph 2.1; or
- (c) a suspicion of money laundering exists.

2.6 The exemptions granted do not detract from any other specific or general exemption granted to any accountable institution, supervisory body or person, as the case may be, after the publication of this exemption order in the Gazette.
