



# GOVERNMENT GAZETTE

## OF THE

# REPUBLIC OF NAMIBIA

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## General Notice

### NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY

No. 737

2021

#### DRAFT PROPOSED STANDARDS UNDER THE FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

The draft standards, as set out in Schedules, are published by the Namibia Financial Institutions Supervisory Authority (NAMFISA) under section 409(3) of the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021).

All financial institutions, financial intermediaries, industry associations or self-regulatory organisations are invited to make representations in writing to NAMFISA with respect to the draft proposed standards not later than 28 February 2022. Such representations will be taken into account in determining whether to issue the standards as originally published or in a modified form.

Written representations must be supplied in the template provided under Schedule 2, and must be submitted to NAMFISA at the Upper Ground Floor, Gutenberg Plaza, 51 – 55 Werner List Street, Windhoek or email: [acloete@namfisa.com.na](mailto:acloete@namfisa.com.na) and [projectnewdawn@namfisa.com.na](mailto:projectnewdawn@namfisa.com.na)

**ADV. H. GARBERS-KIRSTEN**  
**CHAIRPERSON OF THE BOARD**  
**NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY**

**SCHEDULE 1****FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 (Act No. 2 of 2021)****THE CATEGORIES OF PROFESSIONS AND PERSONS OF WHICH AN EXPERT  
MUST BE A MEMBER FOR THE PURPOSES OF THE DEFINITION OF  
“VALUATOR” IN SECTION 1 OF THE ACT****Standard No. PRE.S.1.1**

*issued by NAMFISA under section 1 and section 410(2)(a) of the  
Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard:
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act; and
  - (b) “actuary” means a fellow of one of the societies, institutes or faculties referred to in clause 2.
- (2) Words and phrases defined in the Act have the same meaning in this standard, unless the context indicates otherwise, including, without limitation, the following, which are defined in section 1 of the Act:
  - (a) financial institution;
  - (b) financial intermediary;
  - (c) NAMFISA; and
  - (d) Public Accountants’ and Auditors’ Act.

**Requirements for a valuator**

2. An individual who is a fellow of one of the following actuarial societies, institutes or faculties is an actuary for the purposes of the Act:
  - (a) the International Association of Actuaries;
  - (b) the United Kingdom Institute and Faculty of Actuaries;
  - (c) the Actuarial Society of South Africa;
  - (d) the Society of Actuaries of Namibia (SAN);
  - (e) the American Society of Actuaries; or
  - (f) any other professional actuarial society, institute, faculty or body recognised by NAMFISA after due consideration.
3. Subject to clauses 4, 5, 6 and 7, and subject to the approval by NAMFISA, an individual who falls within any of paragraphs 3(a), 3(b) or 3(c) may be appointed, retained or employed as a valuator by a financial institution or financial intermediary or required by NAMFISA to make a valuation report with respect to a financial institution or financial intermediary under the Act:

- (a) an actuary;
  - (b) a member in good standing under the Public Accountants' and Auditors' Act;
  - (c) a member in good standing of any other professional association approved by NAMFISA.
- 4. A person may not be appointed, retained or employed as a valuator, unless the person is "fit and proper" within the meaning of Standard No. GEN.S.10.2.
- 5. A person may not be appointed, retained or employed as a valuator unless, in the opinion of NAMFISA, the person:
  - (a) has the necessary training, knowledge and experience to understand the business of financial institutions and financial intermediaries in Namibia; and
  - (b) has the necessary training and knowledge to understand the specific business of the financial institution or financial intermediary concerned, and at least five years' experience working with:
    - (i) such a financial institution or financial intermediary; or
    - (ii) with another valuator who has been appointed, retained or employed as a valuator by such a financial institution or financial intermediary.
- 6. NAMFISA may maintain a list of persons approved by NAMFISA who, subject to clauses 4, 5 and 7, may be appointed, retained or employed as a valuator by a financial institution or financial intermediary or required by NAMFISA to make a valuation report with respect to a financial institution or financial intermediary under the Act, the purpose of the list being to expedite the appointment or employment of a valuator and the approval of such appointment by NAMFISA.
- 7. Notwithstanding anything contained in this Standard, NAMFISA retains the right, in its entire discretion, to require any particular financial institution or financial intermediary to appoint an actuary as its valuator, or to appoint an actuary as its valuator for any particular part of its business.

## TEMPLATE FOR WRITTEN REPRESENTATIONS: DRAFT PROPOSED STANDARDS

[illegible]

**SCHEDULE 1****FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****INSURANCE****CAPITAL ADEQUACY REQUIREMENTS FOR REGISTERED INSURERS  
AND REINSURERS****Standard No. INS.S. 2.1**

issued by NAMFISA under section 410(3)(a), read with section 20 of the Financial Institutions and Markets Act, 2021

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**Definitions**

1. (1) In this Standard, unless the context indicates otherwise -
- (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021) and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “Annual premium equivalence” with respect to long-term insurance or reinsurance business means the sum of annual premiums for recurring business and approximate annualised premiums for single premium business, taking into account the average term of the policies for single premium business;
  - (c) “BSCR” means Basic Solvency Capital Requirement and has the meaning as ascribed thereto by clause 4(5);
  - (d) “cell captive” means an insurance or reinsurance vehicle created by a registered insurer or registered reinsurer through a shareholder’s agreement, business agreement or any other agreement for the special purpose of covering the insurance risk which the cell owner, its associated party or any other party, is exposed to;
  - (e) “inadmissible asset” means an asset that, for the purposes of determining the Capital Adequacy Requirement, may not form part of the assets used demonstrate capital adequacy;
  - (f) “MCR” means Minimum Capital Requirement and has the meaning as ascribed thereto by clause 3(1);
  - (g) “MCRF” means Minimum Capital Requirement Floor and has the meaning as ascribed thereto by clause 3(5);
  - (h) “Net written premium” means an amount received by and owed to a registered insurer or registered reinsurer in respect of gross written premiums, less an amount equal to the premiums paid and owed by the registered insurer or registered reinsurer in respect of any reinsurance business over a period of 12 months;
  - (i) “ORC” means Operational Risk Capital;
  - (j) “Operating expenses” means gross expenses incurred in carrying on the insurer’s day-to-day activities including but not limited to, claims handling expenses, management expenses, asset management and fund management fees. Operating expenses exclude once-off expenses such as (but not limited to):
    - (i) acquisition expenses relating to the cost of acquiring new business;
    - (ii) the write-down of inventories to net realisable value and the write-down of property, plant and equipment to recoverable amount and the reversal of such write-downs;

- (iii) a restructuring of the activities of the enterprise and the reversal of any provisions for the restructuring;
  - (iv) losses on disposals of items of property, plant and equipment;
  - (v) losses on disposals of long term investments;
  - (vi) gains and losses arising from natural disasters; and
  - (vii) asset management or fund management fees directly related to linked policies.
- (k) “registered long-term insurer” means an insurer that is registered to carry on the business of long-term insurance;
- (l) “registered long-term reinsurer” means a reinsurer that is registered to carry on business of long-term reinsurance;
- (m) “registered short-term insurer” means an insurer that is registered to carry on the business of short-term insurance;
- (n) “registered short-term reinsurer” means a reinsurer that is registered to carry on a business of short-term reinsurance;
- (o) “SCR” means Solvency Capital Requirement and has the meaning as ascribed thereto by clause 4; and
- (p) “technical liabilities” has the meaning ascribed thereto by clause 3 in standard INS.S. 2.2.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:
- (a) as defined in section 1 of the Act -
- (i) banking institution;
  - (ii) corporate body;
  - (iii) insurer;
  - (iv) NAMFISA;
  - (v) reinsurer; and
  - (vi) valuator;
- (b) as defined in section 4 of the Act -
- (i) capital adequacy requirement;
  - (ii) long-term insurance;
  - (iii) policyholder;
  - (iv) premium;
  - (v) registered insurer;
  - (vi) registered reinsurer; and

- (vii) short-term insurance;
- (c) as defined in section 162 of the Act:
  - (i) collective investment scheme; and
  - (ii) participatory interest.

### **Applicability**

2. This Standard applies to all insurers and reinsurers registered pursuant to section 11

### **Minimum Capital Requirement (MCR) for registered insurers and registered reinsurers**

3. (1) The Minimum Capital Requirement (MCR) is the absolute minimum amount of capital that the registered insurer or registered reinsurer is required to hold for registration and ongoing operations.
- (2) No registered insurer or registered reinsurer shall operate below the MCR.
- (3) The Minimum Capital Requirement Floor (MCRF) is the minimum Namibia dollar amount that a registered insurer and registered reinsurer is required to hold for registration.
- (4) The MCRF must consist only of paid-up capital and retained earnings for registered short-term and long-term insurers and reinsurers.
- (5) The MCRF is set at:
- (a) N\$8,000,000, for a registered insurer operating more than one class;
  - (b) N\$ 2,000,000, for a registered insurer operating one class only;
  - (c) N\$200,000, for a registered insurer operating funeral insurance only;
  - (d) N\$200,000, for a registered insurer operating micro-insurance only;
  - (e) N\$12,000,000, for a registered reinsurer; and
  - (f) N\$200,000, for a cell under a cell captive. For a registered insurer or registered reinsurer engaged in cell captive business the MCRF for each cell shall be over and above the MCRF for the registered insurer's or reinsurer's normal business i.e. non-cell captive business.
- (6) Every registered insurer and registered reinsurer must at all times hold MCR which is equal to the higher of the values described in paragraphs (a) and (b):
- (a) (i) in respect of short-term insurers or reinsurers, the maximum of 15% of the net written premium during its last preceding financial year and 15% of the net written premium during the 12 months rolling period, excluding cell captive business; or
  - (ii) in respect of long-term insurers or reinsurers, 15% of the annualised operating expenses of the preceding 12 months, excluding cell captive business; and
- (b) the MCRF as specified in sub-clause (5).
- (7) The MCR for each cell under a cell captive shall be the higher of the values described in paragraphs (a) and (b):

- (a) (i) in respect of short-term insurers or reinsurers, the maximum of 15% of the net written premium during its last preceding financial year in respect of that cell and 15% of the net written premium during the 12 months rolling period in respect of that cell; or
- (b) (ii) in respect of long-term insurers or reinsurers, 15% of the annual premium equivalence in respect of that cell during the preceding 12 months; and
- (c) the MCRF as specified in sub-clause 5(f).
- (8) The formulae in the box below illustrates the MCR in sub-clause (a):

$$\begin{aligned} \text{MCR for a registered short-term insurers and registered reinsurers} = \\ \max\{15\% \times NWP_{NC}, MCRF_{NC}\} + \sum_i \max_i\{15\% \times NWP_{C_i}, MCRF_{C_i}\}; \text{ and} \\ \text{MCR for a registered long-term insurers and registered reinsurers} = \\ \max\{15\% \times OP \exp_{NC}, MCRF_{NC}\} + \sum_i \max_i\{15\% \times APE_{C_i}, MCRF_{C_i}\} \end{aligned}$$

**Where;**

$NWP_{NC}$  = is the maximum of the net written premium by the insurer during its last preceding financial year and the net written premium during the 12 months rolling period for non-cell captive business

$MCRF_{NC}$  = MCRF for non-cell captive business

$OP \exp_{NC}$  = is the annualised operating expenses of the insurer in the preceding 12 months for non-cell captive business

$NWP_{C_i}$  = is the maximum of the net written premium during its last preceding financial year and the net written premium during the 12 months rolling period for each cell,  $i$

$MCRF_{C_i}$  = MCRF for each cell,  $i$

$APE_{C_i}$  = Annual Premium Equivalent for each cell,  $i$

**Solvency Capital Requirement (SCR) for registered insurers and registered reinsurers**

4. (1) The Solvency Capital Requirement (SCR) is a cushion that protects the registered insurer or registered reinsurer against adverse experience or unexpected losses over the following year.
- (2) The SCR is set at an amount that ensures that an insurer's or reinsurer's capital will not fall by more than this amount in any given year with a 95% confidence level, i.e. the probability that the registered insurer or registered reinsurer fails in any given year is less than, or equal to, 5% which translates to at least a 1-in-20-year event.
- (3) Subject to sub-clause (1), the registered insurer or registered reinsurer is required to target a level of capital that is above the SCR.<sup>1</sup>

<sup>1</sup> Note that the approaches for the calculation of the SCR for a registered short-term insurer or registered short-term reinsurer and a registered long-term insurer or registered long-term reinsurer are different.



- (4) Every registered insurer or registered reinsurer must at all times hold SCR which is equal to -
- (a) in respect of a short-term insurer or reinsurer, the sum of Basic Solvency Capital Requirement (BSCR) and the Operational Risk Capital (ORC) of the insurer or reinsurer; and
  - (b) in respect of a long-term insurer or reinsurer, the SCR as determined in accordance with the formulae and guidelines provided in the professional guidance note, Standard of Actuarial Practice NSAP 104 of the Society of Actuaries of Namibia.
- (5) For purposes of paragraph (a) of sub-clause (4), the BSCR combines Insurance Risk, Market Risk and Credit Risk Capital charges and the calculation thereof is illustrated in Schedule 1 to this Standard, while the calculation of ORC is illustrated in Schedule 2 to this Standard.
- (6) For a registered insurer or registered reinsurer engaged in cell captive business the capital requirements for each cell shall be over and above the capital requirements for the registered insurer's or reinsurer's normal business i.e. non-cell captive business. For example, in addition to the registered insurer's or reinsurer's MCR or SCR, there shall be an MCR or SCR for each cell. However, for each cell the registered insurer or registered reinsurer will be able take credit for the diversification benefit between the cell and the registered insurer or registered reinsurer of up to 15% when aggregating the SCR for cell captive business.
- (7) The formula for calculating the individual cell SCR and the aggregate cell captive business SCR is as follows;

**For a cell underwriting short term business;**

$$\text{cellSCR} = \max(0, \sum_i 0.7 g_i * NWP_i + 0.3 * g_i * TL)$$

**For a cell underwriting long term business;**

$$\text{cellSCR} = \max(0, 0.3 * OP_{expenses} + 0.025 * TL)$$

**For the aggregate cell captive business SCR,  $\text{aggSCR}$  is as follows**

$$\text{aggSCR} \geq 0.85 * \sum_{\text{all cells}} \text{cellSCR}$$

**Where;**

$g_i$  = represents the factor for each class of business represented in schedule 1, Table 1 below

$NWP_i$  = the maximum of the net written premium during its last preceding financial year and net written premium during the 12 months rolling period for a class of business i.

TL = Technical liabilities as defined in clause 1 (n) above

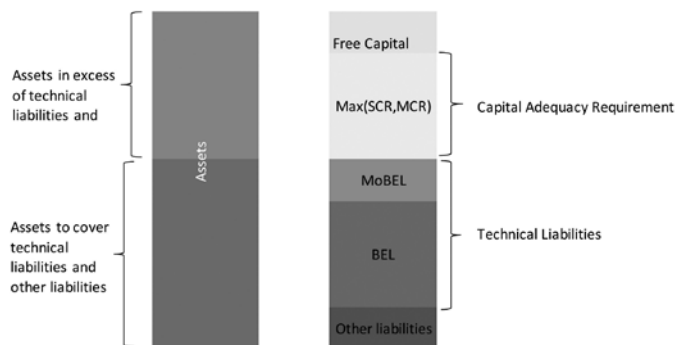
$OP_{expenses}$  = Operational expenses as defined in clause 1 (h)

### **Capital Adequacy Requirement**

5. (1) The registered insurer or registered reinsurer must at all times maintain admissible assets that exceed technical liabilities and the Capital Adequacy Requirement.
- (2) Capital Adequacy Requirement is the maximum of the SCR and the MCR.
- (3) The formula in the box below illustrates the Capital Adequacy Requirement for registered insurer or registered reinsurer given in sub-clause (2):

<b>Capital Adequacy Requirement = max {SCR, MCR}</b>
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(4) The graph below represents a summary illustration of Capital Adequacy Requirement for registered insurers and registered reinsurers:



**Notes:** The illustration is not to scale and the assets in the illustration exclude inadmissible assets. BEL and MoBEL are defined in Standard INS.S. 2.2.

(5) NAMFISA may, in writing, require a registered insurer or registered reinsurer to inject additional capital where it deems the risk profile of the registered insurer or registered reinsurer as atypical or where the risk profile has not been represented well by the standard SCR formula.

### Other requirements

6. (1) The registered insurer or registered reinsurer must ensure that dividends are not paid unless the valuator of the registered insurer or registered reinsurer has demonstrated and certified the ability of the insurer or reinsurer to pay dividends and still meet the Capital Adequacy Requirement.

(2) With the exception of dividend pay-out, a registered insurer or registered reinsurer must seek NAMFISA's prior written approval for any planned capital reductions which could adversely affect the solvency of the registered insurer or registered reinsurer.

(3) For purposes of sub-clause (2), capital reductions include, but is not limited to, a share buyback or the redemption, repurchase or repayment of the common equity (used to back the capital) issued by the registered insurer or registered reinsurer.

(4) A registered insurer or registered reinsurer must not, without obtaining NAMFISA's prior written approval, enter into an arrangement to purchase its own capital instrument or provide financial assistance to another party with a dominant purpose of facilitating the purchase by that other party of the registered insurer or registered reinsurer's own assets.

(5) Any arrangement referred to in sub-clause (4), if approved by NAMFISA, shall be subject to any limit imposed by NAMFISA.

(6) A registered insurer or registered reinsurer must provide NAMFISA with copies of documentation associated with the raising of additional capital within 30 calendar days from the date of issue.

(7) A registered insurer or registered reinsurer must obtain NAMFISA's prior written approval before the terms or conditions of a capital instrument are amended in a way that may affect its eligibility as a component of the Capital Adequacy Requirement.

### Variation of SCR

7. (1) Subject to clause 4(1), NAMFISA may, in its discretion, vary the SCR of a registered insurer or registered reinsurer if NAMFISA deems it necessary or appropriate to do so.

(2) A registered insurer or registered reinsurer may apply to NAMFISA for a variation of its SCR upon such circumstances that may warrant such a variation and upon dissolution or termination.

(3) An application referred to in sub-clause (2) must be in writing and must be accompanied by detailed supporting information, documents and explanations, and the applicant must provide NAMFISA with such further information, documents and explanations as NAMFISA may require.

### **Responsibility for capital management**

8. (1) The board of a registered insurer or registered reinsurer must ensure that the insurer or reinsurer, as a whole, has capital that is adequate for the scale, nature and complexity of its business and its risk profile to meet its obligations under a wide range of circumstances.

(2) The valuator of the registered insurer or registered reinsurer is responsible to the board of the insurer or reinsurer for performing or reviewing all aspects of the calculations of the Capital Adequacy Requirement to ensure that the calculations are complete and accurate.

### **Reporting - Compliance**

9. (1) A registered insurer or registered reinsurer must -

- (a) report quarterly to NAMFISA the details of its Capital Adequacy Requirements in electronic form via the applicable electronic system; and
- (b) submit annually to NAMFISA the actuarial report detailing its Capital Adequacy Requirements certified by the valuator and the board of the registered insurer or registered reinsurer.

(2) If the excess of admissible assets over liabilities of a registered insurer or registered reinsurer is above the Capital Adequacy Requirement, then the insurer or reinsurer will be subject to the normal reporting requirements of the Act and standards.

### **Reporting and intervention - Non-compliance**

10. (1) Notwithstanding the requirements of clause 9, in the event that any of the circumstances described in paragraphs (a), (b) or (c) below apply, the registered insurer or registered reinsurer concerned must, in writing, notify NAMFISA of the breach of the Capital Adequacy Requirement immediately, but in any event no later than 7 working days from the day that the breach has come to the attention of the registered insurer or registered reinsurer -

- (a) if the excess of admissible assets over liabilities falls to a level that is below the SCR but is still above 50% of the SCR and above the MCR;
- (b) if the excess of admissible assets over liabilities falls to a level that is less than 50% of SCR and above the MCR; or
- (c) if the excess of admissible assets over liabilities falls below the MCR.

(2) If paragraphs (a), (b) or (c) of sub-clause (1) applies, the registered insurer or registered reinsurer must, within 7 working days after NAMFISA has been notified of the breach in terms of sub-clause (1), publish a notice of the breach of the Capital Adequacy Requirement in a newspaper circulating at the place where the principal office of the registered insurer or registered reinsurer is located.

(3) In the case of non-compliance as stipulated in paragraph (a) of sub-clause (1), the registered insurer or registered reinsurer is subject to level 1 intervention by NAMFISA and such insurer or reinsurer must, within 30 calendar days of the notification under sub-clause (1), submit to NAMFISA a plan of remedial action to rectify the breach.

(4) If a registered insurer or registered reinsurer fails to comply with sub-clause (1) and (3), such insurer or reinsurer is liable to pay a penalty of N\$25,000 per month for as long as the non-compliance exists.

(5) In the case of non-compliance as stipulated in paragraph (b) of sub-clause (1), the registered insurer or registered reinsurer is subject to level 2 intervention by NAMFISA and such insurer or reinsurer must submit to NAMFISA -

(a) within 30 calendar days of the notification under sub-clause (1), a plan of remedial action to rectify the breach; and

(b) returns and other documentation or information as prescribed by NAMFISA, on a monthly basis, until such time as the breach is rectified.

(6) If a registered insurer or registered reinsurer fails to comply with sub-clause (5), such insurer or reinsurer is liable to pay a penalty of N\$25,000 per month for as long as the non-compliance exists.

(7) In the case of non-compliance as stipulated in paragraph (c) of sub-clause (1), the registered insurer or registered reinsurer is subject to level 3 intervention by NAMFISA and such insurer or reinsurer must, within 30 calendar days of the notification under sub-clause (1) or such shorter period as NAMFISA may specify, submit to NAMFISA a plan of remedial action to rectify the breach.

(8) Level 3 intervention results in NAMFISA placing the registered insurer or registered reinsurer under regulatory administration, which may result in the registration of the registered insurer or registered reinsurer being revoked and the insurer's or reinsurer's book being transferred to another registered insurer or registered reinsurer or the registered insurer or registered reinsurer being liquidated or wound-up.

(9) The table below summarises the intervention levels as referred to in sub-clauses (3), (5) and (7):

Capital Position	Level	Regulatory intervention
Meets Capital Adequacy Requirement	0	Normal reporting requirements
Below SCR but still above 50% of SCR and above MCR	1	Plan of remedial action within 30 days
Less than 50% of SCR and above MCR	2	Plan of remedial action within 30 days plus monthly reporting
Less than MCR	3	Regulatory administration of the insurer or reinsurer

### SUPPORTING SCHEDULES

**The following supporting schedules are attached to and form part of this Standard:**

Schedule 1: Calculation of Basic Solvency Capital Requirement (BSCR) for short-term insurance and short-term reinsurance

Schedule 2: Calculation of Operational Risk Capital (ORC) for registered short-term insurers and registered short-term reinsurers

## SCHEDULE 1

**Calculation of Basic Solvency Capital Requirement (BSCR) for short-term insurance and reinsurance: The BSCR is calculated as:**

$$\text{BSCR} = \sqrt{\text{IRC}^2 + \text{MRC}^2 + \text{CRC}^2}$$

where IRC, MRC and CRC are illustrated in clauses 1 to 3 below:

### 1. Insurance Risk Capital (IRC)

Insurance risk is the risk of loss arising from the inherent uncertainties about the occurrence, amount and timing of insurance liabilities, expenses and premiums.

IRC is calculated by multiplying the capital factors in Table 1 below with the net written premium (NWP) per class of class of business and summing across all 7 classes of class of business in Table 1.

$$\text{i.e.} \quad \sum_{i=1}^7 \text{NWP}_i * g_i$$

**Where:**

$\text{NWP}_i$  represents the maximum of the net written premium during the last preceding financial year and the net written premium during the 12 months rolling period for class of business  $i$ ; net of reinsurance premiums paid in respect of class of business  $i$ ; and

$g_i$  represents the factor for each class of business represented in Table 1.

**Table 1: Insurance risk factors**

$i$	Class of business $i$	Factor $g_i$
1	Fire	25%
2	Marine	32%
3	Guarantee	50%
4	Personal	25%
5	Miscellaneous	33%
6	Vehicles	20%
7	Aviation	50%

### 2. Market Risk Capital (MRC)

Market risk is the risk that, as a result of market movements, a firm may be exposed to fluctuations in the value of its assets or the income from its assets.

The total admissible assets that are held to cover the total liabilities (current, technical and other), but excluding assets held to cover the capital requirement are used to calculate the MCR.

MRC for each asset class is calculated by multiplying the asset amount with the applicable factor in Table 2 and then total MRC is found by summing up these items across all 6 asset classes in Table 2 below:

**Table 2: Market risk factors**

<b>Asset <i>i</i></b>		<b>Factor <i>i</i></b>
1	Cash and cash equivalent	0%
2	Fixed and variable interest securities with an outstanding duration of less than (or including) 4 years	5%
3	Fixed and variable interest securities with an outstanding duration of more than four years outstanding duration of more than 4 years	15%
4	Property	30%
5	Equity	35%
6	Other	40%

**Notes:** Examples of assets to be included in each asset category *i* are given below:

- (1) Cash and cash equivalent
  - (a) Bank notes and coins issued by the Bank of Namibia;
  - (b) Credit balance in an account with, or a deposit, including a negotiable certificate of deposit, and a bill accepted by banking institution registered under the Banking Institutions Act, No. 2 of 1998;
  - (c) Credit balance in an account with, or a deposit, including a negotiable certificate of deposit, and a bill accepted by an institution incorporated outside Namibia, which would have been a bank under the Banking Institutions Act, 1998 if it were incorporated in Namibia;
  - (d) Margin deposits on derivative instruments;
  - (e) Participatory interest in a Fixed Interest Money Market scheme that is a collective investment scheme registered under the Act, or any similar scheme subject to the laws of a country other than Namibia which laws establish a regulatory framework equivalent to that established by the Act, and are supervised by a regulatory authority;
  - (f) The following fixed and variable interest securities with an effective outstanding duration of less than or equal to one year:
    - (i) Securities issued by and loans made to the Government of Namibia under the State Finance Act, 1991, Act No. 3 of 1991;
    - (ii) Securities or loans guaranteed under the State Finance Act;
    - (iii) Securities issued by and loans made to or guaranteed by a public entity under the State Finance Act, 1991;
    - (iv) Securities issued by and loans made to or guaranteed by a public entity under the Agriculture Bank Act, 2003, Act No. 5 of 2003;
    - (v) Securities or loans with an outstanding duration of not more than one year which are issued by a corporate body established by a law of Namibia;
    - (vi) Listed securities issued by a government of a country other than Namibia or issued by an institution incorporated outside Namibia; and
  - (g) Redeemable fixed and variable rate preference shares with an effective outstanding duration to redemption of not more than one year.

(2) Fixed and variable interest securities with an outstanding duration of not more than four years. Examples include securities referred to in sub-clauses (1)(f) and (g) above but with an outstanding duration greater than a year but not more than four years.

(3) Fixed and variable interest securities with an outstanding duration of more than four years:

(a) Examples include securities referred to in sub-clauses (1)(f) and (g) above but with an outstanding duration of more than four years; and

(b) Irredeemable fixed or variable rate preference shares.

(4) Property including:

(a) Immovable property; and

(b) Participatory interest in a Collective Investment Scheme in Property registered under the Act or in any similar scheme subject to the laws of a country other than Namibia which laws establish a regulatory framework equivalent to that established by the Act and is supervised by a regulatory authority.

(5) Equity including:

(a) Listed or unlisted ordinary shares;

(b) Listed or unlisted depository receipt;

(c) Listed or unlisted loan stock;

(d) Listed or unlisted preference shares; and

(e) Participatory interest in a Collective Investment Scheme in Securities or a Collective Investment Scheme in Unlisted Securities registered under the Act or in any similar scheme subject to the laws of a country other than Namibia which laws establish a regulatory framework equivalent to that established by the Act and is supervised by a regulatory authority.

(6) “Other”, including but not limited to:

(a) Motor vehicles, furniture, office equipment;

(b) Derivatives (over-the-counter or exchange traded); and

(c) Any other assets not falling into the categories referred to in sub-clauses 2(1) to (6).

(7) Look-through Approach:

(a) In assessing the capital charge under market risk for participatory interests in Collective Investment Schemes, the registered insurer or reinsurer must use the look-through approach to capture all material exposures.

(b) When undertaking the look-through approach, the groupings in Table 2: Market Risk factors under item 2 must be used.

### **3. Credit Risk Capital (CRC)**

Credit risk is the risk of loss if another party fails to meet its financial obligations, or fails to perform them in a timely manner.

The total admissible assets that are held to cover the total liabilities (current, technical and other), but excluding assets held to cover the capital requirement are used to calculate the CRC.

CRC is determined by multiplying the asset value (of each rating category and term) with the relevant risk factor and summing these items. The factors for each category are shown in Table 3:

**Table 3: Credit risk factors**

Credit rating category <i>i</i>	International rating local currency	National Rating	Factor	
			Duration longer (and including) one year	Duration shorter than one year
1	AAA to AA-	Not applicable	1.0%	0.25%
2	A+ to A-	AAA to AAA+	4.1%	1.03%
3	BBB+ to BBB-	AA to AA-	5.0%	1.25%
4	BB+ to BB-	A+ to BBB	13.6%	3.40%
5	B+ to B-	BBB- to B-	22.4%	5.60%
6	CCC+ or below	CCC or below	44.8%	11.20%
7	Unrated	Unrated	Minimum 44.8%	Minimum 11.20%

The international local currency ratings in Table 3 above gives the credit ratings based on Standard and Poor's, Moody's, Fitch and GCR credit rating scale.

The following Table 4 of equivalent credit ratings should be used to allow for other credit ratings agencies:

**Table 4: Credit rating equivalents**

Credit rating category <i>i</i>	Standard & Poor's Fitch GCR	Moody's	AM Best
1	AAA to AA-	Aaa to Aa3	A++ to A-
2	A+ to A-	A1 to A3	B++ to B+
3	BBB+ to BBB-	Baa1 to Baa3	B to B-
4	BB+ to BB-	Ba1 to Ba3	C++ to C+
5	B+ to B-	B1 to B3	C to D
6	CCC+ or below	Caa1 or below	E or below

**Notes:**

- (1) In calculating MRC and CRC, the admissible assets are allocated to liabilities (current, technical and other). The amount of assets used should equal liabilities, excluding free assets and assets backing the Capital Adequacy Requirement.
- (2) Where the investment instrument does not have a credit rating but it is exposed to a credit-rated counterparty (e.g. a promissory note with XYZ bank) then the counterparty's credit rating should be applied.



- (3) For unrated assets, the minimum of 11.2% in Table 3 is applied only as a minimum, the credit quality of the instrument should be considered before applying this minimum.
- (4) Namibian Government debt instruments should carry a factor of zero %.
- (5) National ratings should only be used if no international rating is available.

## SCHEDULE 2

### Calculation of Operational Risk Capital (ORC) for short-term insurers and short-term reinsurers

Operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The ORC is calculated as follows: -

$$ORC = \min (0.3 * BSCR, \text{Basic ORC})$$

$$\text{Basic ORC} = \max (ORC_{\text{premium}}; ORC_{\text{liabilities}})$$

$$ORC_{\text{premium}} = 0.03 * GEP + \max (0; 0.03 * (GEP - 1.1 * GEP_{\text{prev}}))$$

$$ORC_{\text{liabilities}} = 0.03 * \max (0; GTL)$$

*GEP* represents the gross earned premium income of the registered insurer or registered reinsurer during the 12 months immediately preceding the day on which the calculation is made;

*GEP previous* represents the gross earned premium income of the insurer during the 12 months immediately preceding the day on which the previous financial year ended; and

*GTL* represents the amount of the total gross technical liabilities of the insurer.

## FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

### INSURANCE

#### THE DETERMINATION, CALCULATION AND VALUATION OF THE ASSETS AND LIABILITIES OF REGISTERED INSURERS FOR THE PURPOSES OF CAPITAL ADEQUACY, INCLUDING NAMFISA'S RIGHT TO CHANGE A VALUATION UNDER CIRCUMSTANCES DETERMINED IN SUCH STANDARD

#### Standard No: INS.S.2.2

*issued by NAMFISA under section 410(3)(g) of the Financial Institutions and Markets Act, 2021*

#### Definitions

1. (1) In this Standard, unless the context indicates otherwise -
  - a. "Act" means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - b. "actuarial best-estimate" has the meaning ascribed thereto by clause 5;
  - c. "AURR" means Additional Unexpired Risk Reserves and has the meaning ascribed thereto by clause 16(4);
  - d. "cash-back bonus" means a benefit provided for in a policy document that entitles a policyholder to a predetermined benefit on the expiry of a specified period and under specified circumstances;
  - e. "DAC" means Deferred Acquisition Cost;
  - f. "group undertaking", in relation to a registered insurer or reinsurer, means a juristic person in which the insurer or reinsurer alone or with its subsidiaries or holding company, directly holds 20% or more of the shares if the juristic person is a company, or 20% or more of any other ownership interest if the juristic person is not a company;
  - g. "IBNER" means Incurred But Not Enough Reported;
  - h. "IBNR" means Incurred But Not Reported reserves and has the meaning ascribed thereto by clause 14(1);
  - i. "Intercompany loans" means a loan or advance to an affiliate or associate;
  - j. "Minimum Capital Requirement (MCR)" has the meaning ascribed thereto in Standard INS.S.2.1;
  - k. "OCR" means Outstanding Claims Reserve and has the meaning ascribed thereto by clause 13(1);
  - l. "registered long-term insurer" means an insurer that is registered to carry on the business of long-term insurance;
  - m. "registered long-term reinsurer" means a reinsurer that is registered to carry on business of long-term reinsurance;
  - n. "registered short-term insurer" means an insurer that is registered to carry on the business of short-term insurance;

- o. “registered short-term reinsurer” means a reinsurer that is registered to carry on a business of short-term reinsurance;
- p. “UPR” means Unearned Premium Reserve and has the meaning ascribed thereto by clause 15(1);
- q. “URR” means Unexpired Risk Reserve and has the meaning ascribed thereto by clause 16(1);
- r. “technical liabilities” has the meaning ascribed thereto by clause 3;
- s. “Termination Capital Requirement (TCR)” means the amount required to ensure that no policy has a negative liability and no policy’s liability is less than its current surrender value as described in the Society of Actuaries of Namibia’s standard of actuarial practice, NSAP 104.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise including, without limitation, the following:

- (a) as defined in section 1 of the Act -

- (i) affiliate
- (ii) associate
- (iii) banking institution;
- (iv) board;
- (v) financial soundness;
- (vi) insurer;
- (vii) NAMFISA;
- (viii) reinsurer;
- (ix) valuator;

- (b) as defined in section 4 of the Act -

- (i) capital adequacy requirement;
- (ii) class of business.
- (iii) insurance;
- (iv) long-term insurance;
- (v) policy;
- (vi) registered insurer;
- (vii) registered reinsurer;
- (viii) reinsurance; and
- (ix) short-term insurance.

### **Applicability**

- 2. This Standard applies to all registered insurers and registered reinsurers.

### **Technical liabilities**

- 3. Technical liabilities are the amounts set aside to meet -

- (a) with respect to long-term insurance or long-term reinsurance, all liabilities arising out of long-term insurance or reinsurance policies and is made up of BEL and MoBEL; and
- (b) with respect to short-term insurance or short term reinsurance, all liabilities in respect of outstanding claims (whether reported or unreported), and future claims arising from unexpired exposures and is made up of BEL and MoBEL.

- 4. (1) Negative liabilities in respect of long-term insurance policies may be deducted from liabilities provided that -

- (a) total liabilities (including current liabilities) after such deduction are greater than or equal to zero; and
  - (b) an amount corresponding to the amount deducted from liabilities is added to the Termination Capital Requirement (TCR) component of the Solvency Capital Requirement (SCR), in accordance with the Society of Actuaries of Namibia's standard of actuarial practice, NSAP 104.
- (2) A negative liability in respect of a long-term insurance policy will generally arise when, at any stage in a policy's lifetime, the expected present value of future premiums exceeds the expected present value of future benefits and expenses.
- (3) These negative liabilities may be offset at the discretion of the valuator against liabilities of the registered long-term insurer or registered long term reinsurer.
- (4) Negative liabilities must be calculated per policy but may then be offset when aggregating against liabilities, i.e. for example a negative liability on a term policy may be used to offset the positive liability on an endowment policy.
- (5) If the valuator decides not to offset the negative liabilities, those liabilities must not be reflected as an insurance asset either.

#### **Best estimate of policyholder Liabilities (BEL)**

5. The valuation basis for BEL is the actuarial best-estimate, which means an assumption that -
- (a) is realistic, with no margins for prudence;
  - (b) depends on the nature of the business concerned; and
  - (c) is guided by immediate past experience, as modified by any knowledge or expectation of the future.

#### **Margin over the Best Estimate of policyholder Liabilities (MoBEL)**

6. (1) The Margin over the Best Estimate of policyholder Liabilities (MoBEL) shall be a margin for prudence and must -
- (a) be calculated per class of business as defined in the Act;
  - (b) in respect of short-term insurance, be calculated using standard actuarial and statistical methods such as value at risk, percentile approach or any method the valuator deems appropriate; and
  - (c) in respect of long-term insurance, comprise of both compulsory and discretionary margins as per the Society of Actuaries of Namibia's standard of actuarial practice, NSAP 104.
- (2) It should be noted that in the case where technical liabilities are calculated retrospectively, it may not be possible to separately report BEL and MoBEL.

#### **Segregation and level of detail in the data**

7. (1) In order to calculate technical liabilities, insurance and reinsurance obligations must be segmented by class of business.
- (2) Segmentation should achieve as much homogeneity as possible with due regard to the credibility of the resulting segments/groupings.

**Data**

8. (1) Registered insurers and registered reinsurers must have internal processes and procedures in place to ensure the appropriateness, completeness and accuracy of data within the meaning of clauses 9, 10 and 11 for the calculations of technical liabilities.

(2) The relevant actuarial standards should be used as an additional guide when assessing the quality of data for the calculation of technical liabilities.

**Appropriateness of data**

9. For data to be appropriate it must be -

- (a) suited for the purpose of valuation of technical liabilities and assets;
- (b) consistent with the methods and assumptions used for the valuation of technical liabilities and assets; and
- (c) appropriate for the purpose of reflecting the underlying risks.

**Completeness of data**

10. For data to be complete it must -

- (a) have sufficient granularity and information to identify trends and assess the characteristics of the underlying risk;
- (b) be available for each homogeneous risk group; and
- (c) not be excluded if relevant unless it is justifiable to do so.

**Accuracy of data**

11. For data to be considered accurate it must be -

- (a) free of errors;
- (b) consistent with the treatment of similar data from different time periods when making the same estimation;
- (c) recorded in a consistent manner over time; and
- (d) recorded in a timely manner.

**Part I: Short-term insurance (clauses 12 to 16)****Valuation of technical liabilities: registered short-term insurers and reinsurers**

12. (1) The valuator of a registered short-term insurer or registered reinsurer must value the following liabilities and explain the methods used in the valuation:

- (a) Outstanding Claims Reserve (OCR);
- (b) Incurred But Not Reported Reserve (IBNR).
- (c) Unearned Premium Reserve (UPR);

**Unexpired Risk Reserve (URR); and**

(2) A liability for allocated claims handling costs must be taken into account, either separately or as part of the other liabilities specified in sub-clause (1).

(3) The actuarial best estimate of technical liabilities must be calculated on both a gross basis and net of outward reinsurance basis.

(4) The calculation of the actuarial best estimate must be gross of reinsurance receivables with the value of expected reinsurance recoveries being shown as an asset.

(5) The calculation of the technical liabilities must be based on an accident year basis. Where necessary, the underwriting year basis may be used to calculate technical liabilities then apportion to the appropriate accident year.

### **Outstanding Claims Reserve (OCR)**

13. (1) The Outstanding Claims Reserve (OCR) is the amount of the reserve set up in respect of liability for all reported outstanding claims that the insurer or reinsurer knows about at the valuation date.

(2) Where the amounts of outstanding claims of the registered insurers or registered reinsurer are known, the amount is to be provided in full.

(3) Where the amounts of outstanding claims can be reasonably estimated, the registered insurer or registered reinsurer may follow the case by case method after taking into account the explicit allowance for changes in the settlement pattern or average claim amounts, expenses and inflation, etc.

### **Incurred But Not Reported Reserve (IBNR)**

14. (1) Reserves must cover liabilities for both -

- (a) “true” or “pure” IBNR reserves which are claims that have been incurred but have not yet been reported to the registered insurer or registered reinsurer;
- (b) and Incurred But Not Enough Reported (IBNER) claims, which are expected changes in the estimated amount of the reported claims (decreases or increases) and does not include changes in the true IBNR.

(2) It is not necessary to establish separate liabilities for IBNR and for IBNER so long as the method used will take into account both elements.

(3) The method used to calculate the liabilities must be appropriate to the nature of the business and claims development pattern.

(4) The valuator must provide adequate explanation regarding the method adopted and the method must be consistent from year to year.

(5) In case the valuator decides to change the method previously adopted, sufficient explanation on the reason and impact need to be provided and the new method has to be approved by NAMFISA prior to adoption.

(6) Where the registered insurer or registered reinsurer does not have enough data, the simplified method illustrated in Schedule 1 must be used. Where the valuator is of the view that the simplified method is not appropriate for the class of business, then they can use a method they deem to be suitable and give an explanation on the choice of the method used.

### **Unearned Premium Reserve (UPR)**

15. (1) Unearned Premium Reserve (UPR) is the amount set aside from premiums written before the valuation date to cover risks incurred after that date, and is calculated net of commission.

(2) The UPR must be calculated using methods that are appropriate to the policy and -

- (a) in respect of fairly standard policies, standard methods such as the 365ths or 24ths methods should be used; and
- (b) the method used must take into account the terms of the policy and must be explained in the actuarial report.
  - a. In the case where the date of initiation of a policy is different from date of initiation of risk or attachment of risk, UPR must be considered from the date of initiation of the risk.
- (3) The reserve for cash-back bonuses may be added to form part of the UPR or it may form part of the URR.

#### **Additional Unexpired Risk Reserve (AURR)**

- 16. (1) If a registered short-term insurer or registered short-term reinsurer considers that its UPR is inadequate to cover future liabilities, it may create an AURR to cover the shortfall in the UPR.
- (2) The excess of the URR over the UPR, net of Deferred Acquisition Cost (DAC), is the Additional Unexpired Risk Reserve (AURR).
- (3) Unexpired Risk Reserve (URR) is the amount needed to cover the claims and expenses that are expected to emerge from an unexpired period of cover.
- (4) URR must be based on the expected future outflows (claims and expenses) less any premiums receivable.

#### **Part II: Long-term Insurance (clause 17)**

##### **Valuation of technical liabilities for registered long-term insurers and reinsurers**

- 17. (1) The valuation of technical liabilities for registered long-term insurers and registered long-term reinsurers must follow the “Financial Soundness Valuation of Liabilities” described in the Society of Actuaries of Namibia’s Standard of Actuarial Practice professional guidance note, NSAP 104.
- (2) Compliance with NSAP 104 of the Society of Actuaries of Namibia is mandatory for valuers performing valuations of registered long term insurers and reinsurers for the purposes of Capital Adequacy Requirement reporting.

#### **Part III: Requirements for both registered long-term and registered short-term insurers and reinsurers (clauses 18 to 25)**

##### **Valuation of Assets**

- 18. (1) Assets must be valued at fair value except where the Standard says otherwise.
- (2) Fair value is the amount for which the asset can be exchanged between knowledgeable and willing parties in an arm’s length transaction. This means quoted market prices must be used, alternatively, a mark to model valuation must be used if quoted market prices are not available.
- (3) The expected value of the reinsurance recoveries may be shown as an asset on the balance sheet or as a reduction in the technical liabilities.
- (4) Only the paid up share capital (ordinary and preference shares) and retained earnings of the registered insurer or registered reinsurer must be used to cover the Minimum Capital Requirement Floor (MCRF).

### **Assets which are inadmissible for the purpose of statutory valuation**

19. For the purpose of meeting the Capital Adequacy Requirement, the following assets are unsuitable for inclusion (these are also unsuitable for backing technical and other liabilities) -

- (a) own shares directly held by the registered insurer or registered reinsurer in the situation where the registered insurer or registered reinsurer has bought and is holding its own shares, thereby reducing the amount of capital available to absorb losses in a going concern or wind-up scenario;
- (b) intangible assets, such as goodwill, whose realisable value may be uncertain even during normal business conditions and may have no significant marketable value in a wind-up scenario;
- (c) future income tax credits whereby such credits may only be realisable if there are future taxable profits, which is improbable in the event of insolvency or a wind-up scenario;
- (d) assets derived under some accounting models in which certain items regarding future income are included implicitly or explicitly as asset values, which future income, in the event of a wind-up scenario, may be reduced;
- (e) equity investments in, and subordinated loans to, other registered insurers or registered reinsurers which are in excess of 10% of the total assets;
- (f) reciprocal cross holdings in the common shares of banking institutions and financial institutions: Reciprocal cross holdings in common shares (e.g. Insurer A holds shares of Insurer B and Insurer B in return holds shares of Insurer A also known as back-to-back placements, that are designed to artificially inflate the capital position of institutions must be fully deducted from capital available);
- (g) premium receivables older than four months excluding reinsurance recoveries;
- (h) intercompany loans that are issued at terms which are not market related; and
- (i) an amount representing a negative liability in respect of a long-term policy in terms of which the registered long-term insurer or registered long-term reinsurer concerned provides or undertakes to provide a policy benefit, provided that this clause shall not be construed as precluding the deduction of a negative liability in respect of a long-term policy from liabilities.

### **Valuation of group undertakings**

20. (1) The value of a group undertaking must be limited to the percentage of shareholding or other ownership interest of the registered insurer or registered reinsurer in the group undertaking multiplied by the lower of fair value or net asset value of the group undertaking.

(2) If the group undertaking is listed, the value referred to in sub-clause (1) may be increased by A multiplied by B, where -

**A** equals  $\text{Max}(\text{fair value} - \text{net asset value}, 0)$ ; and

**B** equals  $\text{Min}(20\%, \text{percentage of holding by insure in group undertaking})$ .

(3) Notwithstanding sub-clause (1), if the group undertaking is not a financial institution and banking institution, and its fair value is less than 0.25% of the value of the liabilities of the registered insurer or registered reinsurer, it may be valued at fair value.

(4) If there is more than one group undertaking as contemplated in sub-clause (3), each may be valued at fair value on condition that their combined fair value is not more than 2.5% of the liabilities of the registered insurer or registered reinsurer. If the combined fair value is more than



2.5% of the value of the liabilities of the registered insurer or registered reinsurer, only so many of them selected by the registered insurer or registered reinsurer, as will have a combined fair value of not more than 2.5% of the liabilities of the registered insurer or registered reinsurer may be valued at fair value, with the remaining to be valued as required by sub-clause (1).

(5) If the registered insurer or registered reinsurer holds securities, directly or indirectly, in its holding company, the value of these securities must for the purpose of this valuation be limited to 5% of liabilities if the holding company is listed, or nil if the holding company is not listed.

(6) Sub-clause (5) applies also where the registered insurer or registered reinsurer, directly, or indirectly through a subsidiary or trust, holds shares in its holding company under a share incentive scheme linked to shares in its holding company.

(7) Sub-clause (5) does not apply where the registered insurer or registered reinsurer holds shares in its holding company under a collective investment scheme, an index-based investment scheme or any similar investment scheme that is recognised generally by the international community of institutional investors.

(8) If a registered insurer or registered reinsurer has a cell in another registered insurer or registered reinsurer, the value of those shares must for the purposes of valuation be limited to the fair value of the admissible assets held in the cell, less the sum of the value of its liabilities and its capital requirement as reported by the insurer (that issued the cell) in respect of that cell.

(9) If a negative asset value is reported in sub-clause (8) and the shareholders' agreement provides that the registered insurer or registered reinsurer that owns the cell is accountable for losses and/or solvency, a liability must be raised for the full negative net asset value.

#### **Net asset value of a group undertaking**

21. (1) If the group undertaking is a financial institution, the net asset value of the group undertaking is the value of its assets, less the sum of the value of its liabilities and its capital requirement. The capital requirement must be calculated as required by the regulatory authority concerned.

(2) If the group undertaking is a company, and its main business is insurance or reinsurance, the registered insurer or registered reinsurer must, in calculating the net asset values, exclude so much of its capital and reserves as shareholders, other than the insurer or reinsurer, may withdraw in cash when they cease to be shareholders, in terms of the articles of association of, or a contract with, the group undertaking.

(3) In other cases, the net asset value of the group undertaking is the value of its assets, less the value of its liabilities.

(4) If the group undertaking carries on most of its business in Namibia, the net asset values must be calculated in accordance with the Generally Accepted Accounting Practice in Namibia.

(5) If the group undertaking carries on most of its business in another country, the net asset value must be calculated in accordance with accounting standards generally accepted in that country.

(6) In calculating the net asset values, the inadmissible assets specified in Standard INS.S.2.1 must be excluded, to the extent that, according to the registered insurer or registered reinsurer, they can be ascertained with reasonable effort and are material.

#### **General requirements**

22. (1) Generally, the valuation method of the assets and liabilities of a registered insurer or registered reinsurer and the approach taken must, at a minimum, consider the following -

- (a) assets and liabilities must be valued on a consistent basis to obtain a meaningful insight into the solvency position of the insurer or reinsurer and to understand the financial position of the insurer or reinsurer relative to that of other insurers or reinsurers;

- (b) valuation of assets and liabilities must be determined in a reliable, and, transparent manner and must take into account the relevant Namibian accounting and actuarial standards, as well as relevant regional industry and international best practice. ;
  - (c) all reasonable steps must be taken to ensure that all data provided by the insurer or reinsurer for the purpose of valuation of technical liabilities is appropriate and sufficient for the specified purpose; and
  - (d) recognition of insurance contracts -
    - (i) an insurance obligation must be deemed as “existing” and therefore included in the valuation of technical liabilities upon entering into a binding contract, that is, an insurance liability (or a part of an insurance liability) must not be derecognised until it is extinguished (i.e. until the obligation giving rise to the liability expires or is discharged or cancelled); and
    - (ii) even though reinsurance covering the liability (or part of the liability) has been purchased, in which case the liability must not be derecognised unless the purchase of reinsurance results in the discharge, novation or cancellation of the obligation giving rise to the liability.
- (2) The valuator -
- (a) in calculating the present value of a long-term insurance liability, must use a discount rate that is an actuarial best estimate of the yield expected to be earned by assets that are sufficient in value and appropriate in nature to cover the liabilities for the liability being discounted; and
  - (b) in its approach to estimating a suitable yield for the discount rate, must have adequate regard to the profile of the assets backing the liabilities (for asset-liability matching purposes).
- (3) The determination of the valuation of assets and liabilities must be aligned with generally accepted actuarial practices.

#### **NAMFISA’s powers to change valuation method**

23. (1) Where NAMFISA is of the opinion that any asset value or any liability value used by a registered insurer or registered reinsurer in the determination of its position with respect to the Capital Adequacy Requirement applicable to it -

- (a) does not comply with the requirements of this Standard or any general standards, guidelines, bulletins or rules that NAMFISA may have issued with respect to valuation methods and approaches pertaining to that particular category of assets or liabilities; or
- (b) does not represent a value that is appropriate for the purpose of assessing the financial position of the registered insurer or registered reinsurer for statutory purposes,

#### **NAMFISA may take any of the actions referred to in sub-clause (2).**

- (2) The actions NAMFISA may take pursuant to sub-clause (1) are -
- (a) direct that the registered insurer or registered reinsurer follow a specified valuation method for the valuation of the assets or liabilities in question after consultation with an independent valuator; or
  - (b) at the expense of the registered insurer or registered reinsurer, appoint an independent valuator or other expert having particular expertise in the valuation area concerned, to determine a value that will be used for the purposes of ascertaining the position of the registered insurer or registered reinsurer with respect to the capital adequacy requirement.

### Responsibility for financial condition valuations

24. (1) The board of a registered insurer or registered reinsurer has the responsibility of ensuring that the financial condition of the registered insurer or registered reinsurer is investigated and reported upon by a valuator, and must deposit a copy of such a report with NAMFISA.

(2) The valuator of a registered insurer or registered reinsurer is responsible for performing or reviewing all aspects of the calculations of the technical liabilities to ensure that the calculations are complete and accurate and must report such findings to the board of the insurer or reinsurer.

(3) The valuator -

- (a) must determine and certify the technical liabilities of the registered insurer or registered reinsurer;
- (b) must assess the quality of the data which is used for the calculation of the technical liabilities.

### SUPPORTING SCHEDULE

The following supporting schedule is attached to and forms part of this Standard:

Schedule: Simplified method for calculating of IBNR

### SCHEDULE

#### Simplified method for calculating IBNR

The following method must be used where there is insufficient data to use standard actuarial to calculate the IBNR reserves:

$$IBNR = \sum_{k=1}^8 \sum_{i=0}^5 NEP_{k,j-i} * f_{k,i}$$

$k$  represents each of the seven classes of short-term insurance business listed in Table 1;

$i$  represents each of the six development factors periods (0 to 5) listed in Table 1;

$j$  represents the year in which the amount is calculated;

$NEP_{k,j-i}$  represents the total amount of net earned premiums (exclusive of VAT and reduced by amount of reinsurance premiums paid in respect of those policies) under policies entered into in the 12 months immediately preceding the day on which the calculation is issued in year  $j-i$  disregarding exchange rate movements from previous periods; and

$f_{k,i}$  represents the calibrated factors listed in Table 1.

**Table1: IBNR Factors**

Class of business $k$	Factors per development period in percentage (%)					
	0	1	2	3	4	5
Marine	7.20	1.31	0.30	0.12	0.09	0.09
Aviation	7.20	1.31	0.30	0.12	0.09	0.09
Guarantee	16.32	5.00	1.78	0.86	0.60	0.53
Personal	5.98	0.88	0.15	0.04	0.03	0.02

Miscellaneous	7.18	1.17	0.25	0.11	0.09	0.08
Vehicles	3.43	0.47	0.09	0.04	0.03	0.03
Fire	5.98	0.88	0.15	0.04	0.03	0.02

**Example:**

The example below illustrates a registered insurer who operates only 2 classes of short-term insurance business, namely vehicle and fire. The vehicle business commenced in 2010 while the fire business commenced in 2012. Table 2 shows the net earned premium for the registered insurer over the past six years:

**Table 2: Net earned premium for the 2 classes of business**

Year	Net Earned premium (N\$ million)	
	Vehicles	Fire
2015	160	100
2014	120	90
2013	130	95
2012	100	80
2011	90	0
2010	80	0

Tables 3 and 4 shows how IBNR for the two classes of short-term insurance business is calculated using the net premiums in Table 2:

**Table 3: IBNR for Vehicles business**

Development period	0	1	2	3	4	5
Year	2015	2014	2013	2012	2011	2010
Development factors	3.43%	0.47%	0.09%	0.04%	0.03%	0.03%
Net premium	160	120	130	100	90	80
Resultant IBNR (NEP multiplied by the factor)	5.488	0.564	0.117	0.040	0.027	0.024

Total IBNR for vehicle business is  $5.488+0.564+0.117+0.040+0.027+0.024 = \text{N\$}6.26$  million

**Table 4: IBNR for Fire business**

Development period	0	1	2	3	4	5
Year	2015	2014	2013	2012	2011	2010
Development factors	6.62%	2.90%	1.92%	1.67%	1.60%	1.58%
Net premium	100	90	95	80	0	0
Resultant IBNR (NEP multiplied by the factor)	6.620	2.610	1.824	1.336	-	-

Total IBNR for Fire business is  $6.260+2.610+1.824+1.336 = \text{N\$}12.390$  million

The total IBNR for the insurer as at the 2015 year end is  $\text{N\$}12.390+\text{N\$}6.26 = \text{N\$}18.650$

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****INSURANCE****MANNER AND FORM OF APPLICATION FOR REGISTRATION OF INSURERS  
AND REINSURERS AND THE MANNER IN WHICH NAMFISA MAY APPROVE  
ADDITIONAL CLASSES OF LONG-TERM INSURANCE BUSINESS AND  
ADDITIONAL CLASSES OF SHORT-TERM INSURANCE BUSINESS  
FOR THE PURPOSES OF SECTION 8;****Standard No. INS.S.2.3**

*issued by NAMFISA under sections 9(2), 410(3)(bb) and 410(3)(dd) of the  
Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard -
- (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act; and
  - (b) “NAMFISA ERS” means the Electronic Regulatory System which facilitates communication between NAMFISA and financial institutions.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:
- (a) as defined in section 1 of the Act -
    - (i) actuary;
    - (ii) auditor;
    - (iii) document;
    - (iv) entity;
    - (v) financial institutions;
    - (vi) financial year;
    - (vii) NAMFISA;
    - (viii) principal officer;
  - (b) as defined in section 4 of the Act -
    - (i) capital adequacy requirement;
    - (ii) class;
    - (iii) insurer;
    - (iv) reinsurer;
    - (v) registered insurer; and
    - (vi) registered reinsurer.

**Applicability**

2. This Standard applies to all public companies applying for registration as insurers or reinsurers and the manner in which NAMFISA may approve additional classes of long-term insurance business and additional classes of short-term insurance business for the purposes of section 8 (hereinafter referred to as “applicants”).

**Application to be made to NAMFISA**

3. An application for registration as an insurer or reinsurer or the manner in which NAMFISA may approve additional classes of long-term insurance business and additional classes of short-term insurance business for the purposes of section 8; must be made to NAMFISA in accordance with clause 4.

**Particulars to be furnished upon application**

4. For the purposes of sub-section 9(2) of the Act, an application by a public company for registration as an insurer or reinsurer and for purposes of sub-section 410(3)(bb) of the Act, an application by a registered insurer or reinsurer must -

- (a) be in writing as specified in Schedule 1, FORM A, titled Application letter;
- (b) set out particulars specified in Schedule 2, FORM B, titled Application form, Schedule 3 FORM C, titled Business plan and Actuarial template and Schedule 4, FORM D, titled Fit and Proper Requirements;
- (c) be accompanied by the information and documents specified in section 10 of the Act;
- (d) be signed by the principal officer or any other person duly authorised to represent the applicant;
- (e) be accompanied by a list of staff(s) employed on legal terms to be used by NAMFISA ERS user(s) nominees as set out under Schedule 5 FORM E, titled NAMFISA ERS Nomination form;
- (f) provide proof of public notice required in terms of section 9(3) of the Act; and
- (f) provide proof that the application fee has been paid.

5. Applicants must disclose information as required in the application forms (per attached Schedules) supported by the necessary accompanying documents.

6. (1) An application, not complete in all respects and not conforming to the instructions specified in Schedules 2, 3 and 4 and this Standard, may be rejected on the basis of being non-compliant with this Standard.

(2) In instances where the application is deemed not complete, NAMFISA must give the applicant the opportunity to provide the required information to complete the application. The required information must be provided within 7 working days, failing which the application shall be rejected.

7. Notwithstanding clause 4, nothing shall prevent NAMFISA from seeking additional information and/or documents as may be reasonably necessary for processing of the application for registration.

8. The applicant or its duly authorised representative<sup>2</sup> may, if so required, be called to appear before NAMFISA for a personal representation in connection with an application.  
Documents to accompany the application

9. (1) The applicant must submit the documents listed in Schedule 2, FORM B including the following:

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<sup>2</sup> Applicant to attach the original copy of letter or document of authorisation

- (a) company status report (shareholders, board of directors, auditors, secretary etc);
- (b) proof that the insurer or reinsurer has published the notice required in terms of section 9(3) of the Act; and
- (e) a business plan projecting, in respect of section 10(1)(f) of the Act -
  - (i) a 3 year business plan containing the information as per Schedule 2; and
  - (ii) an actuarial report containing the information as per Schedule 2.
- (2) Where the applicant is part of a group, the applicant must submit -
  - (a) its corporate and group structure, indicating the whole group (inclusive of insurance legal entities, other entities and non-regulated entities); and
  - (b) information on the type of related party transactions with relationships between all material entities within the group, ownership, board and management and corporate governance.
- (3) The applicant must also provide information in the business plan to demonstrate the appropriateness of its systems of risk management and internal controls, including contracts with affiliates, outsourcing arrangements, information technology systems, policies and procedures.
- (4) The applicant must provide proof that they meet the minimum capital requirements as set out in Standard No. INS.S.2.1- Capital Adequacy.

#### **Fit and Proper requirements**

**10.** The applicant's appointed directors, principal officer and related key persons must complete the Form attached hereto as Schedule 4, FORM D entitled *Fit and Proper Requirements* and comply with the Standard No. GEN.S.10.2 - *Fit and Proper Standard*.

#### **Assessing criteria**

- 11.** (1) NAMFISA may rely on the following when assessing an application -
- (a) audits by external bodies;
  - (b) actuarial reports; and
  - (c) in the case of foreign subsidiaries, the opinion of other supervisors.
- (2) Notwithstanding sub-clause (1), NAMFISA may consider any other source, person, report or opinion deemed expedient and apply its own judgment in making the final decision on the application.
- (3) Before placing reliance on reports and opinions referred to in sub-clauses (1) and (2), NAMFISA should consider -
- (a) whether the external auditors, actuaries and persons have the necessary expertise and experience to perform the roles; and
  - (b) their independence from the applicant and the consideration they give to the protection of policyholders' interests.

#### **General requirements**

**12.** The applicant must meet the minimum capital requirements as set out in Standard No. INS.S.2.1- Capital Adequacy.

**13.** Where an applicant may need approval under other relevant legislation, it is the applicant's responsibility to ensure that all of the relevant approvals are obtained before application is made, where relevant, or prior to the commencement of insurance business operations.

#### **Submission**

**14.** An application must be completed in hard copies, signed by the principal officer of the registered insurer or reinsurer or a duly authorised representative of the applicant and submitted manually and electronically to NAMFISA together with supporting documents to -

- (a) the designated NAMFISA ERS user account; and
- (b) NAMFISA using either the postal or physical address.

#### **SUPPORTING SCHEDULES**

The following supporting schedules are attached to and form part of this Standard:

- Schedule 1:** FORM A - Application letter
- Schedule 2:** FORM B - Application form
- Schedule 3:** FORM C - Business plan and Actuarial template
- Schedule 4:** FORM D - Fit and Proper Requirements
- Schedule 5:** FORM E - NAMFISA ERS nomination form



**SCHEDULE 1****FORM A****APPLICATION LETTER****(To be completed in duplicate)****APPLICATION FOR REGISTRATION AS AN INSURER OR REINSURER/ APPLICATION FOR ADDITIONAL CLASS(ES) OF INSURANCE** *(Delete whichever not applicable)*

In terms of section 9 or 410(3)(bb) of the Financial Institutions And Markets Act of 2021 (Act No.2 of 2021) ("the Act") -

1. I, the undersigned, being the Principal Officer or authorised person of ..... duly empowered thereto as per the annexure hereto<sup>3</sup>, hereby apply for the registration of the said public company as an insurer/reinsurer (delete the one not applicable) to carry out, in Namibia, the following class(es) of insurance business, as defined in terms of section 8 of the Act:

- (a) .....
- (b) .....
- (c) .....
- (d) .....
- (e) .....

2. I submit with this application all the required documents in terms of this Standard.

3. The proof of registration fee of N\$..... as determined in terms of Standard GEN.S.10.23 is enclosed with the application.

.....  
**Signature (Principal Officer or authorised person)**

**Date:** .....

**Place:** .....

<sup>2</sup> Applicant to attach the original copy of letter or document of authorisation

**SCHEDULE 2****FORM B****APPLICATION FOR REGISTRATION AS AN INSURER OR REINSURER**

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I/ We the undersigned, do hereby apply for registration to carry on short-term or long-term (tick applicable one) insurance business in Namibia as an insurer or reinsure (delete the one not applicable) in terms of section 9 or 410(3)(bb) of the Financial Institutions And Markets Act, 2021 (Act No.2 of 2021) ("the Act").

**1. COMPANY INFORMATION**

- a) Name(s) of the Company: .....
- b) Registration No: .....
- c) Income Tax No: .....
- d) VAT No: .....
- e) Financial Year End: .....

**2. COMPANY CONTACT DETAILS**

- a) Physical Address (Principal Office): .....
- b) Postal Address: .....
- c) Tel No: .....
- d) Fax No: .....
- e) Email Address: .....
- f) Website: .....

**3. CLASS(ES) OF INSURANCE TO BE REGISTERED**  
**A. SHORT-TERM INSURANCE OR REINSURANCE**

- (1) Fire
  - (a) Fire and natural forces ☐
  - (b) Miscellaneous financial loss ☐
- (2) Marine
  - (a) Ships ☐
  - (b) Liability for ships ☐
- (3) Aviation
  - (a) Aircraft ☐
  - (b) Liability for aircraft ☐
- (4) Vehicles
  - (a) Land vehicles ☐
  - (b) Liability for motor vehicles ☐
- (5) Guarantee
- (6) Miscellaneous
  - (a) Personal accident ☐
  - (b) Sickness as defined in the regulations ☐
  - (c) General liability ☐
  - (d) Damage to property ☐
  - (e) Goods in transit ☐

- (f) Credit ☐
- (g) Railway rolling stock ☐
- (h) Legal expenses ☐
- (i) Expropriation and confiscation of property ☐

(7) Personal

#### **B. LONG-TERM INSURANCE OR REINSURANCE**

- (1) disability insurance business ☐
- (2) fund insurance business ☐
- (3) funeral insurance business ☐
- (4) health insurance business ☐
- (5) life insurance business ☐
- (6) sinking fund insurance business ☐

#### **4. APPOINTED PRINCIPAL OFFICER**

##### **(1) PERSONAL DETAILS**

First Names: .....

Surname: .....

ID / Passport No.: .....

Nationality: .....

Physical Address: .....

Postal Address: .....

Tel. Work: .....

Fax No: .....

Email Address: .....

##### **(2) EMPLOYMENT HISTORY**

Current Employer: .....

Date of Employment: .....

Position: .....

Previous Employer: .....

Period at previous employment: .....

Position at previous employment: .....

##### **(3) EDUCATIONAL BACKGROUND**

###### **(a) Secondary Education**

School Name: .....

Highest Qualification obtained: .....

Year: .....

###### **(b) Tertiary Education**

College/University Name: .....

Highest Qualification Obtained: .....

Year: .....

###### **(c) Additional Training Course (s)**

Institution Name: .....

Qualification Obtained: .....

Year: .....

(d) Code of Conduct not older than 12 months/ Police Clearance Certificate No .....

## 5. DETAILS OF THE COMPANY'S ACTUARY

Full Names : .....

Tel. No.: .....

Fax. No.: .....

Email Address: .....

Name of the Actuary's Association: .....

Actuary's Association Tel: .....

Actuary's Association Email address: .....

Educational and Professional qualifications: .....

Membership No.: .....

## 6. DETAILS OF THE COMPANY'S AUDITORS

Full Names: .....

Tel. No.: .....

Fax. No.: .....

Email Address: .....

Name of the Auditors or Auditors Association: .....

Membership No.: .....

## 7. BOARD OF DIRECTORS

Initials & Surname	Date appointed	Position

## 8. ATTACHMENTS

☐

(1) Proof of registration fee paid in terms of Standard GEN.S.10.23

☐

(2) Original Certified copies of the following latest and updated company documents: (every page of these documents to be certified)

(a) Memorandum of Association (CM2), in duplicate and signed. (The objectives must clearly include and comply with those set out in terms of section 10 (3) of the Act)

(b) Application for reservation of name (CM5)

(c) Articles of Association (CM44)

- (d) Certificate of Incorporation (CM1)
  - (e) Certificate to commence business (CM46)
  - (f) Certificate of change of name of company (CM9)
  - (g) Notice of registered office (CM22)
  - (h) Contents of Directors register (CM29)
  - (i) Special Resolutions with regard to above company documents (CM26)
  - (j) Notice of consent to appoint, change of name or resignation of auditor or removal of auditor (CM31)
- 
- ☐ (3) List of Directors (and all requirements as listed below for key persons)
  - ☐ (4) Detailed List of Shareholders & shareholding structure (Group Structure) up to the ultimate natural person/Trust in the group (with 20% shares or more)
  - ☐ (5) (a) Trusts within the shareholding structure (Group Structure where the Trust owns 20% shares or more, the applicant must provide original certified copies of)<sup>4</sup>:
    - Trust deed indicating the names of the beneficiaries
    - Trust certificate from Master of the Court clearly indicating natural person trustees
  - ☐ (6) Certified copy of Shareholders Agreements (between applicant and its direct shareholders)
  - ☐ (7) Certified copies of Share Certificates (valid and cancelled)(direct shareholders of applicant)
  - ☐ (8) Certified copy of Proof of Required Paid-up Share Capital (applicant's Bank statement clearly indicating capital funds received)
  - ☐ (9) Certified copy of detailed information on sources of funds (original sources of how funds/ income is generated/obtained e.g. dividends pay out, Board Resolution, fund/investments statements, contract agreement validating income)
  - ☐ (10) Certified copy of Treasury Deposits or alternative Securities approved by NAMFISA/Original bank guarantee
  - ☐ (11) Re-insurance Treaty(ies)/ letters of intent from the reinsurer(s) (including credit rating of respective reinsurer(s))
  - ☐ (12) Sample of Insurance Contract per product in business plan
  - ☐ (13) Certified copy of Municipality Certificate of Registration or /of Fitness
  - ☐ (14) Certified copy of Financial Intelligence Act 13 of 2012 (FIA) compliance policy of the applicant

<sup>4</sup> where minority shareholders have influence, documents may also be requested.

- ☐ (15) Completed FIA compliance questionnaire  
(The questionnaire should be initialled on each page by a Commissioner of Oaths, or Notary Public if applicant is residing outside Namibia)<sup>5</sup>
- ☐ (16) Completed Fit and Proper questionnaire of the applicant in terms of Schedule 4 (Legal persons)

**Principal Officer (PO)**

- ☐ (17) Abridge Curriculum Vitae of Principal Officer
- ☐ (18) Address of Principal Officer
- ☐ (19) Certified copy of Residence Permit or work permit, if not Namibian
- ☐ (20) Certified Police Clearance Certificate or receipt from all countries where the Principal Officer resided in, in the last 10 years<sup>6</sup>
- ☐ (21) (a) Certified copy(ies) of Educational Qualifications (The Principal Officer should possess minimum Tertiary Education qualification in insurance, finance, economics and law from an institution accredited by Namibia Qualification Authority with minimum 5 years senior and/or executive managerial experience OR any other relevant expertise or experience in insurance deemed appropriate by NAMFISA.) (attach proof of his or her relevant experience, including but not limited to reference letters from previous employers or clients or certificates of service from previous employers, or in the absence thereof, a declaration under oath confirming his or her relevant experience)
- ☐ (22) Certified copy(ies) of Identity Document /Passport
- ☐ (23) Completed Fit and Proper questionnaire (natural person) in terms of Schedule 4 (The questionnaire should be initialled on each page by the Commissioner of Oaths, or Notary Public where applicant resides outside Namibia. See footnote 1)

**Key person<sup>7</sup> (including Director(s), Shareholder(s) and/or a Manager(s))**

- ☐ (24) Abridged Curriculum Vitae(s) (CV) of Key persons (natural persons)
- ☐ (25) Certificate of service for Directors (applicable for applicant with past experience only)
- ☐ (26) Certified copies of each Key person's Identity Document /Passport (natural persons)
- ☐ (27) Certified copies of each Key person's Educational Qualifications (natural persons), Directors should possess minimum Grade 12 certificate OR ability to demonstrate and possess experience in terms of governance and/ or executive management<sup>8</sup> OR minimum 5 years managerial experience; Senior management

<sup>5</sup> No in-house commissioners are allowed in terms Regulation 7 of Justices of Peace and Commissioners of Oaths Act 1963(Act 16 of 1963)

<sup>6</sup> The Police clearance certificate should not be older than a year.

<sup>7</sup> Key persons are those individuals with the ability to control a regulated institution in terms of AML and/or those individuals holding more than 20% of the company's voting rights, or who hold senior management positions, e.g. CEO, etc.

<sup>8</sup> The applicant should provide details under Schedule 4 Fit & Proper questionnaire section C by disclosing in the letter of service and or sworn in affidavit that they possess the ability and necessary experience in terms of governance and/ or executive management.

should possess minimum Tertiary Education qualification in insurance, finance, economics or law from an institution accredited by Namibia Qualification Authority OR other relevant expertise or experience in insurance deemed appropriate by NAMFISA with minimum 3 years managerial experience<sup>9</sup>

- ☐ (28) Copy of each Key person's proof of residence or work permit (where applicant resides outside Namibia)
- ☐ (29) Completed Fit and Proper questionnaire of each Key person (natural persons, including those with 20% and more control of the entity)<sup>10</sup>
- ☐ (30) Completed Fit and Proper questionnaire of each Key person (Legal persons - legal shareholders)<sup>11</sup>
- ☐ (31) Certificate of Conduct (COC) / Police clearance certificate or receipt of each Key person from all countries (where they have resided in, in the last 10 years)<sup>12</sup>

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<sup>9</sup> The applicant should provide details under Schedule 4 Fit & Proper questionnaire section C by disclosing in the letter of service and or sworn in affidavit that they possess the ability and necessary experience in terms of governance and/ or executive management.

<sup>10</sup> The questionnaire should be initialled on each page by the Commissioner of Oath, or Notary Public if applicant is residing outside Namibia. (No in-house Commissioners of Oath are allowed.)

<sup>11</sup> Supra

<sup>12</sup> NOTE: COC'S should not be more than 12 months old. (Receipt of application for COC accepted upon application must be submitted within 6 months from registration.)

### SCHEDULE 3

#### FORM C

#### BUSINESS PLAN AND ACTUARIAL REPORT

##### 1. Business Plan Requirements

☐

Business Plan with 3 years financial projections with detailed explanations of assumptions applied including but not limited to the following:

- (1) Introduction
  - (a) background
  - (b) limitations
  - (c) financial and risk analysis
- (2) Proposed product(s)
  - (a) cover
  - (b) premiums
  - (c) target market/s
- (3) Business Strategy for a minimum period of 3 years
- (4) Areas of risk and uncertainty
  - (a) premium rates/estimates
  - (b) claims assumptions (high or low)
  - (c) risk of increasing claims frequency
  - (d) risk of increasing claims severity
  - (e) policy wording
  - (f) sales volumes
  - (g) investment/s
- (5) Financial projections assumptions (stress testing)
  - (a) sales volumes
  - (b) future sales growth
  - (c) investment returns
  - (d) claims experience
  - (e) inflation
  - (f) sales expenses
  - (g) administration expenses
  - (h) tax rate
  - (i) reinsurance
  - (j) claims reserve
- (6) Information Technology (IT) – a description of the applicant’s proposed IT environment and a risk assessment of the IT operations
- (7) Analysis of competitors showing both challenges and opportunities, and plans to address them
- (8) The reasons why the applicant believes it will be successful, and the overall growth strategy for achieving this success, including a discussion of key assumptions
- (9) Projection results -
  - (a) base projections or assumptions
  - (b) sensitivity analysis or Stress testing with contingency plans addressing the worst case and other adverse scenarios
- (10) Where applicable reliance on out of country (group/other) services and reasons for such reliance



- (11) Human capital outline
- (12) Conclusion - signed by actuary

## 2. Actuarial Report Requirements

☐ Certified and signed Actuarial Report and review of business plan including but not limited to the following information:

- (1) Scope
- (2) Background of the product(s)
- (3) Analysis -
  - (a) sensitivity analysis
  - (b) financial viability
  - (c) critical assumptions and methods
- (4) Details of the Product -
  - (a) proposed product
  - (b) distribution channels
  - (c) benefits of the product
  - (d) underwriting administration
  - (e) expenses on product
  - (f) reinsurance
  - (g) premium rates
- (5) Actuarial projections -
  - (a) claims experience analysis
  - (b) mortality rates
  - (c) premium rates/ pricing philosophy
  - (d) base projection/assumptions
  - (e) technical liabilities
  - (f) capital requirements
- (6) Risk management policy statement (brief summary of Policies, Procedures and Risk Management Controls)
- (7) Reinsurance management strategy
- (8) Conclusion – signed by actuary

## 3. Principal Officer's Declaration:

I hereby warrant that I have not been convicted by any court of any offence involving dishonesty, fraud, negligence or of an offence in terms of the Long-Term Insurance Act 5 of 1998, Short-Term Insurance Act 4 of 1998, Financial Institution And Markets Act 2021 (No. 2 of 2021) or any other law that regulates institutions in the financial sector for which I was imprisoned or fined.

By signing the document I confirm that:

- (1) the insurance business will be conducted in Namibia in compliance with the Act and;
- (2) will adhere to the requirements & conditions stated in this application form; and
- (3) all the above information is true and accurate and can be relied on and that I will disclose all necessary material information that may be required by NAMFISA. Where such information completed in this document, is incorrectly given or partially disclosed to NAMFISA, I accept that, I may be liable for prosecution.

Full Names: .....

Signature: .....

Date: .....

Place: .....

**SCHEDULE 4****FORM D****NATURAL PERSONS FIT AND PROPER (FAP) REQUIREMENTS QUESTIONNAIRE:  
LONG & SHORT-TERM INSURERS/REINSURERS (delete whichever is not applicable)****Date of submission to NAMFISA:** \_\_\_\_\_**(To be completed by all natural key persons)****SECTION A: (PERSONAL INFORMATION)**

- (1) Full names: .....
- (2) Previous names: .....
- (3) Current Nationality: .....
- (4) Previous Nationality: .....
- (5) Identification number (national identification or Passport number): .....
- (6) Date of Birth: .....
- (7) In case of a Sole Trader - Certificate for Registration of Defensive Name date and  
number: .....
- (8) Place of Birth: .....
- (9) Residential address/ Principal Place of business: .....
- (10) Postal address: .....
- (11) Telephone number: .....
- (12) Fax number: .....
- (13) E-mail address: .....
- (14) Mobile number: .....
- (15) Occupation: .....
- (16) Source of income: .....
- (17) Nature and location of business (where applicable): .....
- (18) Relation to Legal Person: .....

**SECTION B: (HONESTY AND INTEGRITY)**

If the answer to any of the questions is yes, provide full details on a separate page and attach certified documents to the form (to be supported with certified copy of Certificate of Conduct issued not longer than 12 months prior to application):

		YES	NO
1	Has any adverse finding been made against you within a period of ten years preceding the date of application in any civil or criminal proceedings by a court of law (whether in Namibia or elsewhere), in which you were found to have acted fraudulently, dishonestly, unprofessionally, dishonorably or in breach of a fiduciary duty?	<input type="checkbox"/>	<input type="checkbox"/>
2	Have you within a period of ten years preceding the date of application been found guilty by any professional or financial services industry body (whether in Namibia or elsewhere), of an act of dishonesty, negligence, incompetence or mismanagement?	<input type="checkbox"/>	<input type="checkbox"/>
3	Have you within a period of ten years preceding the date of application been denied membership of any body referred to in question 2 above on account of an act of dishonesty negligence, incompetence or mismanagement?	<input type="checkbox"/>	<input type="checkbox"/>
4	Have you within a period of ten years preceding the date of application been found guilty by any regulatory or supervisory body (whether in Namibia or elsewhere) or has an authorization to carry on business been refused, suspended or withdrawn by any such body on account of an act of dishonesty, negligence, incompetence or mismanagement?	<input type="checkbox"/>	<input type="checkbox"/>
5	Have you at any time prior to the date of application been disqualified or prohibited by any court of law (whether in Namibia or elsewhere) from taking part in the management of any company or other statutorily created, recognized or regulated body, irrespective whether such disqualification has since been lifted or not?	<input type="checkbox"/>	<input type="checkbox"/>
6	Have you been the subject of any investigation or disciplinary proceedings or has administrative action been taken or administrative penalties been imposed by any regulatory authority, professional or government body or agency, an exchange or a self-regulatory organisation (whether in Namibia, or elsewhere)?	<input type="checkbox"/>	<input type="checkbox"/>
7	Have you ever been refused authorization to carry on business by any regulatory body (whether in Namibia or elsewhere), or has such authorization ever been suspended or revoked by any such body, because of negligence, incompetence or mismanagement?	<input type="checkbox"/>	<input type="checkbox"/>
8	Are you subject to an order of a competent court holding you to be mentally unfit or disordered?	<input type="checkbox"/>	<input type="checkbox"/>
9	Have you within a period of ten years preceding the date of application been removed from or left office on account of misconduct relating to fraud, theft or the misappropriation of money, whether in Namibia or elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>
10	Have you within a period of ten years preceding the date of application been a director or member of a governing body of an entity at the time that such entity has been de-registered in terms of any legislative instrument?	<input type="checkbox"/>	<input type="checkbox"/>
11	Have you within a period of ten years preceding the date of application received a grant of amnesty or free pardon for any offence?	<input type="checkbox"/>	<input type="checkbox"/>
12	Has your estate ever been sequestrated either in Namibia or elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>
13	Have you ever been convicted of an offence or found to be liable under the Financial Intelligence Act, 2012 (Act No. 13 of 2012), and/or the Prevention of Organized Crime Act, 2004 (Act No. 29 of 2004), and/or the Prevention and Combating of Terrorist and Proliferation Activities Act, 2014 (Act No 4 of 2014) and/or any other similar Acts describing similar offences and/or liability in any country?	<input type="checkbox"/>	<input type="checkbox"/>
14	Do you have any additional information, which should be brought to NAMFISA's attention, which may have an impact on the evaluation, by NAMFISA of your good character and integrity?	<input type="checkbox"/>	<input type="checkbox"/>
15	Have you within a period of five years preceding the date of application been adversely listed on a Credit Bureau (whether in Namibia or elsewhere)?	<input type="checkbox"/>	<input type="checkbox"/>
16	Have you previously been appointed as a Principal Officer or Director in the financial services industry? If yes, provide more information, i.e. duration, which company, etc.	<input type="checkbox"/>	<input type="checkbox"/>

17	Are you involved in other corporate entities as a Director, Shareholder, Member, Trustee, etc? If yes, provide more information, i.e. duration, which corporate entity, etc.	<input type="checkbox"/>	<input type="checkbox"/>
18	Have you ever been disqualified from being a director of a company in terms of section 225 and section 226 of the Companies Act, 2004 (Act No. 28 of 2004)?	<input type="checkbox"/>	<input type="checkbox"/>
19	Have you been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies of honesty, integrity, fairness or ethical behavior in that management of that business?	<input type="checkbox"/>	<input type="checkbox"/>
20	Are you of bad repute in any business or financial community or any market?	<input type="checkbox"/>	<input type="checkbox"/>
21	Have you been the subject of civil or criminal proceedings or enforcement action, in relation to the management of an entity, or commercial or professional activities, which were determined adversely to the person (including by the person consenting to an order or direction, or giving an undertaking, not to engage in unlawful or improper conduct) and which reflected adversely on the person's competence, diligence, judgement, honesty or integrity?	<input type="checkbox"/>	<input type="checkbox"/>
22	Have you ever been the subject to any judgment debt that remains outstanding or has not been satisfied within 30 days from date of knowledge?	<input type="checkbox"/>	<input type="checkbox"/>
	Has any corporate entity in respect of which you are or were a Member, Shareholder, Director, Trustee or officer ever been convicted or an offence or found to be liable under the Financial Intelligence Act, 2012 (Act No. 13 of 2012), and/or the Prevention of Organized Crime Act, 2004 (Act No. 29 of 2004), and/or the Prevention and Combating of Terrorist and Proliferation Activities Act, 2014 (Act No. 4 of 2014) and/or any other similar Acts describing similar offences and/or liability in any country?	<input type="checkbox"/>	<input type="checkbox"/>

### **SECTION C: (COMPETENCE)**

- (1) Qualifications and Training: Certified copies of the qualifications and training to be attached.

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- (2) Experience:  
Relevant employment history and/or experience in the industry: To be supported with proof of relevant experience, including but not limited to reference letters from previous employers or clients or certificates of service from previous employers. Enclose detailed Curriculum Vitae (CV) of each Director/Member/Trustee/Partner/Owner/ Key person of the business.

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**SECTION C: COMPETENCE – NATURAL PERSON KEY RESPONSIBLE PERSON**

Full name(s) of Natural Person Key Responsible Person:

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**C.1 Training** (complete table below):

Qualification	Institution	Date obtained

**C.2 Experience** (complete table below):

Relevant employment history and/or experience in the industry: (To be supported with proof of relevant experience, including but not limited to reference letters from previous employers or clients or certificates of service from previous employers). Enclose detailed Curriculum Vitae (CV) of the natural person key responsible person.

Position held	Employer	Contact Details	Period

**DECLARATION BY THE NATURAL KEY PERSON**

I, \_\_\_\_\_ (full names) hereby declare under oath/affirm as follows:

This statement consists of \_\_\_\_\_ pages, each initialed by me. The content of this statement is true and correct to the best of my knowledge and belief.

I undertake that, as long as I continue to be a key person of the registered insurer or registered reinsurer, I will notify NAMFISA of any material changes to, or affecting the completeness or accuracy of, the information supplied to NAMFISA in this statement as soon as possible, but in any event no later than 30 days from the day that the changes come to my attention.

I know and understand the content of this declaration. I do not have objections to taking the prescribed oath/affirmation. I consider the prescribed oath/affirmation to be binding on my conscience.

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**SIGNATURE OF DEPONENT**

I hereby declare that the deponent has sworn to and signed this statement in my presence at on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ and he/she declared as follows: that the facts herein contained fall within his/her personal knowledge and that he/she understands the contents hereof; that he/she has no objection to taking the oath/affirmation; that he/she regards the oath/affirmation as binding on her conscience.

**COMMISSIONER OF OATHS OR PUBLIC NOTARY**

FULL NAMES: \_\_\_\_\_

CAPACITY: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

**SECTION E: INFORMATION - LEGAL PERSON KEY RESPONSIBLE PERSON**

E.1 Full registered name: \_\_\_\_\_

E.2 Previously registered name(s): \_\_\_\_\_

E.3 Trading name(s): \_\_\_\_\_

E.4 Corporate entity/legal person registration No.: \_\_\_\_\_

E.5 Country of registration: \_\_\_\_\_

E.6 If not incorporated in Namibia please provide description of the corporate entity/legal person: \_\_\_\_\_

E.7 Income Tax Registration No. and VAT Registration No., if applicable: \_\_\_\_\_

E.8 Financial year end: \_\_\_\_\_

E.9 Nature of business: \_\_\_\_\_

E.10 Registered address: \_\_\_\_\_

E.11 Principal place of business: \_\_\_\_\_

E.12 Contact person: \_\_\_\_\_

E.13 Postal address: \_\_\_\_\_

E.14 Telephone No: \_\_\_\_\_

E.15 Fax No: \_\_\_\_\_

E.16 Mobile No: \_\_\_\_\_

E.17 Is the corporate entity/legal person subject to financial services regulation in a foreign country or a financial services intermediary?: \_\_\_\_\_

E.18 If yes, which jurisdiction: \_\_\_\_\_

E.19 Name of foreign regulator(s): \_\_\_\_\_

**SECTION F: HONESTY AND INTEGRITY – LEGAL PERSON KEY RESPONSIBLE PERSON**

Full name(s) of legal person: \_\_\_\_\_

If the answer to any of the questions is yes, provide full details on a separate page and attach certified documents to the form:

		YES	NO
1	Has any adverse finding been made against the legal person within a period of ten years preceding the date of application in any civil or criminal proceedings by a court of law (whether in Namibia or elsewhere), in which the legal person has been found to have acted fraudulently, dishonestly, unprofessionally, dishonorably or in breach of a fiduciary duty?	<input type="checkbox"/>	<input type="checkbox"/>
2	Has the legal person within a period of ten years preceding the date of application, been found guilty by any professional, financial services industry or regulatory body (whether in Namibia or elsewhere), of an act of dishonesty, negligence, incompetence or mismanagement?	<input type="checkbox"/>	<input type="checkbox"/>
3	Has the legal person within a period of ten years preceding the date of application, been denied membership of any body referred to in question 2 above on account of an act of dishonesty, negligence, incompetence or mismanagement?	<input type="checkbox"/>	<input type="checkbox"/>
4	Has the legal person within a period of ten years preceding the date of application, been found guilty by any regulatory or supervisory body (whether in Namibia or elsewhere), or has an authorization to carry on business been refused, suspended or withdrawn by any such body on account of an act of dishonesty, negligence, incompetence or mismanagement?	<input type="checkbox"/>	<input type="checkbox"/>
5	Has the legal person at any time prior to the date of application been disqualified or prohibited by any court of law (whether in Namibia or elsewhere) from taking part in the management of any other corporate entity or other statutorily created, recognized or regulated body, irrespective whether such disqualification has since been lifted or not?	<input type="checkbox"/>	<input type="checkbox"/>
6	Has the legal person been the subject of any investigation or disciplinary proceedings or has administrative action been taken or administrative penalties been imposed by any regulatory authority, professional or government body or agency, an exchange or self-regulatory organisation (whether in Namibia or elsewhere)?	<input type="checkbox"/>	<input type="checkbox"/>
7	Has the legal person ever been refused authorization to carry on business by any regulatory body (whether in Namibia or elsewhere), or has such authorization ever been suspended or revoked by any such body, because of negligence, incompetence or mismanagement?	<input type="checkbox"/>	<input type="checkbox"/>
8	Has the legal person ever been placed under judicial management, insolvency, liquidation or any other processes of a similar nature?	<input type="checkbox"/>	<input type="checkbox"/>
9	Has the legal person ever been convicted of an offence or found to be liable under the Financial Intelligence Act, 2012 (Act No. 13 of 2012), and/or the Prevention of Organized Crime Act, 2004 (Act No. 29 of 2004), and/or the Prevention and Combating of Terrorist and Proliferation Activities Act, 2014 (Act No. 4 of 2014) and/or any other similar Acts describing similar offences and/or liability in any country?	<input type="checkbox"/>	<input type="checkbox"/>
10	Does the legal person have any additional information, which should be brought to NAMFISA's attention, which may have an impact on the evaluation by NAMFISA of the legal person's conduct?	<input type="checkbox"/>	<input type="checkbox"/>

**SECTION G: SOURCE OF FUNDS AND AMOUNT OF SHARE CAPITAL:**

Full name(s) of Legal Person Key Responsible Person: \_\_\_\_\_

G.1 Source of Funds: \_\_\_\_\_

G.2 Amount of share capital:

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**NB: Kindly note that all source of funds must be properly and thoroughly supported with documentary evidence of how the money was earned, i.e. what activities were conducted to generate the funds.**

**DECLARATION BY APPLICANT WHERE THE KEY RESPONSIBLE PERSON IS A LEGAL PERSON**

I, \_\_\_\_\_ (full names) in my capacity as \_\_\_\_\_ of the applicant referred to herein, hereby declare under oath/affirm as follows:

This statement consists of \_\_\_\_\_ pages, was completed by me. The contents of this statement are true to the best of my knowledge and belief.

I undertake that, as long as I continue to be a \_\_\_\_\_ of the entity, I will notify NAMFISA of any material changes to, or affecting the completeness or accuracy of, the information supplied to NAMFISA as soon as possible, but in any event no later than 30 days from the day that the changes come to my attention.

I know and understand the content of this declaration. I do not have objections to taking the prescribed oath/affirmation. I consider the prescribed oath/affirmation to be binding on my conscience.

**SIGNATURE OF DEPONENT**

I hereby declare that the deponent has sworn/affirmed to and signed the declaration in my presence at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_ and he/she declared as follows: that the facts herein contained fall within his or her personal knowledge and that he/she understands the contents hereof; that he/she has no objection to taking the oath/affirmation; that he/she regards the oath/affirmation as binding on his/her conscience.

**COMMISSIONER OF OATHS**

FULL NAMES: \_\_\_\_\_

CAPACITY: \_\_\_\_\_

ADDRESS: \_\_\_\_\_



**SCHEDULE 5****FORM D****NAMFISA ELECTRONIC REGULATORY SYSTEM (ERS) Nomination form**

<b>Registered name:</b>			
List ERS user nominees			
Name of Nominee		Designation (i.e. Principal Officer, Director, Member or Owner/etc.)	E-mail Address
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
<b>Authorised Signature (Chief Executive Officer/Managing Director/Owner/Principal Officer):</b>			
<b>Designation:</b>			
<b>Please print name and sign below:</b>			
	Name (print)		
	Signature		
	Date		

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****INSURANCE****REGISTRATION REQUIREMENTS FOR INSURANCE BROKER****Standard No. INS.S. 2.4**

*issued by NAMFISA under sections 410(3)(r) and 58(1)(b) of the  
Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:

(a) as defined in section 1 of the Act -

- (i) corporate body;
- (ii) NAMFISA

(b) as defined in section 4 of the Act -

- (i) registered insurer;
- (ii) registered reinsurer

(c) as defined in section 53 of the Act -

- (i) insurance broker;
- (ii) corporate insurance broker;
- (iii) registered insurance broker;
- (iv) registered corporate insurance broker.

2. This Standard applies to all individuals and corporations applying for registration as an insurance broker (hereinafter referred to as “applicants”), and to any registered insurer or registered reinsurer with which an insurance broker contracts.

**Where to apply**

3. An application for registration as an insurance broker must be submitted to NAMFISA in accordance with clause 8.

**General requirements**

4. (1) Each applicant must complete one of the following application forms, as applicable:

- (a) if the applicant is an individual, the form entitled Application for Registration as an Insurance Broker attached hereto as Schedule 1; or
- (b) if the applicant is a corporation, the form entitled Application for Registration as a Corporate Insurance Broker attached hereto as Schedule 2.

(2) Each applicant must complete the form entitled Fit and Proper Requirements attached hereto as Schedule 3.

5. Applicants must disclose information as required in the application form or through accompanying documents.
6. An applicant must submit with the application form -
  - (1) certified copies of the following -
    - (a) appointment letter from the registered corporate insurance broker if the applicant is or will be employed or contracted by a registered corporate insurance broker;
    - (b) any other documents that the applicant considers relevant or that NAMFISA may require;
  - (2) an errors and omissions insurance policy pursuant to subsection 58(4)(a) of the Act; and
  - (3) if the applicant will have employees or contracted insurance brokers carrying on the activities of an insurance broker, adequate fidelity insurance policy pursuant to subsection 58(4)(b) of the Act.
7. In the case of an applicant for registration as a corporate insurance broker, the applicant must submit certified copies of its founding and registration documents, including the following:
  - (c) memorandum and articles of association/founding statement; and
  - (d) share certificates or certificate of member's interest.

#### **Submission**

8. An application for registration as an insurance broker must be completed in hard copies, signed by the principal officer and submitted manually and electronically to NAMFISA together with supporting documents to -
  - (a) the designated NAMFISA ERS user account; and
  - (b) NAMFISA using either the postal or physical address.

#### **9. SUPPORTING SCHEDULES**

The following supporting schedules are attached to and form part of this Standard -

- Schedule 1:** Application for Registration as an Insurance Broker  
**Schedule 2:** Application for Registration as a Corporate Insurance Broker  
**Schedule 3:** Fit and Proper Requirements

**SCHEDULE 1****APPLICATION FORM<sup>13</sup> FOR REGISTRATION AS A LONG-TERM /SHORT-TERM****INSURANCE BROKER***Individual/Natural Person*

I, the undersigned, do hereby apply for registration to carry on the business of insurance broker in Namibia pursuant to section 55 of the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021) (the “Act”).

**1. DETAILS OF APPLICANT**

Full Name(s): .....

Surname: .....

Nick Name (if any): .....

Current/other NAMFISA License Number: .....

ID/Passport Number: .....

Gender: .....

Marital Status: .....

Income Tax Number: .....

**2. CONTACT DETAILS****A) Work address contact details**

Physical Address: .....

Postal Address: .....

Telephone Number: .....

Facsimile Number: .....

E-mail address: .....

**B) HOME ADDRESS AND CONTACT DETAILS**

Physical Address: .....

Postal Address: .....

Telephone Number: .....

Mobile Number: .....

<sup>13</sup> Application forms referred to in this document may be obtained from the offices of NAMFISA, P.O. Box 21250, Windhoek NAMIBIA, 154 Independence Avenue 1st Floor, Sanlam Centre, Tel: (+264 61) 290 5000, Fax (+264 61) 256303, E-mail: info@namfisa.com.na

**3. EMPLOYMENT HISTORY**

Current Employer: .....

Position: .....

Period of employment: .....

Previous Employer: .....

Position: .....

Period of employment: .....

**4. EDUCATIONAL QUALIFICATIONS**

Highest qualifications: .....

Relevant training attended: .....

**5. BANKING DETAILS**

Bank Name: .....

Branch Name: .....

Branch Code: .....

Account Number: .....

Account Type: .....

**6. PERIOD OF Financial YEAR .....****7. ATTACHMENTS**

- (i) Registration fee N\$ 200.00
- (ii) RProof of bank account
- (iii) RIf registered with NAMFISA previously, proof of payment of annual fee
- (iv) RAbridged or shortened CV
- (v) Rmarriage certificate (if name different from name on copy of ID)
- (vi) RCertified copies of Highest Educational Qualification(s)
- (vii) RAffidavit and Fit and proper questionnaire signed in front of Commissioner of Oath
- (viii) RCertified copy of ID/valid passport
- (ix) RResidence permit or work permit (if not a Namibian citizen)
- (x) RProfessional indemnity insurance cover certificate
- (xi) RProof of registration as a tax payer from the Receiver of Revenue

All copies of original documents must be duly certified. Copies made from certified documents will not be accepted.

**8. DECLARATION**

I hereby declare that I have not been convicted by any court of any offence involving dishonesty, or of an offence in terms of the Act or of the Long-term Insurance Act, 1998 (Act No. 5 of 1998) / Short-term Insurance Act, 1998 (Act No. 4 of 1998) and Long-term Insurance Act, 1943.

By signing the document I declare that:

- a. The long-term/short-term insurance broker business undertaken by me will be conducted in Namibia in compliance with the Act and the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;

- b. I will adhere to the requirements and conditions stated in this application form; and
- c. All the information contained in this application is true and accurate and can be relied upon and I have disclosed all necessary material information that may be required by NAMFISA. In the event that any information provided in this application is incorrect or not fully disclosed, I accept that my registration as an insurance broker may be cancelled in accordance with the provisions of the Act.

Full Name: .....

Signature: .....

Date: .....

Place: .....

## **9. REQUIREMENTS FOR CARRYING LONG-TERM/SHORT TERM INSURANCE BROKER BUSINESS IN NAMIBIA**

### **9.1 PAYMENT OF ANNUAL FEES**

An annual fee of N\$1000.00 is payable.

### **9.2 SUBMISSION OF ANNUAL RETURNS**

Every insurance broker is required to;

- i. Keep proper accounts of, and financial information relating to the long-term/short-term insurance broker business carried on; and
- ii. Annually, within 90 days after the end of the financial year, submit annual returns to NAMFISA in accordance with tandard No. INS.S.2.6 and such other information as NAMFISA may require.

### **9.3 PROFESSIONAL INDEMNITY POLICY**

Every insurance broker must have and maintain a professional indemnity insurance policy with a limit of liability of not less than N\$500 000. The policy in respect of professional indemnity insurance must be issued by a registered insurer in Namibia.

## **10. REMUNERATION**

Commission payable to an insurance broker must be in accordance with Standard No. INS.S. 2.9

### **10.1 Limitation**

Consideration other than commission in monetary form must not directly or indirectly be paid, allowed or given to or accepted by an insurance broker.

Refer to INS.S. 2.9

## **11. CANCELLATION OF REGISTRATION**

### **Voluntarily Cancellation of Registration**

An application for cancellation of registration may be made at the offices of NAMFISA pursuant to section 65 of the Act.

**(Application form for cancellation of registration is available at the offices of NAMFISA).**

### **Cancellation of Registration by NAMFISA**

Registration may be cancelled by NAMFISA pursuant to section 66 of the Act.

## **12. CHANGE OF CONTACT DETAILS**

New contact details must be submitted in writing to NAMFISA including physical, postal and email addresses, telephone, mobile and facsimile Numbers.

**13. MOVEMENT OF INSURANCE BROKER WITHIN THE INDUSTRY**

NAMFISA must be notified immediately of any movement of an insurance broker from one insurance broker to another or upon an insurance broker exiting the industry.

**SCHEDULE 2****APPLICATION FORM<sup>14</sup> FOR REGISTRATION AS A LONG-TERM/SHORT-TERM  
CORPORATE INSURANCE BROKER**

FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 (ACT NO. 2 of 2021)

I, the undersigned, do hereby apply on behalf of [insert name of corporate body] for registration to carry on the business of corporate insurance broker in Namibia pursuant to section 57 of the Financial Institutions and Markets Act, 2021 (Act. No. 2 of 2021) (the “Act”).

**1. DETAILS OF APPLICANT CORPORATE BODY**

Full Name: .....  
 Company Registration Number: .....  
 VAT Number: .....  
 Current/other NAMFISA License Number: .....

**CONTACT DETAILS**

Physical Address: .....  
 Postal Address: .....  
 Telephone Number: .....  
 Facsimile Number: .....  
 E-Mail Address: .....

**DIRECTORS OF APPLICANT CORPORATE BODY**

Names, Nationality and Country of Residence:

.....  
 .....  
 .....  
 .....  
 .....

**OWNERSHIP STRUCTURE OF APPLICANT CORPORATE BODY**

Shareholders or members’ names & proportion of ownership:

.....  
 .....  
 .....  
 .....  
 .....

**BANKING DETAILS OF APPLICANT CORPORATE BODY**

Bank Name: .....  
 Branch Name: .....  
 Branch Code: .....  
 Account Number: .....  
 Account Type: .....

<sup>14</sup> Application forms referred to in this document may be obtained from the offices of NAMFISA, P.O. Box 21250, Windhoek NAMIBIA, 154 Independence Avenue 1st Floor, Sanlam Centre, Tel: (+264 61) 290 5000, Fax (+264 61) 256303, E-mail: info@namfisa.com.na



**AUDITOR OR ACCOUNTANT OF APPLICANT CORPORATE BODY IN NAMIBIA**

Full Name: .....  
 Physical Address: .....  
 Telephone Number: .....  
 Facsimile Number: .....  
 E-Mail Address: .....

**2. PERIOD OF FINANCIAL YEAR: .....****3. DETAILS OF PRINCIPAL OFFICER**

First Name and Middle Names: .....  
 Surname: .....  
 ID/Passport Number: .....  
 Nationality: .....  
 Gender: .....  
 Physical Address: .....  
 Postal Address: .....  
 Telephone Number (w): .....  
 Mobile Number: .....  
 Facsimile Number: .....  
 E-Mail Address: .....

**EMPLOYMENT HISTORY**

Current Employer: .....  
 Date of employment: .....  
 Previous Employer: .....  
 Period of employment: .....

**EDUCATIONAL QUALIFICATIONS**

Highest qualifications: .....  
 Relevant training attended: .....

**4. ATTACHMENTS****A. Company:**

- (i) Registration fee N\$ 200.00
- (ii) Proof of bank account
- (iii) Memorandum and Articles of Association
- (iv) List of Directors
- (v) Certified copies of share or member's interest certificates
- (vi) Certified copies of Directors ID/Valid Passport
- (vii) Municipality Certificate of Registration or /of Fitness
- (viii) Professional Indemnity Insurance cover/certificate
- (ix) If registered with NAMFISA previously, proof of annual fee payment
- (x) Proof of registration as a tax payer from the Receiver of Revenue

**B. Principal Officer**

- (i) Abridged or shortened CV
- (ii) Certified copies of Highest Educational Qualifications
- (iii) Affidavit and Fit and Proper Questionnaire signed in-front of Commissioner of Oath
- (iv) Certified Copy of ID/Valid Passport
- (v) Residence Permit or Work Permit (if not a Namibian citizen)
- (vi) Income tax certificate

All copies of original documents must be duly certified. Copies made from certified documents will not be accepted.

## 5. PRINCIPAL OFFICER'S DECLARATION:

I hereby declare that I have not been convicted by any court of any offence involving dishonesty, or of an offence in terms of the Act or of the Long-term Insurance Act, 1998 (No. 5 of 1998)/Short-term Insurance Act, 1998 (No.4 of 1998) or the Long-term Insurance Act, 1943.

By signing the document I declare that:

- a) The long-term/short-term insurance broker business of the applicant company will be conducted in Namibia in compliance with the Act and the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
- b) I will adhere to the requirements & conditions stated in this application form; and
- c) All the information contained in this application is true and accurate and can be relied upon and I have disclosed all necessary material information that may be required by NAMFISA. In the event that any information provided in this application is incorrect or not fully disclosed, I accept that the registration of the company as a corporate insurance broker may be cancelled in accordance with the provisions of the Act.

Full Name: .....

Signature: .....

Date: .....

Place: .....

## 6. REQUIREMENTS FOR CARRYING ON LONG-TERM/SHORT-TERM INSURANCE BROKER BUSINESS IN NAMIBIA

### A. PAYMENT OF ANNUAL FEES

An annual fee of N\$1000.00 is payable

### B. SUBMISSION OF ANNUAL RETURNS

Every corporate insurance broker is required to:

Keep proper accounts of, and financial information relating to its long-term/short-term insurance broker business; and Annually, within 90 days after the end of the financial year, submit annual returns to NAMFISA in accordance with Standard No. INS.S. 2.6 and such other information as NAMFISA may require.

### C. PROFESSIONAL INDEMNITY POLICY

Every corporate insurance broker must have and maintain a professional indemnity insurance policy with a limit of liability of not less than N\$500,000 in accordance with section 58 of the Act. The policy in respect of professional indemnity insurance must be issued by a registered insurer in Namibia.

### D. REMUNERATION

Commission payable to corporate insurance broker must be in accordance with Standard No. INS.S.2.9.

#### Limitation

Consideration other than commission in monetary form must not directly or indirectly be paid, allowed or given to or accepted by a corporate insurance broker.

### E. CANCELLATION OF REGISTRATION

Voluntarily Cancellation of Registration

An application for cancellation of registration maybe made at the offices of NAMFISA pursuant to section 65 of the Act.

(Application form for cancellation of registration is available at the offices of NAMFISA)

Cancellation of Registration by NAMFISA

Registration may be cancelled by NAMFISA pursuant to section 66 of the Act.

**F. CHANGE OF CONTACT DETAILS**

New contact details must be submitted in writing to NAMFISA, including physical, postal and email addresses, telephone, mobile and facsimile numbers.

**G. CHANGE OF REGISTERED NAME**

An application for approval by NAMFISA of a change of registered name must be submitted to NAMFISA in accordance with section 391 of the Act.

(Application form for a name change is available at the offices of NAMFISA).

**H. INTENTION TO EXIT INDUSTRY**

A corporate insurance broker must notify NAMFISA forthwith of any intention to exit the industry.

**SCHEDULE 3****FIT AND PROPER REQUIREMENTS FOR LONG-TERM AND SHORT-TERM  
CORPORATE INSURANCE AGENTS  
AND  
CORPORATE INSURANCE BROKERS**

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To be completed<sup>15</sup> on behalf of any corporate body that wishes to apply  
for registration as a corporate insurance agent or corporate insurance broker  
in terms of the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)

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**DECLARATION****SECTION A: DETAILS OF THE CORPORATE BODY**

Full name: .....

Corporate Registration Number: .....

VAT Number: .....

Current NAMFISA License Number (if applicable): .....

Postal address: .....

Telephone number: .....

Fax number: .....

E-mail address: .....

Mobile number: .....

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<sup>15</sup> Copies of this form are available at the offices of NAMFISA, P.O.Box 21250 Windhoek, NAMIBIA, 51-55  
Werner List Street, Gutenberg Plaza, Windhoek, Tel: (+26461)256303, E-mail: info@namfisa.com.na

**SECTION B: HONESTY AND INTEGRITY****SCHEDULE FOR FIT AND PROPER REQUIREMENTS**

A person is able to demonstrate honesty, fairness, ethical behavior and integrity if that person:

- i. is not disqualified from being a director of a company in terms of the Companies Act, 2004;
- ii. declares under oath confirming that within the past ten years:
  - a) a fiduciary obligation has not been breached;
  - b) he or she has not perpetrated or participated in grossly negligent, deceitful, or otherwise discreditable business or professional practices;
  - c) he or she has not been reprimanded, disqualified or removed by a professional or regulatory body in relation to matters relating to the person's honesty, integrity or business conduct;
  - d) he or she has not been involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies of honesty, integrity, fairness or ethical behavior in that management;
  - e) he or she was not the subject of civil or criminal proceedings or enforcement action in relation to the management of an entity or commercial or professional activities, which were determined adversely to the person (including by the person consenting to an order or direction, or giving an undertaking, not to engage in unlawful or improper conduct) and which reflected adversely on the person's competence, diligence, judgment, honesty or integrity;
  - f) he or she has not been refused authorization to carry on business by any regulatory body (whether in Namibia or elsewhere), or has such authorization ever been suspended or revoked by any such body because of negligence, incompetence or mismanagement;
  - g) he or she has not been having a significant ownership in the business or company which has failed, where that failure has been occasioned in part by deficiencies of honesty, integrity, fairness or ethical behavior in that management; or
  - h) he or she has not been found to be liable under the Financial Intelligence Act, No. 13 of 2012 (FIA), and/or the Prevention of Organized Crime Act, No. 29 of 2004 and/or the Combating of Financing of Terrorist Act, Act No 12 of 2012 and/or any other similar crime in any country;
  - i) he or she is not listed on any bad creditors' bureau;
  - j) he or she has never been involved with a regulated institution when such institution failed to maintain a financial sound position or the required capital or solvency.

**AFFIDAVIT**

I, ..... (full names), being the duly authorised principal officer of ..... [insert name of corporate body] hereby declare as follows:

- The contents of this Declaration are true and correct to the best of my knowledge and belief.
- I undertake to notify NAMFISA of any material changes to, or affecting the completeness or accuracy of, the information supplied to NAMFISA in this Declaration as soon as possible, but in any event no later than 7 days from the day that the changes come to my attention.
- I know and understand the contents of this Declaration.
- I do not have objections to taking the prescribed oath, which I consider to be binding on my conscience.

**Signature of deponent**

THUS SIGNED AND SWORN before me at \_\_\_\_\_ on  
 the \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_  
 the Deponent having declared that he/she knows and understands the contents of this Affidavit, that  
 it true and correct, that he/she has no objection to taking the oath, and that he/she considers the oath  
 to be binding on his/her conscience.

\_\_\_\_\_  
**COMMISSIONER OF OATHS**

FULL NAMES: \_\_\_\_\_

CAPACITY: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_  
**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

**INSURANCE**

**TERMS AND CONDITIONS APPLICABLE TO:**

- **FOREIGN INSURERS AND FOREIGN REINSURERS EXEMPTED UNDER SECTION 5(2) OF THE ACT;**
- **REGISTERED INSURERS AND REGISTERED BROKERS EFFECTING OR RENEWING INSURANCE OUTSIDE NAMIBIA; AND**
- **REGISTERED INSURERS REINSURING THE WHOLE OR ANY PART OF THEIR BUSINESS**

**Standard No: INS.S.2.5**

*issued by NAMFISA under sections 5(3) and 410(3)(b), (c) and (h) of the  
 Financial Institutions and Markets Act, 2021*

**Definitions**

1. (1) In this Standard unless the context indicates otherwise -
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act; and
  - (b) “exempted foreign insurer” or “exempted foreign reinsurer” means a foreign insurer or foreign reinsurer that has been granted an exemption by NAMFISA pursuant to clause 5.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:
  - (a) as defined in section 1 of the Act -
    - (i) client;
    - (ii) NAMFISA;

- (iii) person;
    - (iv) principal officer;
  - (b) as defined in section 4 of the Act -
    - (i) foreign insurer;
    - (ii) foreign reinsurer;
    - (iii) insurance;
    - (iv) insurer;
    - (v) policy;
    - (vi) policyholder;
    - (vii) registered insurer;
    - (viii) registered reinsurer; and
  - (c) registered insurance broker, as defined in section 53 of the Act.
  - (d) related party, as defined in section 410 (2) (o) of the Act.
2. This Standard applies to -
- (a) every foreign insurer and foreign reinsurer;
  - (b) every registered insurance broker proposing to effect or renew insurance with a foreign insurer or foreign reinsurer pursuant to section 70(2) of the Act; and
  - (c) every registered insurer or registered insurance broker proposing to reinsure the whole or any part of the business of a registered insurer.

**Part I: Terms and conditions applicable to foreign insurers and foreign reinsurers exempted under section 5 of the Act (clauses 3 to 8)**

3. (1) A registered insurance broker proposing to place insurance with a foreign insurer must make an application to NAMFISA for an exemption under section 5(2) of the Act, which application must be in the form of Schedule 1 to this Standard and must contain -
- (a) evidence that -
    - (i) the policy benefits required cannot be provided by a registered insurer; or
    - (ii) an explanation of the reason that the terms of the policy benefits that could be provided by one or more registered insurers, are not equitable.
- (2) A registered insurance broker or registered insurer proposing to place reinsurance with a foreign reinsurer must make an application to NAMFISA for an exemption under section 5(2) of the Act, which application must be in the form of Schedule 1 to this Standard, and must contain -
- (a) evidence that -
    - (i) the policy benefits required cannot be provided by a registered reinsurer; or
    - (ii) an explanation of the reason that the terms of the policy benefits that could be provided by one or more registered reinsurers, are not equitable; and

- (b) evidence that every registered reinsurer was offered an opportunity to participate in a reinsurance arrangement before considering placing the policy with a foreign reinsurer or with one or more foreign reinsurers.
- (3) An application to NAMFISA referred to in sub-clauses (1) and (2) must contain a detailed description of the foreign insurer or foreign reinsurer in question, including:
- a. its name and address;
  - b. its jurisdiction of incorporation or principal place of business;
  - c. the name and business address of its principal officer or other senior officer; and
  - d. the name and address of its principal foreign supervisory or regulatory authority.
4. (1) The application for an exemption referred to in clause 3 must be accompanied by a written undertaking from the foreign insurer or foreign reinsurer in the form of Schedule 2 to this Standard and as provided in sub-clause (2).
- (2) The undertaking referred to in sub-clause (1) must state that the foreign insurer or foreign reinsurer -
- a. will not undertake any insurance or reinsurance business in Namibia other than the issue of the specific policy in question and that it will not advertise or solicit any such business in Namibia with the exclusion of existing or future foreign exemption applications;
  - b. is registered or authorised in its jurisdiction of incorporation or the jurisdiction of its principal place of business to carry on the class of insurance business for which the proposed policy will be issued;
  - c. has capital equivalent at least to that which would be required for a registered insurer or registered reinsurer carrying on insurance business of the same class;
  - d. is in good standing with its principal foreign supervisory or regulatory authority;
  - e. has received consent from its principal foreign supervisory or regulatory authority to underwrite insurance in Namibia; and
  - f. the specific policy and any related documents to be issued by the foreign insurer or foreign reinsurer are in plain language in accordance with section 29 of the Act and Standard No. GEN.S. 10.17, Description of plain language.
- (3) In addition to the undertaking referred to in sub-clause (2), a foreign reinsurer must submit proof that it has a credit rating of at least BBB with Standard & Poor's or an equivalent rating with any other international rating agency, which rating must have been maintained for at least the immediately preceding two years.

The credit rating equivalents are illustrated in the table below:

Credit rating category <i>i</i>	Standard & Poors Fitch GCR	Moody's	AM Best
1	AAA to AA-	Aaa to Aa3	A++ to A-
2	A+ to A-	A1 to A3	B++ to B+
3	BBB+ to BBB-	Baa1 to Baa3	B to B-
4	BB+ to BB-	Ba1 to Ba3	C++ to C+
5	B+ to B-	B1 to B3	C to D
6	CCC+ or below	Caa1 or below	E or below



5. (1) Upon receipt of an application referred to in clause 3 and the undertaking referred to in clause 4, NAMFISA may, if it considers it appropriate to do so, issue an exemption to the foreign insurer or foreign reinsurer pursuant to section 5(2) of the Act.

(2) NAMFISA may require any other information from -

- (a) the foreign insurer or foreign reinsurer; and
- (b) the registered insurance broker, registered insurer or registered reinsurer, as the case may be, as NAMFISA deems necessary or advisable.

6. An exemption granted by NAMFISA pursuant to section 5(2) of the Act and clause 5 shall include an exemption from the prohibition contained in section 6(1) of the Act.

7. The exemption referred to in clause 5 applies only to the issue of the specific policy in question and to no other business of insurance or reinsurance in Namibia undertaken by the foreign insurer or foreign reinsurer.

8. If, at any time, it comes to the attention of NAMFISA that the foreign insurer or foreign reinsurer is not in compliance with the undertaking referred to in clause 4, NAMFISA may take action against the registered insurance or reinsurance broker or insurer in terms of section 439 of the Act.

**Part II: Conditions or limitations applicable to a registered insurer or registered insurance broker effecting or renewing insurance outside Namibia**

9. (1) For the purposes of section 70, the annual cessionary limits and other requirements referred to in sub-clauses (2) to (5) apply to registered insurance brokers, registered insurers and registered reinsurers effecting or renewing insurance or reinsurance with an exempted foreign insurer or exempted foreign reinsurer.

(2) NAMFISA may require a registered insurer or registered reinsurer to justify its retention policy in a given calendar year to prevent registered insurers or registered reinsurers from merely fronting for foreign insurers and foreign reinsurers.

(3) The following limits apply to the amount of insurance business a registered insurer or registered reinsurer may cede in total (net of NamibRe cession) to an exempted foreign reinsurer in a calendar year:

Total cession of gross written premium	75%
Aggregate cession to a single exempted foreign reinsurer	75%
Cession to a related party	50%

(4) In the case of aviation, marine, nuclear energy or oil insurance or any other specialized class of insurance business, a registered insurer or registered reinsurer may apply to NAMFISA for approval to cede more than the limits specified in sub-clause (3).

(5) The proportion of insurance business ceded by a registered insurer or registered reinsurer to any one exempted foreign reinsurer in respect of any one risk must not exceed 80% of the sum insured or the liability limit of the underlying insurance policy, except in the case of specialized insurance business as referred to in sub-clause (4) or start up insurers or reinsurers with less than 3 years of operations.

**Part III: Terms and conditions applicable to reinsuring the whole or any part of the business of a registered insurer or registered reinsurer (clauses 10 and 11)**

10. A registered insurance broker placing insurance or reinsurance with an exempted foreign reinsurer must comply with the provisions of sections 70, 71 and 72 of the Act.

11. A registered insurance brokers, registered insurers and registered reinsurers are prohibited from placing an insurance risk with a foreign insurer or foreign reinsurer unless that foreign insurer or foreign reinsurer has received an exemption from NAMFISA pursuant to clause 5 with respect to the specific policy in question.

#### **Part IV: General**

12. For the purposes of Parts I, II and III of this Standard, where insurance or reinsurance has been placed with an exempted foreign insurer or an exempted foreign reinsurer, the registered insurance broker, registered insurer or registered reinsurer concerned must -

- (a) keep all records and notes of such insurance or reinsurance for inspection by NAMFISA for a period of 5 years after the term of the policy comes to end; and
- (b) bring to the attention of NAMFISA any material information that might impact the ability of the exempted foreign insurer or exempted foreign reinsurer to meet its commitments under the policy concerned.

### **SUPPORTING SCHEDULES**

The following supporting schedules are attached to and forms part of this Standard:

- (1) Application Form
- (2) Undertaking by foreign insurer or foreign reinsurer

#### **SCHEDULE 1**

#### **APPLICATION**

*to NAMFISA for an exemption pursuant to section 5(2) of the  
Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021) (the "Act")*

This application is made by/on behalf of \_\_\_\_\_,  
a registered insurance broker/registered insurer/registered reinsurer [*delete those that do not apply*]  
for an exemption pursuant to section 5(2) of the Act for

\_\_\_\_\_  
[insert name of foreign insurer or foreign reinsurer]

1. This application relates to the following proposed policy [*describe the policy which it is proposed be issued by the foreign insurer or foreign reinsurer issue*] \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Attached to this Application is evidence that no registered insurer or registered reinsurer is able to quote on this policy (*no-quotes*);

OR

If a registered insurer or registered reinsurer has provided a quote, explain below why the terms of such registered insurer or registered reinsurer are not equitable:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Name and address of the foreign insurer or foreign reinsurer:

\_\_\_\_\_  
\_\_\_\_\_

4. Name and business address of the principal officer or other senior officer of the foreign insurer or foreign reinsurer:

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5. The following is the jurisdiction of the incorporation or formation of the foreign insurer or foreign reinsurer or of its principal place of business:

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6. The following is the name and address of the principal foreign supervisory or regulatory authority of the foreign insurer or foreign reinsurer:

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I HEREBY CERTIFY that the information contained in this Application is true and accurate to the best of my knowledge and belief.

SIGNED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 20xx

Full Name and Position: .....

Signature: .....

Witness: .....

## SCHEDULE 2

### UNDERTAKING OF FOREIGN INSURER OR FOREIGN REINSURER

**TO: The Namibian Financial Institutions Supervisory Authority (NAMFISA)**

I, the undersigned, \_\_\_\_\_ being the duly authorised officer of \_\_\_\_\_, a foreign insurer/foreign reinsurer<sup>16</sup> (hereafter the “INSURER/REINSURER”) within the meaning of the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021) of Namibia (hereafter the “Act”), hereby UNDERTAKE on behalf of the INSURER/REINSURER and in consideration of any exemption that may be granted to the INSURER/REINSURER by NAMFISA pursuant to section 5(2) of the Act with respect to the policy proposed to be issued,

THAT THE INSURER/REINSURER:

1. is registered in \_\_\_\_\_ and is authorised to carry on the class of insurance/reinsurance business for which the proposed policy will be issued;

2. is in good standing with its principal supervisory or regulatory authority, namely \_\_\_\_\_ ;

3. has received the consent of its principal supervisory or regulatory authority, referred to in item 3 above, to underwrite insurance/reinsurance in Namibia;

4. will not undertake any insurance or reinsurance business in Namibia other than the issue of the specific proposed policy and will not advertise or solicit any such business in Namibia;

5. has capital equivalent at least to that which would be required for a registered or registered reinsurer carrying on insurance business of the same class; and

6. <sup>17</sup> has a credit rating of at least BBB with Standard & Poor’s, which rating has been maintained for \_\_\_\_\_ years (at least two years immediately preceding the date of the undertaking)

<sup>16</sup> Delete as applicable

<sup>17</sup> Item # 6 applies only to foreign reinsurers; delete if not applicable

OR

[an equivalent rating with another international rating agency - insert rating and name of agency] which rating has been maintained for \_\_\_\_\_ years (at least the two years immediately preceding the date of the undertaking).

SIGNED on behalf of \_\_\_\_\_  
(insert name of foreign insurer or foreign reinsurer)

at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 20xx

Full Name and Position: .....

Signature: .....

Witness: .....

## **FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 [ACT NO. 2 OF 2021]**

### **FINANCIAL REPORTING REQUIREMENTS FOR INSURANCE BROKERS**

#### **Standard No. INS.S. 2.6**

*issued by NAMFISA under section 410(3)(t) of the Financial Institutions and Markets Act, 2021*

#### **Definitions**

##### **1. (1) In this Standard -**

- (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
- (b) “IFRS” means International Financial Reporting Standards; and
- (c) “GAAP” means Generally Accepted Accounting Practice, as defined in section 1 of the Act.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:

- (a) NAMFISA, as defined in section 1 of the Act;
- (b) as defined in section 4 of the Act -
  - (i) foreign insurer;
  - (ii) registered insurer;
  - (iii) registered reinsurer;
- (c) as defined in section 53 of the Act -
  - (i) insurance broker;
  - (ii) reinsurance broker;
  - (iii) registered insurance broker;
  - (iv) corporate insurance broker; and
  - (v) registered corporate insurance broker.

2. This Standard applies to all registered insurance brokers and registered corporate insurance brokers.

**Information required**

3. A registered insurance broker is required to submit to NAMIFSA on an annual basis, in the form and manner set out in clause 5;

- (a) where an insurance broker is a registered Pty Ltd company, the audited annual financial statements of the insurance broker prepared in accordance with IFRS or GAAP, together with the report of the auditor.
- (b) where an insurance broker is a CC or other, unadited annual financial statements of the insurance broker prepared in accordance with IFRS or GAAP.

4. A registered insurance and reinsurance broker is required to submit the following information to NAMIFSA on a quarterly basis, in the form and manner set out in clause 5:

- (a) a latest certification of the financial soundness of the registered insurance and reinsurance broker that may be available;
- (b) the amount of premiums collected and paid to each registered insurer and reinsurer or foreign insurer or foreign reinsurer;
- (c) the amount of remuneration received from each registered insurer and registered reinsurer or foreign insurer or foreign reinsurer;
- (d) the amount of remuneration paid to any other registered insurance intermediary;
- (e) the amount of any other fees paid to or received from any registered insurer and registered reinsurer;
- (f) amount and number of claims paid by each registered insurer and registered reinsurer or foreign insurer and foreign reinsurer;
- (g) a report on all complaints received inclusive of how each complaint was dealt with; and
- (h) full details on the volume and types of policies sold.

**Forms and method of submission**

5. The information required by this Standard must be submitted manually and electronically to -

- (a) the designated NAMFISA ERS user account; and
- (b) NAMFISA using either the postal or physical address.

**Reporting periods and due dates**

6. A registered insurance broker must provide the information required by this Standard -

- (a) in the case of the annual information required by clause 3, 90 days after the financial year end of the registered insurance broker; and
- (b) in the case of the quarterly information required by clause 4, 30 days after the end of the reporting period to which the information relates.

7. Upon application to NAMFISA, NAMFISA may, by notice in writing, grant a registered insurance broker an extension of a due date referred to in clause 6, in which case the new due date for the submission of the information will be the date specified in the notice of extension.

8. Notwithstanding clauses 3, 4 and 6, where NAMFISA considers it necessary and reasonable to obtain information more frequently from a particular registered insurance broker, it may do so and may stipulate the frequency and form of that information.

### **Accountability**

9. A registered insurance broker must ensure that processes and controls are in place to support the submission of accurate and reliable information to NAMFISA within the time periods specified in this Standard.

10. All information submitted to NAMFISA pursuant to this Standard must be duly authorised and signed by the Principal Officer of a registered corporate insurance broker, or by the individual who is the registered insurance broker, as applicable.

### **Supporting Schedules**

11. The following supporting schedules are attached to and form part of this Standard:

Schedule 1:	SOCI
Schedule 2:	SOFP
Schedule 3:	Form(s)-AFI IB
Schedule 4:	Form(s)-NFI

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## **FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

### **FAIR TREATMENT OF CLIENTS AND POLICYHOLDERS BY REGISTERED INSURANCE INTERMEDIARIES**

#### **Standard No. INS.S. 2.7**

*issued by NAMFISA under section 410(3)(v) of the Financial Institutions and Markets Act, 2021*

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### **Definitions**

1. (1) In this Standard unless the context indicates otherwise -
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “point of sale” means anytime the policy information is discussed from the first contact with the client until the time of the conclusion of the deal.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:
  - (i) as defined in section 1 of the Act -
    - (i) affiliate;
    - (ii) client;
    - (iii) NAMFISA;
  - (ii) as defined in section 4 of the Act -
    - (i) insurance;
    - (ii) insurance advice;
    - (iii) policy;
    - (iv) policyholder;
    - (v) premium;

- (vi) registered insurer;
- (vii) registered reinsurer.
- (iii) as defined in section 53 of the Act -
  - (i) corporate insurance agent.
  - (ii) corporate insurance broker;
  - (iii) registered insurance agent;
  - (iv) registered insurance broker; and
  - (v) registered insurance intermediary. and

2. This Standard applies to all registered insurance intermediaries, corporate insurance broker corporate insurance agent and registered insurers and registered reinsurers..

**General requirements that the information given should comply with**

3. A registered insurance intermediary must at all times comply with -
- (a) Standard No. GEN.S. 10.9 – Code of Conduct;
  - (b) Standard No.INS.S. 2.10 –Point of Sale Information to be provided by registered insurers, registered insurance agents and registered insurance brokers to policyholders and potential policyholders;
  - (c) Standard No.GEN.S. 10.17- the description of plain language for the purposes of section 29; and
  - (d) the written code of conduct put in place by -
    - (i) the registered insurer, registered insurance broker or registered insurance agent, corporate insurance agent, corporate insurance broker as the case may be, by whom the registered insurance intermediary is employed or to whom the registered insurance intermediary is contractually bound; or
    - (ii) the registered insurance intermediary where that person is an individual and not employed or contracted by a registered insurer or another registered insurance intermediary.
4. A registered insurance intermediary must ensure that -
- (a) insurance advice given to a client and potential policyholders is suitable and takes account of the circumstances of the client;
  - (b) client, policyholders and potential policyholders are provided with such information, illustrations, explanations and responses to questions as may be sufficient for them to evaluate the meaning and importance of the insurance advice being offered, having careful regard for the client's, policyholder's and potential policyholder's knowledge of the subject matter and ability to analyse and assess it before, during and after point of sale; and
  - (c) clients,policyholders and potential policyholders do not face unreasonable barriers to changing a policy, switching registered insurers or registered insurance brokers, submitting a claim or making a complaint.

**General conduct**

5. (1) A registered insurance intermediary must not -
- (a) use any illustration, circular, memorandum, statement or other publication that misrepresents, or by omission is so incomplete that it misrepresents the terms, policy benefits or advantages of any policy issued or to be issued;

- (b) make any false or misleading statement as to the terms, policy benefits or advantages of any policy issued or to be issued;
- (c) make any incomplete and selective comparison of any policy with that of any other registered insurer for the purpose of inducing or intending to induce a policyholder to lapse, forfeit or surrender a policy;
- (d) make any payment, allowance, give any gift or any offer to pay, allow or give, directly or indirectly any money or thing of value to lure any potential policyholder to purchase insurance or to doing something;
- (e) engage in any conduct resulting in unreasonable delay in, or resistance to, the fair adjustment and settlement of claims;
- (f) make the issue or variation of a policy conditional on the client, policyholder or potential policyholder having or purchasing another policy;
- (g) make or attempt to make, directly or indirectly, an agreement with a client, policyholder or potential policyholder making an application for insurance as to the premium to be paid for the policy that is different from the premium set out in the policy;
- (h) pay, allow or give, directly or indirectly, a rebate of all or part of the premium stipulated in a policy to a policyholder or potential policyholder, or offer or agree to do so, including allowing or giving, directly or indirectly any consideration or thing of value that is intended to be in the nature of such a rebate;
- (i) in connection with -
  - (i) a request for a quotation or an application for insurance made to a registered insurer that is an affiliate of the registered insurer by whom the registered insurance broker is employed or to whom the registered insurance broker is contractually bound; or
  - (ii) an offer by an insurer that is an affiliate of the insurer by whom the registered insurance broker is employed or to whom the registered insurance broker is contractually bound to renew an existing policy,

fail to provide the lowest rate available, within the meaning of sub-clause (2), from the insurer by which the registered insurance broker is employed or to whom the registered insurance broker is contractually bound or from any registered insurer that is an affiliate of that registered insurer;

- (j) solicit or demand a referral fee, directly or indirectly, from or from a person who provides insurance services to or for the benefit of a client, policyholder or potential policyholder who claims payment under a policy or when an application is made for a policy;
- (k) accept a referral fee, directly or indirectly, from a person who provides insurance services to or for the benefit of a client, policyholder or potential policyholder who claims payment under a policy;
- (l) charge an amount in consideration for the provision of insurance services to or for the benefit of a client, policyholder or potential policyholder who claims payment under a policy;
- (m) require, request or permit a client, policyholder who claims payment under a policy, to sign, before it has been completed in full, a claims form or other document;
- (n) make a statement by or on behalf of a registered insurer for the purposes of an adjustment or settlement of a claim if the intermediary knows or ought to know



that the statement misrepresents or unfairly presents the findings or conclusions of a person who conducted an examination into the happening of the event giving rise to a claim; and

- (o) engage in “tied selling” within the meaning of section 23(1) of the Act.
- (2) The reference in sub-clause (1)(i) to the “lowest rate available” is a reference to the lowest rate available having regard to all of the circumstances, including the means of distribution through which the quotation, application or offer is made.

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## FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 (Act No. 2 of 2021)

### MATTERS WITH RESPECT TO ENTITIES COMMONLY KNOWN AS CELL CAPTIVES

#### Standard No. INS.S.2.8

*issued by NAMFISA under section 410(3)(w) of the Financial Institutions and Markets Act, 2021*

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#### Definitions

1. (1) In this Standard, unless the context indicates otherwise -
  - (a) “Act”, means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the Regulations prescribed under the Act and the Standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “captive” means an insurance or reinsurance structure created by a registered insurer or registered reinsurer for the purpose of providing cover for insurance risks of cell captives;
  - (c) “cell captive” means an insurance or reinsurance vehicle created by a registered insurer or registered reinsurer through a shareholder’s agreement, business agreement or any other agreement for the special purpose of covering the insurance risk which the cell owner, its associated party or any other party, is exposed to;
  - (d) “cell provider” means a registered insurer or registered reinsurer that transacts cell captive insurance business;
  - (e) “first party cell” means a cell captive where the special class of shares are issued to the cell owners providing the cell owners with the ability to underwrite their own insurance risks and that of their associates;
  - (f) “third party cell” means a cell captive where the special class of shares are issued to the cell owners to provide the cell owners with the ability to underwrite the insurance risks of third parties;
  - (g) “rent a captive” means a captive insurance business arrangement, excluding contingency policies, where the cell captive is specifically formed to provide captive facilities to unassociated parties and the cell provider capitalises the cell captive for a fee;
  - (h) “cell captive insurance business” or “cell captive reinsurance business” means an arrangement for which a registered insurer or registered reinsurer carries on captive insurance or reinsurance business for or on behalf of its cell owners and shall include first party, third party and rent a captive; and
  - (i) “cell owner” means a person that owns a special class of shares issued by a cell provider or a person who has any other type of agreement with the cell provider with the intention to insure own assets, assets of associated parties or any other party by funding its capital or not.
- (2) Words and phrases defined in the Act, have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -
  - (a) as defined in section 1 of the Act -
    - (i) affiliate;

- (ii) associate;
    - (iii) client;
    - (iv) company;
    - (v) entity;
    - (vi) holding company;
    - (vii) person;
    - (viii) subsidiary;
  - (b) as defined in section 4 of the Act -
    - (i) class or classes;
    - (ii) insurance;
    - (iii) insurer;
    - (iv) reinsurer;
    - (v) policy;
    - (vi) policyholder;
    - (vii) registered insurer;
    - (viii) registered reinsurer;
    - (ix) registered insurance intermediary; and
    - (c) “registered insurance broker” as defined in section 53 of the Act.
2. This Standard applies to -
- (a) cell providers and their associates;
  - (b) cell owners;
  - (c) cell captive insurance and reinsurance policyholders; and
  - (d) registered insurance intermediaries.
- Conduct of business of cell captive insurer or reinsurer**
3. (1) A cell provider must be a registered insurer or registered reinsurer under Part II of Chapter 2 of the Act and must comply on an ongoing basis with all the applicable provisions of the Act.
- (2) A cell provider must, before -
- (a) entering into a shareholder’s agreement, business agreement or any other agreement governing its relationship with a cell owner; or
  - (b) issuing shares to a cell owner,
- ensure that the terms and conditions of the agreement and the issuing of the shares comply with the provisions of this Standard and forthwith notify NAMFISA.
- (3) Sub-clause (2) shall also apply to any amendment or renewal of an agreement and to any amendment of the share conditions referred to in that sub-clause.
4. (1) A cell provider must not carry on any class of insurance or reinsurance business other than for the classes of insurance business registered under the Act.
- (2) A cell provider may not act or operate as a front by transferring all risk to any other entity without underwriting or incurring any liability, and policies issued by the cell provider must clearly indicate that the cell provider is the underwriter.
- (3) A cell provider may transfer part of the risk to a registered reinsurer.
- (4) A cell provider who underwrites unrelated insurance business risks within a cell captive should ensure that it has adequate risk management framework or policies and processes in place.
- (5) Cell providers and cell owners must not use the cell captive arrangements for any purpose other than insurance business.
5. (1) The cell provider must have oversight arrangements to monitor the insurance market conduct of cell owners at all times.
- (2) The cell provider must ensure that the cell owner adheres to and complies with:-

- (a) Standard No. GEN.S.10.3 - Corporate Governance; and
- (b) Standard No. GEN.S.10.2 - Fit and Proper Requirements.
- (3) The cell provider ultimately bears the insurance risk.

6. Registered insurance intermediaries engaging or transacting in cell captive insurance or reinsurance business must disclose to clients or potential clients, prior to the purchase of any insurance or reinsurance product:-

- (a) any conflict of interest in relation to the cell captive;
- (b) that the client or potential client is entitled to obtain the insurance product from another registered cell captive insurer; and
- (c) the proof of registration document as an intermediary.

### Reporting

7. A cell provider must in addition to any requirements imposed by NAMFISA in terms of section 414 (3)(a) of the Act, report to NAMFISA on each cell captive's financial status and position by completing and submitting the annual returns in respect of short-term insurance and reinsurance business and long-term insurance and reinsurance business in accordance with Schedules 1 or 2 attached to this Standard.

### Capital requirements

8. For the purposes of policyholder protection and ensuring financial stability of all types of cell captive insurance or reinsurance business referred to under clause 1(1)(e)(f) and (g), the cell provider must:-

- (a) ensure that each cell is financially sound;
- (b) in the case of a cell captive insurer or reinsurer where there is a third party unaffiliated party to protect, hold necessary capital as required in terms of Standard No. INS.S. 2.1- Capital adequacy requirements for registered insurers;
- (c) ensure that there is sufficient and adequate reinsurance cover in place to meet all its obligations;
- (d) ensure that surplus assets of one cell are not used to offset liabilities in another cell;
- (e) ensure that the insurance risk of the cell provider shall not be limited to the funds available in a particular cell and that any benefits due to the policyholder must not be withheld due to non-performance of the cell captive;
- (f) ensure that surplus assets (i.e. excess of the value of assets over the value of the liabilities, including the statutory capital requirement) in a cell captive are not included in the total assets of the cell provider; and
- (g) ensure that the cell provider remains ultimately liable to the insured in the event of the cell captive having insufficient funds to meet a claim.

9. Consistent actuarial assumptions must be used between the cell captives, where appropriate, to value each cell captive's business, otherwise the valuator may take account of the experience of each cell captive when determining the basis for each cell captive.

10. The assets required to cover the liabilities (including statutory capital requirements or solvency capital requirements) of a cell captive shall not include investments in a cell owner.

- 11. (1) The cell provider may not use the assets of a cell captive which are required to cover liabilities (including statutory capital or solvency capital requirements) to make a loan to the cell owner.
- (2) For the purposes of sub-clause (1), the cell owner also includes the subsidiaries, affiliates, associates or any other company being a subsidiary or associate of the ultimate holding company of the cell owner.

12. No ordinary or preference shares may be issued, whether directly or indirectly, to any registered insurance or registered reinsurance brokers or its affiliate through cell captives.

**Dissolution**

13. (1) Subject to sub-clause (2), the dissolution of the cell captives shall be in accordance with the shareholders agreement or policy contract.
- (2) The dissolution clause in the shareholders agreement or policy contract must comply with the requirements of the section 449 of the Act.
- (3) Prior to dissolution of the cell captive, the cell provider's valuator and auditor must carry out an evaluation of the cell captive's assets and liabilities, state the impact of such dissolution on the cell captive insurer or reinsurer and issue a certified statement to NAMFISA for review and approval.

**SUPPORTING SCHEDULES**

The following supporting schedules are attached to and form part of this Standard:

**Schedule 1:** Financial statements for long-term cell captive insurers or reinsurers

**Schedule 2:** Financial statements for short-term cell captive insurers or reinsurers

**SCHEDULE 1**

Financial statements for a long-term cell captive insurer or reinsurer

<b>STATEMENT OF COMPREHENSIVE INCOME</b>	
<b>LONG-TERM INSURANCE /REINSURANCE</b>	
<b>REPORTING PERIOD</b>	
Gross premiums written	
Less: Reinsurance premium	
<b>Net premiums written</b>	
Gross policyholder benefits paid	
Reinsurance recoveries	
<b>Net policyholders benefits</b>	
Change in policyholder liabilities	
Commission paid	
<b>POLICYHOLDER BENEFITS AND COMMISSION</b>	
<b>GROSS PROFIT/(LOSS)</b>	
Investment income	
Other income	
<b>TOTAL INCOME</b>	
Management expenses	
Finance costs	
Other expenses	
<b>TOTAL EXPENSES</b>	
<b>PROFIT BEFORE TAXATION</b>	
LESS: Est. taxation (Current + def.)	
<b>PROFIT FOR THE YEAR</b>	
Other comprehensive income for the year	

<b>STATEMENT OF CHANGES IN EQUITY</b>							
Reporting Period:							
<b>STATEMENT OF CHANGES IN EQUITY</b>	<b>Ordinary Share Capital N\$'000</b>	<b>Share Premium N\$'000</b>	<b>Retained Earnings N\$'000</b>	<b>Contingency Reserve N\$'000</b>	<b>Other Reserve N\$'000</b>	<b>Total N\$'000</b>	<b>Previous year</b>
Balance At End Of Previous Year							
TOTAL COMPREHENSIVE INCOME							
Transfers To/From Contingency Reserve							
Transfers To/From Other Reserve							
Other							
Dividends Declared							
<b>Balance At Current Year</b>							

<b>STATEMENT OF FINANCIAL POSITION</b>	
<b>LONG-TERM INSURANCE /REINSURANCE</b>	
<b>REPORTING PERIOD</b>	
Immovable Property	
Property, plant and equipment	
Intangible assets	
Deferred tax	
Other assets	
Investments	
<b>NON-CURRENT ASSETS</b>	
Reinsurer's debtors	
Premium debtors	
<b>TECHNICAL ASSETS</b>	
Cash and cash equivalents	
Receivables	
Investments	
<b>CURRENT ASSETS</b>	
<b>TOTAL ASSETS</b>	
Deferred taxation	
Other non-current liabilities	
<b>NON CURRENT LIABILITIES</b>	
Policyholder liabilities	
Reinsurance creditors	

<b>TECHNICAL LIABILITIES</b>	
Trade and other payables	
Current income taxation	
CAR	
Other current liabilities	
<b>CURRENT LIABILITIES</b>	
<b>TOTAL LIABILITIES</b>	
<b>Excess Assets</b>	

## SCHEDULE 2

Financial statements for a short-term cell captive insurer or reinsurer

<b>STATEMENT OF COMPREHENSIVE INCOME</b>	
Reporting Period:	
	<b>NS'000</b>
Gross premiums written	
Less: Reinsurance premium	
<b>Net premiums written</b>	
Change in provision for unearned premiums	
<b>Net Premiums Earned</b>	
Gross claims and loss adjustment expenses	
Change in Incurred But Not Reported	
Less: Gross claims and loss adjustment expenses recovered from reinsurers	
<b>Net Claims incurred</b>	
Commission incurred	
Less: Commission earned	
<b>Net commission incurred</b>	
<b>Claims And Commissions</b>	
<b>Underwriting Surplus/Loss</b>	
Management expenses	
Investment income	
Finance costs	
Other income	
<b>Profit Before Taxation</b>	
Less: Est. taxation (Current + def.)	
<b>Profit For The Year</b>	
Other comprehensive income for the year	
<b>Total Comprehensive Income for the year</b>	

<b>STATEMENT OF CHANGE IN EQUITY</b>							
Reporting Period:							
<b>STATEMENT OF CHANGES IN EQUITY</b>	<b>Ordinary Share Capital N\$'000</b>	<b>Share Premium N\$'000</b>	<b>Retained Earnings N\$'000</b>	<b>Contingency Reserve N\$'000</b>	<b>Other Reserve N\$'000</b>	<b>Total N\$'000</b>	<b>Previous year</b>
Balance At End Of Previous Year							
TOTAL COMPREHENSIVE INCOME							
Transfers To/From Contingency Reserve							
Transfers To/From Other Reserve							
Other							
Dividends Declared							
<b>Balance At Current Year</b>							

<b>STATEMENT OF FINANCIAL POSITION</b>	
<b>SHORT-TERM INSURANCE /REINSURANCE</b>	
<b>REPORTING PERIOD</b>	<b>N\$'000</b>
<b>Non-Current Assets</b>	
Immovable Property	
Motor Vehicle And Office Equipment	
Intangible Assets	
Deferred Tax	
Other Assets	
Investment	
<b>Total Non-Current Assets</b>	
Cash And Cash Equivalents	
<b>Total Other Receivables</b>	
Other Receivables- Please specify	
<b>Other Receivables</b>	
Subrogate receivables	
Asset portion of inter-company account	
Agent balances - Reinsurance	
VAT balance (net of doubtful debts)	
Sundry debtors	
Investment	
<b>Total Current Assets</b>	
<b>Reinsurers' Share Of Unearned Premiums</b>	
<b>Reinsurers' Share Of Outstanding Claims</b>	
Reinsurers' Share Of Claims Incurred But Not Reported	
Commission Receivable	
Premium Debtors	

<b>Total Technical Assets</b>	
<b>Total Assets</b>	

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 (Act No. 2 of 2021)**

**AMOUNT OF COMMISSION THAT MAY BE PAID TO  
INSURANCE INSURANCE BROKERS**

**Standard No. INS.S. 2.9**

*issued by NAMFISA under section 410(3)(x) of the Financial Institutions and Markets Act, 2021*

**Definitions**

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021) and it includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:

- (a) as defined in section 1 of the Act -
  - (i) financial service;
  - (ii) NAMFISA;
- (b) as defined in section 4 of the Act -
  - (i) insurance;
  - (ii) long-term insurance;
  - (iii) policy;
  - (iv) policyholder;
  - (v) premium;
  - (vi) short-term insurance;
- (c) as defined in section 8 of the Act -
  - (i) fund policy;
  - (ii) health insurance business;
  - (iii) life policy;
  - (iv) long-term policy;
  - (v) sinking fund insurance business;
- (d) as defined in section 42 of the Act -
  - (i) Lloyd’s;
  - (ii) Lloyd’s intermediary;
  - (iii) Lloyd’s underwriter;
- (e) as defined in section 53 of the Act -
  - (i) insurance agent;
  - (ii) insurance broker;
  - (iii) registered insurance agent;
  - (iv) registered insurance broker; and
  - (v) registered insurance intermediary.



(3) In this Standard, unless the context indicates otherwise “commission” means compensation paid by a registered insurer to a registered intermediary or Lloyd’s intermediary in respect of financial services rendered under Chapter 2 of the Act;

### **General information**

2. This Standard applies to all registered insurance intermediaries, Lloyd’s intermediaries and registered insurers.

3. This Standard must be read in conjunction with -

- (a) Standard No. INS.S. 2.7 – The fair treatment of clients and policyholders by registered agents and registered brokers; and
- (b) Standard No. GEN.S. 10.10 – Outsourcing.

### **Compliance**

4. Any agreement, scheme or arrangement to offer, provide, accept, pay or receive commission for the rendering of a financial service in terms of Chapter 2 of the Act, otherwise than in accordance with this Standard, is void.

## **Part I: Long-term Insurance**

### **Definitions**

4. In this part, unless the context indicates otherwise -

- (a) “annualised contributions” in relation to a scheme, means the total amount of 12 months’ contributions due under such scheme during a scheme year, but excluding transfer values inwards and excluding credits to the employer arising in the scheme by reason of the withdrawal of a member;
- (b) “annualised premium” in relation to a group policy, means the total of 12 months’ premiums payable under the policy for a scheme year;
- (c) “benefit component” means a separately identifiable kind of policy benefit provided under a policy;
- (d) “compulsory” in relation to an annuity, means there is a duty in terms of the rules of a fund to take out the annuity;
- (e) “group scheme” means a scheme or arrangement which provides for the entering into of a policy, other than an individual policy, in terms of which two or more persons without an insurable interest in each other, are the lives insured;
- (f) “m” means the number of months in any scheme year;
- (g) “n” means-
  - (i) in relation to each separately identifiable constituent of a life policy-
    - (aa) if only C of the numbers A, B and C is applicable to such constituent, C; or
    - (bb) if C and one or both of A and B are applicable to such constituent, the smaller or smallest, as the case may be, of such numbers as are applicable, and for the purposes of this definition of “n”:-
    - (cc) “A” means the number of years in the premium paying term, as such term is uniquely defined;

- (dd) “B” means the number of years in respect of which premiums are payable before the earliest survival benefit (including a surrender value but excluding a disability benefit) of at least a specifically stated or pre-determinable monetary amount becomes available;
  - (ee) “C” means the greater of 10 and 75 minus age next birthday at entry; and
- (ii) in relation to retirement annuity policies:-
  - (aa) under which there is a stated premium paying term, the number of years in such term, but limited to the greater of 10 and 66 minus age next birthday at entry; or
  - (bb) under which there is no stated premium paying term, the greater of 10 and 66 minus age next birthday at entry;
- (h) “P” in relation to any policy year, means, for each separately identifiable constituent of a policy, the premium which in terms of the policy is payable in respect of that year;
- (i) “policy” means a long-term policy, other than a reinsurance policy;
- (j) “premium” means the consideration paid and still to be paid in respect of a policy, or, where the policy has two or more benefit components, the consideration paid and still to be paid in respect of the benefit component concerned;
- (k) “premium term” in relation to a recurring premium policy, or in relation to a benefit component of a recurring premium policy, other than a group policy or a fund policy, means the period for which the premium must be paid, being the shorter of the following periods:-
  - (i) the period stated in the policy, or ascertainable from its written provisions, at the commencement of the policy or at the commencement of the benefit component; or
  - (ii) the period for which the premium must be paid before a policy benefit must or may be provided, otherwise than upon a disability event, a health event or the death of a life insured; or
  - (iii) the period for which the premium must be paid before a consideration must or may be paid upon the surrender of the policy, if the amount of the consideration is stated in the policy, or is ascertainable from its written provisions, at the commencement of the policy or at the commencement of the benefit component; or
  - (iv) the period that is the longer of -
    - (aa) 10 years; or
    - (bb) in the case of a fund member policy, the number of full years from the beginning of the first premium year to the 66th birthday of the life insured; or
    - (cc) in the case of another policy, the number of full years from the beginning of the first premium year to the 75th birthday of the life insured;
- (l) “premium year” in relation to a recurring premium policy or a benefit component of a recurring premium policy, other than a group policy or a fund policy, means one of a succession of periods, each of 12 months, the first of which begins on the date the

policy, or the benefit component concerned, is entered into, or, if it is a later date, the date on which the obligation of the registered insurer in respect of the policy or the benefit component becomes operative;

- (m) “regular premium policy” means a policy under which the premium is payable in two or more amounts;
- (n) “scheme year” in relation to a scheme, means a period commencing on -
  - (i) the date of commencement or the inception date, as the case may be, of the scheme with a registered insurer; or
  - (ii) the date of the appointment of a registered insurance agent, a registered insurance broker, as the case may be, to the scheme,

whichever is the later, and ending on -

- (aa) the day preceding the next succeeding inception date of the scheme; or
  - (bb) the date of termination of the scheme with the registered insurer; or
  - (cc) the date of termination of the appointment of the registered insurance agent or registered insurance broker, as the case may be, to the scheme;
- (o) “single premium policy” means a policy under which the premium is payable in one amount only;
- (p) “Table” means Table 1 or Table 2 in Schedule 1 attached to this Standard;
- (q) “term cover” means cover that is provided under a policy during a specified limited period of time; and
- (r) “tied”, in relation to a compulsory annuity, means a type of annuity where the retirement fund itself provides the compulsory annuity to its member or where the retirement fund rules predetermine the registered insurer where the compulsory annuity must be provided.

#### **Limitation of commission payable in respect of long-term insurance**

5.
  - (1) A registered insurer must not directly or indirectly pay, allow or give commission to a registered insurance intermediary or Lloyd’s intermediary in respect of financial services rendered in terms of Chapter 2 of the Act, otherwise than in monetary form and in accordance with this Part, and more particularly, as specified in Table 1 of Schedule 1 attached to this Standard.
  - (2) A registered insurance intermediary or Lloyd’s intermediary must not, directly or indirectly, receive or accept commission from a registered insurer in respect of financial services rendered in terms of Chapter 2 of the Act, otherwise than in monetary form and in accordance with this Part, and more particularly, as specified in Table 1 of Schedule 1 attached to this Standard.
6. Irrespective of how many persons render financial services as registered insurance intermediaries or Lloyd’s intermediaries in relation to a policy, the total commission that may be paid and received in respect of that policy may not exceed the maximum allowed under Table 1 of Schedule 1 attached to this Standard.

7. No commission shall be paid, allowed, given or accepted on a policy before the date on which the premium, in respect of which the commission is based, is paid to the registered insurer concerned, except that commission relating to any particular policy year may be paid, allowed, given or accepted at the commencement of that year and in advance of receipt of any premium for that year by the registered insurer, provided that:-

- (a) for the purposes of calculating the amount of the commission payable in advance, it must be assumed that the premium becomes due with the same frequency as the commission; and
- (b) if any such premium remains partially or wholly unpaid, the registered insurer shall reverse the commission relating to the unpaid amount or the whole, as the case may be, of such premium within 24 months.

8. If a premium or any part thereof is for any reason refunded by a registered insurer, the commission paid, allowed or given in respect of that premium or part of that premium, if any, shall be paid back to the registered insurer by the person to whom it was paid, allowed or given at the discretion of the registered insurer.

#### **Time of payment of commission**

9. The commission payable in terms of Table 1 of the Supporting Schedule attached to this Standard may be paid in one or more amounts, but must not be paid or received before:-

- (a) the first premium year has begun; or
- (b) the premium, in respect of which the commission is payable, has been received by the registered insurer.

#### **Commission when a policy has two or more benefit components**

10. If a policy has two or more benefit components, and it is not specified in the policy or the portion of the total premium attributable to each benefit component is not ascertainable from the written provisions of the policy, the commission that may be paid must not exceed the maximum that would have been allowed had the policy comprised of, and had the total premium been attributable to only the benefit component that most closely reflects the main purpose of the policy, to the exclusion of other subordinate purposes of the policy.

#### **Calculation of commission**

11. Commission in respect of individual life insurance business shall be calculated as set out in Table 1 of the supporting schedule subject to the following conditions:

- (a) regular premium policies in respect of retirement annuity policies: no renewal commission.;
- (b) in respect of all other policies -
  - (i) for each separately identifiable constituent of the policy, the first year's commission of  $(3.25\% \times n \times P)$ , subject to a maximum of 85% of P, provided that payment of any part of such commission may be made conditional upon payment of the premium due in any later year and that in such event that part of the commission may be increased by not more than 15% per annum, compounded annually until payment of that part of the commission;
  - (ii) renewal commission, payable after the first year of the policy, the aggregate value of which, discounted at 15% per annum to the commencement of the second year, does not exceed  $33 \frac{1}{3}\%$  of the first year's commission, as determined in accordance with clause 11(b)(i) but excluding the proviso thereto; and

- (c) sinking fund insurance business; provided such commission shall be payable only as and when the premium is received by the registered insurer.

12. Commission in respect of pension funds, retirement funds, group schemes and health insurance business shall be calculated as set out in Table 2 of the Supporting schedule subject to the condition:

in respect of the first scheme year after setting up a new scheme, commission additional to that determined in accordance with Table 2 but not exceeding N\$3450 or 7.5% of annualised contributions for that scheme year linked to CPI, whichever is the lesser, may be paid, but such additional commission shall apply only when a scheme is first established.

## **Part II : Short-term Insurance**

### **Limitation of remuneration in terms of short-term insurance**

13. No remuneration in respect of short-term insurance business, directly or indirectly must be paid, allowed or given to, or accepted by or on behalf of, a registered insurance broker, Lloyd's intermediary or any other person as remuneration for rendering services as an insurance intermediary otherwise than by way of commission in monetary form.

14. The commission payable in respect of a short-term insurance policy, regardless of the number of insurance intermediaries involved, in total must not exceed the maximum rate of commission payable under this Standard.

15. No commission shall be paid, allowed, given or accepted on a short-term insurance policy before the date on which the premium in respect of which the commission is based, is paid to the registered insurer or to the Lloyd's underwriter concerned.

16. Commission for short term insurance policies shall be calculated as set out in Table 3 in supporting schedule.

17. If a premium or any part thereof is for any reason refunded by a registered insurer or by a Lloyd's underwriter, the commission paid, allowed or given in respect of that premium or part of that premium, if any, shall be refunded to the registered insurer or to the Lloyd's underwriter by the person to whom it was paid, allowed or given.

## **SUPPORTING SCHEDULE**

The following tables attached forms part of this Standard -

<b>TABLE 1</b>				
<b>Item</b>	<b>Kind of policy or benefit component</b>	<b>Maximum Percentage</b>		
		Single Premium	Regular premium	
			Basic percentage	Limit:
	Column 1	Column 2	Column 3	Column 4
<b>1</b>	<b>Individual life (not funeral) policy</b>			
1.1	Not annuity	7.5% x P	3.25% x n x P	85%
1.2	Deferred annuity	1.5% x P	3.25% x n x P	75%
1.3	Immediate annuity			
1.3.1	not compulsory	1.5% x P	n/a	n/a
1.3.2	compulsory – not tied	1.5% x P	n/a	n/a
1.3.3	compulsory – tied	No commission		
<b>2</b>	<b>Individual/ group funeral policy</b>	2.5% x P	3.25% x n x P	85%
<b>3</b>	<b>Individual disability/ health policy</b>			
3.1	Term cover only	7.5% x P	3.25% x n x P	85%

3.2	Not term cover only	2.5% x P	3.25% x n x P	85%
4	<b>Fund policy</b>	Table 2	Table 2	n/a
5	<b>Individual / group sinking fund insurance business</b>	2.5% x P	2.5% x P	85%

- A life policy that qualifies as a funeral policy may be dealt with under item 2.

<b>TABLE 2</b>			
<b>Maximum Normal Commission</b>			
<b>Item</b>	<b>Column 1</b>	<b>Column 2</b>	
	Apply the applicable percentage(s) below	To so much of the annualised premium that	
		Is more than N\$	But not more than N\$
1	7.5%	1	68,000
2	5.0%	68,001	115,000
3	3.0%	115,001	250,000
4	2.0%	250,001	770,000
5	1.0%	770,001	Unlimited

<b>TABLE 3</b>	
<b>Maximum Normal Commission of the premium payable under a policy</b>	
<b>Item</b>	
	Apply the applicable percentage(s) below
Vehicle policy	12.5%
Other policies other than a vehicle policy	20.0%

## **FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 (Act No. 2 of 2021)**

### **POINT OF SALE INFORMATION TO BE PROVIDED BY INSURERS, INSURANCE AGENTS AND INSURANCE BROKERS TO POLICYHOLDERS AND POTENTIAL POLICYHOLDERS**

#### **Standard No. INS.S. 2.10**

*issued by NAMFISA under section 410(3) (v) of the  
Financial Institutions and Markets Act, 2021*

#### **Definitions**

1. (1) In this Standard, unless the context indicates otherwise -
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 [Act o. 2 of 2021] and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “point of sale” means anytime the policy information is discussed from the first contact with the client until the time of the conclusion of the deal.

- (d) “tied annuity” means a type of annuity where the fund itself provides the compulsory annuity to its retiring member or where the fund rules predetermine the insurer where the compulsory annuity must be provided.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:-
  - (a) as defined in section 1 of the Act -
    - (i) NAMFISA;
    - (ii) premium;
  - (b) as defined in section 4 of the Act -
    - (i) insurance;
    - (ii) policyholder;
    - (iii) registered insurer;
  - (c) as defined in section 53 of the Act -
    - (i) registered insurance agent;
    - (ii) registered insurance broker; and
    - (iii) registered insurance intermediary.
- (3) This Standard applies to all registered insurers, registered insurance agents and registered insurance brokers.
- 3. This Standard must be read in conjunction with;
  - (1) Standard No. INS.S. 2.7 – Fair treatment of policyholders or potential policyholders and by registered insurance agents and registered insurance brokers;
  - (2) Standard No. GEN.S. 10.17 – Plain language

#### **General information disclosures**

- 4. The information disclosed at point-of-sale should contain -
  - (a) the name of the registered insurance intermediary and the registered insurer and a description of the of insurance product;
  - (b) the type of insurance product, the benefits, rights, options and duties of the policyholder or potential policyholder;
  - (c) the term of the insurance product, i.e. when the cover begins and ends;
  - (d) a description of the risk to be insured and all exclusions;
  - (e) the total premium payable and the detailed premium break down, the payment date, commission earned by the registered insurance intermediary and consequences of non-payment of the premium by the policyholder or potential policyholder;
  - (f) where policy benefits are bundled under a single insurance product, the separate premiums payable for each policy benefit;
  - (g) in the case of annuity policies, a statement as to whether an insurance product purchase is tied or not;
  - (h) the fees or charges, and the type of fees or charges included in the premium;
  - (i) any fees or charges not included to the premium, including but not limited to the fees or charges of the registered insurance intermediary and charges in respect of early termination;

- (k) information alerting the policyholder or potential policyholder as to the consequences of non-disclosures of risks to be insured.

### **Timing of the provision of point of sale information to policyholder or potential policyholder**

5. The point of sale information must be disclosed or provided in good time before the policy contract is concluded, and the information should enable an informed decision to be made by the policyholder or potential policyholder before the conclusion of the sale of the insurance product.
6. For the purposes of clause 4, in determining what is “in good time”, registered insurance intermediaries and registered insurers should consider the appropriate level of information and its importance to the policyholder or potential policyholder’s decision-making process.
7. The point of sale information must be provided free of charge, and the policyholder or potential policyholder must be informed where to obtain additional information.
8. The date and time of the point of sale information provided to a client for consideration must be clearly recorded by the registered insurer or registered insurance intermediary and acknowledged, in writing, by the client.

### **Delivery and availability of information to clients**

Insurance product information must be provided at point of sale information in a way that is clear, does not hide or mislead, diminish or obscure important statements or warnings.

9. Point of sale information must be provided in writing..
10. Registered insurance intermediaries and registered insurers must have regard to policyholder or potential policyholder preferences and their access with regard to the mode of delivery (e.g. internet, email and fax) of the point of sale information.
11. Registered insurance intermediaries and registered insurers must focus on the quality of insurance product disclosure rather than the quantity of disclosure. In doing so, the registered insurance intermediary and the registered insurer must exercise reasonable care and focus on material and important point of sale information that the policyholder or potential policyholder should know and not focus on merely ticking boxes on a questionnaire.
12. Clear and simple disclosure is required for all insurance products , particularly regarding the fees, charges and risks involved.
13. Registered insurance intermediaries and registered insurers must obtain acknowledgements, in writing, from policyholders or potential policyholders that they have received and understood the point of sale information provided.
14. In addition to the provisions of this Standard and upon any request made by a policyholder or potential policyholder, registered insurance intermediaries and registered insurers must deliver or make more or better information available to the policyholder or potential policyholder.

### **Disclosure of rights and obligations**

15. Registered insurance intermediaries must inform policyholders or potential policyholders at the point of sale of their rights and obligations inherent in or incidental to a policy contract before conclusion of the sale of the insurance product, including but not limited to:-

- (b) the policyholder or potential policyholder’s obligation to fully disclose material facts truthfully pertaining to the risks to be insured;
- (c) the policyholder or potential policyholder’s obligations in terms of the particular policy contract that must be complied with for the duration of its term and the legal consequences of non-compliance;



- (d) the policyholder or potential policyholder's obligation to monitor the cover, including a statement, where relevant, that the policyholder or potential policyholder may need to review and update the cover periodically to ensure it remains adequate;
- (e) the policyholder or potential policyholder's right to cancel the policy contract and the conditions relating to the right to cancel, and prominent disclosure of any fees or charges related to early cancellation or switching a policy;
- (f) the policyholder or potential policyholder's right to claim benefits, including the conditions under which the policyholder or potential policyholder may claim and the contact details to notify of a claim;
- (g) the policyholder or potential policyholder's right to complain, including the arrangements for handling policyholder or potential policyholder complaints, which must include the registered insurer's internal claims dispute mechanism and the existence of any independent dispute resolution mechanism; and
- (h) all exclusions and limitations.

16. In order to ensure that a policyholder or potential policyholder understands the obligation to disclose material facts referred to in clause 14(b), the registered insurance intermediary must:

- (a) explain -
  - (i) the duty to disclose fully all risks to be insured and a description of the kind of information that needs to be disclosed; and
  - (ii) the consequences of any failure to make such disclosure; and
- (b) ask the policyholder or potential policyholder clear questions about any risk to be insured in a policy.

17. For the purposes of clause 14(h), in determining what exclusions or limitations are important, registered insurance intermediaries must, in particular, consider those that relate to the significant features and benefits of a policy and factors which may have an adverse effect on the benefits payable under it, including but not limited to -

- (a) deferred payment periods;
- (b) exclusion of certain conditions, diseases or pre-existing medical conditions;
- (c) moratorium periods;
- (d) limits on the amounts of cover;
- (e) limits on the period for which benefits will be paid;
- (f) waiting periods;
- (g) restrictions on eligibility to claim, such as age, residence or employment;
- (h) surrender values; and
- (i) excess amount to be paid by the policyholder.

### **Compliance**

18. Where a insurance product information sheet is used, it should be clearly identified as such and it should be pointed out to the policyholder or potential policyholder that the information is not exhaustive, and insofar as the information concerns the content of a policy contract, reference should be made as appropriate to the relevant provisions of the policy contract or to the general policy conditions underlying the policy contract.

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****Provisions governing the registration and on-going requirements for  
a corporate body to act as an agent****Standard No. INS.S. 2.11**

*issued by NAMFISA under section 410(3)(z) of the  
Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.
  - (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:
    - (a) as defined in section 1 of the Act -
      - (i) corporate body;
      - (ii) NAMFISA;
    - (b) “registered insurer” as defined in section 4 of the Act;
    - (c) as defined in section 53 of the Act -
      - (i) insurance agent;
      - (ii) corporate insurance agent; and
      - (iii) registered insurance agent.
2. This Standard applies to all corporate bodies applying for registration as a corporate insurance agent (hereinafter referred to as “applicants”).

**Where to apply**

3. An application for registration as a corporate insurance agent must be submitted to NAMFISA in accordance with clause 10.

**General requirements**

4. Each applicant must complete -
  - (a) the form entitled Application for Registration as a Corporate Insurance Agent attached hereto as Schedule 1; and
  - (b) the form entitled “Fit and Proper Requirements” attached hereto as Schedule 2.
5. Applicants must submit corporate body’s foundation and registration documents, including the following -
  - (a) certified copy of memorandum and articles of association or founding statements, and any amendments thereto, if any;
  - (b) certified copies of share certificates or members’ interest;
  - (c) original letter of intent from the registered insurer concerned; and
  - (d) any other document that the applicant considers relevant or that NAMFISA may require.

**Code of conduct**

6. Every applicant must, as an on-going condition of registration, be guided by a code of professional conduct approved by NAMFISA with respect to all insurance agent activities.

7. (1) If an applicant has or will have employees carrying on the activities of an insurance agent, the applicant must have in place a written code of conduct applicable to such employees in terms of Standard No. GEN.S. 10.9.
- (2) The applicant must ensure that its employees who are insurance agents comply at all times with the code of conduct referred to in sub-clause (1).
- (3) The applicant must ensure that it implements policies and procedures to assess, as an ongoing process, the competencies of its employees carrying on the activities of insurance agents.

8. Any revisions to a code of conduct must be approved by NAMFISA in order to maintain the registration of the corporate agent.

**Submission of applications for registration**

9. (1) An application for registration as a corporate insurance agent must be completed and signed as applicable;
- (2) An application must be completed in hard copies, signed by the principal officer of the registered insurer or reinsurer or a duly authorised representative of the applicant and submitted manually and electronically to NAMFISA together with supporting documents to -
- (a) the designated NAMFISA ERS user account; and
- (b) NAMFISA using either the postal or physical address

**SUPPORTING SCHEDULES**

10. The following supporting schedules are attached to and form part of this Standard -

**Schedule 1:** Application for Registration as a Corporate Insurance Agent

**Schedule 2:** Fit and Proper Requirements GEN.S. 10.9

## SCHEDULE 1

### APPLICATION FORM<sup>18</sup> FOR REGISTRATION AS A LONG-TERM OR SHORT-TERM CORPORATE INSURANCE AGENT

I, the undersigned, do hereby apply on behalf of .....  
[insert name of corporate body] for registration to carry on the business of corporate insurance agent in Namibia pursuant to section 55 of the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021) (the “Act”).

#### 1. DETAILS OF APPLICANT CORPORATE BODY

Full Names: .....

Corporation Registration Number: .....

VAT Number: .....

Current NAMFISA License Number (if applicable): .....

#### 2. CONTACT DETAILS

Physical Address: .....

Postal Address: .....

Telephone Number: .....

Facsimile Number: .....

E-Mail Address: .....

#### 3. DIRECTORS/MEMBERS OF APPLICANT CORPORATE BODY

Names, Nationality and Country of Residence:

.....

.....

.....

.....

.....

.....

#### 4. OWNERSHIP STRUCTURE OF APPLICANT CORPORATE BODY

Shareholder/Members' names and proportion of ownership:

.....

.....

.....

.....

.....

.....

<sup>16</sup> Application forms referred to in this document may be obtained from the offices of NAMFISA, P.O. Box 21250, Windhoek NAMIBIA, 154 Independence Avenue 1st Floor, Sanlam Centre, Tel: (+264 61) 290 5000, Fax (+264 61) 256303, E-mail: info@namfisa.com.na

**5. BANKING DETAILS OF APPLICANT CORPORATE BODY**

Bank Name: .....  
Branch Name: .....  
Branch Code: .....  
Account Number: .....  
Account Type: .....

**6. AUDITOR OR ACCOUNTANT OF APPLICANT CORPORATE BODY IN NAMIBIA**

Full Name: .....  
Physical Address: .....  
Telephone Number: .....  
Facsimile Number: .....  
E-Mail Address: .....

**7. COUNTRIES OTHER THAN NAMIBIA IN WHICH THE APPLICANT CORPORATE BODY CARRIES ON THE BUSINESS OF CORPORATE INSURANCE AGENT**

.....

**PERIOD OF FINANCIAL YEAR:** .....

**9. DETAILS OF PRINCIPAL OFFICER** .....

First Name and Middle Name(s) .....  
Surname: .....  
ID/Passport Number: .....  
Nationality: .....  
Gender: .....  
Physical Address: .....  
Postal Address: .....  
Telephone Number: .....  
Mobile Number: .....  
Facsimile Number: .....  
E-Mail Address: .....

**Employment History**

Current Employer: .....  
Date of employment: .....  
Previous Employer: .....  
Period of employment: .....  
Position: .....

**Educational Qualifications**

Highest qualifications: .....  
Relevant training attended: .....

## 10. ATTACHMENTS

### 10.1 Corporate body

- i. Registration fee N\$ 200.00
- ii. Proof of bank account
- iii. Memorandum and Articles of Association/Founding statement
- iv. List of Directors
- v. Certified copies of share certificates/certificates of members' interest
- vi. Certified copies of Directors' ID/Valid Passport
- vii. Municipality Certificate of Registration or /of Fitness
- viii. Original letter of Intent or Agreement from registered insurer(s)
- ix. If registered with NAMFISA previously, proof of payment of annual fee
- x. Proof of registration as a tax payer from the Receiver of Revenue

### 10.2 Principal Officer

- xi. Abridged or shortened CV
- xii. Certified copies of Highest Educational Qualifications
- xiii. Affidavit and Fit and Proper Questionnaire signed in front of Commissioner of Oaths
- xiv. Certified Copy of ID/Valid Passport
- xv. Residence Permit or Work Permit (if not a Namibian citizen)
- xvi. Proof of registration as a tax payer from the Receiver of Revenue
- xvii. Proof of domicile

All copies of original documents must be duly certified. Copies made from certified documents will not be accepted.

## 11. PRINCIPAL OFFICER'S DECLARATION:

I hereby declare that I have not been convicted by any court of any offence involving dishonesty, or of an offence in terms of the Act, the former Long-term Insurance Act, 1998 (Act No. 5 of 1998), the Short-term Insurance Act, 1998 (Act No. 4 of 1998).

By signing the document I declare that:

- a) The long-term insurance business or short-term insurance business, as applicable, of the applicant company will be conducted in Namibia in compliance with the Act and the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
- b) I and the company will adhere to the requirements and conditions stated in this application form; and
- c) all the information contained in this application is true and accurate and can be relied upon and I have disclosed all necessary material information that may be required by the NAMFISA. In the event that any information provided in this application is incorrect or not fully disclosed, I accept that the registration of the company as a corporate insurance agent may be cancelled in accordance with the provisions of the Act.

Full Names: .....

Signature: .....

Date: .....

Place: .....

## **12. REQUIREMENTS FOR THE CARRYING ON THE BUSINESS OF A LONG-TERM OR SHORT-TERM CORPORATE INSURANCE AGENT, AS APPLICABLE, IN NAMIBIA**

### **12.1 PAYMENT OF ANNUAL FEES**

An annual fee of N\$1000.00 is payable.

### **12.2 SUBMISSION OF ANNUAL RETURNS**

Every corporate insurance agent is required to:

- i. keep proper accounts of, and financial information relating to, its long-term or short-term insurance agency business; and
- ii. annually, within 90 days after the end of the financial year, submit annual returns to NAMFISA and such other information as NAMFISA may require.

### **12.3 CANCELLATION OF REGISTRATION**

#### **12.3.1 Voluntary cancellation or variation of registration**

An application for cancellation or variation of registration may be made at the offices of NAMFISA pursuant to section 65 of the Act.

(Application form for cancellation or variation of registration is available at the offices of NAMFISA).

#### **12.3.2 Cancellation of registration by NAMFISA**

Registration may be cancelled by NAMFISA pursuant to section 66 of the Act.

### **12.4 CHANGE OF CONTACT DETAILS**

New contact details must be submitted in writing to NAMFISA including physical, postal and email addresses, telephone, mobile and facsimile numbers.

### **12.5 CHANGE OF REGISTERED NAME**

An application for approval by NAMFISA of a change of registered name must be submitted to NAMFISA in accordance with section 391 of the Act.

(Application form for approval of a name change is available at the offices of NAMFISA)

### **12.6 MOVEMENT OF CORPORATE INSURANCE AGENT WITHIN THE INDUSTRY**

NAMFISA must be notified immediately of any movement of a corporate insurance agent from one registered insurer to another, or upon a corporate insurance agent exiting the industry.

**SCHEDULE 2****FIT AND PROPER REQUIREMENTS FOR LONG-TERM AND SHORT-TERM  
CORPORATE INSURANCE AGENTS**

To be completed<sup>19</sup> on behalf of any corporate body that wishes to apply for registration as a corporate insurance agent in terms of the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)

**DECLARATION****SECTION A: DETAILS OF THE CORPORATE BODY**

Full name: .....

Corporate Registration Number: .....

VAT Number: .....

Current NAMFISA License Number (if applicable): .....

Postal address: .....

Telephone number: .....

Fax number: .....

E-mail address: .....

Mobile number: .....

**SECTION B: SCHEDULE FOR FIT AND PROPER REQUIREMENTS**

A person is able to demonstrate honesty, fairness, ethical behavior and integrity if that person:

- i. is not disqualified from being a director of a company in terms of the Companies Act, 2004;
- ii. declares under oath confirming that within the past ten years:
  - k) a fiduciary obligation has not been breached;
  - l) he or she has not perpetrated or participated in grossly negligent, deceitful, or otherwise discreditable business or professional practices;
  - m) he or she has not been reprimanded, disqualified or removed by a professional or regulatory body in relation to matters relating to the person's honesty, integrity or business conduct;
  - n) he or she has not been involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies of honesty, integrity, fairness or ethical behavior in that management;
  - o) he or she was not the subject of civil or criminal proceedings or enforcement action in relation to the management of an entity or commercial or professional activities, which were determined adversely to the person (including by the person consenting to an order or direction, or giving an undertaking, not to engage in unlawful or improper conduct) and which reflected adversely on the person's competence, diligence, judgment, honesty or integrity;
  - p) he or she has not been refused authorization to carry on business by any regulatory body (whether in Namibia or elsewhere), or has such authorization ever been suspended or revoked by any such body because of negligence, incompetence or mismanagement;
  - q) he or she has not been having a significant ownership in the business or company which has failed, where that failure has been occasioned in part by deficiencies of honesty, integrity, fairness or ethical behavior in that management; or

<sup>19</sup> Copies of this form are available at the offices of NAMFISA, P.O.Box 21250 Windhoek, NAMIBIA, 51-55 Werner List Street, Gutenberg Plaza, Windhoek, Tel: (+26461)256303, E-mail: info@namfisa.com.na



- r) he or she has not been found to be liable under the Financial Intelligence Act, No. 13 of 2012 (FIA), and/or the Prevention of Organized Crime Act, No. 29 of 2004 and/or the Combating of Financing of Terrorist Act, Act No 12 of 2012 and/or any other similar crime in any country;
- s) he or she is not listed on any bad creditors' bureau;
- t) he or she has never been involved with a regulated institution when such institution failed to maintain a financial sound position or the required capital or solvency.

### **AFFIDAVIT**

I, .....(full names), being the duly authorised principal officer of ..... [insert name of corporate body] hereby declare as follows:

- The contents of this affidavit are true and correct to the best of my knowledge and belief.
- I undertake to notify NAMFISA of any material changes to, or affecting the completeness or accuracy of, the information supplied to NAMFISA in this affidavit as soon as possible, but in any event no later than 7 days from the day that the changes come to my attention.
- I know and understand the contents of this affidavit.
- I do not have objections to taking the prescribed oath, which I consider to be binding on my conscience.

### **Signature of deponent**

THUS SIGNED AND SWORN before me at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_ the Deponent having declared that he/she knows and understands the contents of this Affidavit, that it true and correct, that he/she has no objection to taking the oath, and that he/she considers the oath to be binding on his/her conscience.

**COMMISSIONER OF OATHS**

FULL NAMES: \_\_\_\_\_

CAPACITY: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

## FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

### THE DETERMINATION OF WHAT CONSTITUTES A SOUND FINANCIAL POSITION OF REGISTERED INSURERS OR REINSURERS

#### Standard No. INS.S. 2.12

*issued by NAMFISA under sections 410(2)(t) and 410(3)(dd) of the  
Financial Institutions and Markets Act, 2021*

#### Definitions

- (1) In this Standard, unless the context indicates otherwise -
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “long-term insurer” means an insurer that is registered to carry on the business of long-term insurance or reinsurance;
  - (c) “outstanding claims” means claims received or filed but not yet settled;
  - (d) “short-term insurer” means an insurer that is registered to carry on the business of short-term insurance or reinsurance;
  - (e) “technical provisions” means -
    - (i) under long-term insurance or long-term reinsurance means amounts set aside to meet all liabilities arising out of long-term insurance or long-term reinsurance policy contracts; and
    - (ii) under short-term insurance or short-term reinsurance means amounts set aside to meet all liabilities in respect of outstanding claims (whether reported or not), provision for unearned premium and for unexpired risks;
  - (f) “unearned premium” means an insurance premium that is paid by the policyholder in advance which the registered insurer or registered reinsurer has not earned; and
  - (g) “unexpired risk” means risks underwritten by the registered insurer or registered reinsurer for which coverage extends beyond the valuation date.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:-
  - (a) as defined in section 1 of the Act -
    - (i) client;
    - (ii) insurer;
    - (iii) NAMFISA;
    - (iv) reinsurer;
  - (b) as defined in section 4 of the Act -
    - (i) insurance;
    - (ii) policy holder;
    - (iii) registered insurer;
    - (iv) registered reinsurer; and
    - (v) reinsurance.
2. This Standard applies to all registered insurers and registered reinsurers.
3. A registered insurer or registered reinsurer will be considered to have a sound financial position when -
  - (a) the insurer’s or reinsurer’s assets exceed its liabilities;
  - (b) the insurer or reinsurer meets the capital adequacy requirements for registered long-term insurers or registered long-term reinsurers, or the solvency margin for registered short-term insurers or registered short-term reinsurers set out in Standard No. INS.S. 2.1 - The capital adequacy requirements for registered insurers;

- (c) the insurer or reinsurer provides for technical provisions and values assets appropriately and in accordance with the provisions of Standard No. INS.S. 2.2 - The determination, calculation and valuation of the assets and liabilities of registered insurers for the purposes of capital adequacy, including NAMFISA's right to change a valuation under circumstances determined in such standard;
- (d) the insurer or reinsurer maintains internal controls and risk management systems that are at a minimum compliant with the requirements of the Act;
- (e) the insurer or reinsurer maintains standards of corporate governance that are at a minimum as high as those required by Standard No. GEN.S. 10.3 - Governance of financial institutions and intermediaries; and
- (f) the insurer or reinsurer generally conducts its business in a manner that will enable it to meet all of its obligations to the public, clients and policyholders.

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## **FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

### **THE TRUST ACCOUNT TO BE OPENED BY LLOYD'S, THE MINIMUM VALUE OF FUNDS THEREIN AND THE RETURNS TO BE FURNISHED BY LLOYD'S UNDER SECTION 47 OF THE ACT**

#### **Standard INS.S.2.13**

*issued by NAMFISA under sections 410(3) (n), (o), (p) and section 47 of the  
Financial Institutions and Markets Act, 2021*

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#### **Definitions**

1. (1) In this Standard, unless the context indicates otherwise "Act" means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -

(a) as defined in section 1 of the Act -

- (i) banking institution;
- (ii) building society;
- (iii) corporate body;
- (iv) entity;
- (v) financial institution;
- (vi) GAAP;
- (vii) NAMFISA;

(b) as defined in section 4 of the Act -

- (i) policy;
- (ii) policyholder;
- (iii) short-term insurance;

- (c) as defined in section 42 of the Act -
  - (i) Lloyd's;
  - (ii) Lloyd's intermediary;
  - (iii) Lloyd's representative;
  - (iv) Lloyd's underwriter;
  - (v) trust account;
- (d) registered insurance intermediary, as defined in section 53 of the Act; and
- (e) as defined in section 162 of the Act -
  - (i) collective investment scheme;
  - (ii) participatory interest; and
  - (iii) portfolio.

### **Applicability**

2. This Standard applies to Lloyd's and the Lloyd's representatives.

### **Part I: Trust Account (clauses 3 to 8)**

#### **Deposits**

3. (1) The Lloyd's representative must, not later than 90 days after the end of each financial year, deposit in the trust account an amount equal to 70 per cent of all premiums of whatever nature received by Lloyd's underwriters during the immediately preceding financial year in respect of insurance activity which is subject to the jurisdiction of NAMFISA, less -

- (a) premiums refunded during the month in which such premiums were received; and
  - (b) commission paid or payable in respect of such premiums.
- (2) A different percentage to that referred to in sub-clause (1) may be determined by NAMFISA from time to time by notice to the Lloyd's representative and publication in the Gazette.

#### **Investments**

4. (1) Any moneys standing to the credit of the trust account that are not required for immediate use pursuant to clause 6 may be invested by the Lloyd's representative in any asset specified in Schedule 1 to this Standard.
- (2) All documents issued in respect of an investment made pursuant to sub-clause (1) must be held by the Lloyd's representative, who shall be competent to realize any asset referred to in that sub-clause.
  - (3) All moneys acquired by virtue of any investment or realization contemplated in sub-clauses (1) or (2) must, as soon as practicable, be deposited in the trust account.

#### **Withdrawals**

5. (1) Within 90 days after the financial year end, an amount equal to the amount deposited in the trust account during the same year of the immediately preceding year, together with interest thereon, may be withdrawn from the trust account, less any amount withdrawn for the purposes of clause 6 during the first-mentioned year.

(2) Any amount withdrawn from the trust account pursuant to sub-clause (1) must not be transferred to Lloyd's unless the Lloyd's representative has obtained approval in writing from NAMFISA and complied with the provisions of clause 8(2).

(3) Prior to making any withdrawal pursuant to section 46(3) of the Act and clause 5 (2), a return in the form of Schedule 2 to this Standard must be submitted to NAMFISA.

### **Claims**

6. (1) Any claim against a Lloyd's underwriter arising from a policy entered into by virtue of an act performed by a Lloyd's intermediary may be paid -

- (a) out of the moneys standing to the credit of the trust account;
- (b) from any assets referred to in clause 4(1); or
- (c) from an amount due to Lloyd's underwriters in respect of any act performed by a Lloyd's intermediary in the capacity as such intermediary.

(2) The Lloyd's representative must, upon production of a warrant of execution issued under an order of a competent court in respect of a claim referred to in sub-clause (1), pay such claim out of the moneys, assets or amounts referred to in that sub-clause.

### **Limits on withdrawals**

7. Moneys must not be withdrawn from the trust account except -

- (a) for the purposes of clauses 4, 5 or 6; and
- (b) with the prior written approval of NAMFISA.

### **Part II: Lloyd's Returns (clauses 8, 9 and 10)**

8. The Lloyd's representative must submit to NAMFISA, annually, in accordance with clause 12 -

- (a) a return in the form of Schedule 2 Annex to this Standard, showing the assets specified in Schedule 1 that are held by Lloyd's; and
- (b) after the end of each calendar year, a return in the form of Schedule 2 to this Standard, reviewed by an auditor, in respect of the trust account as at the last day of the immediately preceding year, including the assets specified in Schedule 1 that are held by Lloyds as of that date.

9. The Lloyd's representative must submit to NAMFISA, quarterly, the following information in the form of Schedule 3 to this Standard and in accordance with clause 11 and clause 12(a) -

- (a) the amount of claims per class paid by Lloyd's underwriters;
- (b) a report on all complaints received from policyholders and clients in Namibia inclusive of how each complaint was dealt with;
- (c) premium volume and types of policies in Namibia sold during the period in question; and
- (d) any other documents that NAMFISA may prescribe.

10. The Lloyd's representative must submit to NAMIFSA, annually, in accordance with clause 12(b) -

- (a) audited annual returns reviewed by an auditor relating to the short-term insurance business carried on by Lloyd's in Namibia, together with the report of the auditor thereon, in the form of Schedule 2 to this Standard;
- (b) the latest available Solvency and Financial Condition Report prepared in respect of 'the association of underwriters known as Lloyd's; and
- (c) the latest available International Standard on Assurance Engagements (ISAE) No. 3402, Assurance Report on Controls at a Service Organization in respect of Lloyd's insurance transaction processing services.

### **Part III: General (clauses 11 to 15)**

#### **Form and method of submission**

11. The information required by this Standard must be submitted manually and electronically to -

- (a) the designated NAMFISA ERS user account; and
- (b) NAMFISA using either the postal or physical address.

#### **Reporting periods and due dates**

12. The Lloyd's representative must provide the information required by this Standard -

- (a) in the case of the quarterly information required by clause 9, not later than 30 days after the end of the reporting period to which the information relates;
- (b) in the case of the annual returns and reports required by clauses 8 and 10, not later than 90 days after the financial year end;
- (c) in the case of the audited annual return required by clause 10 (b) and (c), not later than 90 days after the financial year end, of the short-term insurance business carried on by Lloyd's in Namibia.

#### **Extension**

13. Upon application by the Lloyd's representative, NAMFISA may, by notice in writing, grant the Lloyd's representative an extension of a due date referred to in clause 12, in which case the new date for the submission of the information shall be the date specified in the notice of extension.

#### **Additional information**

14. Notwithstanding clauses 8, 9, 10 and 12, if NAMFISA considers it necessary and reasonable to obtain additional information or to obtain information more frequently from the Lloyd's representative, NAMFISA shall inform the Lloyd's representative and shall stipulate the frequency, form and content of such information as applicable.

#### **Accountability**

15. The Lloyd's representative must ensure that each Lloyd's underwriter and each Lloyd's intermediary, where acting as agent on behalf of Lloyd's underwriters, carrying on short-term insurance business in Namibia has processes and controls in place to support the submission of accurate and reliable information to the Lloyd's representative necessary for the Lloyd's representative to submit to NAMFISA the information required by this Standard, within the time periods stipulated by clause 12.

## SUPPORTING SCHEDULES

The following supporting Schedules are attached to and form part of this Standard -

- (3) Assets in which moneys standing to the credit of the trust account may be invested
- (4) Form of audited, annual return pursuant to clause 8(b) of the Standard in respect of the trust account as at the last day of the immediately preceding year, including the assets specified in Schedule 1 that are held by Lloyd's as of that date  
Annex: Form of annual return pursuant to clause 8(a) of the Standard showing the assets referred to in Schedule 1 held by Lloyd's as at the end of the financial year
- (5) Form of quarterly return providing the information referred to in clause 9 of the Standard

### SCHEDULE 1

#### ASSETS IN WHICH MONEYS STANDING TO THE CREDIT OF THE TRUST ACCOUNT MAY BE INVESTED

1	Bills, bonds or securities issued by the Government of Namibia
2	Bills, bonds or securities guaranteed by the Government of Namibia
3	Bills, bonds or securities issued or guaranteed by or loans to or guaranteed by any statutory body or local authority in Namibia
4	Bills, bonds or securities issued by or loans to any institution in Namibia
5	Bills, bonds or securities issued by the government of or any local authority in, a country other than Namibia
6	Bills, bonds or securities issued by an institution in a country other than Namibia
7	Stocks or shares in any corporate body, banking institution, building society or other financial institution incorporated in Namibia in terms of the laws of Namibia or in participatory interests in a portfolio of a collective investment scheme
8	Immovable property in Namibia
9	Motor vehicles, furniture and office equipment, including computer equipment, used by Lloyd's in the course of its business in Namibia
10	Any other assets which NAMFISA may approve, subject to such conditions as NAMFISA may determine

### SCHEDULE 2

#### FORM OF AUDITED ANNUAL RETURN PURSUANT TO CLAUSE 8 (B) OF STANDARD NO. INS.S. 2.13 WITH RESPECT TO THE TRUST ACCOUNT INCLUDING THE ASSETS SPECIFIED IN SCHEDULE 1 THAT ARE HELD BY LLOYD'S AS AT THE YEAR ENDED

**31 MARCH 20 - -**

In this Return -

“Year of the Return” means the year to which the return relates, as indicated above; and

“Standard” means Standard No. INS.S. 2.13.

		N\$ Sub-total	N\$ Total
1.	Credit balance in the Lloyd's trust account as at the end of the Year of the Return		
2.	Book value of assets referred to in Schedule 1 held as at the end of the Year of the Return		
3.	Total amounts deposited in the trust account during the Year of the Return (a) pursuant to clause 3 of the Standard; (b) pursuant to clause 4(3) of the Standard.		

4.	Total of amounts shown against items 1, 2, 3(a) and 3(b)		
5.	Total of amounts withdrawn from the trust account during the Year of the Return for: (a) investment in assets referred to in Schedule 1 to the Standard; (b) transfer to Lloyd's; (a) payment of any claim referred to in clause 6(1) of the Standard; and (b) other purposes (specify).		
6.	Total of amounts shown against items 5(a), 5(b), 5(c) and 5(d)		
7.	Difference between the amounts shown against items 4 and 6		
8.	Total amount deposited in the trust account during the year immediately preceding the Year of the Return pursuant to clause 5 of the Standard		
9.	Credit balance in the trust account at the end of the Year of the Return		
10.	Book value of assets referred to in Schedule 1 to the Standard held at the end of the Year of the Return		

### ANNEX TO SCHEDULE 2

#### FORM OF ANNUAL RETURN SHOWING ASSETS REFERRED TO IN SCHEDULE 1 AND CLAUSE 8(A) OF STANDARD INS.S. 2.13 HELD BY LLOYD'S FOR THE YEAR ENDED

(day) \_\_\_\_\_ (month) \_\_\_\_\_ (year) \_\_\_\_\_

		N\$	N\$
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			



**SCHEDULE 3****FORM OF QUARTERLY RETURN PROVIDING THE INFORMATION REFERRED TO IN CLAUSE 9 OF STANDARD NO. INS.S. 2.13 FOR THE QUARTER ENDED**

(day) \_\_\_\_\_ (month) \_\_\_\_\_ (year) \_\_\_\_\_

		N\$	N\$
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

**Application by registered insurer or reinsurer for voluntary cancellation of registration granted pursuant to section 11 of the Act or for variation of the classes of business by cancellation of class (es) of business for which it was registered**

**Standard No. INS.S.2.14**

*issued by NAMFISA under sections 13(2) and 410(3) (dd) of the  
Financial Institutions and Markets Act, 2021*

**Definitions**

**(1)** In this Standard -

- (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act; and
- (b) “NAMFISA ERS” means the Electronic Regulatory System which facilitates communication between NAMFISA and financial institutions.

**(2)** Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:

- (c) as defined in section 1 of the Act -
    - (i) auditor;
    - (ii) board;
    - (iii) document;
    - (iv) principal officer;
    - (v) NAMFISA;
    - (vi) valuator;
  - (d) as defined in section 4 of the Act -
    - (i) class;
    - (ii) insurer;
    - (ii) policyholder;
    - (iv) reinsurer;
    - (v) registered insurer;
    - (vi) registered reinsurer; and
    - (vii) insurance business.
- (2) This Standard applies to all registered insurers or reinsurers (hereinafter referred to as “applicants”) applying for cancellation of its registration granted pursuant to section 11 of the Act.
- (3) Applications for variation of registration by adding a class(es) of insurance or conditions upon which registration was granted must be dealt with in accordance with INS.S.2.3 Application for registration of insurers and reinsurers.

#### **Where to apply**

- (4) An application for cancellation of registration granted pursuant to section 11 of the Act or for variation of registration by cancellation of class(es) of insurance for which it was registered must be submitted to NAMFISA in accordance with clause 12.

#### **Application for cancellation of registration or variation of registration by cancellation of a class(es) of business**

- (5) Pursuant to sub-section 13(2) of the Act, an applicant that intends to apply for voluntarily cancellation of its registration granted pursuant to section 11 or variation of registration by cancellation of a class(es) of business for which it was registered must -
- (a) apply to NAMFISA, in writing, in accordance with the form set out in Schedule 1, FORM A, titled Application letter;
  - (b) complete the form and furnish particulars as set out in Schedule 2, FORM B, titled Application for voluntary cancellation of registration of an insurer or reinsurer;
  - (c) file with NAMFISA, as proof, a copy of the notice published in terms of section 13(3) of the Act;
  - (d) provide a copy of the resolution on the decision to cancel or vary its registration by cancelling a class(es) of business for which it was registered pursuant to section 11 of the Act;
  - (e) provide proof of payment of the application fee; and
  - (f) provide any other information and documents that NAMFISA may, from time to time, reasonably require.
- (6) (2) The applicant, its principal officer or a duly authorised person<sup>20</sup> may, if so required, be called to appear before NAMFISA for a personal representation in connection with an application.

<sup>20</sup> Applicant to attach the original copy of letter or document of authorisation

**Notice**

- (7) The applicant must before filing the notice in the newspapers in terms of section 13(3) of the Act and clause 5(c) notify NAMFISA of the proposed intention to cancel registration or or variation of registration by cancellation of a class(es) of business for which it was registered.
- (8) The applicant may after NAMFISA has considered all objections received due to the published notice referred to in section 13(3) of the Act and 5(c) lodge an application with NAMFISA.

**General requirements**

- (9) An applicant must further specify the measures that the applicant shall take to discharge all its obligations under insurance policies, other contractual obligations including broker agreements and meet all of its liabilities; and

**Powers of NAMFISA**

2. (10) (1) No registered insurer or reinsurer shall voluntarily wind-up or cease insurance business operations without the prior written approval of NAMFISA.
- (2) An application, not complete in all respects and not conforming to the instructions specified in Schedule 2 and this Standard, may be rejected on the basis of non-compliance with this Standard.
- (3) In instances where the application is deemed not complete, NAMFISA must give the applicant the opportunity to provide the required information to complete the application. The required information must be provided within 7 working days, failing which the application shall be rejected.

**Application fee**

- (11) An application must be accompanied by the required non-refundable fee as stipulated in terms of Standard GEN.S.10.23.

**Submission**

- (12) An application for cancellation of registration or for variation of registration by cancellation of class(es) of insurance for which it was registered must be completed in hard copies, signed by the principal officer of the registered insurer or reinsurer or a duly authorised representative of the applicant and submitted manually and electronically to NAMFISA together with supporting documents to -
  - (a) the designated NAMFISA ERS user account; and
  - (b) NAMFISA using either the postal or physical address.

**Effect of cancellation of registration**

- (13) (1) On and from the date of cancellation of the registration, the insurer or reinsurer, shall cease to act as an insurer or a reinsurer.

**SUPPORTING SCHEDULES**

- (14) The following supporting schedules are attached to and form part of this Standard:

**Schedule 1:** FORM A - Application letter

**Schedule 2:** FORM B - Application for cancellation of registration or cancellation of class(es) of business of an insurer or reinsurer

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**SCHEDULE 1****FORM A  
APPLICATION LETTER****(To be completed in duplicate)****APPLICATION BY REGISTERED INSURER OR REINSURER FOR  
CANCELLATION OF REGISTRATION GRANTED PURSUANT TO  
SECTION 11 OF THE ACT OR CANCELLATION OF CLASS(ES) OF BUSINESS***In terms of section 13(2) of the Financial Institutions and Markets Act No. 2 of 2021 ("the Act") -*

1. I, the undersigned, being the Principal Officer or duly authorised person of .....  
..... duly empowered thereto, hereby apply for the voluntary  
cancellation of registration of the said registered insurer or reinsurer, in terms of section 13(2)  
of the Act;
2. I submit with this application all the required documents as per this Standard; and
3. The proof of payment of the application fee of N\$ ..... as prescribed in Standard  
GEN.S.10.23 is enclosed with the application.

**Principal Officer or Duly authorised person**

Full names: .....

Signature: .....

Date: .....

Place: .....

**SCHEDULE 2****FORM B****APPLICATION FOR CANCELLATION OF REGISTRATION GRANTED PURSUANT  
TO SECTION 11 OF THE ACT OR FOR VARIATION OF REGISTRATION BY  
CANCELLATION OF A CLASS(ES) OF BUSINESS FOR WHICH IT WAS REGISTERED**

Please tick appropriate box:

**SHORT-TERM INSURER/REINSURER****LONG-TERM INSURER/REINSURER****1. INSURER/REINSURER**

Full Name(s): .....

NAMFISA Registration Number: .....

Income Tax Number: .....

**2. CONTACT DETAILS**

Physical address: .....

Postal address: .....

Tel. Work: .....

Cell. No: .....

Fax No: .....

Email: .....

### 3. DETAILS OF PRINCIPAL OFFICER

First Names: .....

Surname: .....

ID/Passport No: .....

Nationality: .....

Gender: .....

Physical address: .....

Postal Address: .....

Tel. Work: .....

Email address: .....

### 4. DETAIL OF SHAREHOLDER(S)

Name	Shareholding

### 5. DETAILS OF BOARD OF DIRECTORS

Name	Nationality	Executive/Non-Executive

Name of the Board Chairperson: .....

Name	Name of Chairperson(s) of sub-committee(s)

### 6. DETAILS OF STATUTORY AUDITOR

.....

.....

.....

.....

.....

**7. DETAILS OF STATUTORY VALUATOR**

.....

.....

.....

.....

.....

**8. BOARD RESOLUTION**

8.1 Date when the special resolution was passed .....

8.2 Effective date of cancellation or variation .....

8.3 Furnish full reason(s) why the special resolution in question 8.1 was passed

.....

.....

.....

.....

.....

**9. CANCELLATION SPECIFIC INFORMATION**

9.1 Is the insurer or reinsurer cancelling all the classes of insurance registered for?

Yes	
No	

9.2 If not please indicate the classes being cancelled below.

**Short-term insurance classes**

Vehicle	
Aviation	
Fire	
Marine	
Guarantees	
Personal	
Miscellaneous	
Others, specify	

**Long-term insurance classes**

Disability	
Fund	
Funeral	
Health	
Life	
Sinking fund	
Others specify	

9.3 Does the insurer or reinsurer have any liabilities under long-term or short-term policies at the time of cancelling?

Yes	
No	

9.4 If the answer is yes, kindly furnish full details of the arrangements that the insurer or reinsurer has made to meet all the liabilities.

.....

.....

.....

.....

9.5 Did the insurer or reinsurer inform its Statutory Auditor and Statutory Valuator of this notification?

Yes	
No	

9.6 If the answer is No, kindly explain.

.....

.....

.....

.....

# 10. LIQUIDATOR'S DETAILS (IF APPLICABLE)

Full name(s) of Liquidator .....

Identity number of Liquidator .....

Appointed date of Liquidator .....

Completion date of Liquidator .....

Total assets at the date the Liquidator is appointed .....

Total liabilities at the date the Liquidator is appointed .....

Total assets on the final date of liquidation .....

Total liabilities on the final date of liquidation .....

# 11. ATTACHMENTS REQUIRED

Letter requesting for cancellation to NAMFISA

Original certificate of registration ( declaration under Oath where original lost)

Proof of settlement or liabilities

A certificate by the Statutory Auditor and Valuator stating that the insurer or reinsurer has no liability under long-term or short-term insurance policies (where there is liability furnish further details as would be directed by NAMFISA)

Copy of Board resolution for voluntary cancellation decision

Bank letter confirming the closure of the bank account(s) three (3) months after cancellation

Resolution for change of objectives

Proof of communication in relation to 9.5

Proof of communication to policyholders (as directed by NAMFISA in terms of clause 9(b) of this standard)

## 12. DECLARATION OF PRINCIPAL OFFICER'S OR DULY AUTHORISED PERSON'S

I hereby sign this document and guarantee that all the information contained herein is true and correct and be relied on for the cancellation of the registration for the conducting of insurance business. I hereby avail myself to disclose all necessary material information that may be required by NAMFISA.

Full Names(s): .....

Signature: .....

Date: .....

Place: .....

**COMMISSIONER OF OATHS**

FULL NAMES: .....

CAPACITY: .....

ADDRESS: .....

### **FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

#### **THE ACCOUNTS AND OTHER INFORMATION TO BE KEPT IN NAMIBIA RELATING TO INSURANCE BUSINESS, AND TO BE SUBMITTED TO NAMFISA, BY REGISTERED INSURERS AND REINSURERS**

#### **Standard No. INS.S.2.15**

*issued by NAMFISA under section 16, 410(3)(f) and 410(3)(dd) of the  
Financial Institutions and Markets Act, 2021*

#### Definitions

(1) In this Standard -

- (c) "Act" means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
- (d) "accounting year" means a period of 12 months;
- (e) "IFRS" means International Financial Reporting Standards; and
- (f) "NAMFISA ERS" means the Electronic Regulatory System which facilitates communication between NAMFISA and financial institutions.



(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:

- (d) as defined in section 1 of the Act -
  - (i) auditor;
  - (ii) document;
  - (iii) generally accepted accounting practice (GAAP);
  - (iv) financial institutions;
  - (v) principal office;
  - (vi) principal officer;
  - (vii) NAMFISA;
- (e) as defined in section 4 of the Act -
  - (i) insurer;
  - (ii) insurance intermediary;
  - (iii) reinsurer;
  - (iv) registered insurer;
  - (v) registered reinsurer; and
  - (vi) insurance business.

3. This Standard applies to all registered insurers and reinsurers.

### **Financial information to be kept**

4. Every registered insurer or reinsurer shall keep information related to the following -

- (a) records of premiums;
- (b) records of claims;
- (c) commissions paid;
- (d) particulars and details of policyholders such as names, age, physical and postal address;
- (e) contact details of insurance intermediaries; and
- (f) any other additional information as may reasonably be required by NAMFISA from time to time.

5. Every registered insurer or reinsurer shall prepare in accordance with GAAP and IFRS for every accounting year —

- (a) a balance sheet or a statement of affairs as at the end of each accounting period;
- (b) a profit and loss account for that period;
- (c) a statement of cash or fund flow;
- (d) a valuation report; and
- (e) additional information as may reasonably be required by NAMFISA from time to time.

6. The information required to be kept in terms of this Standard shall be maintained at the principal office of the registered insurer or reinsurer or such other place where it is easily accessible at the request of NAMFISA.

7. The information referred to in this Standard and maintained by the registered insurer or reinsurer shall be kept for a period of at least five years from the end of the year to which they relate.

### **Manner and form of reporting of financial information**

(1) A registered insurer or reinsurer is required to submit the information referred to in clause 4(a), (b) and (c) to NAMIFSA on a quarterly basis, in the form and manner set out in clause 8, and as set out in the Chart of Accounts on the NAMFISA ERS.

(2) In addition to the requirement specified under sub-clause (1), a registered insurer or reinsurer is further required to submit the following information annually to NAMFISA -

- (a) a signed copy of the audited annual financial statements of the insurer or reinsurer prepared in accordance with GAAP and IFRS or, together with the signed report of the auditor; and
- (b) the signed valuation report.

### **Forms and method of submission**

The information required by this Standard must be submitted to NAMFISA -

- (a) in electronic form to a designated NAMFISA ERS user account; and
- (b) in hard copy form to NAMFISA, P.O Box 21250, Windhoek, Namibia, 154 Independence Avenue, 1<sup>st</sup> Floor, Sanlam Centre.

### **Reporting periods and due dates**

1. A registered insurer or reinsurer must provide the information required by this Standard -
  - (a) in the case of the annual information required by clause 7(2), within 90 calendar days after the financial year end of the registered insurer or reinsurer; and
  - (b) in the case of the quarterly information required by clause 7(1), within 30 calendar days after the end of the reporting period to which the information relates.
6. 2. Upon application to NAMFISA, NAMFISA may, by notice in writing, grant a registered insurer or reinsurer an extension of a due date referred to in clause 9, in which case the new due date for the submission of the information will be the date specified in the notice of extension.
3. Notwithstanding clauses 7 and 9, where NAMFISA considers it necessary and reasonable to obtain information more frequently from a particular registered insurer or reinsurer, it may do so and may stipulate the frequency and form of that information.

### **Accountability**

1. A registered insurer or reinsurer must ensure that processes and controls are in place to support the submission of accurate and reliable information to NAMFISA within the time periods specified in this Standard.
  2. All information submitted to NAMFISA pursuant to this Standard must be duly authorised and signed by the principal officer or a duly authorised person of the registered insurer or reinsurer.
-

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****THE REQUIREMENTS FOR THE REGISTRATION, OPERATION AND DUTIES  
OF A LLOYD'S INTERMEDIARY IN NAMIBIA****Standard No. INS.S.2.16**

*issued by NAMFISA under sections 47(4), 50 and section 410(3) (p) of the  
Financial Institutions and Markets Act, 2021*

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**Definition**

- (1) In this Standard, unless the context indicates otherwise -
- (a) "Act" means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act; and
  - (b) "Lloyd's broker" means a person authorised to act as an insurance broker or corporate insurance broker on behalf of Lloyd's in a country other than Namibia.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:
- (a) as defined in section 1 of the Act -
    - (i) NAMFISA;
    - (ii) person;
  - (b) as defined in section 42 of the Act -
    - (i) Lloyd's;
    - (ii) Lloyd's broker;
    - (iii) Lloyd's intermediary;
    - (iv) Lloyd's representative;
    - (v) Lloyd's underwriter; and
  - (c) as defined in section 53 of the Act -
    - (i) insurance broker;
    - (ii) corporate insurance broker;
    - (iii) registered corporate insurance broker; and
    - (iv) registered insurance broker.

**Applicability**

2. This Standard applies to -
- (a) Lloyd's and the Lloyd's representative; and
  - (b) Every registered insurance broker and registered corporate insurance broker registered under the Act that have also been approved by a Lloyd's broker or Lloyd's underwriter to act as a Lloyd's intermediary.

**Part I: Registration (clauses 3 to 5)****Prior condition for registration**

3. In order to be registered as a Lloyd's intermediary, a person must first be registered as an insurance broker or corporate insurance broker under section 59 of the Act.

**Registration as a Lloyd's intermediary**

4. In order for a registered insurance broker to be registered by NAMFISA under the Act as a Lloyd's intermediary, the Lloyd's representative must submit to NAMFISA, in accordance with clause 5, a list of registered insurance brokers who -

- (a) have been approved by Lloyd's to place business with Lloyd's underwriter through Lloyd's broker; or
  - (b) who have been approved by Lloyd's to act on behalf of Lloyd's underwriter.
- a. At the time the Lloyd's representative submits the list referred to in sub-clause (1), he or she must also, in accordance with clause 5, provide NAMFISA with -
- (a) the number under which the registered insurance broker is registered as such by NAMFISA;
  - (b) a copy of an appointment letter or agreement from Lloyd's or Lloyd's underwriter; or
  - (c) the required application fee; and
  - (d) notwithstanding sub clauses (1) and (2), such other documents as NAMFISA may consider necessary and reasonable to prescribe.

**Submission of application**

5. The lists referred to in clause 4(1) or (2) and the information and documents referred to in clause 4(3) (a), (b) and (d) must be submitted manually and electronically to NAMFISA together with supporting documents to -

- (a) the designated NAMFISA person user account; and
- (b) NAMFISA using either the postal or physical address.

**Part II: Operations and duties (clauses 6 to 9)****Application for premium approval**

6. A registered Lloyd's intermediary must, prior to seeking exchange control approval from an unauthorized dealer in foreign exchange for transferring premiums outside Namibia in relation to insurance placed at Lloyds, seek NAMFISA's approval by completing Schedule 1 to this Standard and submitting it to NAMFISA in accordance with clause 8.

7. Upon receipt of the completed Schedule 1, NAMFISA may, if it considers it appropriate to do so, issue a letter of approval to the Lloyd's intermediary for the premium transfer to Lloyds.

**Where to submit the form**

8. The Lloyds intermediary must submit the completed Schedule 1 -

- (a) by email to [sti\\_exemptions@namfisa.com.na](mailto:sti_exemptions@namfisa.com.na); and
- (b) a copy to [Namibia@lloyds.com](mailto:Namibia@lloyds.com).

**Duties of Lloyd's intermediaries**

5. A Lloyd's intermediary registered under the Act must at all times -

- (a) comply with the requirements of sections 64, 66, 68, 69, 70, 71, 72 and 73 of the Act with any changes made necessary by the context; and

- (b) in all policies and related documents and written communications with policyholders or potential policyholders, comply with the requirements for plain language in accordance with section 29 of the Act and Standard No. GEN.S. 9.17, Description of plain language.

### **Part III: General**

#### **Powers of NAMFISA and application of the Act**

6. (1) In relation to Lloyd's intermediaries, NAMFISA has the powers referred to in section 66 of the Act, with such changes as may be made necessary by the context.

(2) Section 54 of the Act applies to Lloyd's intermediaries, with such changes as may be made necessary by the context.

#### **SCHEDULE 1 LLOYD'S PREMIUM APPROVAL FORM FOR PREMIUM APPROVAL PURSUANT TO CLAUSE 6**

#### **PART I**

1.	APPLICATION DATE:	
2.	NAME OF INSURANCE INTERMEDIARY:	
2.1	NAMFISA REGISTRATION No:	
2.2	LLOYD'S INTERMEDIARY:	
3	LEAD SYNDICATE NAME & NUMBER:	
4	ACTIVE UNDERWRITER:	
5	NAME OF INSURED:	
6	IS THE INSURED A:	
	a) COMPANY	
	b) CLOSED CORPORATION	
	c) PARTNERSHIP	
	d) SOLE PROPRIETOR	
7	NATURE OF BUSINESS	
8	NAME OF PREVIOUS INSURER:	
9	DEDUCTABLES/EXCESS:	
10	PERIOD OF INSURANCE:	
11	PREMIUM PAYMENT INTERVALS:	
12	ANNUAL PREMIUM AMOUNT:	
13	ENCLOSURES:	Placing broker supporting invoices

I hereby warrant that in terms of the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021) (the “Act”) that by signing this document, I guarantee that all the above information is true and accurate and can be relied on and that I will disclose all necessary material information that may be required NAMFISA.

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_

Signature: \_\_\_\_\_

Designation: \_\_\_\_\_

For advice on completion or how to transfer Lloyd’s premiums, please contact Lloyd’s International Trading Advice ([LITA@lloyds.com](mailto:LITA@lloyds.com)).

### Permitted Insurance Classes, Scope of Cover and Cover amounts

Please tick the Class & subclass with ✓

### PART II

Insurance Class	Descript Scope of Cover	Sum Insured	Premium	Local Commission	Net Premium
1. Fire					
b) Fire & Natural Forces					
c) Miscellaneous Financial Loss					
2. Marine					
a) Ships					
b) Liability for ships					
3. Aviation					
a) Aircraft					
b) Liability for aircraft					
4. Vehicles					
a) Land Motor Vehicles					
b) Liability for Motor Vehicles					
5. Guarantee					
6. Miscellaneous					
a) Personal Accident					
b) Sickness					
c) General Liability					
d) Damage to Property					
e) Goods in transit					
f) Credit					
g) Railway rolling stock					
h) Legal Expenses					
i) Expropriation & Confiscation of Property					
j) Other					
7. Personal					

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****APPLICATION BY REGISTERED INSURANCE OR REINSURANCE BROKERS,  
CORPORATE INSURANCE AND REINSURANCE BROKERS FOR  
CANCELLATION OR VARIATION OF REGISTRATION****Standard No. INS.S.2.17**

*issued by NAMFISA under sections 65(2) and 410(3)(dd) of the  
Financial Institutions and Markets Act, 2021*

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**Definitions**

- (1) In this Standard -
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act; and
  - (b) “NAMFISA ERS” means the Electronic Regulatory System which facilitates communication between NAMFISA and financial intermediaries.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:
  - (e) as defined in section 1 of the Act -
    - (i) document;
    - (ii) financial intermediary;
    - (iii) principal officer;
    - (vi) NAMFISA;
  - (f) as defined in section 4 of the Act -
    - (i) policyholder;
    - (ii) registered insurer;
    - (ii) registered reinsurer;
  - (g) as defined in section 53 of the Act -
    - (i) corporate insurance broker;
    - (ii) insurance broker;
    - (iii) registered insurance broker;
    - (iv) registered reinsurance broker; and
    - (v) reinsurance broker.

2. This Standard applies to all registered insurance and reinsurance brokers and corporate insurance or reinsurance brokers (hereinafter referred to as “applicants”) applying in terms of section 65 of the Act for cancellation of registration granted pursuant to section 57 of the Act.

**Where to apply**

3. An application for cancellation of registration must be submitted to NAMFISA in accordance with clause 11.

**Application for cancellation or variation of registration**

4. Pursuant to sub-section 65(2) of the Act, an applicant that intends to apply for cancellation of a registration granted pursuant to section 57 or for a variation of the conditions subject to which that registration was granted must -

- (a) apply to NAMFISA, in writing, in accordance with the form set out in Schedule 1, FORM A, titled Application letter;
- (b) complete the form and furnish particulars as set out in Schedule 2, FORM B, titled Application for voluntary cancellation of registration;
- (c) file with NAMFISA, as proof, a copy of the notice published in terms of section 65(3) of the Act;
- (d) provide a copy of the resolution on the decision to cancel the registration granted pursuant to section 57 of the Act where the applicant is a registered corporate insurance or reinsurance broker;
- (e) provide proof of payment of the application fee; and
- (f) provide any other information and documents that NAMFISA may, from time to time, reasonably require.

5. The applicant, its principal officer or a duly authorised person<sup>21</sup>, may, if so required, be called to appear before NAMFISA for a personal representation in connection with an application.

### **Notice**

6. The applicant must before filing the notice in the newspapers pursuant to section 65(3) notify NAMFISA of the proposed intention to cancel registration or vary the conditions of registration, including the imposition of additional conditions.

7. The applicant may after NAMFISA has considered all objections received due to the published notice referred to in section 65(3) of the Act and clause 4(c) lodge an application with NAMFISA.

### **General requirements**

8. An applicant must further specify the measures that an applicant shall take to discharge all its obligations towards its clients and other parties and meet all of its liabilities; and

### **Powers of NAMFISA**

9 (1) No registered insurance or reinsurance broker shall voluntarily wind-up or cease insurance or reinsurance business operations without the prior written approval of NAMFISA.

(2) An application, not complete in all respects and not conforming to the instructions specified in Schedule 2 and this Standard, may be rejected on the basis of non-compliance with this Standard.

(3) In instances where the application is deemed not complete, NAMFISA must give the applicant the opportunity to provide the required information to complete the application. The required information must be provided within 7 working days, failing which the application shall be rejected.

### **Application fee**

10. An application must be accompanied by the required non-refundable application fee as stipulated in terms of Standard GEN.S.10.23.

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<sup>20</sup> Applicant to attach the original copy of letter or document of authorisation



**Submission**

11. An application for cancellation or variation of registration must be completed in hard copies, signed by the principal officer of the registered insurance or reinsurance brokers, corporate insurance and reinsurance brokers or a duly authorised representative of the applicant and submitted manually and electronically to NAMFISA together with supporting documents to -

- (a) the designated NAMFISA ERS user account; and
- (b) NAMFISA using either the postal or physical address.

**Effect of cancellation of registration**

12. On and from the date of cancellation of the registration as determined by NAMFISA, the insurance or reinsurance or corporate insurance or reinsurance broker, shall cease to act as an insurance or reinsurance broker.

**SUPPORTING SCHEDULES**

The following supporting schedules are attached to and form part of this Standard:

**Schedule 1:** FORM A - Application letter

**Schedule 2:** FORM B - Application for voluntary cancellation or variation of registration

**SCHEDULE 1****FORM A****APPLICATION LETTER**

**(To be completed in duplicate)**

APPLICATION BY REGISTERED INSURANCE OR REINSURANCE BROKERS, CORPORATE INSURANCE AND REINSURANCE BROKERS FOR CANCELLATION OR VARIATION OF REGISTRATION GRANTED PURSUANT TO SECTION 57 OF THE ACT

In terms of section 65(2) of the Financial Institutions And Markets Act of 2021 ("the Act") -

1. I, the undersigned, being the Principal Officer or duly authorised person of .....  
..... duly empowered thereto, hereby apply for the voluntary cancellation of registration of the said registered insurance or reinsurance broker, in terms of section 65(2) of the Act;
2. I submit with this application all the required documents in terms of this Standard; and
3. The proof of application fee of N\$..... as prescribed in the Standard GEN.S.10.23 is enclosed with the application.

**Principal Officer/duly authorised person**

**Full Names:** .....

**Signature:** .....

**Date:** .....

**Place:** .....

**SCHEDULE 2****FORM B****APPLICATION FOR VOLUNTARY CANCELLATION OR VARIATION OF REGISTRATION****1. INSURANCE BROKER / REINSURANCE BROKER**

Name: .....

NAMFISA Registration Number: .....

**2. PRINCIPLE OFFICE ADDRESS**

Physical Address: .....

Postal Address: .....

Telephone Number: .....

Facsimile Number: .....

**3. DETAILS OF PRINCIPAL OFFICER**

First Names: .....

Surname: .....

ID/Passport Number: .....

Nationality: .....

Gender: .....

Physical Address: .....

Postal Address: .....

Telephone Number: .....

Cellphone Number: .....

Facsimile Number: .....

Email Address: .....

**4. DEREGISTRATION/VARIATION OF CONDITIONS**

Effective Date: .....

Reason(s): .....

**5. ATTACHED THE FOLLOWING DOCUMENTS (REQUIREMENTS)**

5.1 Original Certificate of Registration;

5.2 Statement of Outstanding Annual Levies or Proof of Payment;

5.3 Written communication from registered insurer or reinsurer / Corporate broker Company confirming the termination of Agency / Broker agreement with the applicant; and

5.4 Written communication from a Broker Controlling Body confirming the termination of Broker membership with the applicant.

**6. CANCELLATION SPECIFIC INFORMATION**

6.1 Does the applicant have any obligations towards its clients, creditors or any other third party at the time of cancelling?

Yes	
No	

6.2 If the answer is yes, kindly furnish full details of the arrangements that the applicant has made to meet all the obligations.

9.5 Did the applicant inform its Auditor of this cancellation?

Yes	
No	

9.6 If the answer is No, kindly explain.

## 7. PRINCIPAL OFFICER'S OR DULY AUTHORISED PERSON'S DECLARATION:

I hereby sign this document and confirm that all the above information is true and correct and can be relied on for the cancellation of the registration for the conducting of insurance business operations. I hereby avail myself to disclose all necessary material information that may be required by NAMFISA.

Full Name: .....

Signature: .....

Date: .....

Place: .....

**COMMISSIONER OF OATHS**

FULL NAMES: .....

CAPACITY: .....

ADDRESS: .....

## FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

### FORM OF CERTIFICATE OF REGISTRATION FOR AN INSURER OR REINSURER

#### Standard No. INS.S.2.18

*issued by NAMFISA under section 410(3)(dd) and 11(3) of the  
Financial Institutions and Markets Act, 2021*

#### Definitions

- (1) In this Standard, "Act" means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:

- (a) as defined in section 1 of the Act -
  - (i) NAMFISA;
  - (ii) principal office; and
- (b) as defined in section 4 of the Act -
  - (i) insurer;
  - (ii) reinsurer;
  - (iii) registered insurer;
  - (iv) registered reinsurer; and
  - (v) insurance business.

**Applicability**

2. This Standard applies to all insurers and reinsurers registered under the Act.

**Form of certificate of registration**

3. Upon registration of an applicant as an insurer or reinsurer, NAMFISA must issue to the applicant a certificate of registration in the form of the Annexure to this Standard.

**ANNEXURE**

**Registration. No .....**

**CERTIFICATE OF REGISTRATION**

**Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)**

**REGISTRATION AS A SHORT-TERM/LONG-TERM INSURER OR REINSURER  
(whichever is applicable)**

**This is to certify that**

**ABC INSURANCE/REINSURANCE COMPANY** has been duly registered in terms of section 11 of the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021) and is authorised to conduct insurance/reinsurance business in the following class(es) of insurance (list the class(es) of insurance)

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Date of registration**

## SCHEDULE 2

## TEMPLATE FOR WRITTEN REPRESENTATIONS: DRAFT PROPOSED STANDARDS

[illegible]

**SCHEDULE 1****FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****MATTERS TO BE INCLUDED BY A REGISTERED EXCHANGE IN  
ITS LISTING REQUIREMENTS****Standard No. FM.S.3.1***issued by NAMFISA under section 86 of the Financial Institutions and Markets Act, 2021***Definitions**

1. (1) In this Standard -
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “Companies Act” means the Companies Act, 2004 (Act No. 28 of 2004);
  - (c) “CSD” means a central securities depository as defined in the Act;
  - (d) “equity securities” means shares as defined in section 1 of the Companies Act;
  - (e) “material” means any factual information about an issuer or securities issued which is likely or reasonably expected to influence and investor’s decision
  - (f) “non-equity security” means securities that are not equity securities;
  - (g) “offer” means to sell or offer to sell any security to a client or potential client for valuable considerations;
  - (h) “offer document” means a document containing information about an issuer or offer of securities whether referred to as a prospectus, a term sheet, notice, circular or by any other name and whether in printed or in electronic form, and includes the particulars specified in subsection 109(6) of the Companies Act;
  - (i) “prospectus” means a prospectus within the meaning of section 1 of the Companies Act; and
  - (j) “transaction” has the meaning ascribed thereto by section 78 of the Act, but for the purposes of this Standard also includes any other transfer, e.g., by way of a gift, testamentary disposition, cession, or pledge, of listed securities outside the registered exchange on which such securities are listed
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -
  - (a) as defined in section 1 of the Act -
    - (i) affiliate;
    - (ii) associate;
    - (iii) board;
    - (iv) client;
    - (v) director;
    - (vi) financial year;
    - (vii) foreign entity;
    - (viii) Generally Accepted Accounting Practice;
    - (ix) International Accounting Standards;
    - (x) NAMFISA;

- (xi) officer; and
- (xii) person
- (b) control as defined in section 3 of the Act
- (c) As defined in section 78 of the Act -
- (d) central securities depository;
  - (i) exchange;
  - (ii) foreign exchange;
  - (iii) issuer;
  - (iv) listed security;
  - (v) regulated person;
  - (vi) security; and
  - (vii) transaction.

### **Applicability**

2. This Standard applies to every registered exchange, and includes an exchange referred to in section 86 of the Act.

### **Listing requirements**

3. (1) The listing requirements issued by a registered exchange pursuant to subsection 106(1) of the Act must, in addition to the requirements thereunder, set out the following pursuant to subsection 106(1)(h):

- (a) the form and manner in which a prospective issuer may apply for a listing of any security eligible to be listed or quoted on the exchange, including a prospectus or other offer document;
  - (b) the listing fees and charges appropriate to the securities sought to be listed or quoted provided that the fees and charges are not prohibitive or serve as unnecessary barrier to potential issuers;
  - (c) the founding documents and any supplementary documentation of the prospective issuer required to be submitted together with a prospectus, including shareholder or board resolutions authorizing the listing or quoting of securities on an exchange;
  - (d) the provision of the last audited financial statements of the issuer or group if the issuer is part of a group of companies;
  - (e) any reasonable requirements of the board of directors and executive management of the prospective issuer, including their fitness and propriety;
  - (f) that the managing director or chief executive officer of the prospective issuer may not be the chairman of the board of the issuer;
  - (g) that the prospective issuer may be required to have, at minimum, an audit committee and a remuneration committee of the board, and such further committees the exchange may deem necessary having regard to the size of the issuer and the complexity of its business;
  - (h) the name and address of every insider who, directly and indirectly, beneficially owns 5% or more of any class of securities of the issuer; and
  - (i) that the prospective issuer may not publish the prospectus without the prior approval of the exchange.
- (2) A registered exchange must provide in the listing requirements for cooperation with any foreign exchange on which securities listed or quoted on the exchange are listed or quoted or the regulatory authority with oversight of such foreign exchange and

for reciprocal action where the foreign exchange has taken action against the foreign issuer. The listing requirements must set out the disclosure requirements or continuing obligations of issuers and provide for the adequate protection of sensitive issuer information.

- (3) A registered exchange must provide in the listing requirements for cooperation with any foreign exchange on which securities listed or quoted on the exchange are listed or quoted or the regulatory authority with oversight of such foreign exchange and for reciprocal action where the foreign exchange has taken action against the foreign issuer
- (4) The listing requirements must not set out matters that unduly prevent potential issuers from entering the exchange or from exiting the exchange, and must not be designed to allow entrance by issuers to the exchange which may pose undue risks to clients or entrance where it is not in the public interest.
- (5) The listing requirements must be designed to further the objects of the Act as provided in section 79, without prejudice to the objects of the exchange or of the issuer.
- (6) The prospective issuer must disclose to the exchange details concerning.
  - (a) any legal or arbitration proceedings that have taken place in the previous 12 months and any that are pending or threatened, that might have a material effect on the financial position of the issuer or its affiliates or associates;
  - (b) any material contracts entered or to be entered into by the issuer;
  - (c) any person who controls the issuer within the meaning of the Act; and
  - (d) the group, if the issuer is a member of a group.
- (7) The listing requirements must provide that issuers may not submit or publish documents or information that is misleading, deceptive or false in a material respect and must provide for penalties or remedial action for such conduct, including barring a prospective issuer from listing or quoting securities on the exchange.

## FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

### Annual report of self-regulatory organization

#### Standard No. FM.S.3.2

*issued by NAMFISA under section 86 of the Financial Institutions and Markets Act, 2021*

#### Definitions

1. (1) In this Standard -
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “Companies Act” means the Companies Act, 2004 (Act No. 28 of 2004);
  - (c) “CSD” means a central securities depository as defined in the Act;
  - (d) “equity securities” means shares as defined in section 1 of the Companies Act;



- (e) “material” means any factual information about an issuer or securities issued which is likely or reasonably expected to influence and investor’s decision
  - (f) “non-equity security” means securities that are not equity securities;
  - (g) “offer” means to sell or offer to sell any security to a client or potential client for valuable considerations;
  - (h) “offer document” means a document containing information about an issuer or offer of securities whether referred to as a prospectus, a term sheet, notice, circular or by any other name and whether in printed or in electronic form, and includes the particulars specified in subsection 109(6) of the Companies Act;
  - (i) “prospectus” means a prospectus within the meaning of section 1 of the Companies Act; and
  - (j) “transaction” has the meaning ascribed thereto by section 78 of the Act, but for the purposes of this Standard also includes any other transfer, e.g., by way of a gift, testamentary disposition, cession, or pledge, of listed securities outside the registered exchange on which such securities are listed
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -
- (a) as defined in section 1 of the Act -
    - (i) affiliate;
    - (ii) associate;
    - (iii) board;
    - (iv) client;
    - (v) director;
    - (vi) financial year;
    - (vii) foreign entity;
    - (viii) Generally Accepted Accounting Practice;
    - (ix) International Accounting Standards;
    - (x) NAMFISA;
    - (xi) officer; and
    - (xii) person
  - (b) control as defined in section 3 of the Act
  - (c) As defined in section 78 of the Act -
    - (i) central securities depository;
    - (ii) exchange;
    - (iii) foreign exchange;
    - (iv) issuer;
    - (v) listed security;
    - (vi) regulated person;
    - (vii) security; and
    - (viii) transaction.

### **Applicability**

2. This Standard applies to every registered exchange, and includes an exchange referred to in section 86 of the Act, and every registered central securities depository.

### **General requirements**

3. (1) A self-regulatory organization must submit to the registrar within 90 days after the end of its financial year an annual report that must contain the following information:

4. (1) Where the self-regulatory organization is a registered exchange, the annual report must also contain:
- (a) a list of the members of the board of the self-regulatory organization and any changes thereto over the last financial year;
  - (b) a list of members of the executive management of the self-regulatory organization and any changes thereto over the last financial year;
  - (c) a list of authorized users or participants of the self-regulatory organization and any changes thereto over the last financial year;
  - (d) a report by the chairperson of the board or the principal officer responsible for reviewing the operations of the self-regulatory organization, including delegated functions, over the last financial year;
  - (e) the auditor's report on financial statements;
  - (f) a summary of market information which must reflect the salient features of the trading, clearing and settlement, depository or other activities, as applicable, of the self-regulatory organization and disciplinary or remedial actions taken or penalties imposed by the self-regulatory organization;
  - (g) a report detailing the self-regulatory organization's initiatives and plans to comply with governance requirements under the Act or to implement any recommended governance principles or standards; and
  - (h) a report on risk management, operational integrity and related issues.

#### **Requirements for registered exchange**

4. (1) Where the self-regulatory organization is a registered exchange, the annual report must also contain:
- (a) the surveillance program and compliance plan with respect to the exchange rules, including trading, clearing and settlement of securities transactions;
  - (b) compliance by issuers with the listing requirements and disclosure requirements, and a summary of applications refused, suspended or removed with reasons;
  - (c) capital raised during the financial year;
5. (1) When the self-regulatory organization is a registered CSD, the annual report must also contain.
- (d) a summary of the appropriation of penalties imposed, if any;
  - (e) any levy imposed under section 105 of the Act and appropriation thereof;
  - (f) segregation and management of trust property of clients; and
  - (g) any other matter pertaining to the operation of the registered exchange.

#### **Requirements for registered CSD**

5. (1) Where the self-regulatory organization is a registered CSD, the annual report must also contain:
- (a) a description of supervisory developments in relation to the depository rules, repository of securities, and the central securities account;

- (b) a reconciliation of central securities accounts with the records of the issuers;
- (c) a list and a description of uncertificated securities administered and maintained by its participants;
- (d) a description of any matter pertaining to the ownership, registration, transfer or pledge or cession of securities or any attachment of interest; and
- (e) any other matter pertaining to the operation of the registered CSD.

### **General requirements**

6. (1) A self-regulatory organization must put policies and procedures in place to ensure that the annual report submitted to NAMFISA complies with the requirements of this Standard and that the annual report is signed by a duly authorized person and submitted within the specified time limit.
- (2) The board of the self-regulatory organization must assume the responsibility for the annual report.

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## **FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

### **Annual report of self-regulatory organization**

#### **Standard No. FM.S.3.3**

*issued by NAMFISA under section 86 of the Financial Institutions and Markets Act, 2021*

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### **Definitions**

1. (1) In this Standard -
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “Companies Act” means the Companies Act, 2004 (Act No. 28 of 2004);
  - (c) “CSD” means a central securities depository as defined in the Act;
  - (d) “equity securities” means shares as defined in section 1 of the Companies Act;
  - (e) “material” means any factual information about an issuer or securities issued which is likely or reasonably expected to influence and investor’s decision
  - (f) “non-equity security” means securities that are not equity securities;
  - (g) “offer” means to sell or offer to sell any security to a client or potential client for valuable considerations;
  - (h) “offer document” means a document containing information about an issuer or offer of securities whether referred to as a prospectus, a term sheet, notice, circular or by any other name and whether in printed or in electronic form, and includes the particulars specified in subsection 109(6) of the Companies Act;
  - (i) “prospectus” means a prospectus within the meaning of section 1 of the Companies Act; and

- (j) “transaction” has the meaning ascribed thereto by section 78 of the Act, but for the purposes of this Standard also includes any other transfer, e.g., by way of a gift, testamentary disposition, cession, or pledge, of listed securities outside the registered exchange on which such securities are listed
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -
  - (a) as defined in section 1 of the Act -
    - (i) affiliate;
    - (ii) associate;
    - (iii) board;
    - (iv) client;
    - (v) director;
    - (vi) financial year;
    - (vii) foreign entity;
    - (viii) Generally Accepted Accounting Practice;
    - (ix) International Accounting Standards;
    - (x) NAMFISA;
    - (xi) officer; and
    - (xii) person
  - (b) control as defined in section 3 of the Act
  - (c) As defined in section 78 of the Act -
    - (i) central securities depository;
    - (ii) exchange;
    - (iii) foreign exchange;
    - (iv) issuer;
    - (v) listed security;
    - (vi) regulated person;
    - (vii) security; and
    - (viii) transaction.

### **Applicability**

- 2. This Standard applies every person, including a regulated person, who concludes a transaction in listed securities outside a registered exchange which results in a change of control of beneficial ownership of those securities must report that transaction to NAMFISA and to the registered exchange on which the securities are listed.

### **Filing of report**

- 3. (1) The report referred to in clause 1 must be made to NAMFISA and to the registered exchange within two days after the conclusion of the transaction.
- (2) The report required must be submitted electronically in writing to NAMFISA and to the registered exchange on which the securities concerned are listed using the electronic system designated by NAMFISA.
- (3) A signed, hard copy of the report must be submitted in writing to NAMFISA and to the registered exchange on which the securities concerned are listed if:
  - (a) the electronic copy referred to in sub-clause (1) is not signed;
  - (b) an electronic system has not been designated by NAMFISA; or
  - (c) the electronic system designated by NAMFISA is malfunctioning or unavailable.

**Content of report**

4. (1) The report referred to in clause 2 must contain the following information:
- (a) the name and address of the person or persons who have acquired beneficial ownership of the securities and if any of those persons is a regulated person, the type of registration of that person;
  - (b) the name of the transaction;
  - (c) the type and number of securities;
  - (d) whether the securities are convertible;
  - (e) the consideration, if any, paid;
  - (f) whether the person or persons who have acquired control of beneficial ownership had any beneficial ownership in those securities prior to the transaction;
  - (g) the name and address of the person or persons from whom control of beneficial ownership of the securities was acquired and if any of those persons is a regulated person, the type of registration of that person;
  - (h) the relationship among the persons referred to in sub-clauses (a) and (g);
  - (i) the name and address of the registered exchange on which the securities concerned are listed; and
  - (j) the reasons why the transaction was concluded outside the registered exchange.

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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****Annual report of self-regulatory organization****Standard No. FM.S.3.4**

*issued by NAMFISA under section 86 of the Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard -
- (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “Companies Act” means the Companies Act, 2004 (Act No. 28 of 2004);
  - (c) “CSD” means a central securities depository as defined in the Act;
  - (d) “equity securities” means shares as defined in section 1 of the Companies Act;
  - (e) “material” means any factual information about an issuer or securities issued which is likely or reasonably expected to influence and investor’s decision
  - (f) “non-equity security” means securities that are not equity securities;

- (g) “offer” means to sell or offer to sell any security to a client or potential client for valuable considerations;
  - (h) “offer document” means a document containing information about an issuer or offer of securities whether referred to as a prospectus, a term sheet, notice, circular or by any other name and whether in printed or in electronic form, and includes the particulars specified in subsection 109(6) of the Companies Act;
  - (i) “prospectus” means a prospectus within the meaning of section 1 of the Companies Act; and
  - (j) “transaction” has the meaning ascribed thereto by section 78 of the Act, but for the purposes of this Standard also includes any other transfer, e.g., by way of a gift, testamentary disposition, cession, or pledge, of listed securities outside the registered exchange on which such securities are listed
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -
- (a) as defined in section 1 of the Act -
    - (i) affiliate;
    - (ii) associate;
    - (iii) board;
    - (iv) client;
    - (v) director;
    - (vi) financial year;
    - (vii) foreign entity;
    - (viii) Generally Accepted Accounting Practice;
    - (ix) International Accounting Standards;
    - (x) NAMFISA;
    - (xi) officer; and
    - (xii) person
  - (b) control as defined in section 3 of the Act
  - (c) As defined in section 78 of the Act -
  - (d)
    - (i) central securities depository;
    - (ii) exchange;
    - (iii) foreign exchange;
    - (iv) issuer;
    - (v) listed security;
    - (vi) regulated person;
    - (vii) security; and
    - (viii) transaction.

### Applicability

2. (1) This Standard applies to every regulated person to the extent that securities are sold by or through the services of that regulated person and to the issuer of those securities.
- (2) Where the Standard is applicable to a regulated person, that regulated person must provide the information on the matters referred to in the applicable sub-clauses below to clients or potential clients.

### Required information

3. (1) Without prejudice to any requirement under the Companies Act, the regulated person concerned must provide the following information about an issuer:

- (a) the name, address and date and place of incorporation and registration of the issuer;
  - (b) a brief summary of the business activities or proposed business activities of the issuer;
  - (c) a brief history of the issuer since incorporation including any restructuring, reorganization or mergers or acquisitions, changes in its capital structure, and borrowings, if any;
  - (d) if the issuer is a foreign entity, its country of incorporation and date of registration in Namibia;
  - (e) a copy of the most recent audited annual financial statements and interim report of the issuer;
  - (f) details of any person that controls the issuer, and if the issuer is part of a group, a description of the group and the issuer's position in the group;
  - (g) names, occupations and addresses of the directors of the issuer, including whether executive or non-executive, and their terms of office;
  - (h) details of the auditor of the issuer and the date of appointment, and the names of the trustees under the trust deed under which any debentures were issued or are proposed to be issued; and
  - (i) a description of the capital structure of the issuer, including without limitation, equity and non-equity securities.
- (2) In addition to any disclosures required under the Companies Act, the regulated person concerned must provide the following information about the securities being issued or proposed to be issued by the issuer:
- (a) a full description of the securities, including, without limitation, any voting, conversion, dividend and redemption rights, as applicable, and the amount, exercise price, expiration date and purchase price of options or share warrants, if any, and in the case of debentures, whether secured or unsecured;
  - (b) the class of securities and nominal value;
  - (c) the number and price of the securities being issued;
  - (d) the purpose for which the proceeds of sale of the securities will be used;
  - (e) the net proceeds to be received by the issuer;
  - (f) whether the net proceeds will be sufficient for the purposes referred to in sub-clause (d);
  - (g) that a client may not be able to readily sell the securities in the market;
  - (h) any restrictions on the resale of the securities;
  - (i) the terms of the offer, including any rights that the client or proposed client may have to cancel an agreement to purchase the securities;
  - (j) the particulars of any debt securities being issued including any issue of debt securities in the past;
  - (k) the debt to equity ratio of the issuer prior to and after the issue of the securities;

- (l) the rating, if any, of the securities by a rating agency;
  - (m) the tax consequences, if any, of the acquisition of the securities;
  - (n) if the issuer or any person that controls the issuer is an affiliate or associate of the regulated person, the relationship between the regulated person and the issuer or person; and
  - (o) the name of every registered exchange or foreign exchange on which the issuer's securities are listed or are proposed to be listed and whether in-principle approval has been obtained from the relevant exchange.
- (3) A signed, hard copy of the report must be submitted in writing to NAMFISA and to the registered exchange on which the securities concerned are listed if:
- (a) the electronic copy referred to in sub-clause (1) is not signed;
  - (b) an electronic system has not been designated by NAMFISA; or
  - (c) the electronic system designated by NAMFISA is malfunctioning or unavailable.

#### **Time periods**

4. The regulated person concerned must provide the offer document to clients or potential clients within a reasonable period before the closing date of the offer to enable the clients or potential clients to make informed decisions.

#### **Disclosures**

5. (1) If the issuer or any person that controls the issuer is an affiliate or associate of the regulated person concerned, the regulated person concerned must disclose the relationship between the regulated person and the issuer or the person.
- (2) In addition to any relationship between the issuer or a person that controls the issuer and the regulated person described in sub-clause 2(n), the regulated person must identify and disclose to the client or potential client any other conflicts of interest that exist or that might arise between the regulated person and the issuer or between the regulated person and the client or potential client, as a result of the offer of the securities to the client or potential client.
- (3) The regulated person must inform the client or potential client whether, in the opinion of the regulated person, the securities are a suitable investment given the investment needs and objectives, the financial circumstances and the risk tolerance of the client or potential client.
- (4) The issuer must ensure that the regulated person provides the offer documents to clients or potential clients and that the offer documents:
- (a) contain material disclosures to enable clients or potential clients to make informed decisions;
  - (b) contain information that is not misleading in a material respect or that is calculated to be manipulative or deceptive;
  - (c) are truthful, fair and in plain language as may be provided in any Standard issued by NAMFISA;
  - (d) do not contain a statement, promise or forecast which is not factual or constitutes a misrepresentation in the circumstances under which these are made;



- (e) are not based on matters which are extraneous to the contents of the offer document;
  - (f) state the time limit for the validity of the offer documents;
  - (g) include the memorandum of articles and association of the issuer;
  - (h) include the listing approval by a registered exchange or a foreign exchange, if any; and
  - (i) include a copy of the trust deed relating to debentures issued or proposed to be issued.
- (5) Where there are any material changes to the matters contained in an offer document, the regulated person must ensure that the changes are effected and that the clients or potential clients to whom an offer document was provided or is about to be provided are notified of these changes forthwith but in any event before the clients or potential clients are expected to make a decision.
- (6) The regulated person and the issuer must ensure that offer documents are in the public interest and enhance confidence in the capital markets.
- (7) NAMFISA may issue a directive to the regulated person concerned to take specified remedial action and may impose penalties, as prescribed by the Minister, for any contravention of this Standard.

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## **FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

**THE NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY HAS UNDER SECTION 410(5) OF THE FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 (ACT NO. 2 OF 2021), ISSUED THE STANDARDS SET OUT IN THE SCHEDULE.**

### **DEMUTUALISATION OF A SELF-REGULATORY ORGANISATION**

#### **Standard No. FM.S.3.5**

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#### **Definitions**

1. (1) In this Standard, unless the context indicates otherwise -
- (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “business day” means any day except a Saturday, Sunday, public holiday or any other day on which the self-regulatory organisation is closed;
  - (c) “demutualisation” means the process by which a self-regulatory organisation changes its legal status from an organisation or association not incorporated under the Companies Act and owned by its members, into a company having share capital and incorporated under the Companies Act;
  - (d) “demutualised self-regulatory organisation” means a self-regulatory organisation following the completion of demutualisation on the demutualisation date;

- (e) “facility” when used with respect to a self-regulatory organisation includes its premises, tangible or intangible property whether on the premises or not, any right to the use of such premises or property or any service thereof for the purpose of effecting or reporting a transaction (including, among other things, any system of communication to or from the self-regulatory organisation, by ticker or otherwise, maintained by or with the consent of the self-regulatory organisation), and any right of the self-regulatory organisation to the use of any property or service; and
- (f) “member” means a person who is designated as a member of a self-regulatory organisation in accordance with its constitutive documents and rules.
- (g) “ticker” means a telegraphic or electronic receiving machine or instrument that automatically prints out data on stock market information or news reports on a strip of paper.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:

(a) as defined in section 1 of the Act: -

- (i) affiliate;
- (ii) auditor;
- (iii) authorised user;
- (iv) board;
- (v) Companies Act;
- (vi) corporate body;
- (vii) NAMFISA;
- (viii) officer
- (ix) principal officer;
- (x) valuator;

(b) as defined in section 78 of the Act -

- (i) exchange;
- (ii) issuer;
- (iii) listing requirements;
- (iv) securities advisor;
- (v) securities dealer;
- (vi) self-regulatory organisation;
- (vii) stockbroker,

**Resolutions for demutualisation**

2. (1) Prior to making an application to NAMFISA for the approval of its demutualisation, in accordance with its constitutive documents, and subject to the provisions of this Standards: -
    - (a) a self-regulatory organisation must adopt, at a general meeting of the members, of which not less than 14 clear days' notice has been given, a resolution that it must be converted from a mutual organisation or a voluntary association of members into a company having a share capital and incorporated under the Companies Act;
    - (b) a self-regulatory organisation must adopt, at a general meeting of which not less than 21 clear days' notice has been given, specifying the intention to propose the resolution as a special resolution, the terms and effect of the resolution and the reasons for it, a special resolution: -
    - (c)
      - (i) on the proposed allotment of shares to the initial shareholders of the demutualised self-regulatory organisation; and
      - (ii) approving the proposed memorandum and articles of association of the demutualised self-regulatory organisation.
  - (2) The notices referred to in paragraphs (a) and (b) of sub-clause (1) shall be exclusive of the day on which they are served or deemed to be served, and of the day for which they are given.
  - (3) The notice must be given in the manner and form provided for in the self-regulatory organisation's constitutive documents, provided that where notice is given by post, it shall be deemed to be served on the seventh day after posting, and where such seventh day falls on a non-business day, the next business day thereafter.
  - (4) Where the notice is published on the website, if so authorised by its constitutive documents, the notice must be available on the website throughout the period beginning with the date of that notification and ending with the conclusion of the meeting.
  - (5) Any person entitled to receive notice, attend and vote at a general meeting, is entitled to appoint another person, whether a member or not, as proxy to attend, speak, and vote in that person's stead at any general meeting, and the form appointing such a proxy shall be deemed to confer authority to demand or join in demanding a poll, and a demand by a person as proxy for a member is the same as a demand by the member.
  - (6) The form appointing a proxy must be in writing under the hand of the appointer or of his agent duly authorised in writing, or, if the appointer is a corporate body, under the hand of an officer or agent authorised by that body.
  - (7) Any person, present and entitled to vote as a member or as a proxy of a member or as a representative of a corporate body at any general meeting, has, on a show of hands, only one vote irrespective of the number of rights that such person holds or represents.
3. (1) A resolution which is adopted in terms of clause 2(1)(b), other than a resolution referred to in sub-clause 2(1)(a) adopted by an exchange, is of no force and effect unless: -
    - (a) there are present at that general meeting, in person as a member or as a proxy of a member or as a representative of a corporate body holding in

the aggregate not less than 25 per cent of the total votes of all the members entitled to vote; and

- (b) the resolution has been passed, on a show of hands, by not less than 75 per cent of the number of members entitled to vote on a show of hands at the meeting or, where a poll has been demanded, by not less than 75 per cent of the total votes to which the members present in person or as a proxy of a member or as a representative of a corporate body are entitled.

(2) If less than 25 per cent of the total votes of all the members entitled to attend the general meeting and to vote are present or represented at a general meeting called for the purpose of passing a special resolution, the general meeting stands adjourned to a day not earlier than seven days and not later than 21 days after the date of the meeting.

(3) Where a general meeting has been adjourned as aforesaid, the self-regulatory organisation shall, upon a date not later than three days after the adjournment, publish in two newspapers circulating widely in Namibia, a notice stating: -

(4)

(a) the date, time and place to which the meeting has been adjourned;

(b) the matter before the meeting when it was adjourned; and

(c) the ground(s) for the adjournment.

(5) At the adjourned meeting, the members who are present in person or as a proxy of a member or as a representative of a corporate body and are entitled to vote may deal with the business for which the original meeting was convened, and a resolution passed by not less than 75 per cent of those members is deemed to be a special resolution, even if less than 25 per cent of the total votes are represented at that adjourned meeting.

#### **Application for demutualisation**

- 4. (1) The self-regulatory organisation shall not be considered to be a demutualised self-regulatory organisation unless it has obtained written approval of NAMFISA in accordance with these Standards.

(2) An application to NAMFISA for approval of the demutualisation of a self-regulatory organisation shall be accompanied by the following additional documents and information:

- (a) every resolution adopted by the self-regulatory organisation pursuant to clause 2;
- (b) a valuation report of the self-regulatory organisation based on any internationally accepted method of valuation undertaken by a valuator;
- (c) the proposed authorised share capital of the demutualised self-regulatory organisation;
- (d) the proposed total issued share capital of the demutualised self-regulatory organisation;
- (e) the names of members of the self-regulatory organisation who are proposed to be the initial shareholders of the demutualised self-regulatory organisation and the number and value of shares to be allotted to each such shareholder;
- (f) the valuation methodology or conversion ratio applied in determining the equitable split of shareholding amongst members of the demutualised self-

- regulatory organisation and the methodology for determining the value per one right of the demutualised self-regulatory organisation;
- (g) the number and value of shares to be allotted to and held directly or indirectly by the Guarantee Fund in the public interest, being at least ten per cent of the total shareholding;
  - (h) the proposed memorandum and articles of association of the demutualised self-regulatory organisation;
  - (i) the proposed plan for the independent management of the commercial and regulatory functions of the demutualised self-regulatory organisation and timelines for implementation of necessary structures to ensure the functional separation of commercial and regulatory functions;
  - (j) a detailed five-year business development plan for the demutualised self-regulatory organisation together with the capital expenditure estimates and the sources of finance for the five-year period;
  - (k) the manner in which the rights and liabilities of the existing members shall be treated in the demutualisation;
  - (l) the proposed timelines for the completion of operational manuals to guide the self-regulatory functions of the demutualised self-regulatory organisation detailing the scope of regulatory functions to be performed by the demutualised self-regulatory organisation;
  - (m) the proposed rules of the demutualised self-regulatory organisation;
  - (n) if the self-regulatory organisation is an exchange, the proposed listing requirements of the demutualised self-regulatory organisation;
  - (o) the most recent audited annual financial statements of the self-regulatory organisation;
  - (p) the risk assessment and mitigation framework for the assessment and mitigation of risks associated with the demutualisation; and
  - (q) the proposed policies to address conflicts of interest at the demutualised self-regulatory organisation.
- (3) Before making an application for approval referred to in sub-clause (2), the applicant must give notice of the proposed application, once in each three consecutive weeks in two newspapers circulating widely in Namibia at the expense of the applicant.
- (4) The notice referred to in sub-clause (3) shall state –
- (a) the name of the self-regulatory organisation;
  - (b) the intention of the self-regulatory organisation to demutualise;
  - (c) the place where the proposed rules of the demutualised self-regulatory organisation may be inspected by members of the public;
  - (d) the place where the proposed listing requirements, in case of an exchange, may be inspected by members of the public; and
  - (e) the period within which, and the manner in which, objections to the proposed application, rules or listing requirements, as the case maybe, may be lodged with NAMFISA by the members of the

public, not being less than 30 days from the date of the last publication of the notice.

- (5) NAMFISA may, in writing, direct the self-regulatory organisation to provide any additional information which NAMFISA may require.

### **Approval**

5. (1) NAMFISA may, if it considers it necessary, direct the self-regulatory organisation to make appropriate amendments to the documents and information submitted with an application under clause 4.
- (2) Upon receipt of all the information submitted under clause 4 and subject to any amendments under sub-clause (1), NAMFISA may approve the application with or without conditions.
- (3) Every approval required pursuant to this Standard shall be subject to the fit and proper requirements within the meaning of the Act.

### **Shareholding and voting rights**

6. If the self-regulatory organisation is an exchange: -
- (a) no person, other than an insurance fund, a guarantee fund, a compensation fund or other warranty established for those using the services of the exchange shall, as from the demutualisation date, hold directly or indirectly, more than ten per cent of the voting shares of the exchange without the prior approval of NAMFISA;
- (b)
- (c) the trading members of the exchange shall, with effect from the demutualisation date, reduce their cumulative shareholding in the demutualised exchange to not more than 40 per cent within three years; and
- (d) no person shall, as from the demutualisation date, in a general meeting, exercise voting rights, directly or indirectly, of more than ten per cent of the total voting rights.

### **Governance – board**

7. (1) The demutualised self-regulatory organisation shall be governed by a board.
- (2) The board of a self-regulatory organisation must be composed of a majority of independent directors.
- (3) The board must have a written charter setting out the roles and responsibilities of the board, including procedures for its functioning and procedures for identifying, addressing and managing conflicts of interest.
- (4) The self-regulatory organisation must adopt rules implementing governance guidelines that, at a minimum, establish policies regarding
- (a) director qualification standards,
- (b) director responsibilities,
- (c) director access to management and independent advisors,
- (d) director compensation,
- (e) director orientation and continuing education,
- (f) management succession, and

- (g) annual performance evaluations of the board.
- (5) The self-regulatory organisation must, at a minimum, have the following board committees:
  - (a) nominating committee;
  - (b) governance committee;
  - (c) compensation committee;
  - (d) audit committee; and
  - (e) regulatory oversight committee, or their equivalent.
- (6) Each of the board committees must report to the board.
- (7) All board committees must be composed of a majority of independent directors and must be chaired by an independent director.
- (8) Each board committee must have the authority to direct and supervise inquiries into any matter brought to its attention within the scope of its duties, and to obtain advice and assistance from independent legal counsel and other advisors as it deems necessary to carry out its duties.
- (9) The self-regulatory organisation must provide sufficient funding and other resources, as determined by each board committee, to permit the board committees to fulfil their responsibilities and to retain independent legal counsel and other advisors.
- (10) The nominating committee must have a written charter that addresses the nominating committee's purpose and responsibilities, which, at a minimum, must be to identify individuals qualified to become board members, consistent with criteria approved by the board and administer a process for the nomination of individuals to the board.
- (11) The governance committee must have a written charter that addresses the committee's purpose and responsibilities, which, at a minimum, must be to develop and recommend to the board a set of governance principles applicable to the self-regulatory organisation and to oversee the evaluation of the board and management.
- (12) The governance committee must conduct an annual performance evaluation of the governance of the self-regulatory organisation, including the effectiveness of the board and its committees.
- (13) The compensation committee must have a written charter that addresses the compensation committee's purpose and responsibilities, which, at a minimum, must be to have:-
  - (a) direct responsibility to review and approve corporate goals and objectives relevant to the compensation of the executive officers of the self-regulatory organisation,
  - (b) evaluate the performance of the executive officers in light of those goals and objectives, and
  - (c) consider and approve recommendations with respect to the compensation level of the executive officers, based on this evaluation.

(14) The audit committee must have a written charter that addresses the audit committee's purpose and responsibilities, which, at a minimum, must be to assist the board in oversight of the: -

- (a) integrity of the self-regulatory organisation's financial statements;
- (b) self-regulatory organisation's compliance with related legal and regulatory requirements;
- (c) qualifications and independence of the self-regulatory organisation's auditor, including -
  - (i) overseeing the auditor's engagement,
  - (ii) meeting regularly with the auditor,
  - (iii) reviewing the auditor's reports with respect to the self-regulatory organisation's internal controls,
  - (iv) pre-approving all audit and non-audit services performed by the auditor.
- (v) determination of the budget and staffing of the self-regulatory organisation's internal audit department; and
- (vi) establishment of procedures for the receipt of complaints regarding accounting, internal accounting controls, or auditing matters of the self-regulatory organisation and the confidential submission by employees of the self-regulatory organisation of concerns regarding questionable accounting or auditing matters.

(15) The regulatory oversight committee must have a written charter that addresses the regulatory oversight committee's purpose and responsibilities, which, at a minimum, must be to: -

- (a) assure the adequacy and effectiveness of the regulatory program of the self-regulatory organisation;
- (b) assess the self-regulatory organisation's regulatory performance;
- (c) determine the regulatory plan, programs, budget, and staffing for the regulatory functions of the self-regulatory organisation;
- (d) assess the performance of, and recommend compensation and personnel actions involving, the Chief Regulatory Officer and other senior regulatory personnel to the Compensation Committee;
- (e) monitor and review regularly with the Chief Regulatory Officer matters relating to the self-regulatory organisation's surveillance, examination, and enforcement units;
- (f) assure that the self-regulatory organisation's disciplinary and arbitration proceedings are conducted in accordance with the self-regulatory organisation's rules and policies and any other applicable laws or rules, including those of the NAMFISA;



- (g) prior to the self-regulatory organisation's approval of an affiliated security for listing, certify that such security meets the self-regulatory organisation's rules for listing; and
- (h) approve reports filed with NAMFISA.

(16) The self-regulatory organisation may establish such other committees of the board as it deems appropriate, on condition that if such committee has the authority to act on behalf of the board, the committee must be composed of a majority of independent directors.

(17) The self-regulatory organisation may not delegate to any committee not consisting solely of independent directors the authority to act on matters that otherwise are within the jurisdiction of a board committee. =

## Independence

8. (1) No director may qualify as an independent director unless the board affirmatively determines that the director has no direct or indirect material relationship with the self-regulatory organisation or any of its affiliates.
- (2) The board must make the determination referred to under sub-clause (1) upon the director's nomination or appointment to the board and thereafter no less frequently than annually and as often as necessary in light of the director's circumstances.
- (3) A director is not independent, unless he has no direct or indirect material relationship with the self-regulatory organisation or any affiliate of the self-regulatory organisation, any authorised user of the self-regulatory organisation or any affiliate of such authorised user, or any issuer that are listed or traded on a facility of the self-regulatory organisation.
- (4) For the purposes of sub-clauses (1) and (3), a "material relationship" is a relationship which could, in the view of the self-regulatory organisation's board, be reasonably expected to interfere with the exercise of a member's independent judgement.
- (5) Despite sub-clause (4), the following individuals are considered to have a material relationship with the self-regulatory organisation:-
- (a) an individual who is, or has been within the last three years, an employee or executive officer of the self-regulatory organisation;
  - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the self-regulatory organisation;
  - (c) an individual who: -
    - (i) is a partner of a firm that is the self-regulatory organisation's internal or external auditors,
    - (ii) is an employee of that firm; or
    - (iii) was within the last three years a partner or employee of that firm and personally worked on the self-regulatory organisation's audit within that time;
  - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual: -
    - (i) is a partner of a firm that is the self-regulatory organisation's internal or external auditors,

- (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice; or
  - (iii) was within the last three years a partner or employee of that firm and personally worked on the self-regulatory organisation's audit within that time;
- (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity, if any of the self-regulatory organisation's current executive officers serves or served at that same time, on the entity's compensation committee; and
- (f) an individual who received, or whose immediate family member who is employed as an executive officer of the self-regulatory organisation received more than N\$75,000.00 in direct compensation from the self-regulatory organisation during any 12-month period within the last three years.
- (6) Despite sub-clause (5), an individual will not be considered to have a material relationship with the self-regulatory organisation solely because:
  - (a) he had a relationship identified in sub-clause (5) if that relationship ended three years prior to the appointment; or
  - (b) he had a relationship considered to be material under this clause with the subsidiary of the self-regulatory organisation that ended three years prior to the appointment.
- (7) For the purposes of sub-clauses (5)(c) and (5)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
- (8) For the purposes of sub-clause (5)(f), direct compensation does not include:
  - (a) remuneration for acting as a member of the board of directors or of any board committee of the self-regulatory organisation, and
  - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the self-regulatory organisation if the compensation is not contingent in any way on continued service.
- (9) Despite sub-clause (5), an individual will not be considered to have a material relationship with the self-regulatory organisation solely because the individual or his immediate family member: -
  - (a) has previously acted as an interim chief executive officer of the self-regulatory organisation; or
  - (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the self-regulatory organisation on a part-time basis.
- (10) The self-regulatory organisation must include industry representatives on its board, of which at least one director must be representative of issuers and at least one director must be representative of investors, and, in each case, such director must not be associated with an authorised user, stockbroker, securities advisor or securities dealer.
- (11) When the board considers any matter that is recommended by, or otherwise is within the authority or jurisdiction of a board committee, a majority of the directors who vote on the matter must be independent directors.

(12) The self-regulatory organisation must establish policies and procedures to require each director, on his own initiative and upon request of the self-regulatory organisation, to inform the self-regulatory organisation of the existence of any relationship or interest that may reasonably be considered to bear on whether such director is an independent director.

(13) If the self-regulatory organisation fails to comply with the requirement that the board be composed of a majority of independent directors because there is a vacancy on the board or a director ceases to be independent, it must comply with this requirement by the earlier of its next annual meeting or one year from the date of the occurrence of the event that caused the failure to comply with this requirement.

(14) The self-regulatory organisation must establish procedures for interested persons to communicate their concerns regarding any matter within the authority or jurisdiction of a board committee directly to the independent directors.

(15) The independent directors must have the authority to direct and supervise inquiries into any matter brought to their attention within the scope of their duties and to obtain advice and assistance from independent legal counsel and other advisors as they determine necessary to carry out their duties.

(16) The self-regulatory organisation must provide sufficient funding and other resources, as determined by the independent directors, to permit the independent directors to fulfil their responsibilities, and to retain independent legal counsel and other advisors.

(17) The self-regulatory organisation must adopt, implement and maintain policies to ensure the enhancement of market integrity, market efficiency, and investor protection.

### **Regulatory Programme**

9. (1) The self-regulatory organisation must establish policies and procedures to assure the independence of its regulatory programme from its market operations or other commercial interests.

(2) The self-regulatory organisation's regulatory programme must be: -

(3) structurally separated from the market operations and other commercial interests of the self-regulatory organisation by means of separate legal entities; or

(c) functionally separated within the same legal entity from the market operations and other commercial interests of the self-regulatory organisation.

(4) The board must appoint a Chief Regulatory Officer to administer the regulatory programme of the self-regulatory organisation, and the Chief Regulatory Officer must report directly to the regulatory oversight committee.

(5) Any funds received by the self-regulatory organisation from regulatory fees, fines, or penalties must be applied only to fund programmes and operations directly related to such self-regulatory organisation's regulatory responsibilities.

(6) The self-regulatory organisation must make and keep books and records necessary to demonstrate compliance with the requirement in sub-clause (4).

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## FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

### THE LIMITS FOR THE PURPOSES OF AN AFFECTED TRANSACTION AS DEFINED IN SECTION 155 OF THE ACT AND DISCLOSURE OF AFFECTED TRANSACTIONS

#### Standard No. FM.S.3.8

*issued by NAMFISA under subsection 410(4)(r) of the  
Financial Institutions and Markets Act, 2021*

#### Definitions

1. (1) In this Standard -
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “Companies Act” means the Companies Act, 2004 (Act No. 28 of 2004);
  - (c) “CSD” means a central securities depository as defined in the Act;
  - (d) “equity securities” means shares as defined in section 1 of the Companies Act;
  - (e) “material” means any factual information about an issuer or securities issued which is likely or reasonably expected to influence and investor’s decision
  - (f) “non-equity security” means securities that are not equity securities;
  - (g) “offer” means to sell or offer to sell any security to a client or potential client for valuable considerations;
  - (h) “offer document” means a document containing information about an issuer or offer of securities whether referred to as a prospectus, a term sheet, notice, circular or by any other name and whether in printed or in electronic form, and includes the particulars specified in subsection 109(6) of the Companies Act;
  - (i) “prospectus” means a prospectus within the meaning of section 1 of the Companies Act; and
  - (j) “transaction” has the meaning ascribed thereto by section 78 of the Act, but for the purposes of this Standard also includes any other transfer, e.g., by way of a gift, testamentary disposition, cession, or pledge, of listed securities outside the registered exchange on which such securities are listed
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -
  - (a) as defined in section 1 of the Act -
    - (i) affiliate;
    - (ii) associate;
    - (iii) board;
    - (iv) client;
    - (v) director;
    - (vi) financial year;
    - (vii) foreign entity;
    - (viii) Generally Accepted Accounting Practice;
    - (ix) International Accounting Standards;
    - (x) NAMFISA;

- (xi) officer; and
- (xii) person
- (b) control as defined in section 3 of the Act
- (c) As defined in section 78 of the Act -
- (d) central securities depository;
  - (i) exchange;
  - (ii) foreign exchange;
  - (iii) issuer;
  - (iv) listed security;
  - (v) regulated person;
  - (vi) security; and
  - (vii) transaction.

### **Applicability**

2. This Standard applies to listed securities and securities intended to be listed on a regulated market that:

- (a) have voting rights attached, which vest the right to vote; or
- (b) are convertible to a security with attributes referred to in sub-clause (a).

### **Limits for the purpose of paragraph (b) of the definition of “affected transaction”:**

3. Any transaction in which a person, in whom control of a corporate body is vested, acquires further securities of that corporate body, whether acting alone or conjointly or in concert within the meaning of clause 3, in excess of:

- 1) Without prejudice to any requirement under the Companies Act, the regulated person concerned must provide the following information about an issuer:

- (a) 5% of any class of voting securities; or
- (b) 5% of any class of non-voting securities that are convertible into voting securities;

is an affected transaction for the purposes of subsection 155(b) of the definition of “affected transaction.”

### **Acting conjointly or in concert**

4. (1) For the purposes of paragraphs (a) and (b) of the definition of “affected transaction” under section 155 of the Act, two or more persons who, with respect to a corporate body, have entered into any transaction, whether formal or informal, verbal or written, in respect of:

- (a) securities of that corporate body, or
- (b) securities of an affiliate or associate of that corporate body, are deemed to be acting conjointly or in concert.

- (2) Without limiting the generality of sub-clause (1), any agreement, commitment or understanding by or between two or more persons who beneficially own securities of a corporate body or securities of any entity referred to in sub-clause (1)(b) or (c):

- (a) whereby any of them or their nominees may veto any proposal put before the board of directors of that corporate body; or

- (b) under which no proposal put before the board of directors of that corporate body may be approved except with the consent of any of them or their nominees,

is deemed to be a transaction referred to in sub-clause (1).

- (3) For the purposes of this clause, persons shall be presumed not to have agreed to act conjointly or in concert solely by reason of the fact that:

- (a) a person exercises voting rights by proxy or in a nominee or fiduciary capacity for and on behalf of one or more other persons in respect of securities referred to in sub-clause (1); or
- (b) they exercise the voting rights attached to securities referred to in sub-clause (1) in the same manner.

- (4) Where, in the opinion of NAMFISA, it is reasonable to conclude that a transaction referred to in sub-clause (1) or (2) exists by or among two or more persons, NAMFISA may designate those persons as persons who have agreed to act conjointly or in concert.

#### **Affected transactions prohibited without disclosure**

- 5. (1) A person must not enter into any affected transaction without first giving notice of the transaction, in writing, to NAMFISA and the regulated market concerned and must, after entering into the affected transaction, forthwith give notice to the public by means of a press release in at least two daily newspapers circulating in Namibia.
- (2) The notice and the press release referred to in sub-clause (1) must be authorized by a senior officer of the corporate body concerned, contain the information set out in Annexure 1, and be accessible to the public.

#### **Further disclosure**

- 6. In the event that disclosure has been made by a person pursuant to clause 4 in respect of an affected transaction, and the person intends to enter into an additional affected transaction, that person must not enter into the additional transaction unless and until additional disclosure is made to NAMFISA and the regulated market in accordance with clause 4

#### **Exceptions**

- 7. (1) This Standard does not apply to a transaction that is:
  - (a) a merger or amalgamation of two or more corporate bodies;
  - (b) a transfer of all or substantially all of the business or assets of a corporate body;
  - (c) a scheme which has been voted for or will be voted for at a meeting of the security holders concerned of a corporate body;
  - (d) the result of a corporate body being placed under judicial management; or
  - (e) undertaken by a corporate body owned by the State.

### Annexure 1

**Information to be provided to NAMFISA and the regulated market concerned, and to be contained in a press release, as provided in clauses 4, 5 and 6 of this Standard.**

1. For each class of securities involved in a transaction giving rise to an obligation to give notice to NAMFISA and the regulated market concerned and to the public by way of a press release pursuant to clause 4 or 6 of the Standard, and if applicable, for each class of voting securities into which the securities of the class are convertible, exercisable or exchangeable, the notice must include:
    - (a) the name and address of the person who is or will be the acquirer;
    - (b) the designation and number of securities and the percentage in the class of securities which the person acquired or will acquire;
    - (c) the designation and number of securities and the total percentage in the class of securities which the person holds or will hold immediately after the transaction;
    - (d) the designation and number of securities and the total percentage in the class of securities over which:
      - (i) the person who is the acquirer, either alone, or together with any associates or other persons acting jointly or in concert, has control;
      - (ii) the person who is the acquirer, either alone or together with any associates or other persons acting jointly or in concert, has control but does not have ownership;
    - (e) the value, in Namibian dollars, of any consideration offered per security, if the person acquired ownership of a security;
    - (f) the purpose of the person who is or will be the acquirer and any associates or other persons acting jointly or in concert in effecting the transaction;
    - (g) the general nature and material terms of any agreement with respect to the securities of the corporate body, other than lending arrangements, entered into among the corporate body or any other entity and the person who is the acquirer and any associates or other persons acting jointly or in concert with the acquirer, including any agreements with respect to the acquisition, holding, disposition or voting of any of the securities;
    - (h) the names and addresses of any associates or other persons acting jointly or in concert with the person who is the acquirer with respect to the transaction; and
    - (i) any previously undisclosed inside information known by a person who is an insider.
  2. The notice in the press may include:
    - (a) other relevant information in addition to that required by this Annexure; or
    - (b) a declaration that the issue of the press release is not an admission that a person named in the press release owns or controls any described securities or is an associate or acting jointly or in concert with another named person.
-

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****Application By Registered Central Securities Depository, Exchange, Investment Manager, Linked Investment Service Provider, Securities Clearing House, Securities Rating Agency, Securities Advisor Or Securities Dealer For Cancellation Of Registration Granted Pursuant To Section 85 Of The Act Or For Variation Of The Conditions For Registration****Standard No. FM.S.3.12**

*issued by NAMFISA under section 410(2)(c), read with section 88(1) and (2), of the Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard -
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “special resolution” means a resolution passed by a company as contemplated in sections 207 through to section 211 of the Companies Act; and
  - (c) “NAMFISA ERS” means the Electronic Regulatory System that facilitates communication between NAMFISA and financial institutions.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:
  - (a) as defined in section 1 of the Act -
    - (i) auditor;
    - (ii) board;
    - (iii) document;
    - (iv) principal officer;
    - (v) regulated person;
    - (vi) NAMFISA;
  - (b) as defined in section 78 of the Act -
    - (i) central securities depository;
    - (ii) exchange;
    - (iii) investment manager;
    - (iv) linked investment service provider;
    - (v) securities advisor;
    - (vi) securities clearing house;
    - (vii) securities dealer; and
    - (viii) securities rating agency.

**Applicability**

2. This Standard applies to a registered central securities depository, exchange, investment manager, linked investment service provider, securities clearing house, securities rating agency, securities advisor or securities dealer (hereinafter referred to as “applicants”) applying for cancellation of its registration granted pursuant to section 85 of the Act.
3. An applications for variation to the conditions subject to which registration was granted must be dealt with in accordance with this Standard FM.S.3.12.



**Application for cancellation of registration**

7. An application for cancellation of registration granted pursuant to section 85 of the Act or for variation of conditions of registration for which it was registered must be made to NAMFISA in accordance with clause 5.

**Particulars to be furnished upon application**

8. Pursuant to section 88(2) of the Act, an application for cancellation of registration granted pursuant to section 85 or variation of registration conditions must -

- (a) be in writing and provide the particulars as specified in Schedule 1, Application form for cancellation of registration granted pursuant to section 85 of the Act;
- (b) be accompanied by a copy of the notice published in terms of section 88(3) of the Act;
- (c) be accompanied by the original certificate of registration (declaration under Oath where original lost);
- (d) be accompanied by a bank letter confirming the closure of the bank account(s) opened and operated for purposes of segregating client assets;
- (e) be signed by the principal officer or a person duly authorised to represent the applicant;
- (f) other than a securities advisor that is an individual, be accompanied by a copy of a special resolution on the decision to apply for cancellation of its registration granted or vary its registration of business for which it was registered pursuant to section 85 of the Act;
- (g) for securities advisor that is an individual, be accompanied by a written representation on why cancellation or variation of business, as the case may be, is necessary;
- (h) specify the measures that the applicant has taken to discharge all its obligations and meet all its liabilities under any contractual obligation; and
- (i) provide proof of payment of the prescribed application fee.

9. The applicant must disclose all information as required in the Schedule and all parts must be duly completed.

10. (1) An application, not complete in all respects and not conforming to the instructions specified in the Schedules may be rejected on the basis of being non-compliant with this Standard.

(2) In instances where the application is deemed not complete, NAMFISA must give the applicant the opportunity to provide the required information to complete the application. The required information must be provided within seven working days, failing which the application shall be rejected.

11. Nothing shall prevent NAMFISA from seeking further or additional information or documents as may be reasonably necessary for processing of the application.

12. The applicant, its principal officer or a duly authorised person may, if so required, be called to appear before NAMFISA for a personal representation in connection with the application.

**Submission**

13. (1) An application for cancellation of registration must be submitted to NAMFISA electronically on the NAMFISA ERS.

(2) Where necessary and when so directed by NAMFISA, the applicant must submit specified documentation manually to NAMFISA.

## Effect of cancellation of registration

14. On and from the date of cancellation of the registration of a central securities depository, exchange, investment manager, linked investment service provider, securities clearing house, securities rating agency, securities advisor or securities dealer shall cease to act as such.

## SUPPORTING SCHEDULES

15. The following supporting schedules are attached to and form part of this Standard:

**Schedule 1 -** Application form for cancellation of registration granted pursuant to section 85 of the Act

### SCHEDULE 1

APPLICATION BY REGISTERED CENTRAL SECURITIES DEPOSITORY, EXCHANGE, INVESTMENT MANAGER, LINKED INVESTMENT SERVICE PROVIDER, SECURITIES CLEARING HOUSE, SECURITIES RATING AGENCY, SECURITIES ADVISOR OR SECURITIES DEALER FOR CANCELLATION OF REGISTRATION GRANTED PURSUANT TO SECTION 85 OF THE ACT OR FOR VARIATION OF THE CONDITIONS FOR REGISTRATION

Please complete in full:

#### REGULATED PERSON

Full Name(s) .....

Company Registration Number/ Identity Number .....

NAMFISA Registration Number .....

Income Tax Number .....

#### CONTACT DETAILS

Physical address: .....

Postal address: .....

Tel. Work: .....

Cell. No: .....

Email address: .....

#### DETAILS OF PRINCIPAL OFFICER

First Names: .....

Surname: .....

ID/Passport No: .....

Nationality: .....

Gender: .....

Physical address: .....

Postal Address: .....

Tel .....  
.....

Mobile: .....

Email address: .....

**DETAIL OF SHAREHOLDER(S)**

Name	Shareholding

**DETAILS OF BOARD OF DIRECTORS**

Name	Nationality	Executive/Non-Executive

Name of the Board Chairperson: .....

Name	Name of Chairperson(s) of sub-committee(s)

**DETAILS OF AUDITOR**

.....  
 .....  
 .....

**DETAILS OF TRUSTEE OR CUSTODIAN IF APPLICABLE**

.....  
 .....  
 .....  
 .....

**DECLARATION BY APPLICANT**

I, \_\_\_\_\_ (fullnames), in my capacity as \_\_\_\_\_  
 of the applicant referred to herein, hereby declare under oath/affirm as follows:

- ☐ all the information provided in this application (including all attachments) is complete, true and correct;
- ☐ I read and understand the provisions in the conditions and hereby declare/affirm that the applicant will comply with such provisions and any other provisions as may be determined by the NAMFISA ; and
- ☐ I understand that if any information in this application changes before this application is approved, we must notify NAMFISA in writing immediately of the changes.

I know and understand the content of this declaration. I do not have objections to taking the prescribed oath/affirmation. I consider the prescribed oath/affirmation to be binding on my conscience.

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**SIGNATURE OF DEPONENT**

I hereby declare that the deponent has sworn/affirmed to and signed this statement in my presence a \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_, and he/she declared/affirmed as follows: that the facts herein contained fall within his/her personal knowledge and that he/she understands the contents hereof; that he/she has no objection to taking the oath/affirmation; and that he/she regards the oath/affirmation as binding on his/her conscience.

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**SIGNATURE OF COMMISSIONER OF OATHS**

FULL NAMES: \_\_\_\_\_

CAPACITY: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

## SCHEDULE 2

## TEMPLATE FOR WRITTEN REPRESENTATIONS: DRAFT PROPOSED STANDARDS

[illegible]

**SCHEDULE 1****FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 (Act No. 2 of 2021)****COLLECTIVE INVESTMENTS****ADDITIONAL INFORMATION REQUIRED TO ENABLE AN INVESTOR TO MAKE  
AN INFORMED DECISION PURSUANT TO SUBSECTION 172(1)(b) OF THE ACT****Standard No. CIS.S.4.1**

*Issued by NAMFISA under section 172(1)(b), 410(5)(b), and 410(5)(cc) of the  
Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard -

“Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;

“base currency” means the currency in which the assets are denominated;

“CIS” means a collective investment scheme as defined in section 168 of the Act; “closed-end CIS” means a CIS that issues a fixed number of participatory interests that are not redeemable, that are traded in secondary markets and the market price of which may differ from its NAV price;

“constant NAV” means NAV per participatory interest that does not vary with changes in the assets and liabilities of a collective investment scheme

“fair-value of a security” means a price at which a security would sell in an orderly transaction to a willing buyer at the valuation date;

“fiduciary” has the same meaning as in the General Standards; “fiduciary duty” has the same meanings as in the General Standards;

“functionary” means a principal officer, officers or employees of a manager or an individual acting for or representing an authorised representative that is a corporate body, including a director, principal officer or other officers of that corporate body;

“initial charge” means the costs incurred by the manager in the creation and issuance of a participatory interest and included in the price of the participatory interest;

“material information” has the same meaning as in the General Standards;

“NAV” means the “net asset value” of a participatory interest as determined in accordance with Standard CIS 5-11;

“offer” means to sell or offer to sell for cash any participatory interest to a client or a potential client;

“offer document” means a document containing information about a CIS or a portfolio of a CIS or offer of a participatory interest whether referred to as a prospectus, a fact sheet, notice, circular or by any other name and whether in printed or in electronic form;

“open-end CIS” means a CIS that issues and redeems participatory interests on an ongoing basis, changes its underlying assets from time to time and the NAV price of which is based on the value of assets;

“operator” means the operator of a foreign CIS;

“Rand” means the official currency of the Republic of South Africa; “representative” means a representative appointed by a trustee or custodian of a CIS pursuant to subsection 189(6) of the Act;

“transaction” has the meaning ascribed thereto by section 78 of the Act, insofar as it is applicable in the context of these standards, and refers to a contract of sale and purchase of a participatory interest;

“underlying securities” means the assets of a portfolio;

“valuation date” means the date on which the value of a security is determined or the date at which the value of a transaction is determined; and

“variable NAV” means NAV per participatory interest that varies with changes in the assets and liabilities of a CIS.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -

(a) as defined in section 1 of the Act -

- (i) affiliate;
- (ii) associate;
- (iii) auditor;
- (iv) board;
- (v) client;
- (vi) corporate body;
- (vii) director;
- (viii) financial service;
- (ix) financial year;
- (x) NAMFISA;
- (xi) officer;
- (xii) principle office;
- (xiii) principal officer; and
- (xiv) person

(b) control as defined in section 3 of the Act

(c) as defined in section 78 of the Act -

- (i) exchange;
- (ii) issuer;
- (iii) investment manager;
- (iv) listed securities;
- (v) regulated person;
- (vi) security; and
- (vii) transaction.

(d) as defined in section 168 of the Act -

- (i) assets;
- (ii) authorised representative;
- (iii) collective investment scheme;
- (iv) custodian;
- (v) deed;
- (vi) designated representative;
- (vii) investor;
- (viii) manager;
- (ix) members of the public;
- (x) participatory interest;
- (xi) portfolio; and
- (xii) trustee;

- (e) collective investment scheme in participation bonds, as defined in section 201 of the Act;
- (f) collective investment scheme in unlisted securities, as defined in section 210 of The Act;
- (g) collective investment scheme in money market instruments, as defined in section 213 of the Act;
- (h) foreign collective investment scheme, as defined in section 218 of the Act; and
- (i) a person or manager connected with a foreign country or Namibia, as the case may be, as provided in section 220 (2) of the Act.

### **Applicability**

4. This Standard applies to every manager of a CIS and its authorized representatives and to the designated representatives of such authorized representatives.

### **General information**

3. (1) A manager, authorized representative or a designated representative of a collective investment scheme must, before entering into an initial transaction relating to any portfolio with an individual investor, provide to the investor general information in respect of a CIS or portfolio of a CIS pursuant to section 172(1)(b) of the Act, including:
- (a) terms and conditions of investment and redemption or repurchase of participatory interests, including redemption period in days;
  - (b) administration expenses (e.g., auditing, legal, IT) of the portfolio, as a percentage of assets and NAV, and any other expense measure, deemed appropriate and explained by the manager, authorized representative or designated representative, together with a description of the services to which the expenses relate and the basis of allocation (e.g., pro rata, per capita); and
  - (c) fees and expenses charged against investors, as a percentage of participatory interests, and any other expense measure, deemed appropriate and explained by the manager, authorized representative or designated representative, together with a description of the services to which the fees and expenses relate and the basis of allocation (e.g., redemption fees, transfer fees, front- or back-end loaded charges or commissions).
- (2) A manager, authorised representative or a designated representative of a CIS must, before entering into an initial transaction relating to any portfolio with an individual investor, provide to the investor investment-related information in respect of a CIS or portfolio of a CIS pursuant to section 172(1)(b) of the Act, including:
- (a) name, type (e.g., CIS in money market instruments, CIS in unlisted securities) and form (e.g., open-ended, closed-ended, trust, company) of the CIS or portfolio (e.g., feeder fund, fund-of-fund);
  - (b) whether the manager or an investment manager manages the assets, and, where an investment manager manages the assets, the identity of the investment manager and a description of its relationship to the investment manager;
  - (c) suggested investment period, if any, in years;
  - (d) asset and asset and sector allocation of assets, including individual securities constituting 60% of assets, and details of portfolios in feeder-fund or fund-of-fund arrangements;



- (e) tax status of investments and investment income;
  - (f) the risk inherent in the portfolio, including the measurement of risk and explanation thereof, and use of leverage and derivative instruments and associated risks;
  - (g) past or current rate of return of the portfolio, including the measurement of return and explanation thereof, both on a gross and net of expenses basis, for 1, 5 and 10 calendar-year periods or such periods the manager must specify where periods are shorter;
  - (h) names of and relative performance to benchmarks, including benchmarks used, both on a gross and net of expenses basis;
  - (i) NAV price and material changes;
  - (j) fees and other charges of the manager, as a percentage of assets and NAV;
  - (k) fees and other charges in respect of investment management, custody and safekeeping of assets;
  - (l) distributions in the immediately preceding period, as a percentage of assets;
  - (m) a description of the borrowing powers of the CIS and scrip lending, if any;
  - (n) a statement that fees and expenses are only one of many factors investors should consider when making investment decisions; and
  - (o) a statement that NAV is subject to fluctuations from time to time and that past performance is not necessarily an indication of expected future performance.
- (3) Where an operator of a foreign CIS or portfolio solicits investments from an investor, the operator must provide to an investor the information set out in clauses 3 and 4 and any other information relevant to the foreign CIS or portfolio to enable the investor to make an informed decision, including but not limited to:
- (a) the currency in which the CIS or portfolio is denominated;
  - (b) currency risks;
  - (c) any withholding tax applicable to investments;
  - (d) custody and safekeeping of assets; and
  - (e) the exercise of voting power conferred by assets
- (4) The information provided to an investor in terms of this standard must be:
- (a) in writing, be in plain language in accordance with the General Standards;
  - (b) accurate and not misleading or deceptive;
  - (c) explained to the investor in a manner that will enable the investor to make an informed decision; and
  - (d) provided at least 14 days before entering into an initial transaction with an investor.
- (5) The transaction contemplated in this section relates to where an individual investor intends to, or has been offered to, invest in a CIS or a portfolio of a CIS for the first time, or after material changes have been effected to a CIS or a portfolio of a CIS.
- (6) Where an investor, other than an individual investor, requires the information required in or by this section, the manager or operator, authorized representative or a designated representative of a CIS must provide such information to the investor forthwith before entering into any transaction with the investor.

## Other information

4. (1) An investor may request other information that may be useful to the investor from a manager, an authorized representative or a designated representative or operator, including:
  - (a) an Internet or Web site address, if any, of the manager or operator where investors can obtain information such as the objectives and strategies of the manager or operator, and how to obtain further information,
  - (b) the manager's registration details with NAMFISA or an authorized representative's authorization by the manager;
  - (c) the operator's registration details with a foreign regulator;
  - (d) the manner in which the manager or operator manages conflicts of interest;
  - (e) a description and identification of any delegated function of manager or operator not provided; and
  - (f) the manner in which the manager or operator ensures the fair treatment of investors with another named person.

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## FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 (Act No. 2 of 2021)

### COLLECTIVE INVESTMENT

#### OTHER INFORMATION AND MATERIAL REQUIRED FOR AN AUTHORISED REPRESENTATIVE

##### Standard No. CIS.S.4.2

*issued by NAMFISA under sections 180(4) and 410(5)(c) of the  
Financial Institutions and Markets Act, 2021*

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## Definitions

1. (1) In this Standard -

“Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;

“base currency” means the currency in which the assets are denominated;

“CIS” means a collective investment scheme as defined in section 168 of the Act;

“closed-end CIS” means a CIS that issues a fixed number of participatory interests that are not redeemable, that are traded in secondary markets and the market price of which may differ from its NAV price;

“constant NAV” means NAV per participatory interest that does not vary with changes in the assets and liabilities of a collective investment scheme

“fair-value of a security” means a price at which a security would sell in an orderly transaction to a willing buyer at the valuation date;

“fiduciary” has the same meaning as in the General Standards; “fiduciary duty” has the same meaning as in the General Standards;

“functionary” means a principal officer, officers or employees of a manager or an individual acting for or representing an authorised representative that is a corporate body, including a director, principal officer or other officers of that corporate body;

“initial charge” means the costs incurred by the manager in the creation and issuance of a participatory interest and included in the price of the participatory interest;

“material information” has the same meaning as in the General Standards;

“NAV” means the “net asset value” of a participatory interest as determined in accordance with Standard CIS 5-11;

“offer” means to sell or offer to sell for cash any participatory interest to a client or a potential client;

“offer document” means a document containing information about a CIS or a portfolio of a CIS or offer of a participatory interest whether referred to as a prospectus, a fact sheet, notice, circular or by any other name and whether in printed or in electronic form;

“open-end CIS” means a CIS that issues and redeems participatory interests on an ongoing basis, changes its underlying assets from time to time and the NAV price of which is based on the value of assets;

“operator” means the operator of a foreign CIS;

“Rand” means the official currency of the Republic of South Africa; “representative” means a representative appointed by a trustee or custodian of a CIS pursuant to subsection 189(6) of the Act;

“transaction” has the meaning ascribed thereto by section 78 of the Act, insofar as it is applicable in the context of these standards, and refers to a contract of sale and purchase of a participatory interest;

“underlying securities” means the assets of a portfolio;

“valuation date” means the date on which the value of a security is determined or the date at which the value of a transaction is determined; and

“variable NAV” means NAV per participatory interest that varies with changes in the assets and liabilities of a CIS.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -

(a) as defined in section 1 of the Act -

- (i) affiliate;
- (ii) associate;
- (iii) auditor;
- (iv) board;
- (v) client;
- (vi) corporate body;
- (vii) director;
- (viii) financial service;
- (ix) financial year;
- (x) NAMFISA;
- (xi) officer;
- (xii) principle office;
- (xiii) principal officer; and
- (xiv) person

- (b) control as defined in section 3 of the Act
- (c) as defined in section 78 of the Act -
  - (i) exchange;
  - (ii) issuer;
  - (iii) investment manager;
  - (iv) listed securities;
  - (v) regulated person;
  - (vi) security; and
  - (vii) transaction.
- (d) as defined in section 168 of the Act -
  - (i) assets;
  - (ii) authorised representative;
  - (iii) collective investment scheme;
  - (iv) custodian;
  - (v) deed;
  - (vi) designated representative;
  - (vii) investor;
  - (viii) manager;
  - (ix) members of the public;
  - (x) participatory interest;
  - (xi) portfolio; and
  - (xii) trustee;
- (e) collective investment scheme in participation bonds, as defined in section 201 of the Act;
- (f) collective investment scheme in unlisted securities, as defined in section 210 of the Act;
- (g) collective investment scheme in money market instruments, as defined in Section 213 of the Act;
- (h) foreign collective investment scheme, as defined in section 218 of the Act; and
- (i) a person or manager connected with a foreign country or Namibia, as the case may be, as provided in section 220(2) of the Act.

### **Applicability**

2. This Standard applies to a manager or an operator of a collective investment scheme.

### **Requirements in respect of individual authorized representative**

3. (1) Where the authorized representative is an individual, a manager or operator must provide the following information and material in respect of the individual:

- (a) personal details of the individual;
- (b) educational and practical experience of the individual in financial services or related fields;
- (c) any beneficial interest the individual or the individual's associates have in a financial institution, including an interest in the manager, operator or a trustee or custodian in relation to the CIS;
- (d) any final civil or criminal penalty that may have been imposed on the individual in the last five years; and

- (e) any incidence of the individual having been found guilty of dishonesty, unprofessional conduct, or breach of fiduciary duty in a similar capacity as authorized representative in the last five years. a list of members of the board of the self-regulatory organisation and any changes thereto over the last financial year.

#### **Requirements in respect of a corporate body authorized representative**

- 4. (1) Where the authorized representative is a corporate body, a manager must provide the following information and material in respect of the corporate body:
  - (a) personal details of the shareholders, controlling persons, directors, principal officer, and officers of the authorized representative;
  - (b) registered address of the principal office;
  - (c) memorandum and articles or other founding documents of the corporate body;
  - (d) registration documents of the corporate body;
  - (e) name and address of the auditor, if any;
  - (f) names of the individuals acting for and on behalf of the corporate body in relation to investors;
  - (g) statement of the relationship between the manager or operator and the authorized representative or its functionaries;
  - (h) any beneficial interest a functionary or the functionary's associates have in a financial institution, including in the manager, operator or a trustee or custodian in relation to the CIS, or the authorized representative has in the manager, operator or a trustee or custodian in relation to the CIS;
  - (i) any final civil or criminal penalty that may have been imposed on any functionary of the authorized representative in the last five years; and
  - (j) any incidence of a functionary having been found guilty of dishonesty, unprofessional conduct, or breach of fiduciary duty in a similar capacity as in relation to an authorized representative in the last five years.in which the manager or operator ensures the fair treatment of investors

#### **General requirement**

- 5. (1) A manager or operator must implement policies and procedures that are designed to ensure that the manager or operator is able to obtain the information and material specified under this standard, and to provide such information and material to NAMFISA timeously.
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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 (Act No. 2 of 2021)****COLLECTIVE INVESTMENTS****RULES FOR ADMINISTRATION OF COLLECTIVE INVESTMENT SCHEMES  
UNDER ONE OR MORE OF PARTS 3 TO 8 OF CHAPTER 4 AND SOLICITATION  
OF INVESTMENTS IN A FOREIGN COLLECTIVE INVESTMENT SCHEME  
UNDER PART 9 OF CHAPTER 4****Standard No. CIS.S.4.3**

*issued by NAMFISA under section 410(5)(g) of the  
Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard -

“Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;

“base currency” means the currency in which the assets are denominated;

“CIS” means a collective investment scheme as defined in section 168 of the Act;

“closed-end CIS” means a CIS that issues a fixed number of participatory interests that are not redeemable, that are traded in secondary markets and the market price of which may differ from its NAV price;

“constant NAV” means NAV per participatory interest that does not vary with changes in the assets and liabilities of a collective investment scheme

“fair-value of a security” means a price at which a security would sell in an orderly transaction to a willing buyer at the valuation date;

“fiduciary” has the same meaning as in the General Standards; “fiduciary duty” has the same meaning as in the General Standards;

“functionary” means a principal officer, officers or employees of a manager or an individual acting for or representing an authorised representative that is a corporate body, including a director, principal officer or other officers of that corporate body;

“initial charge” means the costs incurred by the manager in the creation and issuance of a participatory interest and included in the price of the participatory interest;

“material information” has the same meaning as in the General Standards;

“NAV” means the “net asset value” of a participatory interest as determined in accordance with Standard CIS 5-11;

“offer” means to sell or offer to sell for cash any participatory interest to a client or a potential client;

“offer document” means a document containing information about a CIS or a portfolio of a CIS or offer of a participatory interest whether referred to as a prospectus, a fact sheet, notice, circular or by any other name and whether in printed or in electronic form;

“open-end CIS” means a CIS that issues and redeems participatory interests on an ongoing basis, changes its underlying assets from time to time and the NAV price of which is based on the value of assets;

“operator” means the operator of a foreign CIS;

“Rand” means the official currency of the Republic of South Africa;

“representative” means a representative appointed by a trustee or custodian of a CIS pursuant to subsection 189(6) of the Act;

“transaction” has the meaning ascribed thereto by section 78 of the Act, insofar as it is applicable in the context of these standards, and refers to a contract of sale and purchase of a participatory interest;

“underlying securities” means the assets of a portfolio;

“valuation date” means the date on which the value of a security is determined or the date at which the value of a transaction is determined; and

“variable NAV” means NAV per participatory interest that varies with changes in the assets and liabilities of a CIS.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -

(a) as defined in section 1 of the Act -

- (i) affiliate;
- (ii) associate;
- (iii) auditor;
- (iv) board;
- (v) client;
- (vi) corporate body;
- (vii) director;
- (viii) financial service;
- (ix) financial year;
- (x) NAMFISA;
- (xi) officer;
- (xii) principal office;
- (xiii) principal officer; and
- (xiv) person

(d) control as defined in section 3 of the Act

(c) as defined in section 78 of the Act -

- (i) exchange;
- (ii) issuer;
- (iii) investment manager;
- (iv) listed securities;
- (v) regulated person;
- (vi) security; and
- (vii) transaction.

(d) as defined in section 168 of the Act -

- (i) assets;
- (ii) authorised representative;
- (iii) collective investment scheme;
- (iv) custodian;
- (v) deed;
- (vi) designated representative;
- (vii) investor;

- (viii) manager;
  - (ix) members of the public;
  - (x) participatory interest;
  - (xi) portfolio; and
  - (xii) trustee;
- (e) collective investment scheme in participation bonds, as defined in section 201 of the Act;
  - (f) collective investment scheme in unlisted securities, as defined in section 210 of the Act;
  - (g) collective investment scheme in money market instruments, as defined in section 213 of the Act;
  - (h) foreign collective investment scheme, as defined in section 218 of the Act; and
  - (i) a person or manager connected with a foreign country or Namibia, as the case may be, as provided in section 220(2) of the Act.

### **Applicability**

2. This Standard applies to a manager in respect of the operation and administration of a CIS in securities, property, participation bonds, unlisted securities and money market instruments and a declared CIS, and to an operator in respect of solicitation of investments in a foreign CIS.

### **Operation and administration of CIS**

3. (1) A manager of a CIS must ensure that the governance arrangements would enable the manager to satisfy the duties set out in section 170 of the Act, including:

- (a) the composition of the board, consisting of an independent chairman and directors;
- (b) the responsibility for risk management and internal controls;
- (c) the employment of fit and proper functionaries with the required skills and experience for the effective and prudent operation of a CIS;
- (d) audit arrangements that are able to provide an objective review of the effectiveness of the financial reporting and risk management, including an independent auditor and audit committee; and
- (e) disclosure to investors of any interests of its directors and management in the CIS's

- (2) To ensure that the CIS is administered prudently and for the benefit of investors, a manager of a CIS must adopt and implement policies, procedures and controls that deal with:

- (a) the rights of investors, including accurate records and valuation of assets;
- (b) conflicts of interests, including the avoidance or management of conflicts or potential conflicts;
- (c) transparency and disclosure of material information to investors, timeously;
- (d) the protection of investor assets, including segregation;
- (e) investment of CIS assets by an investment manager or safekeeping or custody of assets by a trustee or custodian;
- (f) execution of investment policies and mandates;



- (g) remedial action where lapses occur; and
- (h) the compliance function in respect of compliance with the Act and other applicable laws.

#### **Solicitation of investments by foreign CIS**

4. (1) In the solicitation of investments from investors in Namibia, an operator of a foreign CIS must ensure that:

- (a) the solicitation of investments from potential investors is in accordance with the Act;
- (b) the operator complies with the Act and other applicable laws;
- (c) the interests of investors are protected;
- (d) the operator is transparent and discloses material information to investors timeously;
- (e) the governance and audit arrangements are suited to the interests of investors; and
- (f) the administration of the CIS is in the best interests of investors

#### **General**

5. (1) A manager and an operator of a CIS owe a fiduciary duty to investors and must ensure that authorized representatives and their designated representatives comply with the requirements of the Act in dealing with investors.

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### **FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 (Act No. 2 of 2021)**

#### **COLLECTIVE INVESTMENTS**

#### **MINIMUM INVESTMENT PERIODS FOR INVESTMENTS IN A COLLECTIVE INVESTMENT SCHEME IN PARTICIPATION BONDS**

#### **OTHER INFORMATION AND MATERIAL REQUIRED FOR AN AUTHORIZED REPRESENTATIVE**

#### **Standard No. CIS.S.4.4**

*issued by NAMFISA under section 410(5)(o) of the  
Financial Institutions and Markets Act, 2021*

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#### **Definitions**

1. (1) In this Standard -

“Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;

“base currency” means the currency in which the assets are denominated;

“CIS” means a collective investment scheme as defined in section 168 of the Act;

“closed-end CIS” means a CIS that issues a fixed number of participatory interests that are not redeemable, that are traded in secondary markets and the market price of which may differ from its NAV price;

“constant NAV” means NAV per participatory interest that does not vary with changes in the assets and liabilities of a collective investment scheme

“fair-value of a security” means a price at which a security would sell in an orderly transaction to a willing buyer at the valuation date;

“fiduciary” has the same meaning as in the General Standards; “fiduciary duty” has the same meaning as in the General Standards;

“functionary” means a principal officer, officers or employees of a manager or an individual acting for or representing an authorized representative that is a corporate body, including a director, principal officer or other officers of that corporate body;

“initial charge” means the costs incurred by the manager in the creation and issuance of a participatory interest and included in the price of the participatory interest;

“material information” has the same meaning as in the General Standards;

“NAV” means the “net asset value” of a participatory interest as determined in accordance with Standard CIS 5-11;

“offer” means to sell or offer to sell for cash any participatory interest to a client or a potential client;

“offer document” means a document containing information about a CIS or a portfolio of a CIS or offer of a participatory interest whether referred to as a prospectus, a fact sheet, notice, circular or by any other name and whether in printed or in electronic form;

“open-end CIS” means a CIS that issues and redeems participatory interests on an ongoing basis, changes its underlying assets from time to time and the NAV price of which is based on the value of assets;

“operator” means the operator of a foreign CIS;

“Rand” means the official currency of the Republic of South Africa; “representative” means a representative appointed by a trustee or custodian of a CIS pursuant to subsection 189(6) of the Act;

“transaction” has the meaning ascribed thereto by section 78 of the Act, insofar as it is applicable in the context of these standards, and refers to a contract of sale and purchase of a participatory interest;

“underlying securities” means the assets of a portfolio;

“valuation date” means the date on which the value of a security is determined or the date at which the value of a transaction is determined; and

“variable NAV” means NAV per participatory interest that varies with changes in the assets and liabilities of a CIS.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -

(a) as defined in section 1 of the Act -

- (i) affiliate;
- (ii) associate;
- (iii) auditor;
- (iv) board;
- (v) client;
- (vi) corporate body;

- (vii) director;
  - (viii) financial service;
  - (ix) financial year;
  - (x) NAMFISA;
  - (xi) officer;
  - (xii) principle office;
  - (xiii) principal officer; and
  - (xiv) person
- (b) control as defined in section 3 of the Act
- (c) as defined in section 78 of the Act -
- (i) exchange;
  - (ii) issuer;
  - (iii) investment manager;
  - (iv) listed securities;
  - (v) regulated person;
  - (vi) security; and
  - (vii) transaction.
- (d) as defined in section 168 of the Act -
- (i) assets;
  - (ii) authorized representative;
  - (iii) collective investment scheme;
  - (iv) custodian;
  - (v) deed;
  - (vi) designated representative;
  - (vii) investor;
  - (viii) manager;
  - (ix) members of the public;
  - (x) participatory interest;
  - (xi) portfolio; and
  - (xii) trustee;
- (d) collective investment scheme in participation bonds, as defined in section 201 of the Act;
- (e) collective investment scheme in unlisted securities, as defined in section 210 of the Act;
- (g) collective investment scheme in money market instruments, as defined in section 213 of the Act;
- (h) foreign collective investment scheme, as defined in section 218 of the Act; and
- (i) a person or manager connected with a foreign country or Namibia, as the case may be, as provided in section 220(2) of the Act.

### **Applicability**

2. This Standard applies to a manager and a CIS in participation bonds.

### **Minimum investment period**

3. (1) The deed of a CIS in participation bonds must provide that investments in a CIS in participation bonds must be for a period not less than five years.
- (2) Where, for any particular reason stated in the deed and in an offer document, the investment period is longer than five years, the manager must disclose the minimum period of investment in such offer document and ensure that investors make an informed decision.

(3) An authorized representative of the manager must inform the potential investors of the minimum investment period when soliciting investments.

(4) Upon maturity or expiry of the minimum investment period, an investor has the right to redeem participatory interests unless the investor and the manager agree to extend the investment period, and the extended period is stated in the amended deed and offer document.

(5) Where an investor intends to redeem any participatory interest before the maturity or expiry of the minimum investment period, and a manager is able to redeem a participatory interest of an investor, the manager may redeem the participatory interest as long as the redemption does not in any way prejudice the other investors.

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## **FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 (Act No. 2 of 2021)**

### **COLLECTIVE INVESTMENTS**

#### **MINIMUM INVESTMENT PERIODS FOR INVESTMENTS IN A COLLECTIVE INVESTMENT SCHEME IN UNLISTED SECURITIES**

#### **OTHER INFORMATION AND MATERIAL REQUIRED FOR AN AUTHORIZED REPRESENTATIVE**

#### **Standard No. CIS.S.4.5**

*issued by NAMFISA under sections 410(5)(p) and (bb) of the Financial Institutions and Markets Act, 2021*

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#### **Definitions**

1. (1) In this Standard -

“Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;

“base currency” means the currency in which the assets are denominated;

“CIS” means a collective investment scheme as defined in section 168 of the Act;

“closed-end CIS” means a CIS that issues a fixed number of participatory interests that are not redeemable, that are traded in secondary markets and the market price of which may differ from its NAV price;

“constant NAV” means NAV per participatory interest that does not vary with changes in the assets and liabilities of a collective investment scheme

“fair-value of a security” means a price at which a security would sell in an orderly transaction to a willing buyer at the valuation date;

“fiduciary” has the same meaning as in the General Standards;

“fiduciary duty” has the same meaning as in the General Standards;

“functionary” means a principal officer, officers or employees of a manager or an individual acting for or representing an authorized representative that is a corporate body, including a director, principal officer or other officers of that corporate body;

“initial charge” means the costs incurred by the manager in the creation and issuance of a participatory interest and included in the price of the participatory interest;

“material information” has the same meaning as in the General Standards;

“NAV” means the “net asset value” of a participatory interest as determined in accordance with Standard CIS 5-11;

“offer” means to sell or offer to sell for cash any participatory interest to a client or a potential client;

“offer document” means a document containing information about a CIS or a portfolio of a CIS or offer of a participatory interest whether referred to as a prospectus, a fact sheet, notice, circular or by any other name and whether in printed or in electronic form;

“open-end CIS” means a CIS that issues and redeems participatory interests on an ongoing basis, changes its underlying assets from time to time and the NAV price of which is based on the value of assets;

“operator” means the operator of a foreign CIS;

“Rand” means the official currency of the Republic of South Africa;

“representative” means a representative appointed by a trustee or custodian of a CIS pursuant to subsection 189(6) of the Act;

“transaction” has the meaning ascribed thereto by section 78 of the Act, insofar as it is applicable in the context of these standards, and refers to a contract of sale and purchase of a participatory interest;

“underlying securities” means the assets of a portfolio;

“valuation date” means the date on which the value of a security is determined or the date at which the value of a transaction is determined; and

“variable NAV” means NAV per participatory interest that varies with changes in the assets and liabilities of a CIS.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -

(a) as defined in section 1 of the Act -

- (i) affiliate;
- (ii) associate;
- (iii) auditor;
- (iv) board;
- (v) client;
- (vi) corporate body;
- (vii) director;
- (viii) financial service;
- (ix) financial year;
- (x) NAMFISA;
- (xi) officer;
- (xii) principle office;
- (xiii) principal officer; and
- (xiv) person

(b) control as defined in section 3 of the Act

(c) as defined in section 78 of the Act -

- (i) exchange;
  - (ii) issuer;
  - (iii) investment manager;
  - (iv) listed securities;
  - (v) regulated person;
  - (vi) security; and
  - (vii) transaction.
- (d) as defined in section 168 of the Act -
- (i) assets;
  - (ii) authorized representative;
  - (iii) collective investment scheme;
  - (iv) custodian;
  - (v) deed;
  - (vi) designated representative;
  - (vii) investor;
  - (viii) manager;
  - (ix) members of the public;
  - (x) participatory interest;
  - (xi) portfolio; and
  - (xii) trustee;
- (e) collective investment scheme in participation bonds, as defined in section 201 of the Act;
- (f) collective investment scheme in unlisted securities, as defined in section 210 of the Act;
- (g) collective investment scheme in money market instruments, as defined in section 213 of the Act;
- (h) foreign collective investment scheme, as defined in section 218 of the Act; and
- (i) a person or manager connected with a foreign country or Namibia, as the case may be, as provided in section 220(2) of the Act.

### **Applicability**

11. This Standard applies to a manager and a CIS in participation unlisted securities.

### **Minimum investment period**

3. (1) The deed of a CIS in unlisted securities must provide that investments in a CIS in unlisted securities must be for a period not less than seven years.
- (2) Where, for any particular reason stated in the deed and in an offer document, the investment period is longer than seven years, the manager must disclose the minimum period of investment in such offer document and ensure that investors make an informed decision as to the investment in the CIS.
- (3) An authorized representative of the manager must inform the potential investors of the minimum investment period when soliciting investments.
- (4) Upon maturity or expiry of the minimum investment period, an investor has the right to redeem participatory interests unless the investor and the manager agree to extend the investment period, and the extended period is stated in the amended deed and offer document.
- (5) Where an investor intends to redeem any participatory interest before the maturity or expiry of the minimum investment period, and a manager is able to redeem a participatory

interest of an investor, the manager may redeem the participatory interest as long as the redemption does not in any way prejudice the other investors.

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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 (Act No. 2 of 2021)**

**COLLECTIVE INVESTMENTS**

**ACTIONS THAT MAY BE TAKEN BY NAMFISA AGAINST A MANAGER OR PERSON  
CONNECTED WITH A FOREIGN COUNTRY PURSUANT TO SECTION 220(1)**

**Standard No. CIS.S.4.6**

*issued by NAMFISA under section 410(5)(r) of the Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard -

“Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;

“base currency” means the currency in which the assets are denominated;

“CIS” means a collective investment scheme as defined in section 168 of the Act;

“closed-end CIS” means a CIS that issues a fixed number of participatory interests that are not redeemable, that are traded in secondary markets and the market price of which may differ from its NAV price;

“constant NAV” means NAV per participatory interest that does not vary with changes in the assets and liabilities of a collective investment scheme

“fair-value of a security” means a price at which a security would sell in an orderly transaction to a willing buyer at the valuation date;

“fiduciary” has the same meaning as in the General Standards; “fiduciary duty” has the same meaning as in the General Standards;

“functionary” means a principal officer, officers or employees of a manager or an individual acting for or representing an authorized representative that is a corporate body, including a director, principal officer or other officers of that corporate body;

“initial charge” means the costs incurred by the manager in the creation and issuance of a participatory interest and included in the price of the participatory interest;

“material information” has the same meaning as in the General Standards;

“NAV” means the “net asset value” of a participatory interest as determined in accordance with Standard CIS 5-11;

“offer” means to sell or offer to sell for cash any participatory interest to a client or a potential client;

“offer document” means a document containing information about a CIS or a portfolio of a CIS or offer of a participatory interest whether referred to as a prospectus, a fact sheet, notice, circular or by any other name and whether in printed or in electronic form;

“open-end CIS” means a CIS that issues and redeems participatory interests on an ongoing basis, changes its underlying assets from time to time and the NAV price of which is based on the value of assets;

“operator” means the operator of a foreign CIS;

“Rand” means the official currency of the Republic of South Africa; “representative” means a representative appointed by a trustee or custodian of a CIS pursuant to subsection 189(6) of the Act;

“transaction” has the meaning ascribed thereto by section 78 of the Act, insofar as it is applicable in the context of these standards, and refers to a contract of sale and purchase of a participatory interest;

“underlying securities” means the assets of a portfolio;

“valuation date” means the date on which the value of a security is determined or the date at which the value of a transaction is determined; and

“variable NAV” means NAV per participatory interest that varies with changes in the assets and liabilities of a CIS.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -

(a) as defined in section 1 of the Act -

- (i) affiliate;
- (ii) associate;
- (iii) auditor;
- (iv) board;
- (v) client;
- (vi) corporate body;
- (vii) director;
- (viii) financial service;
- (ix) financial year;
- (x) NAMFISA;
- (xi) officer;
- (xii) principle office;
- (xiii) principal officer; and
- (xiv) person

(b) control as defined in section 3 of the Act

(c) as defined in section 78 of the Act -

- (i) exchange;
- (ii) issuer;
- (iii) investment manager;
- (iv) listed securities;
- (v) regulated person;
- (vi) security; and
- (vii) transaction.

(d) as defined in section 168 of the Act -

- (i) assets;
- (ii) authorized representative;
- (iii) collective investment scheme;
- (iv) custodian;
- (v) deed;



- (vi) designated representative;
  - (vii) investor;
  - (viii) manager;
  - (ix) members of the public;
  - (x) participatory interest;
  - (xi) portfolio; and
  - (xii) trustee;
- (e) collective investment scheme in participation bonds, as defined in section 210 of the Act;
  - (f) collective investment scheme in unlisted securities, as defined in section 210 of the Act;
  - (g) collective investment scheme in money market instruments, as defined in section 213 of the Act;
  - (h) foreign collective investment scheme, as defined in section 218 of the Act; and
  - (i) a person or manager connected with a foreign country or Namibia, as the case may be, as provided in section 220 (2) of the Act.

### **Applicability**

2. This Standard applies to a person or manager connected with Namibia who is operating or intends to operate a collective investment scheme in Namibia in the circumstances where, pursuant to any law of a foreign country, or pursuant to any regulatory or supervisory action taken by any authority or body in a foreign country, the person or manager is suspended, disqualified or restricted in administering a collective investment scheme in that foreign country.

### **Action against manager**

3. (1) Where a manager connected with Namibia is suspended, disqualified or restricted from operating a collective investment scheme in a foreign country, NAMFISA may serve a notice on the manager:
  - (a) directing the manager to disclose the full details of the action taken and the reasons for the action taken in the foreign country within the time period specified in the notice;
  - (b) requesting the manager to disclose any exposure of investors to the CIS in the foreign country, and to explain whether and how investors may be affected; and
  - (c) informing the manager of the action NAMFISA may take in accordance with the Act or this standard.
- (2) NAMFISA may, in the interest of the members of the public or the investors and depending on the circumstances of each case, take any of the following actions against a manager operating a CIS in Namibia:
  - (a) conduct an inspection of the affairs of the manager to determine whether the manager is not engaging in similar conduct for which action was taken in the foreign country;
  - (b) pending any inspection findings, restrict the manager from soliciting further investments from members of the public or investors; and
  - (c) request the manager to submit documents relating to of any further action taken by a supervisory authority or body in the foreign country.

(3) NAMFISA may, provided that it does not prejudice the investors or the public interest, restore the manager to solicit further investments subject to any conditions NAMFISA may impose.

(4) NAMFISA may, after taking into consideration the reasons for the action taken against the manager in the foreign country, the inspection findings, if any, and the representations made by the manager, cancel or vary the registration of the manager in accordance with the Act.

(5) Before taking any of the foregoing action, NAMFISA must request the manager to make representations to NAMFISA as to the intended action and why NAMFISA should not take the action.

#### **Action against person**

4. (1) Where a person that intends to operate a CIS in Namibia is suspended, disqualified or restricted from operating a CIS in a foreign country, NAMFISA may serve a notice on the person:

- (a) directing the person to disclose the full details of the action taken and the reasons for the action taken in the foreign country within the time period specified in the notice; or
- (b) informing the person of the action NAMFISA may take in accordance with the Act or this standard.

(2) NAMFISA may, in the interest of the members of the public or the investors and depending on the circumstances of each case, take any of the following actions against a person intending to operate a CIS in Namibia:

- (a) approve and register the applicant on such conditions NAMFISA may consider appropriate in the circumstances, including restriction on soliciting investments, and for such a period specified by NAMFISA; or
- (b) refuse to approve an application for registration of a CIS in accordance with the Act.

(3) Before taking any of the foregoing action, NAMFISA must request the person to make representations to NAMFISA as to the intended action or action taken in terms of section 356(5) of the Act and why NAMFISA should not take the action.

#### **General**

5. (1) NAMFISA may, provided that it does not prejudice the investors or the public interest, inform the public of the action taken against the manager or the person

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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 (Act No. 2 of 2021)**

**COLLECTIVE INVESTMENTS**

**REQUIREMENTS WITH RESPECT TO TRUSTEES AND CUSTODIANS  
OF A COLLECTIVE INVESTMENT SCHEME**

**OTHER INFORMATION AND MATERIAL REQUIRED FOR AN  
AUTHORIZED REPRESENTATIVE**

**Standard No. CIS.S.4.7**

*issued by NAMFISA under section 190(2) and section 410(5)(s) of the  
Financial Institutions and Markets Act, 2021*

**Definitions**

1. (1) In this Standard -

“Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;

“base currency” means the currency in which the assets are denominated;

“CIS” means a collective investment scheme as defined in section 168 of the Act;

“closed-end CIS” means a CIS that issues a fixed number of participatory interests that are not redeemable, that are traded in secondary markets and the market price of which may differ from its NAV price;

“constant NAV” means NAV per participatory interest that does not vary with changes in the assets and liabilities of a collective investment scheme

“fair-value of a security” means a price at which a security would sell in an orderly transaction to a willing buyer at the valuation date;

“fiduciary” has the same meaning as in the General Standards; “fiduciary duty” has the same meaning as in the General Standards;

“functionary” means a principal officer, officers or employees of a manager or an individual acting for or representing an authorized representative that is a corporate body, including a director, principal officer or other officers of that corporate body;

“initial charge” means the costs incurred by the manager in the creation and issuance of a participatory interest and included in the price of the participatory interest;

“material information” has the same meaning as in the General Standards;

“NAV” means the “net asset value” of a participatory interest as determined in accordance with Standard CIS 5-11;

“offer” means to sell or offer to sell for cash any participatory interest to a client or a potential client;

“offer document” means a document containing information about a CIS or a portfolio of a CIS or offer of a participatory interest whether referred to as a prospectus, a fact sheet, notice, circular or by any other name and whether in printed or in electronic form;

“open-end CIS” means a CIS that issues and redeems participatory interests on an ongoing basis, changes its underlying assets from time to time and the NAV price of which is based on the value of assets;

“operator” means the operator of a foreign CIS;

“Rand” means the official currency of the Republic of South Africa; “representative” means a representative appointed by a trustee or custodian of a CIS pursuant to subsection 189(6) of the Act;

“transaction” has the meaning ascribed thereto by section 78 of the Act, insofar as it is applicable in the context of these standards, and refers to a contract of sale and purchase of a participatory interest;

“underlying securities” means the assets of a portfolio;

“valuation date” means the date on which the value of a security is determined or the date at which the value of a transaction is determined; and

“variable NAV” means NAV per participatory interest that varies with changes in the assets and liabilities of a CIS.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -

(a) as defined in section 1 of the Act -

- (i) affiliate;
- (ii) associate;
- (iii) auditor;
- (iv) board;
- (v) client;
- (vi) corporate body;
- (vii) director;
- (viii) financial service;
- (ix) financial year;
- (x) NAMFISA;
- (xi) officer;
- (xii) principle office;
- (xiii) principal officer; and
- (xiv) person

(b) control as defined in section 3 of the Act

(c) as defined in section 78 of the Act -

- (i) exchange;
- (ii) issuer;
- (iii) investment manager;
- (iv) listed securities;
- (v) regulated person;
- (vi) security; and
- (vii) transaction.

(d) as defined in section 168 of the Act -

- (i) assets;
- (ii) authorized representative;
- (iii) collective investment scheme;
- (iv) custodian;
- (v) deed;

- (vi) designated representative;
  - (vii) investor;
  - (viii) manager;
  - (ix) members of the public;
  - (x) participatory interest;
  - (xi) portfolio; and
  - (xii) trustee;
- (e) collective investment scheme in participation bonds, as defined in section 201 of the Act;
- (f) collective investment scheme in unlisted securities, as defined in section 210 of the Act;
- (g) collective investment scheme in money market instruments, as defined in section 213 of the Act;
- (h) foreign collective investment scheme, as defined in section 218 of the Act; and
- (i) a person or manager connected with a foreign country or Namibia, as the case may be, as provided in section 220(2) of the Act.

### **Applicability**

2. This Standard applies to a trustee, custodian or an independent representative appointed by a trustee or custodian under section 189(6) the Act, hereinafter referred to, collectively, as a trustee or custodian.

### **Capital and reserves**

3. A trustee or custodian of a CIS must have a minimum authorised and issued share capital and non-distributable reserves of N\$5,000,000 at all times.

### **General financial and commercial standing**

4. (1) A trustee or custodian of a CIS must:
- (a) have adequate human, technical and financial resources to execute its duties and functions under the Act efficiently and effectively;
  - (b) use proper control systems, including for the safe-keeping and segregation of investor assets and for calculating the value of participatory interests;
  - (c) have or be able to generate adequate financial resources that can cover operating expenses for at least 13 weeks at any time during the financial year;
  - (d) be independent from the manager or an affiliate of the manager; and
  - (e) carry on its business activities in such a way that the performance of its duties or the conduct of its functions cannot be questioned.

### **Fitness and propriety**

5. (1) The functionaries of a trustee or custodian of a CIS must:
- (a) be adequately experienced in the operation of a CIS;
  - (b) possess knowledge and understanding of a CIS and be able to operate the CIS efficiently and effectively;
  - (c) know the key regulatory requirements, including fiduciary duties in respect of investors, and comply with the requirements of the Act;

- (d) be able to act independently and be independent in their decision-making in relation to investors; and
- (e) apply sound business principles and ensure the financial soundness of the CIS.

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## FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 (Act No. 2 of 2021)

### COLLECTIVE INVESTMENTS

#### ASSETS THAT MUST BE INCLUDED IN A PORTFOLIO OF A COLLECTIVE INVESTMENT SCHEME AT THE TIME THAT A PARTICIPATORY INTEREST IS SOLD OR OFFERED FOR SALE

#### OTHER INFORMATION AND MATERIAL REQUIRED FOR AN AUTHORIZED REPRESENTATIVE

#### Standard No. CIS.S.4.8

*issued by NAMFISA under sections 233(1) and 410(5)(u) of the  
Financial Institutions and Markets Act, 2021*

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### Definitions

1. (1) In this Standard -

“Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;

“base currency” means the currency in which the assets are denominated;

“CIS” means a collective investment scheme as defined in section 168 of the Act;

“closed-end CIS” means a CIS that issues a fixed number of participatory interests that are not redeemable, that are traded in secondary markets and the market price of which may differ from its NAV price;

“constant NAV” means NAV per participatory interest that does not vary with changes in the assets and liabilities of a collective investment scheme

“fair-value of a security” means a price at which a security would sell in an orderly transaction to a willing buyer at the valuation date;

“fiduciary” has the same meaning as in the General Standards; “fiduciary duty” has the same meaning as in the General Standards;

“functionary” means a principal officer, officers or employees of a manager or an individual acting for or representing an authorized representative that is a corporate body, including a director, principal officer or other officers of that corporate body;

“initial charge” means the costs incurred by the manager in the creation and issuance of a participatory interest and included in the price of the participatory interest;

“material information” has the same meaning as in the General Standards;

“NAV” means the “net asset value” of a participatory interest as determined in accordance with Standard CIS 5-11;

“offer” means to sell or offer to sell for cash any participatory interest to a client or a potential client;

“offer document” means a document containing information about a CIS or a portfolio of a CIS or offer of a participatory interest whether referred to as a prospectus, a fact sheet, notice, circular or by any other name and whether in printed or in electronic form;

“open-end CIS” means a CIS that issues and redeems participatory interests on an ongoing basis, changes its underlying assets from time to time and the NAV price of which is based on the value of assets;

“operator” means the operator of a foreign CIS;

“Rand” means the official currency of the Republic of South Africa;

“representative” means a representative appointed by a trustee or custodian of a CIS pursuant to subsection 189(6) of the Act;

“transaction” has the meaning ascribed thereto by section 78 of the Act, insofar as it is applicable in the context of these standards, and refers to a contract of sale and purchase of a participatory interest;

“underlying securities” means the assets of a portfolio;

“valuation date” means the date on which the value of a security is determined or the date at which the value of a transaction is determined; and

“variable NAV” means NAV per participatory interest that varies with changes in the assets and liabilities of a CIS.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -

(a) as defined in section 1 of the Act -

- (i) affiliate;
- (ii) associate;
- (iii) auditor;
- (iv) board;
- (v) client;
- (vi) corporate body;
- (vii) director;
- (viii) financial service;
- (ix) financial year;
- (x) NAMFISA;
- (xi) officer;
- (xii) principle office;
- (xiii) principal officer; and
- (xiv) person

(b) control as defined in section 3 of the Act

(c) as defined in section 78 of the Act -

- (i) exchange;
- (ii) issuer;
- (iii) investment manager;
- (iv) listed securities;
- (v) regulated person;
- (vi) security; and
- (vii) transaction.

- (d) as defined in section 168 of the Act -
- (i) assets;
  - (ii) authorized representative;
  - (iii) collective investment scheme;
  - (iv) custodian;
  - (v) deed;
  - (vi) designated representative;
  - (vii) investor;
  - (viii) manager;
  - (ix) members of the public;
  - (x) participatory interest;
  - (xi) portfolio; and
  - (xii) trustee;
- (e) collective investment scheme in participation bonds, as defined in section 201 of the Act;
- (f) collective investment scheme in unlisted securities, as defined in section 210 of the Act;
- (g) collective investment scheme in money market instruments, as defined in section 213 of the Act;
- (h) foreign collective investment scheme, as defined in section 218 of the Act; and
- (i) a person or manager connected with a foreign country or Namibia, as the case may be, as provided in section 220(2) of the Act.

### **Applicability**

2. This Standard applies to the managers, trustees and custodians of collective investment schemes.

### **Assets of portfolio**

3.
  - (1) A manager must not sell or offer for sale any participatory interest in a portfolio of a CIS unless, at the time of selling or such offer, the portfolio consists of assets in the manner, within the limits and on the conditions set out in a standard NAMFISA may issue pursuant to subsection 410(5)(f) or other relevant enabling provision of the Act.
  - (2) The assets comprising the portfolio must be in accordance with the deed and any offer document provided to investors.
  - (3) The minimum value of a portfolio at the time a participatory interest is sold or offered for sale must be N\$1,000,000, and the NAV of the participatory interest must be determined based on this value in accordance with Standard CIS 5-11

### **General financial and commercial standing**

4.
  - (1) A trustee or custodian of a CIS must:

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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021  
(Act No. 2 of 2021)**

**COLLECTIVE INVESTMENTS**

**REQUIREMENTS FOR THE EXERCISE OF VOTING POWER CONFERRED  
ON A MANAGER BY THE ASSETS HELD IN A PORTFOLIO**

**OTHER INFORMATION AND MATERIAL REQUIRED FOR  
AN AUTHORIZED REPRESENTATIVE**

**Standard No. CIS.S.4.9**

*issued by NAMFISA under section 410(5)(v) of the  
Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard -

“Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;

“base currency” means the currency in which the assets are denominated;

“CIS” means a collective investment scheme as defined in section 168 of the Act;

“closed-end CIS” means a CIS that issues a fixed number of participatory interests that are not redeemable, that are traded in secondary markets and the market price of which may differ from its NAV price;

“constant NAV” means NAV per participatory interest that does not vary with changes in the assets and liabilities of a collective investment scheme

“fair-value of a security” means a price at which a security would sell in an orderly transaction to a willing buyer at the valuation date;

“fiduciary” has the same meaning as in the General Standards;

“fiduciary duty” has the same meaning as in the General Standards;

“functionary” means a principal officer, officers or employees of a manager or an individual acting for or representing an authorized representative that is a corporate body, including a director, principal officer or other officers of that corporate body;

“initial charge” means the costs incurred by the manager in the creation and issuance of a participatory interest and included in the price of the participatory interest;

“material information” has the same meaning as in the General Standards;

“NAV” means the “net asset value” of a participatory interest as determined in accordance with Standard CIS 5-11;

“offer” means to sell or offer to sell for cash any participatory interest to a client or a potential client;

“offer document” means a document containing information about a CIS or a portfolio of a CIS or offer of a participatory interest whether referred to as a prospec-

tus, a fact sheet, notice, circular or by any other name and whether in printed or in electronic form;

“open-end CIS” means a CIS that issues and redeems participatory interests on an ongoing basis, changes its underlying assets from time to time and the NAV price of which is based on the value of assets;

“operator” means the operator of a foreign CIS;

“Rand” means the official currency of the Republic of South Africa;

“representative” means a representative appointed by a trustee or custodian of a CIS pursuant to subsection 189(6) of the Act;

“transaction” has the meaning ascribed thereto by section 78 of the Act, insofar as it is applicable in the context of these standards, and refers to a contract of sale and purchase of a participatory interest;

“underlying securities” means the assets of a portfolio;

“valuation date” means the date on which the value of a security is determined or the date at which the value of a transaction is determined; and

“variable NAV” means NAV per participatory interest that varies with changes in the assets and liabilities of a CIS.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -

(a) as defined in section 1 of the Act -

- (i) affiliate;
- (ii) associate;
- (iii) auditor;
- (iv) board;
- (v) client;
- (vi) corporate body;
- (vii) director;
- (viii) financial service;
- (ix) financial year;
- (x) NAMFISA;
- (xi) officer;
- (xii) principle office;
- (xiii) principal officer; and
- (xiv) person

(b) control as defined in section 3 of the Act

(c) as defined in section 78 of the Act -

- (i) exchange;
- (ii) issuer;
- (iii) investment manager;
- (iv) listed securities;
- (v) regulated person;
- (vi) security; and
- (vii) transaction.

(d) as defined in section 168 of the Act -

- (i) assets;
  - (ii) authorized representative;
  - (iii) collective investment scheme;
  - (iv) custodian;
  - (v) deed;
  - (vi) designated representative;
  - (vii) investor;
  - (viii) manager;
  - (ix) members of the public;
  - (x) participatory interest;
  - (xi) portfolio; and
  - (xii) trustee;
- (e) collective investment scheme in participation bonds, as defined in section 201 of the Act;
  - (f) collective investment scheme in unlisted securities, as defined in section 210 of the Act;
  - (g) collective investment scheme in money market instruments, as defined in section 213 of the Act;
  - (h) foreign collective investment scheme, as defined in section 218 of the Act; and
  - (c) a person or manager connected with a foreign country or Namibia, as the case may be, as provided in section 220 (2) of the Act.

### **Applicability**

2. This Standard applies to managers and operators of collective investment schemes of which the assets confer voting rights.

### **Voting policies and procedures**

3.
  - (1) A manager or operator must adopt and implement written voting policies and procedures as part of the CIS governance, and the policies and procedures must, at a minimum, set out:
    - (a) the manner in which the manager or operator makes resolutions, including delegation of responsibility, in respect of voting decisions;
    - (b) the responsibility, with board oversight, for the voting decisions;
    - (c) the controls adopted to deal with material conflicts of interest;
    - (d) the manner in which voting decisions may be delegated and what controls are in place to ensure that delegated power is exercised accordingly; and
    - (e) the responsibility for and keeping of voting records and disclosure thereof.
  - (2) The voting policies and procedures must specifically provide and be designed to ensure that the manager or operator:
    - (a) monitors corporate actions and events and exercise the implicit or explicit voting power conferred by securities having voting rights;
    - (b) exercises any voting power in a manner that best serves the interests of the investors or does not subordinate investor interests to its own or other persons' interests, and ensures that any delegated power is exercised in like manner;

- (c) does not delegate the voting power where voting is absolutely critical to the interests of investors and may have a lasting impact on investors;
- (d) resolves any material conflicts of interest before voting decisions are made;
- (e) manages any material conflicts of interest on an ongoing basis;
- (f) makes independent and objective voting decisions based on publicly available information and the information provided by the trustee or custodian about the issuers of securities or the corporate action or event concerned;
- (g) votes, and does not abstain, when the corporate actions or events are likely to affect investors' interests;
- (h) is able to demonstrate why it has abstained from exercising any voting power;
- (i) or a delegated person, does not use the voting power to subordinate the interests of the issuer of a security conferring voting rights to be exercised; and
- (j) provides a copy of the voting record to investors, upon request.

#### **Exercise of voting power**

4. (1) A manager or operator must exercise any voting power unless the manager is able to demonstrate that it is abstaining or refraining or delegating for good reasons, including but not limited to where:
- (c) the costs of voting may outweigh the benefits;
  - (c) voting may not necessarily achieve beneficial ends for the investors; or
  - (c) a positive outcome for investors may be achieved without voting.
- (2) Where a manager or operator is unable to exercise voting rights, the manager or operator must delegate the voting power to an independent person, such as a trustee or custodian, who must stand in as fiduciary and exercise the voting power.
- (3) Where a manager or operator delegates its voting power, the manager or operator must, in accordance with the voting policies and procedures, ensure that the delegated person exercises the voting power in accordance with this Standard and the voting policies and procedures and in the best interests of the CIS investors.
- (4) Where the voting power is exercised in a jurisdiction other than Namibia, a manager or operator must ensure that the voting power is exercised in accordance with the applicable laws of that jurisdiction, and that those decisions and voting are entered in the voting record.
- (5) A manager or operator and delegated persons owe a fiduciary duty, including a duty of care and a duty of loyalty, to the CIS and investors and must therefore, at all times, act in the best interests of the CIS and investors in exercising the voting power.
- (6) The exercise of voting power in a manner that is inconsistent with this Standard and the policies and procedures adopted by the manager or operator and specified by the manager or operator in any relevant mandate, or failure to exercise voting power constitutes an irregular or undesirable act or practice.
- (7) Failure to exercise voting power, for the purposes of this Standard, means that a manager, operator or delegated person, having the power, simply failed to exercise the voting power instead of refraining or abstaining, with reasons, from voting.

- (8) Where a manager, operator or delegated person fails to exercise the voting power, the manager, operator or that person must immediately enter the failure in the voting record and notify NAMFISA of the reasons for the failure and the potential impact of that failure on the CIS and investors, and a statement of remedial action.

## **General**

5. (1) The policies and procedures may, in an appendix, set out how the manager would vote if presented with specific resolutions of the issuer's board, e.g., for or against unlimited share authorization, requests for an advisory vote on compensation to reinforce director accountability to the issuer, or on a case-by-case basis.
- (2) A manager or operator must keep and maintain a voting record for a period of at least five years from the date of creating, or of making entries into, the record which includes the following at a minimum:
- (a) the voting policies and procedures document;
  - (b) statements concerning voting policies and procedures received from issuers or relevant market participants;
  - (c) the voting decisions and actual votes or abstentions;
  - (d) requests for voting information by investors or NAMFISA; and
  - (e) any supporting documents, including for delegation, prepared by the manager or operator that were material to making, or formed the basis for, a decision.
- (3) A manager or operator must, upon request, provide a voting record to investors or to NAMFISA, or permit investors to inspect the voting record and to make extracts therefrom at a reasonable cost during office hours of the manager or operator.

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## **FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 (Act No. 2 of 2021)**

### **COLLECTIVE INVESTMENTS**

#### **PERMISSIBLE DEDUCTIONS FROM A PORTFOLIO**

#### **OTHER INFORMATION AND MATERIAL REQUIRED FOR AN AUTHORIZED REPRESENTATIVE**

#### **Standard No. CIS.S.4.10**

*issued by NAMFISA under section 237 and 410(5)(w) of the  
Financial Institutions and Markets Act, 2021*

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## **Definitions**

1. (1) In this Standard -

“Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;

“base currency” means the currency in which the assets are denominated;

“CIS” means a collective investment scheme as defined in section 168 of the Act;

“closed-end CIS” means a CIS that issues a fixed number of participatory interests that are not redeemable, that are traded in secondary markets and the market price of which may differ from its NAV price;

“constant NAV” means NAV per participatory interest that does not vary with changes in the assets and liabilities of a collective investment scheme

“fair-value of a security” means a price at which a security would sell in an orderly transaction to a willing buyer at the valuation date;

“fiduciary” has the same meaning as in the General Standards;

“fiduciary duty” has the same meaning as in the General Standards;

“functionary” means a principal officer, officers or employees of a manager or an individual acting for or representing an authorized representative that is a corporate body, including a director, principal officer or other officers of that corporate body;

“initial charge” means the costs incurred by the manager in the creation and issuance of a participatory interest and included in the price of the participatory interest;

“material information” has the same meaning as in the General Standards;

“NAV” means the “net asset value” of a participatory interest as determined in accordance with Standard CIS 5-11;

“offer” means to sell or offer to sell for cash any participatory interest to a client or a potential client;

“offer document” means a document containing information about a CIS or a portfolio of a CIS or offer of a participatory interest whether referred to as a prospectus, a fact sheet, notice, circular or by any other name and whether in printed or in electronic form;

“open-end CIS” means a CIS that issues and redeems participatory interests on an ongoing basis, changes its underlying assets from time to time and the NAV price of which is based on the value of assets;

“operator” means the operator of a foreign CIS;

“Rand” means the official currency of the Republic of South Africa;  
“representative” means a representative appointed by a trustee or custodian of a CIS pursuant to subsection 189(6) of the Act;

“transaction” has the meaning ascribed thereto by section 78 of the Act, insofar as it is applicable in the context of these standards, and refers to a contract of sale and purchase of a participatory interest;

“underlying securities” means the assets of a portfolio;

“valuation date” means the date on which the value of a security is determined or the date at which the value of a transaction is determined; and

“variable NAV” means NAV per participatory interest that varies with changes in the assets and liabilities of a CIS.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -

(a) as defined in section 1 of the Act -

- (i) affiliate;
  - (ii) associate;
  - (iii) auditor;
  - (iv) board;
  - (v) client;
  - (vi) corporate body;
  - (vii) director;
  - (viii) financial service;
  - (ix) financial year;
  - (x) NAMFISA;
  - (xi) officer;
  - (xii) principle office;
  - (xiii) principal officer; and
  - (xiv) person
- (b) control as defined in section 3 of the Act
- (c) as defined in section 78 of the Act -
- (i) exchange;
  - (ii) issuer;
  - (iii) investment manager;
  - (iv) listed securities;
  - (v) regulated person;
  - (vi) security; and
  - (vii) transaction.
- (d) as defined in section 168 of the Act -
- (i) assets;
  - (ii) authorized representative;
  - (iii) collective investment scheme;
  - (iv) custodian;
  - (v) deed;
  - (vi) designated representative;
  - (vii) investor;
  - (viii) manager;
  - (ix) members of the public;
  - (x) participatory interest;
  - (xi) portfolio; and
  - (xii) trustee;
- (e) collective investment scheme in participation bonds, as defined in section 201 of the Act;
- (f) collective investment scheme in unlisted securities, as defined in section 210 of the Act;
- (g) collective investment scheme in money market instruments, as defined in section 213 of the Act;
- (h) foreign collective investment scheme, as defined in section 218 of the Act; and
- (i) a person or manager connected with foreign country or Namibia, as the case may be as provided in section 220(2) of the Act.

### **Applicability**

2. This Standard applies to managers, investment managers, trustees, custodians and any other person determined by NAMFISA.

**Permissible deduction**

3. (1) A manager and trustee or custodian may allow the deduction of, or deduct, amounts from a portfolio relating to the fees or charges payable in respect of:

- (a) buying and selling of securities on an exchange or otherwise or depository of securities, including brokerage, or where applicable, marketable securities tax or value-added tax;
- (b) the auditor's fees and bank charges relating to the scheme or portfolio;
- (c) the management and administration of the portfolio to the manager;
- (d) remuneration of a trustee or custodian;
- (e) investment management to the investment manager;
- (f) in the case of a collective investment scheme in property, the costs incurred in the creation and issue of participatory interests, or in listing on an exchange;
- (g) levies and fees imposed by NAMFISA in terms of the NAMFISA Act or the Act;
- (h) withholding tax or other tax that may be levied on income accrued to or earned by investors;
- (i) stamp duty, where applicable; and
- (j) other operating expenses of the portfolio or costs imposed by law on the portfolio or the investors.

(2) A manager of a collective investment scheme and the trustee or custodian must not allow the deduction of any amounts other than the amounts specified in the Act or this standard, or deductions otherwise determined by NAMFISA from time to time by notice in the Gazette.

**General**

4. (1) The deed of a collective investment scheme must clearly set out the method, where applicable, of determining amounts that may be deducted from a portfolio.
- (2) A manager and a trustee or custodian must put policies and procedures in place to ensure compliance with this standard.
- (3) A manager must state the deductions in detail in the annual financial statements of the collective investment scheme.
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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**  
**(Act No. 2 of 2021)**

**COLLECTIVE INVESTMENTS**

**MEANING OF “NET ASSET VALUE” FOR THE PURPOSES  
OF SECTION 238 OF THE ACT**

**Standard No. CIS.S.4.11**

*issued by NAMFISA under section 410(5)(x) of the  
Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard -
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “Companies Act” means the Companies Act, 2004 (Act No. 28 of 2004);
  - (c) “CSD” means a central securities depository as defined in the Act;
  - (d) “equity securities” means shares as defined in section 1 of the Companies Act;
  - (e) “material” means any factual information about an issuer or securities issued which is likely or reasonably expected to influence and investor’s decision
  - (f) “non-equity security” means securities that are not equity securities;
  - (g) “offer” means to sell or offer to sell any security to a client or potential client for valuable considerations;
  - (h) “offer document” means a document containing information about an issuer or offer of securities whether referred to as a prospectus, a term sheet, notice, circular or by any other name and whether in printed or in electronic form, and includes the particulars specified in subsection 109(6) of the Companies Act;
  - (i) “prospectus” means a prospectus within the meaning of section 1 of the Companies Act; and
  - (j) “transaction” has the meaning ascribed thereto by section 78 of the Act, but for the purposes of this Standard also includes any other transfer, e.g., by way of a gift, testamentary disposition, cession, or pledge, of listed securities outside the registered exchange on which such securities are listed
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -
  - (a) as defined in section 1 of the Act -
    - (i) affiliate;
    - (ii) associate;
    - (iii) board;
    - (iv) client;
    - (v) director;

- (vi) financial year;
  - (vii) foreign entity;
  - (viii) Generally Accepted Accounting Practice;
  - (ix) International Accounting Standards;
  - (x) NAMFISA;
  - (xi) officer; and
  - (xii) person
- (b) control as defined in section 3 of the Act
- (c) As defined in section 78 of the Act -
- (i) central securities depository;
  - (ii) exchange;
  - (iii) foreign exchange;
  - (iv) issuer;
  - (v) listed security;
  - (vi) regulated person;
  - (vii) security; and
  - (viii) transaction.

### **Applicability**

2. This Standard applies to collective investment schemes, managers and operators, trustees and custodians

### **Meaning of NAV**

3. (1) For the purposes of section 238 of the Act:
- (a) NAV means the fair value of total assets less the fair value of total liabilities, including permissible deductions of a CIS, other than a CIS in money market instruments, determined in accordance with Standard No. CIS.S. 4.14 or the rules for a CIS as determined in a Standard;
  - (b) the NAV per participatory interest in a CIS, other than a CIS in money market instruments, equals the NAV divided by the total participatory interests outstanding on the valuation date, including participatory interests created in lieu of income accruals up until the valuation date;
  - (c) the NAV per participatory interest in a CIS in money market instruments must be based on amortized costs and interest and equals a constant NAV per participatory interest of 100 cents or other constant NAV per participatory interest as set out in the CIS deed

### **Determination of NAV**

4. (1) Where a manager or operator, trustee or custodian determines the NAV of a participatory interest of a security held in a foreign currency, other than the Rand, the manager or operator, trustee or custodian may use the exchange rate on the transaction or valuation date, the marked-to-market value, bid prices or the average of bid-asked prices, or the fair value for translation purposes and must specify the method used in the CIS deed.
- (2) Where the assets of a collective investment scheme decrease in value and the decrease is not expected to be temporary, the manager must write down the assets, and where the solvency of assets deteriorated significantly or if more than 90 days passed since the maturity of assets without the CIS receiving the assets, the manager must write down the assets for the purpose of determining the NAV of a participatory interest.
- (3) Where a portfolio of a collective investment scheme has more than one class of participatory interest, the manager must determine a portfolio NAV per participatory inter-

est on a pro-rata basis of classes, or both a class NAV and a portfolio NAV, after taking into consideration the expenses incurred in respect of classes and appropriately allocating assets and liabilities to each class to ensure the fair treatment of investors of the same class and different classes.

(4) In determining the NAV per participatory interest, the manager or operator, trustee or custodian owe a fiduciary duty of skill, diligence and care to avoid pricing errors and prejudice to investors.

(5) Where pricing errors occur, the manager must report to NAMFISA and to the investors any error in excess of 0.5% of the NAV per participatory interest, state the nature of the error, provide an explanation for the error, and provide a statement of remedial action.

(6) The manager must determine and publish a class or portfolio NAV per participatory interest in an open-ended CIS on a daily basis, or such other regular intervals suitable to a CIS, in terms of the disclosed valuation and pricing basis adopted by the CIS in accordance with the CIS deed as may be amended from time to time.

(7) In the case of a closed-end CIS, the manager must determine and publish a class or portfolio NAV per participatory interest at least once a year at the financial year end of the CIS, unless the manager shows cause why a NAV cannot be determined and published at financial year end: Provided that the manager determines and publishes a class or portfolio NAV per participatory interest not later three months from the financial year end of the CIS.

(8) The calculation of the NAV of a participatory interest in a CIS, other than a CIS in money market instruments, must be in accordance with Appendix X.

(9) Where the calculation of the NAV, for whatever reason, deviates from Appendix X, a manager and trustee or custodian must forthwith notify NAMFISA of this with a proposed manner of calculation of the NAV and reasons therefor in writing.

#### Appendix X

	A		Assets, including write downs
Less	B		Liabilities, including permissible deductions
Equals	C	$C = A - B$	Net asset value (NAV)
Divided by	D		Outstanding participatory interests
Equals	E	$E = C / D$	NAV per participatory interest

### FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 (Act No. 2 of 2021)

#### COLLECTIVE INVESTMENTS

#### MATTERS TO BE REGULATED BY DEED

#### Standard No. CIS.S.4.12

*issued by NAMFISA under section 237 and 410(5)(y) of the  
Financial Institutions and Markets Act, 2021*

#### Definitions

1. (1) In this Standard -
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;

- (b) “Companies Act” means the Companies Act, 2004 (Act No. 28 of 2004);
  - (c) “CSD” means a central securities depository as defined in the Act;
  - (d) “equity securities” means shares as defined in section 1 of the Companies Act;
  - (e) “material” means any factual information about an issuer or securities issued which is likely or reasonably expected to influence and investor’s decision
  - (f) “non-equity security” means securities that are not equity securities;
  - (g) “offer” means to sell or offer to sell any security to a client or potential client for valuable considerations;
  - (h) “offer document” means a document containing information about an issuer or offer of securities whether referred to as a prospectus, a term sheet, notice, circular or by any other name and whether in printed or in electronic form, and includes the particulars specified in subsection 109(6) of the Companies Act;
  - (i) “prospectus” means a prospectus within the meaning of section 1 of the Companies Act; and
  - (j) “transaction” has the meaning ascribed thereto by section 78 of the Act, but for the purposes of this Standard also includes any other transfer, e.g., by way of a gift, testamentary disposition, cession, or pledge, of listed securities outside the registered exchange on which such securities are listed
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -
- (a) as defined in section 1 of the Act -
    - (i) affiliate;
    - (ii) associate;
    - (iii) board;
    - (iv) client;
    - (v) director;
    - (vi) financial year;
    - (vii) foreign entity;
    - (viii) Generally Accepted Accounting Practice;
    - (ix) International Accounting Standards;
    - (x) NAMFISA;
    - (xi) officer; and
    - (xii) person
  - (b) control as defined in section 3 of the Act
  - (c) As defined in section 78 of the Act -
    - (i) central securities depository;
    - (ii) exchange;
    - (iii) foreign exchange;
    - (iv) issuer;
    - (v) listed security;
    - (vi) regulated person;
    - (vii) security; and
    - (viii) transaction.

**Applicability**

2. This Standard applies to managers, trustees, custodians and any other person designated by NAMFISA by notice in the Gazette.

**Matters to be provided in deed**

3. (1) A deed of a collective investment scheme, in general, must:
  - (a) comply with the requirements of the Act and contain provisions in respect of the matters set out in Annexure XX;
  - (b) provide for the trustee or custodian to hold assets of a portfolio in trust for the investors; and
  - (c) set out risk management measures, including the identification, evaluation, measurement, management, and mitigation measures.
- (2) A deed of a collective investment scheme other than in property, must provide for the requirements applicable to the administration of a collective investment scheme and must, at a minimum, contain provisions in respect of the matters set out in Annexure XXX.
- (3) A deed of a collective investment scheme in property, must provide for the requirements applicable to the administration of a collective investment scheme in property, and must, at a minimum, contain provisions in respect of the matters set out in Annexure XXXX.
- (4) NAMFISA may by notice in the Gazette exempt a particular type or category of collective investment scheme or a portfolio from the provisions of Annexure XX or Annexure XXX and determine the matters to be complied with or to be provided for in a deed by such type or category of collective investment scheme or portfolio

**Appendix X****GENERAL MATTERS WHICH MUST BE PROVIDED FOR IN DEED  
OF COLLECTIVE INVESTMENT SCHEME****General**

1. A deed must in general provide for the:
  - (a) constitution of the scheme;
  - (b) name of collective investment scheme and every portfolio;
  - (c) form of collective investment scheme, including whether open-ended or closed-ended;
  - (d) objectives of collective investment scheme or portfolio;
  - (e) type of scheme as defined in Parts 3, 4, 5, 6, 7, 8 and 9 of Chapter 4 of the Act;
  - (f) date on which the agreement is entered into;
  - (g) name of manager and trustee or custodian;
  - (h) definitions of terms used in the deed;
  - (i) binding nature of deed on manager, trustee or custodian and investors;
  - (j) availability of deed for inspection by investors during office hours;
  - (k) financial year and year-end of scheme and portfolios;
  - (l) annual financial statements and statements to investors;
  - (m) keeping of an investor register; and
  - (n) statement of rights and obligations of investors, manager, trustee or custodian

**Administration**

2. A deed must provide for the following in respect of the administration of a collective investment scheme:
  - (a) terms and conditions and termination of appointment of trustee or custodian and investment manager;

- (b) the manner in which participatory interests may be sold or transferred;
- (c) the manner of creating additional participatory interests, where applicable; (d) the determination of yields on participatory interests;
- (e) charges and fees and the determination of such charges and fees; (f) when and how the charges and fees may be levied;
- (g) the manner of cancelling participatory interests;
- (h) remuneration of trustee or custodian;
- (i) base currency of scheme;
- (j) the manner of obtaining investor consent;
- (k) notices to investors in respect of changes to portfolio;
- (l) the exercise of voting rights in securities held, and proxy voting and handling of conflicts of interests;
- (m) the valuation of participatory interests, including methods or descriptions;
- (n) the provision of statements and frequency of statements to investors, indicating invested funds;
- (o) the manner in which income and accruals are accounted for and received; (p) the manner and timing of distributing income that is distributable; and
- (q) the manner of dealing with participatory interests upon death, insolvency, or disability of investors.

### **Powers of manager**

3. A deed must set out the powers of the manager, including but not limited to:

- (a) formulating a prudent investment policy;
- (b) investment of scheme assets in accordance with the investment policy;
- (c) doing all such things and entering into any arrangement as necessary for the administration of the scheme and to achieve the investment objectives of a portfolio;
- (d) obtaining and acting on advice or information obtained from professional advisers and others considered by it to be experts;
- (e) ensuring that participatory interests in the scheme are valued and priced in accordance with the deed and the Act;
- (f) appointing an investment manager, an agent, authorised representative or designated representative to exercise powers and perform duties on its behalf;
- (g) provision for voting rights on assets and indemnity by the manager and approval by trustee or custodian; and
- (h) additional duties of the trustee or custodian which are consistent with those prescribed in the Act.

### **Assets of scheme or portfolio**

4. A deed must prescribe the following in respect of underlying assets:

- (a) the trustee shall, subject to the terms of the deed, hold the underlying securities in the collective investment scheme for the investor;
- (b) any moneys for investment accruing from the issue of participatory interests, dividends, interest or any other income accruing on underlying securities, the proceeds of capital gains, rights or bonus issues and any moneys received by the manager from the realization of underlying securities, shall be handed to the trustee in cash or deposited in a trust account or accounts controlled by the trustee;
- (c) the proceeds of capital gains, rights and bonus issues shall be invested in the collective investment scheme concerned for the benefit of the investor;
- (d) it shall be incumbent upon the manager managing such scheme to repurchase, subject to such terms and conditions as may in terms of the deed apply, any number of participatory interests offered to it, on the basis of prices calculated not more than 24 hours previously or (if during the preceding 24 hours the exchange was closed) on such basis as may be prescribed in the trust deed; and
- (e) any other information that NAMFISA deems necessary

**Annexure XXX****MATTERS WHICH MUST BE PROVIDED FOR IN DEED OF COLLECTIVE INVESTMENT SCHEME OTHER THAN PROPERTY**

1. A deed must provide for the following matters:
  - (a) the investment policy in respect of each portfolio;
  - (b) the manner in which the assets of a portfolio are to be valued for the purposes of determining the selling and repurchase prices of participatory interests;
  - (c) the frequency of determining the selling and repurchase prices of participatory interests, and the specific time at which such determination will be made on a daily basis, which time will be referred to as the valuation time;
  - (d) the basis on which the market value of assets not listed on an exchange would be determined for the purposes of determining the selling and repurchase prices of participatory interests;
  - (e) the manner in which and the time at which the valuation time will be applied to the creation, sale, repurchase or cancellation of participatory interests;
  - (f) the manner in which distributions to investors are to be calculated and settled; (g) the limits, terms and conditions under which scrip may be borrowed or lent;
  - (h) the limits, terms and conditions on which a manager may borrow money for the account of a portfolio;
  - (i) the charges that may be levied and the method of calculation of those charges;
  - (j) written notice of not less than three months to every investor of an increase in any charge and of any change in the method of calculation which could result in an increase or the introduction of any additional charge; and
  - (k) the manner in which a deed may be amended.
2. A deed must provide for the following in respect of repurchase of participatory interests:
  - (a) compulsory repurchase of any number of participatory interests offered to the collective investment scheme or a portfolio;
  - (b) for the purposes of sub-paragraph 0 and subject to sub-paragraph (d), the manager must determine a cut-off time by when repurchase requests must be received for the purpose determining which valuation time will be used for calculating the prices;
  - (c) the time determined in terms of sub-paragraph (b) may not be changed except upon 30 day's written notice to the investors;
  - (d) when a manager receives a request for the repurchase of participatory interests in circumstances which warrant suspension of the repurchase, the manager:
    - (i) may, with the prior consent of the trustee or custodian; or
    - (ii) must, when the trustee or custodian so requires, suspend the repurchase of the participatory interests, if the manager, trustee or custodian is of the opinion that the circumstances warrant the suspension; and
  - (e) the repurchase of such participatory interests must be settled in accordance with the conditions determined by the NAMFISA.

**Annexure XXXX****MATTERS WHICH MUST BE PROVIDED FOR IN DEED OF COLLECTIVE INVESTMENT SCHEME IN PROPERTY**

1. A deed must provide for the requirements applicable to the administration by a manager of a collective investment scheme in property and must, amongst others and as far as applicable, contain provisions regarding the following matters –
  - (a) the investment policy in respect of each portfolio;
  - (b) the frequency and basis on which the assets of a portfolio are to be valued; (c) the manner in which participatory interests are to be created or cancelled; (d) the manner in which distributions are to be calculated and settled;
  - (e) the limits, terms and conditions under which a manager may for the account of a portfolio borrow money;

- (f) the charges that may be levied and the method of calculation of those charges;
- (g) written notice to every investor of an increase in any charge and of any change in the method of calculation which could result in an increase or the introduction of any additional charge, being not less than three months; and
- (h) the manner in which a deed may be amended.

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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**  
**(Act No. 2 of 2021)**

**COLLECTIVE INVESTMENTS**

**CALCULATION OF FAIR VALUE OF A SECURITY**

**Standard No. CIS.S.4.13**

*issued by NAMFISA under section 410(2)(r) of the Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard -

“Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;

“base currency” means the currency in which the assets are denominated;

“CIS” means a collective investment scheme as defined in section 168 of the Act;

“closed-end CIS” means a CIS that issues a fixed number of participatory interests that are not redeemable, that are traded in secondary markets and the market price of which may differ from its NAV price;

“constant NAV” means NAV per participatory interest that does not vary with changes in the assets and liabilities of a collective investment scheme

“fair-value of a security” means a price at which a security would sell in an orderly transaction to a willing buyer at the valuation date;

“fiduciary” has the same meaning as in the General Standards; “fiduciary duty” has the same meaning as in the General Standards;

“functionary” means a principal officer, officers or employees of a manager or an individual acting for or representing an authorized representative that is a corporate body, including a director, principal officer or other officers of that corporate body;

“initial charge” means the costs incurred by the manager in the creation and issuance of a participatory interest and included in the price of the participatory interest;

“material information” has the same meaning as in the General Standards;

“NAV” means the “net asset value” of a participatory interest as determined in accordance with Standard CIS 5-11;

“offer” means to sell or offer to sell for cash any participatory interest to a client or a potential client;



“offer document” means a document containing information about a CIS or a portfolio of a CIS or offer of a participatory interest whether referred to as a prospectus, a fact sheet, notice, circular or by any other name and whether in printed or in electronic form;

“open-end CIS” means a CIS that issues and redeems participatory interests on an ongoing basis, changes its underlying assets from time to time and the NAV price of which is based on the value of assets;

“operator” means the operator of a foreign CIS;

“Rand” means the official currency of the Republic of South Africa;

“transaction” has the meaning ascribed thereto by section 78 of the Act, insofar as it is applicable in the context of these standards, and refers to a contract of sale and purchase of a participatory interest;

“underlying securities” means the assets of a portfolio;

“valuation date” means the date on which the value of a security is determined or the date at which the value of a transaction is determined; and

“variable NAV” means NAV per participatory interest that varies with changes in the assets and liabilities of a CIS.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -

(a) as defined in section 1 of the Act -

- (i) affiliate;
- (ii) associate;
- (iii) auditor;
- (iv) board;
- (v) client;
- (vi) corporate body;
- (vii) director;
- (viii) financial service;
- (ix) financial year;
- (x) NAMFISA;
- (xi) officer;
- (xii) principle office;
- (xiii) principal officer; and
- (xiv) person

(b) control as defined in section 3 of the Act

(c) as defined in section 78 of the Act -

- (i) exchange;
- (ii) issuer;
- (iii) investment manager;
- (iv) listed securities;
- (v) regulated person;
- (vi) security; and
- (vii) transaction.

(d) as defined in section 168 of the Act -

- (i) assets;
- (ii) authorized representative;

- (iii) collective investment scheme;
  - (iv) custodian;
  - (v) deed;
  - (vi) designated representative; investor;
  - (viii) manager;
  - (ix) members of the public;
  - (x) participatory interest;
  - (xi) portfolio; and
  - (xii) trustee;
- (e) collective investment scheme in participation bonds, as defined in section 201 of the Act;
  - (f) collective investment scheme in unlisted securities, as defined in section 210 of the Act;
  - (g) collective investment scheme in money market instruments, as defined in section 211 of the Act;
  - (h) foreign collective investment scheme, as defined in section 205 of the Act; and
  - (i) a person or manager connected with a foreign country or Namibia, as the case may be, as provided in section 220(2) of the Act.

### **Applicability**

2. This Standard applies to collective investment schemes, managers and operators, trustees and custodians.

### **Calculation of fair value**

3. (1) A manager or operator must determine the fair value of a security included in a CIS in accordance with this Standard.

(2) In determining the fair value of a security, a manager or operator must:

- (a) for a listed security, use the valuation date, or current market, price or last price prior to valuation date, and where the security is listed on more than one exchange, the price where the security is principally traded;
- (b) for an unlisted security, use market rates for money market instruments, market comparable values adjusted for liquidity discount for bonds, net realizable value in an arm's length transaction, or acquisition cost;
- (c) for a participatory interest, use redemption price or realization price, last quoted price, or where these are not available, purchase or acquisition price;
- (d) for derivative instruments, current market price, i.e., net value on the closing out of a position on valuation date, daily mark-to-market value, expense premium if an option is not exercised or is out-of-money, paid margins plus value of profits and losses, value of comparable listed options, or other valuation methods commonly used by market participants if market prices are not available;
- (e) for forward contracts, warrants and other instruments (such as swaps or repurchase agreements), use the current or closing market prices and yield curves, paid margins plus profits and losses, net value on the closing out of a position less dealing costs, or other valuation methods commonly used by market participants if market prices are not available, taking market interest rates into consideration;
- (f) for money market instruments, use the acquisition cost of the instruments, taking into consideration accrued interest and any holding costs; and

- (g) for any other security, use valuation methods, including market or transaction comparables approach, adjusted net asset value method, income or cost approach, that are commonly used by market participants based on relevant observable inputs.
- (3) The determination of the fair value of a security should take into consideration any relevant risk factor that market participants would include in pricing that security, including any restriction on the sale of a security, or factors such as non-controlling interests or illiquidity of a market for a security.
- (4) In the determination of the fair value of a security, a manager or operator must ensure consistency and comparability in the valuation and over time, and make full disclosures where material changes in valuation of securities are effected.

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## FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 (Act No. 2 of 2021)

### COLLECTIVE INVESTMENTS

#### MANNER AND FORM FOR REGISTRATION AS MANAGER OF A COLLECTIVE INVESTMENT SCHEME

#### MANNER AND FORM OF APPLICATION FOR REGISTRATION AS MANAGER OF A COLLECTIVE INVESTMENT SCHEME.

#### Standard No. CIS.S.4.14

*issued by NAMFISA under sections 174, 175 and 410(5)(cc) of the  
Financial Institutions and Markets Act, 2021*

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### Definitions

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -

(a) as defined in section 1 of the Act -

- (i) auditor;
- (ii) board;
- (iii) Companies Act;
- (iv) corporate body;
- (v) document;
- (vi) entity;
- (vii) financial year;
- (viii) NAMFISA
- (ix) person;
- (x) principal officer;

(b) as defined in section 168 of the Act -

- (i) investment manager;
- (ii) listed securities;
- (iii) manager;
- (iv) members of the public;
- (v) solicit;

**Applicability**

2. This Standard applies to all public companies applying for registration as manager of a collective investment scheme (hereinafter referred to as “applicant”).

**Application for registration as a manager of a collective investment scheme**

3. An application for registration as manager of a collective investment scheme must be made in accordance with clause 4.

**Particulars to be furnished upon application**

4. For the purposes of sub-section 174 (2) of the Act, an application by a public company for registration as manager of a collective investment scheme must -

- (a) be made to NAMFISA in writing;
- (b) provide the particulars specified in:
  - i. Schedule I - Application for Registration as Manager of a Collective Investment Scheme,
  - ii. Schedule II – Additional Registration Requirements,
  - iii. Schedule III - Fit And Proper Requirements,
- (c) be signed by the principal officer or any other person duly authorised to represent the public company; and
- (d) provide proof that the application fee has been paid.

5. The applicant must disclose all information as required in the Schedules and all parts must be duly completed.

6. An application, not complete in all respects and not conforming to the instructions specified in the Schedules will not be considered.

7. Notwithstanding clause 5, nothing shall prevent NAMFISA from seeking further or additional information or documents as may be reasonably necessary for processing of the application for registration.

8. The applicant or its duly authorised representative may, if so required, be called to appear before NAMFISA for a personal representation in connection with the application.

**Assessment criteria**

9. (1) NAMFISA shall assess the application in line with section 175 of the Act, make decisions and inform the applicant of the decision within a period of 120 days.

(2) In the instance where an application is deemed not complete, NAMFISA shall inform the applicant within 30 working days of lodgement of the application. The applicant shall be given an opportunity by notice to provide the required information to complete the assessment process.

(3) Pursuant to sub-clause (2), NAMFISA shall notify the applicant to provide the required information within 30 working days failure to which the application shall be rejected.

**Submission**

10. An application for registration as an insurer or reinsurer must be completed in hard copies, signed by a duly authorised representative and submitted manually and electronically to NAMFISA together with supporting documents to -

- (a) [info@namfisa.com.na](mailto:info@namfisa.com.na); or

- (b) NAMFISA, P.O Box 21250, Windhoek, Namibia, 154 Independence Avenue, 1<sup>th</sup> Floor, Sanlam Centre.

### Supporting Schedules

11. The following supporting schedules are attached to and form part of this Standard:

- (a) Schedule I - Application for Registration as Manager of a Collective Investment Scheme,  
 (b) Schedule II – Additional Registration Requirements,  
 (c) Schedule III - Fit and Proper Requirements.

### SCHEDULE I

#### APPLICATION FOR THE REGISTRATION AS MANAGER OF A COLLECTIVE INVESTMENT SCHEME

#### COLLECTIVE INVESTMENTS

#### APPLICATION FOR REGISTRATION AS MANAGER OF A COLLECTIVE INVESTMENT SCHEME

*In terms of Section 174 of the Financial Institutions and Markets Act, 2021 (Act No. X of 2021)*

### SECTION A: (COMPANY INFORMATION)

A.1 Full name of applicant: \_\_\_\_\_

A.2 Company Registration No.: \_\_\_\_\_

A.3 Country of Registration: \_\_\_\_\_

A.4 If not incorporated in Namibia please provide description of the company:

\_\_\_\_\_

A.5 Tax Reference No.: \_\_\_\_\_

A.6 Financial year end: \_\_\_\_\_

A.7 Nature of business: \_\_\_\_\_

#### A.8 Physical address:

#### A.9 Postal address:

(if multiple addresses exist in Namibia , provide address of office seeking to establish a business relationship and to enter into a single transaction with the accounting institutions)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_

\_\_\_\_\_

A.10 Email: \_\_\_\_\_

A.10 Website, (if any): \_\_\_\_\_

A.12 \_\_\_\_\_ A.13 Telephone: \_\_\_\_\_

A.14 Cell: \_\_\_\_\_ A.15 Telefax: \_\_\_\_\_

A.16 Are you subject to regulation in a foreign country as a financial services intermediary?

\_\_\_\_\_

A.17 If yes, which jurisdiction? \_\_\_\_\_

A.18 Name of foreign regulator/s? \_\_\_\_\_

**SECTION B: Banking Details operational account) \_\_\_\_\_**

B.1 Name of Bank: \_\_\_\_\_

B.2 Branch: \_\_\_\_\_

B.3 Account No. \_\_\_\_\_

B.4 Trust Account No. \_\_\_\_\_

**SECTION C: (DIRECTORS' DETAILS) (All the directors to complete this form separately)**

C.1 Full name(s): \_\_\_\_\_

C.2 Previous surname(s): \_\_\_\_\_

C.3 Nationality: \_\_\_\_\_

C.4 Gender: \_\_\_\_\_

C.5 Identification No.: \_\_\_\_\_

C.6 Occupation/Source of Income: \_\_\_\_\_

C.7 Date of Birth: \_\_\_\_\_

C.8 Date appointed: \_\_\_\_\_

**C.9 Residential address:**

**C.9 Postal address:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

C.10 E-mail: \_\_\_\_\_

C.11 Website, (if any): \_\_\_\_\_

C.12 Telephone (W): \_\_\_\_\_ C.13 Telephone (H): \_\_\_\_\_

C.14 Cell No.: \_\_\_\_\_ C.15 Telefax: \_\_\_\_\_

C.16 Director's qualifications (complete table below and attach certified copies):

Qualification	Institutions	Date obtained

C.17 Director's experience in the industry (complete table below):

Relevant employment history and/or experience in the industry: (To be supported with written references from employers or from at least two clients confirming that the required period of two years relevant experience have been completed satisfactorily)

Position held	Employer	Contact Details	Period

.....  
**Signature**

.....  
**Date**

SECTION D: (MANAGEMENT, i.e. CEO, CFO, Compliance Officer, etc. – All to complete this form separately)

D.1 Full Name(s): \_\_\_\_\_

D.2 Nationality: \_\_\_\_\_

D.3 Gender: \_\_\_\_\_

D.4 Identification No.: \_\_\_\_\_

D.5 Date of Birth: \_\_\_\_\_

D.6 Position: \_\_\_\_\_

D.7 Date of appointment: \_\_\_\_\_

**D.8 Residential address:**

**D.9 Postal address:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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\_\_\_\_\_  
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D.10 E-mail: \_\_\_\_\_

D.11 Website, (if any): \_\_\_\_\_

D.12 Telephone (W): \_\_\_\_\_ D.13 Telephone (H): \_\_\_\_\_

D. 14 Manager's qualifications (complete table below and attach certified copies):

Qualification	Institution	Date obtained

D.15 Manger's experience in the industry (complete table below):

Relevant employment history and/or experience in the industry: (To be supported with written references from employers or from at least two clients confirming that the required period of two years relevant experience have been completed satisfactorily)

Position held	Employer	Contact Details	Details of responsibilities	Dates of Employment (dd/mm/yyyy – dd/mm/yyyy)

.....  
**Signature**

.....  
**Date**

SECTION E: KEY INDIVIDUALS: (NOTE: All staff involved in the receiving and processing of investment applications) (All key individuals to complete this form separately)

E.1 Full names: \_\_\_\_\_

E.2 Nationality: \_\_\_\_\_

E.3 Gender: \_\_\_\_\_

E.4 Identification No.: \_\_\_\_\_

E.5 Date of Birth: \_\_\_\_\_

E.6 Position: \_\_\_\_\_

E.7 Date of appointment: \_\_\_\_\_

E.8 Residential address:

E.9 Postal address:

\_\_\_\_\_  
\_\_\_\_\_  
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E.10 E-mail: \_\_\_\_\_

E.11 Website, (if any): \_\_\_\_\_

E.12 Telephone (W): \_\_\_\_\_ E.13 Telephone (H): \_\_\_\_\_

.....  
**Signature**

.....  
**Date**

#### SECTION F: SHAREHOLDERS' DETAILS

F.1 Full name(s): \_\_\_\_\_

F.2 Nationality: \_\_\_\_\_

F.3 Gender: \_\_\_\_\_

F.4 Identification No.: \_\_\_\_\_

F.5 Date of Birth: \_\_\_\_\_

F.8 Residential address:

F.9 Postal address:

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F.8 E-mail: \_\_\_\_\_

F.9 Website, (if any): \_\_\_\_\_

C.10 Telephone (W): \_\_\_\_\_ C.11 Telephone (H): \_\_\_\_\_

C.12 Cell No.: \_\_\_\_\_ C.13 Telefax: \_\_\_\_\_

*(if more than one shareholder, please complete and attached share certificate and indicate % held by each)*

Name	Individual	Company	Partnership	Joint Venture	Close Corporation	Other	% held by each

#### SECTION G: HOLDING COMPANY OF THE APPLICANT COMPANY, IF ANY (SHAREHOLDER'S DETAILS CONTINUE)

G.1 Company Name: \_\_\_\_\_

G.2 Registered Office: \_\_\_\_\_

G.3 Company Registration No.: \_\_\_\_\_

G.4 Country of incorporation: \_\_\_\_\_

Company name in Country of Incorporation:

G.5 Nature of business: \_\_\_\_\_

G.6 Physical address: \_\_\_\_\_ G.7 Postal address: \_\_\_\_\_

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\_\_\_\_\_

\_\_\_\_\_

G.8 E-mail: \_\_\_\_\_

G.9 Website, (if any): \_\_\_\_\_

G.10 Telephone (W): \_\_\_\_\_ G.11 Telephone (H): \_\_\_\_\_

G.12 Cell No.: \_\_\_\_\_ G.13 Telefax: \_\_\_\_\_

*(if more than one shoulder, please complete and attach share certificate and indicate % held by each)*

Name	Individual	Company	Partnership	Joint Venture	Close Corporation	Other	% held by each

#### SECTION H: FINANCIAL SOUNDNESS OF THE PROPOSED SHAREHOLDER

H.1 The latest audited annual financial statements in respect of the shareholders for the last 3 years.

H.2 Business Plan / Feasibility study indicating projected cash-flows, income and expenditure of the manger for the first three years of operations.

#### SECTION I: AUDITORS DETAILS (Attach letter from Auditors)

I.1 Full name of auditors: \_\_\_\_\_

I.2 Company Registration No.: \_\_\_\_\_

I.3 Tax Reference No.: \_\_\_\_\_

I.4 Physical address: \_\_\_\_\_ I.5 Postal address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I.6 E-mail: \_\_\_\_\_

I.7 Website, (if any): \_\_\_\_\_

I.8 Telephone (W): \_\_\_\_\_ I.9 Telephone (H): \_\_\_\_\_

Letter from the Auditors must provide for the following:

1. The auditing firm and responsible partner is organizationally independent from NAMFISA.
2. The auditing firm ensures that its audit approach is kept up to date with regard to developments in the profession and within financial statements industry.
3. The responsible audit partner has sufficient and relevant knowledge of the industry for the engagement.
4. The responsible audit partner is qualified to act as an auditor as defined in the Act.

#### SECTION J: TRUSTEE INFORMATION

J.1 Full name of Trustee: \_\_\_\_\_

J.2 Company Registration No: \_\_\_\_\_

J.3 Tax Reference No: \_\_\_\_\_

J.4 Physical address: \_\_\_\_\_ J.5 Postal address: \_\_\_\_\_

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\_\_\_\_\_

J.6 E-mail: \_\_\_\_\_

J.7 Website, (if any): \_\_\_\_\_

J.8 Telephone (W): \_\_\_\_\_ J.9 Telephone (H) \_\_\_\_\_

#### SECTION K: INDEMNITY FOR DIRECTORS AND/OR PORTFOLIO MANAGERS

I, ..... (Full names of director, trustee) Identity/passport number ..... hereby authorizes NAMFISA and its duly authorized verification agent, to request or confirm any personal information as well as any other information that I have provided in support of my application to any personal data holders (including but not limited to the Namibian Police, the Government, industry bodies and associations, employers and any educational, training, credit bureau and fraud prevention organizations) for the purpose of verifying my personal credentials and records.

Credential verification types include, but are not limited to, educational qualifications, professional membership, employment history, and employment reference including industry employment registers, consumer credit, criminal records, driver's license, and fraud prevention checks. I authorize the personal data holders (including but not limited to the aforesaid institutions) to furnish information regarding my credentials, whether claimed or not, to NAMFISA and its duly authorized verification agent.

I unconditionally indemnify NAMFISA, its verification agent and the personal data holders against any liability that may result from furnishing information in this regard.

.....  
**Signature**

.....  
**Date**

**DECLARATION (OATH)**

I, \_\_\_\_\_ (full names) hereby declare the following:

This statement consists of \_\_\_\_\_ pages, each initialed by me. The content of this declaration is true to the best of my knowledge and belief. I am aware that should it be submitted as evidence and I know something appears therein that I know to be false or believe not to be true; I may be liable to prosecution.

I undertake that, as long as I continue to be a director or executive officer, shareholder of the institution, I will notify the Registrar of any material changes to, or affecting the completeness or accuracy of, the information supplied to the Registrar as soon as possible, but in no event later than 30 days from the day that the changes come to my attention

I know and understand the content of this declaration. I do not have objections to taking the prescribed oath. I consider the prescribed oath to be binding on my conscience.

SIGNATURE OF DEPONENT

I certify that the above statement was taken by me and that the deponent has acknowledge that he/she knows and understands the content of this statement. This statement was sworn to/affirmed before me and the deponent's signature was placed hereon in my presence, at \_\_\_\_\_ on \_\_\_\_\_.

I certify that the above statement was taken by me and that the deponent has acknowledged that he/she knows and understands the content of this statement. This statement was sworn to/affirmed before me and the deponent's signature was placed hereon in my presence, at on \_\_\_\_\_

COMMISSIONER OF OATHS

FULL NAMES: \_\_\_\_\_

EX OFFICIO: \_\_\_\_\_

AREA: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

(Please note: All pages are be initialed by Commissioner of Oaths)

**SCHEDULE II****ADDITIONAL REGISTRATION REQUIREMENTS**

**The following information must be provided if not already contained elsewhere in the application. SECTION A: - MANGER**

**Certified copies of the following documents are enclosed. (Please mark appropriate box with an "X")**

		YES	NO
1	Proof of Registration as a Namibian Public Company with the Registrar of Companies (Ministry of Trade and Industry). Submit a CM5 form.	<input type="checkbox"/>	<input type="checkbox"/>
2	An application in writing to NAMFISA, indicating the category of collective investment scheme the manager wishes to establish, operate or control. i.e. a collective investment scheme in listed securities or a collective investment scheme in property share, ...	<input type="checkbox"/>	<input type="checkbox"/>
3	Memorandum and Article of Association.	<input type="checkbox"/>	<input type="checkbox"/>
4	Certificate of Incorporation (CM1)	<input type="checkbox"/>	<input type="checkbox"/>

5	Certificate to commence business	<input type="checkbox"/>	<input type="checkbox"/>								
6	Copy of the applicant's company structure/profile and confirmation of operational systems.	<input type="checkbox"/>	<input type="checkbox"/>								
7	Trust Deed between the Manager and the Trustee. (The model trust deed should be followed as a guide in constructing a trust deed to ensure compliance with requirements of the Act.	<input type="checkbox"/>	<input type="checkbox"/>								
8	Board Resolution authorizing the applicant's representative to apply for approval on behalf of the applicant.	<input type="checkbox"/>	<input type="checkbox"/>								
9	A letter from the applicant authorizing a person to collect the applicant's certificate of registration from the Authority.	<input type="checkbox"/>	<input type="checkbox"/>								
10	Application fee of N\$5,000-00 non-refundable and payable upon submission of the application. The application fees should be paid into the following bank account (submit proof of payment):	<input type="checkbox"/>	<input type="checkbox"/>								
	<table border="0"> <tr> <td>Name of Bank:</td> <td>Standard Bank</td> </tr> <tr> <td>Account Name:</td> <td>NAMFISA</td> </tr> <tr> <td>Account Number:</td> <td>241440351</td> </tr> <tr> <td>Branch:</td> <td>Gustav Voigts</td> </tr> <tr> <td>Branch Code:</td> <td>082772</td> </tr> </table>			Name of Bank:	Standard Bank	Account Name:	NAMFISA	Account Number:	241440351	Branch:	Gustav Voigts
Name of Bank:	Standard Bank										
Account Name:	NAMFISA										
Account Number:	241440351										
Branch:	Gustav Voigts										
Branch Code:	082772										
11	Proposed business plan on how the proposed scheme will be operated.	<input type="checkbox"/>	<input type="checkbox"/>								
12	The business objectives of the proposed scheme including the intended strategies to achieve these objectives and the different phases of achieving such objectives, if not covered in 12 above.	<input type="checkbox"/>	<input type="checkbox"/>								
13	Tax Certificate from the Receiver of Revenue.	<input type="checkbox"/>	<input type="checkbox"/>								
14	Auditor's appointment letter (CM31)	<input type="checkbox"/>	<input type="checkbox"/>								
15	Proof of capital employment or existence of the prescribed share capital (paid-up share capital and non-distributable reserves) immediately available for employment in the scheme.	<input type="checkbox"/>	<input type="checkbox"/>								
16	Proof of paid-up capital and unimpaired reserves in respect of the Trustee (Balance Sheet).	<input type="checkbox"/>	<input type="checkbox"/>								
17	Details of any offence(s) resulting from dishonesty, fraud or embezzlement relating to directors or management.	<input type="checkbox"/>	<input type="checkbox"/>								
18	Full particulars of any fact or facts that may have an impact on the evaluation by NAMFISA, the good character and integrity of the above persons.	<input type="checkbox"/>	<input type="checkbox"/>								
19	Details of the pricing structure of each portfolio.	<input type="checkbox"/>	<input type="checkbox"/>								
20	Financial soundness of the proposed manager and its shareholders.	<input type="checkbox"/>	<input type="checkbox"/>								
21	The proposed date of launch of the unit portfolio.	<input type="checkbox"/>	<input type="checkbox"/>								

**Note:**

- 1. NAMFISA may call upon the applicant to furnish further information relevant to the application.**
- 2. NAMFISA is not obliged to consider incomplete applications.**
- 3. Financial soundness / Adequacy of financial resources**
  - a. If the applicant has been in existence for more than a year, a copy of its audited annual financial statements as at its latest financial year-end.

- b. a copy of the budgeted income statement, balance sheet and cash flow statement for a three year period from the date of the latest financial statements.
- c. a schedule illustrating the funding provisions for anticipated supervisory responsibilities over the budgetary period.
- d. a statement signed by the chairman or any such authorised representative of the applicant specifying the critical assumptions made in the preparation of budgets and the sources from which the applicant will derive its funding, and
- e. where arrangements have been made for the funding of any temporary shortfall in available cash resources, a statement must be provided by the party or parties concerned setting out the extent and terms of their commitment.

#### 4. Management and human capital

- a. An explanation of the management structure of the applicant including the names of the individuals responsible for the major functional areas and the number of personnel employed in each functional area.
  - b. a curriculum vitae in respect of each member of the management of the applicant who is responsible for a major functional area, which indicates his or her relevant experience and training.
  - c. a projection of management and staff requirements for the period covered by the budgets referred to in paragraph 3(b).
5. The business plan of the applicant, that has been approved by the board of directors and that deals at least with the following matters:
- a. The planned development of the information technology systems and infrastructure of the applicant and arrangements for their supply, management, maintenance, upgrading and security;
  - b. the planned approach to qualifying, quantifying and managing risk within the applicant;
  - c. security procedures to ensure the integrity of the systems for recording transactions and the maintenance of records, the capacity of these systems in relation to the budgeted number of transactions and the back-up resources available in the event of a systems failure;
  - d. reports and publications to be made available to the investing public, with the inclusion of price sensitive information, and the manner in which such information will be disseminated;
  - e. the effective and efficient management of risks associated with the applicant;
  - f. the corporate governance principles that will be implemented;
  - g. details of the persons who have or will provide corporate finance advice or similar services to the applicant, if applicable.

#### SECTION B: TRUSTEE

		YES	NO
1	Registered Namibian Public Company with the Registrar of Companies (Ministry of Trade and Industry) Submit a CM5 form.	<input type="checkbox"/>	<input type="checkbox"/>
2	Apply in writing to NAMFISA, indicating the scheme manager wishes to establish, operate or control: i.e. a collective investment scheme in listed securities or a collective investment scheme in property shares.	<input type="checkbox"/>	<input type="checkbox"/>
3	Memorandum and Article of Association.	<input type="checkbox"/>	<input type="checkbox"/>
4	Certificate of Incorporation (CM1)	<input type="checkbox"/>	<input type="checkbox"/>

5	Certificate to commence business	<input type="checkbox"/>	<input type="checkbox"/>
6	Copy of the applicant's company structure/profile and confirmation of operational systems.	<input type="checkbox"/>	<input type="checkbox"/>
7	Board Resolution authorizing the applicant's representative to apply for approval on behalf of the applicant.	<input type="checkbox"/>	<input type="checkbox"/>
8	A letter from the applicant authorizing a person to collect the applicant's certificate of registration from the Authority.	<input type="checkbox"/>	<input type="checkbox"/>
9	Submit a proposed business plan on how the marketing of the proposed scheme will be done.	<input type="checkbox"/>	<input type="checkbox"/>
10	The business objectives of the proposed scheme including the intended strategies to achieve these objectives and the different phases of achieving such objectives.	<input type="checkbox"/>	<input type="checkbox"/>
11	Attach letter confirming proof of (and maintained) paid-up share and unimpaired reserves together amounting to not less than N\$2 400 000	<input type="checkbox"/>	<input type="checkbox"/>
12	Details of any offence(s) resulting from dishonesty, fraud or embezzlement relating to directors or management.	<input type="checkbox"/>	<input type="checkbox"/>

### SECTION C: OPERATIONAL ABILITY

		YES	NO
1	Do your compliance arrangements specify how often compliance with procedures will be monitored and reported?	<input type="checkbox"/>	<input type="checkbox"/>
2	Do you use a documented process to maintain the adequacy of your compliance and monitor arrangements?	<input type="checkbox"/>	<input type="checkbox"/>
3	Do you document processes to ensure records are kept for training programs attended, including continued education training, for your key individuals and/or representatives?	<input type="checkbox"/>	<input type="checkbox"/>
4	Do you have documented processes for the supervision and monitoring of your representatives to ensure they comply with the Act?	<input type="checkbox"/>	<input type="checkbox"/>
5	Do you use a documented process to ensure all representatives are trained, competent and will provide financial services on your behalf efficiently, honestly and fairly?	<input type="checkbox"/>	<input type="checkbox"/>
6	Do you have guarantees, professional indemnity or fidelity insurance cover?	<input type="checkbox"/>	<input type="checkbox"/>
7	Have you established compliance and reporting arrangements for your entity activities?	<input type="checkbox"/>	<input type="checkbox"/>
8	Will any substantial activities of the entity be outsourced?	<input type="checkbox"/>	<input type="checkbox"/>
9	Do you have a process in place to ensure that providers selected for any outsourced functions are suitable?	<input type="checkbox"/>	<input type="checkbox"/>
10	Is the outsourced entity a registered and regulated entity?	<input type="checkbox"/>	<input type="checkbox"/>

11	To whom are you planning to outsource activities of your business?	<input type="checkbox"/>	<input type="checkbox"/>
	Independent party	<input type="checkbox"/>	<input type="checkbox"/>
	Related party	<input type="checkbox"/>	<input type="checkbox"/>
	Both the above	<input type="checkbox"/>	<input type="checkbox"/>
12	What is the name(s) of the entity(ies) to whom you intend outsourcing some of your business activities? ..... .....	<input type="checkbox"/>	<input type="checkbox"/>
13	What function(s) will be outsourced? ..... .....	<input type="checkbox"/>	<input type="checkbox"/>
Do you have internal control structures and, procedures in place which include the following:			
14	Segregation of duties, roles and responsibilities where such segregation is appropriate from an operational risk mitigation perspective?	<input type="checkbox"/>	<input type="checkbox"/>
15	Access rights and data security on electronic data, where applicable?	<input type="checkbox"/>	<input type="checkbox"/>
16	Physical security of the providers' assets and records, where applicable?	<input type="checkbox"/>	<input type="checkbox"/>
17	Documentation relating to business processes, policies and controls, and technical requirements?	<input type="checkbox"/>	<input type="checkbox"/>
18	Systems application testing, where applicable?	<input type="checkbox"/>	<input type="checkbox"/>
19	Disaster recovery and back-up procedures on electronic data where applicable?	<input type="checkbox"/>	<input type="checkbox"/>
20	Training for all staff regarding the requirements of the Act?	<input type="checkbox"/>	<input type="checkbox"/>
21	A business continuity plan?	<input type="checkbox"/>	<input type="checkbox"/>
Compliance with the Financial Intelligence Act, 2012, and other Anti Money Laundering (AML) Legislation.			
22	Do you have written internal rules in place as required by the Financial Intelligence Act (Act No. 3 of 2012)?	<input type="checkbox"/>	<input type="checkbox"/>
23	Do you have processes in place to ensure that employees receive training in respect of and are aware of their obligation to report suspicious transactions?	<input type="checkbox"/>	<input type="checkbox"/>
24	Do you have anti-money laundering (AML) control policies, procedures and systems in place?	<input type="checkbox"/>	<input type="checkbox"/>
25	Do you have processes to incorporate any additional requirements as may be required under the Financial Intelligence Act, 2012, and/or any other anti-money laundering (AML) legislation?	<input type="checkbox"/>	<input type="checkbox"/>
26	Do you have process in place to train staff in relation to anti-money laundering (AML) legislation?	<input type="checkbox"/>	<input type="checkbox"/>
27	Are your terms and conditions of business separate from your Mandate and/or application form?	<input type="checkbox"/>	<input type="checkbox"/>
28	Do you have processes in place to ensure compliance with your identification, verification, record keeping and reporting obligations under the Financial Intelligence Act,	<input type="checkbox"/>	<input type="checkbox"/>



	<b>Compliance with the Financial Intelligence Act, 2012, and other Anti Money Laundering (AML) Legislation.</b>	<b>YES</b>	<b>NO</b>
1	Customer Acceptance	<input type="checkbox"/>	<input type="checkbox"/>
	Do you have procedures or process by which Customers are initially accepted?	<input type="checkbox"/>	<input type="checkbox"/>
	Do you have control(s) by which management will ensure that the procedures for customer initial acceptance are complied with	<input type="checkbox"/>	<input type="checkbox"/>
2	Customer identification and verification of information	<input type="checkbox"/>	<input type="checkbox"/>
	Do you have Customer Identification and verification procedures or processes. (internal rules concerning ascertainment and verification of identities)	<input type="checkbox"/>	<input type="checkbox"/>
	Do you conduct and or maintain business relations with anonymous clients or clients with fictitious, false or incorrect names? If yes, please describe such relationships.	<input type="checkbox"/>	<input type="checkbox"/>
	Do you have control(s) by which management will ensure that the procedures or processes for Customer Identification and verification are complied with?	<input type="checkbox"/>	<input type="checkbox"/>
3	Risk Clients	<input type="checkbox"/>	<input type="checkbox"/>
	Do you have risk management and monitoring procedures or processes by which clients or beneficial owners of clients (whose activities may pose a risk of money laundering, financing of terrorism or both) are identified, assessed and mitigated?	<input type="checkbox"/>	<input type="checkbox"/>
	Do you have control(s) by which management will ensure that the procedures or processes for the identification, assessment and mitigation of the risk posed by clients or beneficial owners of clients whose activities may pose a risk of money laundering, financing of terrorism or both?.	<input type="checkbox"/>	<input type="checkbox"/>
4	Record Keeping	<input type="checkbox"/>	<input type="checkbox"/>
	Do you have procedures or processes by which records are kept/stored as required by section 26 to 29 and regulation 15?	<input type="checkbox"/>	<input type="checkbox"/>
	Do you have control(s) by which management will ensure that the procedures or processes for record keeping are complied with?	<input type="checkbox"/>	<input type="checkbox"/>
5	Reporting of Suspicious Transactions and Activities	<input type="checkbox"/>	<input type="checkbox"/>
	Do you have procedures or processes by which suspicious transactions and electronic transfers of money to and from Namibia are detected analysed and reported to the Financial Intelligence Centre. (these procedures or processes must take into account issues of Confidentiality, tipping off)?	<input type="checkbox"/>	<input type="checkbox"/>
	Do you have control(s) by which management will ensure that the procedures or processes for the reporting of suspicious transactions are complied with?	<input type="checkbox"/>	<input type="checkbox"/>
6	Staff Training	<input type="checkbox"/>	<input type="checkbox"/>
	Do you have procedures or processes by which staff is trained on AML Compliance and Money Laundering risks?	<input type="checkbox"/>	<input type="checkbox"/>
	Is the training program implemented at all branches and subsidiaries?	<input type="checkbox"/>	<input type="checkbox"/>
7	Anti-Money Laundering Compliance officer	<input type="checkbox"/>	<input type="checkbox"/>
	Who have you appointed as your Anti Money Laundering Compliance Officer? Or does your structure make provision for the appointment of an Anti Money Laundering Compliance Officer?	<input type="checkbox"/>	<input type="checkbox"/>
	What are the responsibilities and level of authority of the Anti-Money Laundering Compliance Officer?	<input type="checkbox"/>	<input type="checkbox"/>
	Do you have controls by which management will ensure that the Anti Money Laundering Compliance Officer is appointed and has the required level of authority and responsibilities?	<input type="checkbox"/>	<input type="checkbox"/>

8	Independent Audit Function	<input type="checkbox"/>	<input type="checkbox"/>
	Do you have procedures or processes by which the measures taken by the institution to comply with the Financial Intelligence Act are evaluated and their effectiveness tested?	<input type="checkbox"/>	<input type="checkbox"/>
9	On-going and enhanced due diligence	<input type="checkbox"/>	<input type="checkbox"/>
	Do you have on-going due diligence procedures or processes by which management intends to maintaining adequate current and up-to-date information and records relating to:	<input type="checkbox"/>	<input type="checkbox"/>
	a. the client and beneficial owner; b. monitor of transactions carried out by the client; and c. ensuring that the obligations relating to high risk clients are fulfilled?	<input type="checkbox"/>	<input type="checkbox"/>
10	UN List	<input type="checkbox"/>	<input type="checkbox"/>
	Do you screen customers and transactions against lists of persons, entities or countries issued by government/competent authorities?	<input type="checkbox"/>	<input type="checkbox"/>
11	Any other procedures, processes and/or controls by which management intends to comply with the provisions of FIA and/or mitigate the assessed potential money laundering risk.	<input type="checkbox"/>	<input type="checkbox"/>

### SCHEDULE III

#### FIT AND PROPER REQUIREMENTS

#### SECTION 1: LEGAL PERSON(S) (LP): FIT AND PROPER REQUIREMENTS - COLLECTIVE INVESTMENT SCHEMES

**Date of submission to NAMFISA:**

To be completed by an authorised representative of the applicant or juristic person who may be controlling or participating, directly or indirectly, in the directorship, management or operation of the applicant.

#### SUB-SECTION A: (ENTITY INFORMATION)

A.1 Full registered name: \_\_\_\_\_

A.2 Previously registered name/s: \_\_\_\_\_

A.3 Trading name/s: \_\_\_\_\_

A.4 Entity Registration No.: \_\_\_\_\_

A.5 Country of Registration: \_\_\_\_\_

A.6 If not incorporated in Namibia please provide description of the entity: \_\_\_\_\_

A.7 Tax Reference No.: \_\_\_\_\_

A.8 Financial year end: \_\_\_\_\_

A.9 Nature of business: \_\_\_\_\_

A.10 Registered address: \_\_\_\_\_

A.11 Principal place of business: \_\_\_\_\_

A.12 Contact person: \_\_\_\_\_

A.13 Postal address: \_\_\_\_\_

A.14 Telephone number: \_\_\_\_\_

A.15 Fax number: \_\_\_\_\_

A.16 E-mail address: \_\_\_\_\_

A.17 Web site: \_\_\_\_\_

A.18 Mobile number: \_\_\_\_\_

A.19 Is the entity subject to regulation in a foreign country or financial services intermediary?:

\_\_\_\_\_

A.20 If yes, which jurisdiction?: \_\_\_\_\_

A.21 Name of foreign regulator/s?: \_\_\_\_\_

#### **SUB-SECTION B: (HONESTY AND INTEGRITY)**

If the answer to any of the questions is yes, provide full details on a separate page and attached certified documents to the form:

		YES	NO
1	Has an adverse finding been made against the company within a period of ten years preceding the date of application in any civil or criminal proceedings by a court of law (whether in Namibia or elsewhere)?	<input type="checkbox"/>	<input type="checkbox"/>
2	Has the company, within a period of ten years preceding the date of application, been found guilty by any professional or financial services industry body (whether in Namibia or elsewhere), of an act of dishonesty, negligence, incompetence or mismanagement?	<input type="checkbox"/>	<input type="checkbox"/>
3	Has the company, within a period of ten years preceding the date of application, been denied membership of anybody referred to in question 2 above on account of an act of dishonesty negligence, incompetence or mismanagement?	<input type="checkbox"/>	<input type="checkbox"/>
4	Has the company, within a period of ten years preceding the date of application, been found guilty by any regulatory or supervisory body (whether in Namibia or elsewhere) or has an authorization to carry on business been refused, suspended or withdrawn by any such body on account of an act of dishonesty, negligence, incompetence or mismanagement?	<input type="checkbox"/>	<input type="checkbox"/>
5	Has the company been the subject of any investigation or disciplinary proceedings by any regulatory authority (whether in Namibia or elsewhere) or exchange, professional body or government body or agency?	<input type="checkbox"/>	<input type="checkbox"/>
6	Has the company ever been refused authorization to carry on business by any regulatory body (whether in Namibia or elsewhere), or has such authorization ever been suspended or revoked by any such body, because of negligence, incompetence or mismanagement?	<input type="checkbox"/>	<input type="checkbox"/>
7	Has the company ever been placed under judicial management, insolvency processes or any other processes of a similar nature?	<input type="checkbox"/>	<input type="checkbox"/>
8	Has the company ever been found to be liable under the Financial Intelligence Act, No. 13 of 2012 (FIA), and/or the Prevention of Organized Crime Act, No. 29 of 2004 and/or the Prevention and Combating of Terrorist and Proliferation Activities Act, No.4 of 2014 and/or any other similar crime in any country?	<input type="checkbox"/>	<input type="checkbox"/>

9	Do you have any additional information, which should be brought to the Registrar's attention, which may have an impact on the evaluation, by the Registrar of your good character and integrity?	<input type="checkbox"/>	<input type="checkbox"/>
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**SUB-SECTION C: DETAILS OF EACH MEMBER(S)/ SHAREHOLDER(S)/ PARTNERS/ DIRECTOR(S) (IF MORE THAN ONE, PLEASE PROVIDE FULL DETAILS ON A SEPARATE PAGE)**

C.1 Full name(s)/ Full registered: \_\_\_\_\_

C.2 Previous surname(s)/ Previously registered name/s: \_\_\_\_\_

C.3 Nationality/Country of Registration: \_\_\_\_\_

C.4 If not incorporated in Namibia please provide description of the company: \_\_\_\_\_

C.5 Identification No/Company Registration No.: \_\_\_\_\_

C.6 Date of Birth/ Incorporation/ registration: \_\_\_\_\_

C.7 Occupation/Nature of business: \_\_\_\_\_

C.8 Date of ownership acquired: \_\_\_\_\_

C.9 Residential address: \_\_\_\_\_

C.10 Business address: \_\_\_\_\_

C.11 E-mail: \_\_\_\_\_

C.12 Website: \_\_\_\_\_

C.13 Telephone: \_\_\_\_\_

C.14 Cell No.: \_\_\_\_\_

C.15 Fax number: \_\_\_\_\_

C. 16 Percentage shareholdings/interest: \_\_\_\_\_

C.17 Is the entity subject to regulation in a foreign country or financial services intermediary?

C.18 If yes, which jurisdiction? \_\_\_\_\_

C.19 Name of foreign regulator/s?: \_\_\_\_\_

**SUB-SECTION D: (DIRECTOR'S DETAILS) to be provided for each director**

D.1 Full name (s): \_\_\_\_\_

D.2 Previous surname (s): \_\_\_\_\_

D.3 Nationality: \_\_\_\_\_

D.4 Identification No.: \_\_\_\_\_

D.5 Date of Birth: \_\_\_\_\_

D.6 Occupation: \_\_\_\_\_

D.7 Date appointed: \_\_\_\_\_

D.8 Residential address: \_\_\_\_\_

D.9 Business address: \_\_\_\_\_

D.10 E-mail: \_\_\_\_\_

D.11 Telephone: \_\_\_\_\_

D.12 Cell No: \_\_\_\_\_

D.13 Fax No: \_\_\_\_\_

**DECLARATION (OATH)**

I, \_\_\_\_\_<sup>21</sup> (full names) in my capacity as \_\_\_\_\_ of the entity referred to herein.

Hereby declare the following:

This statement consists of \_\_\_\_\_ pages, was completed and initialled on each page by me. As duly authorized there to in terms of \_\_\_\_\_ dated \_\_\_\_\_ . The contents of this statement are true to the best of my knowledge and belief.

I undertake that, as long as I continue to be a \_\_\_\_\_ of the entity, I will notify the Registrar of any material changes to, or affecting the completeness or accuracy of, the information supplied to the Registrar as soon as possible, but in any event no later than 30 days from the day that the changes come to my attention

I know and understand the content of this declaration. I do not have objections to taking the prescribed oath/affirmation. I consider the prescribed oath/affirmation to be binding on my conscience.

**SIGNATURE OF DEPONENT**

I hereby declare that the deponent has sworn/affirm to and signed this statement in my presence at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ and he/she declared as follows: that the facts herein contained fall within his/her personal knowledge and that he/she understands the contents hereof; that he/she has no objection to taking the oath/affirmation; that he/she regards the oath/ affirmation as binding on her conscience.

<sup>21</sup> A formal letter or certified extract from the minutes authorizing the person to complete this LP FAP requirements statement on behalf of the legal person should be submitted.

(To initial on each page as well)

**COMMISSIONER OF OATHS**

FULL NAMES: \_\_\_\_\_

CAPACITY: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

**SECTION 2: NATURAL PERSONS (NP): FIT AND PROPER (FAP)  
REQUIREMENTS - COLLECTIVE INVESTMENT SCHEMES**

**Date of submission to NAMFISA:** \_\_\_\_\_

To be completed by all natural persons who may be controlling or participating, directly or indirectly, in the directorship, management or operation of the applicant.

**SUB-SECTION A: (PERSONAL INFORMATION)**

A.1 Full names: \_\_\_\_\_

A.2 Previous names: \_\_\_\_\_

A.3 Current Nationality: \_\_\_\_\_

A.4 Previous Nationality: \_\_\_\_\_

A.5 Identification number (national identification or Passport number): \_\_\_\_\_

A.6 Date of Birth: \_\_\_\_\_

A.7 In case of a Sole Trader – Certificate for Registration of Defensive Name date and number:

A.8 Place of Birth: \_\_\_\_\_

A.9 Residential address/ Principal Place of business: \_\_\_\_\_

A.10 Postal address: \_\_\_\_\_

A.11 Telephone number: \_\_\_\_\_

A.12 Fax number: \_\_\_\_\_

A.13 E-mail number: \_\_\_\_\_

A.14 Mobile number: \_\_\_\_\_

A.15 Occupation/ Source of income: \_\_\_\_\_

A.16 Nature and location of business (where applicable): \_\_\_\_\_

A.17 Relation to Applicant: \_\_\_\_\_

### SUB-SECTION B: (HONESTY AND INTEGRITY)

If the answer to any of the questions is yes, provide full details on a separate page and attach certified documents to the form (to be supported with certified copy of Certificate of Conduct issued not longer than 12 months prior to application):

		YES	NO
1	Has an adverse finding been made against you within a period of ten years preceding the date of application in any civil or criminal proceedings by a court of law (whether in Namibia or elsewhere), in which you were found to have acted fraudulently, dishonestly, unprofessionally, dishonorably or in breach of a fiduciary duty?	<input type="checkbox"/>	<input type="checkbox"/>
2	Have you within a period of ten years preceding the date of application been found guilty by any professional or financial services industry body (whether in Namibia or elsewhere), of an act of dishonesty, negligence, incompetence or mismanagement?	<input type="checkbox"/>	<input type="checkbox"/>
3	Have you been disqualified from being a director of a company in terms of section 225 and section 226 of the Companies Act, 2004 (Act No. 28 of 2004)?	<input type="checkbox"/>	<input type="checkbox"/>
4	Have you been involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies of honesty, integrity, fairness or ethical behaviour?	<input type="checkbox"/>	<input type="checkbox"/>
5	Are you in good standing with the regulator ?	<input type="checkbox"/>	<input type="checkbox"/>
6	Have you been the subject of civil or criminal proceedings or enforcement action, in relation to the management of an entity, or commercial or professional activities, which adversely affected your competence, diligence, judgement, honesty or integrity?	<input type="checkbox"/>	<input type="checkbox"/>
7	Have you within a period of ten years preceding the date of application been denied membership of anybody referred to in question 2 above on account of an act of dishonesty negligence, incompetence or mismanagement?	<input type="checkbox"/>	<input type="checkbox"/>
8	Have you within a period of ten years preceding the date of application been found guilty by any regulatory or supervisory body (whether in Namibia or elsewhere) or has an authorization to carry on business been refused, suspended or withdrawn by any such body on account of an act of dishonesty, negligence, incompetence or mismanagement?	<input type="checkbox"/>	<input type="checkbox"/>
9	Have you at any time prior to the date of application been disqualified or prohibited by any court of law (whether in Namibia or elsewhere) from taking part in the management of any company or other statutorily created, recognized or regulated body, irrespective whether such disqualification has since been lifted or not?	<input type="checkbox"/>	<input type="checkbox"/>
10	Have you been the subject of any investigation or disciplinary proceedings by any regulatory authority (whether in Namibia, or elsewhere) or exchange, professional body or government body or agency?	<input type="checkbox"/>	<input type="checkbox"/>
11	Have you ever been refused authorization to carry on business by any regulatory body (whether in Namibia or elsewhere), or has such authorization ever been suspended or revoked by any such body, because of negligence, incompetence or mismanagement?	<input type="checkbox"/>	<input type="checkbox"/>
12	Have you at any time prior to the date of application been disqualified or prohibited by any court of law (whether in Namibia or elsewhere) from taking part in the management of any company or other statutorily created, recognized or regulated body, irrespective whether such disqualification has since been lifted or not?	<input type="checkbox"/>	<input type="checkbox"/>
13	Are you subject to an order of a competent court holding you to be mentally unfit or disordered?	<input type="checkbox"/>	<input type="checkbox"/>
14	Have you within a period of ten years preceding the date of application been removed from office on account of misconduct relating to fraud or the misappropriation of money, whether in Namibia or elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>

15	Have you within a period of ten years preceding the date of application been a director or member of a governing body of an entity at the time that such entity has been deregistered in terms of any legislative instrument?		
16	Have you within a period of ten years preceding the date of application received a grant of amnesty or free pardon for any offence?	<input type="checkbox"/>	<input type="checkbox"/>
17	Has your estate ever been sequestrated?	<input type="checkbox"/>	<input type="checkbox"/>
18	Have you ever been convicted of an offence or found to be liable under the Financial Intelligence Act, No. 13 of 2012 (FIA), and/or the Prevention of Organized Crime Act, No. 29 of 2004 and/or the Prevention and Combating of Terrorist and Proliferation Activities Act, No 4 of 2014 (PACOTPA) and/or any other similar crime in any country?	<input type="checkbox"/>	<input type="checkbox"/>
19	Do you have any additional information, which should be brought to the Registrar's attention, which may have an impact on the evaluation, by the Registrar of your good character and integrity?	<input type="checkbox"/>	<input type="checkbox"/>
20	Have you ever been listed on a Credit Bureau during the past 10 years (whether in Namibia or elsewhere)?	<input type="checkbox"/>	<input type="checkbox"/>
21	Have you ever been the subject to any judgement debt or award that remains outstanding or has not been satisfied within a reasonable period?	<input type="checkbox"/>	<input type="checkbox"/>
22	Have you been appointed as a Principal Officer previously? If yes, provide more information, i.e. duration, which company, etc.	<input type="checkbox"/>	<input type="checkbox"/>
23	Are you involved in other companies as a Director/Shareholder/Member?	<input type="checkbox"/>	<input type="checkbox"/>

### SUB-SECTION C: (COMPETENCE)

C.1 Qualifications and Training: Certified copies of the qualifications and training to be attached.

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### Experience:

Relevant employment history and/or experience in the industry: Certificates or letters of service from employers or letters from at least two clients confirming that the required period of two years relevant experience have been completed satisfactorily.

Enclose detailed Curriculum Vitae (CV).

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### DECLARATION

I, \_\_\_\_\_ (full names) hereby declare the following:

This statement consists of \_\_\_\_\_ pages, each initialled by me. The content of this statement is true and correct to the best of my knowledge and belief.

I undertake that, as long as I continue to be \_\_\_\_\_ of the institution, I will notify the Registrar of any material changes to, or affecting the completeness or accuracy of, the information supplied to the Registrar in this statement as soon as possible, but in any event no later



than 30 days from the day that the changes come to my attention

I know and understand the content of this declaration. I do not have objections to taking the prescribed oath/affirmation. I consider the prescribed oath to be binding on my conscience.

---

**SIGNATURE OF DEPONENT**

I hereby declare that the deponent has sworn/affirm to and signed this statement in my presence at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_

20\_\_\_\_\_ and he/she declared as follows: that the facts herein contained fall within his/her personal knowledge and that he/she understands the contents hereof; that he/she has no objection to taking the oath/affirmation; that he/she regards the oath as binding on her conscience.

\_\_\_\_\_  
**COMMISSIONER OF OATHS** (To initial on each page as well)

FULL NAMES: \_\_\_\_\_

CAPACITY: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

**STANDARD ISSUED UNDER THE FINANCIAL INSTITUTIONS AND MARKETS  
ACT, 2021 (ACT NO. 2 OF 2021)**

**MANNER AND FORM OF REGISTRATION CERTIFICATE FOR  
MANAGERS OF COLLECTIVE INVESTMENT SCHEMES PURSUANT TO  
SECTION 176(3) OF THE FINANCIAL INSTITUTIONS AND MARKETS BILL**

**FORM OF REGISTRATION CERTIFICATE FOR A MANAGER  
OF A COLLECTIVE INVESTMENT SCHEME**

**Standard No. CIS S. 4.15**

*issued by NAMFISA under section 410(2)(b), read with section 176(3), of the  
Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following as defined in section 168 of the Act:

(a) collective investment scheme; and

(b) manager.

## Applicability

2. This Standard applies to a manager of a collective investment scheme registered pursuant to section 176.

## Form of certificate of registration

3. The certificate of registration to be issued pursuant to section 176, must take the form of the Annexure attached to this Standard.

## “ANNEXURE”

Registration No .....

## CERTIFICATE OF REGISTRATION

Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)

## REGISTRATION AS A MANAGER OF A COLLECTIVE INVESTMENT SCHEME

This is to certify that

ABC of [principal address] and operates in [insert places] has been duly registered in terms of section 176 of the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021) and is authorised to manage a collective investment scheme.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Date of Registration

## FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

## FORM OF THE CERTIFICATES FOR A MANAGER OF A COLLECTIVE INVESTMENT SCHEMES IN PARTICIPATION BONDS AND A NOMINEE COMPANY DEEMED TO BE REGISTERED OR APPROVED PURSUANT TO SECTION 202(1)

### Standard No.. CIS.S.4.16

*issued by NAMFISA under section 410(2)(b), read with section 202(1) and (2), of the Financial Institutions and Markets Act, 2021*

## Definitions

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:

(a) as defined in section 168 of the Act:

- (i) collective investment scheme;
- (ii) manager;
- (iii) nominee company;

(b) as defined in section 201 of the Act:

- (i) collective investment scheme in participation bonds;

- (ii) participation bond.

### **Applicability**

2. Pursuant to section 202 of the Act, this Standard applies to—

- (a) a person carrying on or managing a scheme or arrangement permitting of participation in specified mortgage bonds who was exempted by NAMFISA under section 37(2)(a) of the Unit Trusts Control Act, 1981 (Act No. 54 of 1981), who is deemed to be registered as a manager of a collective investment scheme in participation bonds; or
- (b) a nominee company approved by NAMFISA under section 37(2)(a) of the Unit Trusts Control Act, No. 54 of 1981, who is deemed to be approved as a nominee company.

### **Form of certificate**

3. (1) The certificate of registration as a manager of a collective investment scheme in participation bonds to be issued pursuant to section 202(1), must take the form of the Annexure 1 attached to this Standard.

(2) The certificate of approval as a nominee company to be issued pursuant to section 202(1), must take the form of the Annexure 2 attached to this Standard.

### **ANNEXURE 1**

**Registration No .....**

### **CERTIFICATE OF REGISTRATION**

**Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)**

#### **REGISTRATION AS A MANAGER OF A COLLECTIVE INVESTMENT SCHEME IN PARTICIPATION BONDS**

This is to certify that

ABC of [principal address] and operates in [insert places] has been duly registered in terms of section 176(1), read with section 202(1), of the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021) and is authorised to manage a collective investment scheme in participation bonds.

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Date of Registration**

## ANNEXURE 2

Registration No. ....

**CERTIFICATE OF REGISTRATION**

**Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)**

**REGISTRATION AS A NOMINEE COMPANY PREVIOUSLY EXEMPTED UNDER  
SECTION 37(2)(a) OF THE UNIT TRUSTS CONTROL ACT NO. 54 OF 1981**

This is to certify that

ABC of [principal address] and operates in [insert places] has been duly registered in terms of section 184(1), read with section 202(1), of the Financial Institutions and Markets Act, 2021 (Act No. x of 2021) and is authorised as a nominee for or representative of any person in the holding of any property in trust for such person.

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Date of Registration**

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

**MANNER AND FORM OF APPLICATION FOR APPROVAL AS TRUSTEE  
OR CUSTODIAN OF A COLLECTIVE INVESTMENT SCHEME**

**Standard No. CIS.S.4.17**

*issued by NAMFISA under section 410(2)(c), read with section 190(2) and (3), of the  
Financial Institutions and Markets Act, 2021*

**Definitions**

1. (1) In this Standard—

(a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act; and

(b) “NAMFISA ERS” means the Electronic Regulatory System which facilitates communication between NAMFISA and financial institutions.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -

(a) as defined in section 1 of the Act -

- (i) banking institution;
- (ii) board;
- (iii) director;
- (iv) document;
- (v) NAMFISA;
- (vi) public company;

(b) as defined in section 168 of the Act -

- (i) authorised representative;
- (ii) collective investment scheme;
- (iii) custodian; and
- (iv) trustee.

**Applicability**

2. This Standard applies to an entity referred to in section 190(1) of the Act, applying for approval as trustee or custodian of a collective investment scheme (hereinafter referred to as “applicant”).

3. An application for approval as trustee or custodian of a collective investment scheme must be made to NAMFISA in accordance with clause 4.

**Particulars to be furnished upon application**

4. Pursuant to section 190(2) of the Act, an applicant that intends to apply for approval as a trustee or custodian of a collective investment scheme must -

- (a) be in writing, and provide the particulars as specified in Schedule 1, Application form for approval granted pursuant to section 190 of the Act;
- (b) be signed by the a person duly authorised to represent the applicant;
- (c) be accompanied by proof of registration as a Namibian Company with the Registrar of Companies (Business and Intellectual Property Authority) (CM”1” form);
- (d) be accompanied by its Memorandum and Articles of Association (“CM “2” and CM “44” forms);
- (e) be accompanied by a Certificate to commence business (CM “46”);
- (f) be accompanied with the details of all directions (CM “29”);
- (g) be accompanied with the full details, qualifications and curriculum vitae of the Chief Executive Officer, Principal Officer and directors;
- (h) be accompanied by the applicant’s company organogram and confirmation of operational systems;
- (i) be accompanied by details of its bank account with a banking institution;
- (j) be accompanied with details of its nominee company;
- (k) be accompanied by a board resolution authorizing the applicant’s representative to apply for approval on behalf of the applicant;
- (l) be accompanied by a detailed business plan;
- (m) be accompanied by proof of sufficient paid-up capital and unimpaired reserves;
- (n) be accompanied by Tax Certificate from the Receiver of Revenue; and
- (o) be accompanied by proof of payment of the prescribed application fee.

5. The applicant must disclose all information as required in the Schedules and all parts must be duly completed.

6. (1) An application, not complete in all respects and not conforming to the instructions specified in the Schedules may be rejected on the basis of being non-compliant with this Standard.

(2) In instances where the application is deemed not complete, NAMFISA must give the applicant the opportunity to provide the required information to complete the application. The required information must be provided within seven working days, failing which the application shall be rejected.

7. Nothing shall prevent NAMFISA from seeking further or additional information or documents as may be reasonably necessary for processing of the application for approval.

8. The applicant or its duly authorised representative may, if so required, be called to appear before NAMFISA for a personal representation in connection with the application.

### **Submission**

9. (1) An application for cancellation of registration must be submitted to NAMFISA electronically on the NAMFISA ERS.
- (2) Where necessary and when so directed by NAMFISA, the applicant must submit specified documentation manually to NAMFISA.

### **Supporting Schedules**

10. The following supporting schedules are attached to and form part of this Standard:

Schedule 1 - Application for Approval as Trustee or Custodian of a Collective Investment Scheme;

## **SCHEDULE 1**

### **APPLICATION FOR APPROVAL AS TRUSTEE OR CUSTODIAN OF A COLLECTIVE INVESTMENT SCHEME**

<b>PART 1. COMPANY INFORMATION</b>
------------------------------------

#### **SECTION 1: GENERAL**

- 1.1 Full registered name: \_\_\_\_\_
- 1.2 Previously registered name(s), if any: \_\_\_\_\_
- 1.3 Trading name(s): \_\_\_\_\_
- 1.4 Company registration No.: \_\_\_\_\_
- 1.5 Country of registration: \_\_\_\_\_
- 1.6 Income Tax registration No. and VAT registration No., if applicable:  
\_\_\_\_\_
- 1.7 Financial year-end of the company: \_\_\_\_\_
- 1.8 Registered address of the company: \_\_\_\_\_
- 1.9 Principal office address: \_\_\_\_\_
- 1.10 Postal address: \_\_\_\_\_
- 1.11 Telephone No: \_\_\_\_\_
- 1.12 Website, if any: \_\_\_\_\_
- 1.13 E-mail address: \_\_\_\_\_
- 1.14 Is the company subject to regulation in a foreign country or financial services intermediary?  
\_\_\_\_\_
- 1.15 If yes, which jurisdiction? \_\_\_\_\_
- 1.16 Name of foreign regulator(s)? \_\_\_\_\_

**SECTION 2: FINANCIAL RESOURCES**

We hereby confirm that the applicant has, at minimum, paid-up share capital adequate for employment in the business and will maintain liquid resources that cover 13 weeks of annual expenditure at all times.

	<b>Paid-up share capital</b>
Paid-up share capital	<b>N\$</b>

**SECTION 3: AUDITOR**

3.1 Full name of appointed auditor: \_\_\_\_\_

3.2 Company Registration No.: \_\_\_\_\_

3.3 Auditor's registration number with PAAB: \_\_\_\_\_

3.4 Tax Reference No.: \_\_\_\_\_

3.5 Contact person: \_\_\_\_\_

3.6 Postal address: \_\_\_\_\_

3.7 Physical address: \_\_\_\_\_

3.8 Telephone No.: \_\_\_\_\_

3.9 Email address: \_\_\_\_\_

3.9 Website, if any: \_\_\_\_\_

**SECTION 4: DIRECTORS**

*<Provide details of each director, using a separate sheet as attachment where applicable>*

4.1 Full names of director: \_\_\_\_\_

4.2 Identification/Passport No.: \_\_\_\_\_

4.3 Nationality: \_\_\_\_\_

4.4 Postal address: \_\_\_\_\_

4.5 Telephone No.: \_\_\_\_\_

4.6 Mobile No.: \_\_\_\_\_

4.7 Email address: \_\_\_\_\_

**SECTION 5: SHAREHOLDERS OR OTHER OWNER WHO CONTROLS THE APPLICANT**

*<Attach the full shareholder organigram. Provide details of each shareholder or other owner who controls the applicant, using a separate sheet as attachment where applicable; if it is a company, provide contact person's details>*

5.1 Full name/ registered name of shareholder: \_\_\_\_\_

5.2 Previous surname(s) / previously registered name(s): \_\_\_\_\_

5.3 Identification/Passport/Company registration No.: \_\_\_\_\_

5.4 Date of birth/ Date of incorporation: \_\_\_\_\_

5.5 Nationality/Country of incorporation: \_\_\_\_\_

5.6 Postal address: \_\_\_\_\_

5.7 Telephone No.: \_\_\_\_\_

5.8 Mobile No.: \_\_\_\_\_

5.9 Email address of shareholder or contact person: \_\_\_\_\_

5.10 Shareholding percentage:

***If more than one shareholder, please complete and attach share certificate and indicate % held by each***

Name	Individual	Company	Partnership	Joint Venture	Close Corporation	Other	% held by each

#### **SECTION 6: HOLDING COMPANY OF THE APPLICANT (IF APPLICABLE)**

6.1 Full registered name: \_\_\_\_\_

6.2 Previous surname(s) / previously registered name(s): \_\_\_\_\_

6.3 Company registration No.: \_\_\_\_\_

6.4 Date of incorporation: \_\_\_\_\_

6.5 Country of incorporation: \_\_\_\_\_

6.6 Postal address: \_\_\_\_\_

6.7 Registered address: \_\_\_\_\_

6.8 Telephone No.: \_\_\_\_\_

6.9 Email address of shareholder or contact person: \_\_\_\_\_

6.10 Shareholders (indicate with X):

***If more than one shareholder, please complete and attach share certificate and indicate % held by each:***



Name	Individual	Company	Partnership	Joint Venture	Close Corporation	Other	% held by each

## SECTION 7: CHIEF EXECUTIVE OFFICER

7.1 Full names: \_\_\_\_\_

7.2 Identification/Passport No.: \_\_\_\_\_

7.3 Nationality: \_\_\_\_\_

7.4 Gender: \_\_\_\_\_

7.5 Postal address: \_\_\_\_\_

7.6 Telephone No.: \_\_\_\_\_

7.7 Mobile No.: \_\_\_\_\_

7.8 Email address: \_\_\_\_\_

## SECTION 8: APPOINTED PRINCIPAL OFFICER

### PERSONAL DETAILS

8.1 Full names: \_\_\_\_\_

8.2 Identification/Passport No.: \_\_\_\_\_

8.3 Nationality: \_\_\_\_\_

8.4 Physical address: \_\_\_\_\_

8.5 Postal address: \_\_\_\_\_

8.6 Telephone No.: \_\_\_\_\_

8.7 Mobile No.: \_\_\_\_\_

8.8 Email address: \_\_\_\_\_

### EXPERIENCE AND EMPLOYMENT HISTORY (complete table)

Relevant employment history and experience in the industry: (To be supported with proof of relevant experience, including but not limited to reference letters from previous employers or clients or certificates of service from previous employers. Enclose detailed Curriculum Vitae.)

Position held	Employer	Contact Details	Period

**EDUCATIONAL BACKGROUND (complete table)**

Qualification	Institution	Date obtained

**ADDITIONAL TRAINING OR CERTIFICATION (complete table)**

Training / certification course	Institution	Date obtained

**SECTION 9: BANK DETAILS (operational account) <Proof of bank account to be attached>**

9.1 Name of bank: \_\_\_\_\_

9.2 Branch name: \_\_\_\_\_

9.3 Account No.: \_\_\_\_\_

9.4 Branch code: \_\_\_\_\_

**PART 2. APPLICANT FIT AND PROPER (FAP) REQUIREMENTS QUESTIONNAIRE****SECTION 1: HONESTY AND INTEGRITY**

If the answer to any of the questions is yes, provide full details on a separate page and attach certified documents to the form:

		YES	NO
1	Has an adverse finding been made against the applicant within a period of ten years preceding the date of application in any civil or criminal proceedings by a court of law (whether in Namibia or elsewhere), in which the company has been found to have acted fraudulently, dishonestly, unprofessionally, dishonourably or in breach of a fiduciary duty?	<input type="checkbox"/>	<input type="checkbox"/>
2	Has the applicant within a period of ten years preceding the date of application, been found guilty by any professional, financial services industry or regulatory body (whether in Namibia or elsewhere), of an act of dishonesty, negligence, incompetence or mismanagement?	<input type="checkbox"/>	<input type="checkbox"/>

3	Has the applicant within a period of ten years preceding the date of application, been denied membership of anybody referred to in question 2 above on account of an act of dishonesty, negligence, incompetence or mismanagement?	<input type="checkbox"/>	<input type="checkbox"/>
4	Has the applicant within a period of ten years preceding the date of application, been found guilty by any regulatory or supervisory body (whether in Namibia or elsewhere), or has an authorisation to carry on business been refused, suspended or withdrawn by any such body on account of an act of dishonesty, negligence, incompetence or mismanagement?	<input type="checkbox"/>	<input type="checkbox"/>
5	Has the applicant at any time prior to the date of application been disqualified or prohibited by any court of law (whether in Namibia or elsewhere) from taking part in the management of any other corporate entity or other statutorily created, recognised or regulated body, irrespective whether such disqualification has since been lifted or not?	<input type="checkbox"/>	<input type="checkbox"/>
6	Has the applicant been the subject of any investigation or disciplinary proceedings or has administrative action been taken or administrative penalties been imposed by any regulatory authority, professional or government body or agency, an exchange or self-regulatory organisation (whether in Namibia or elsewhere)?	<input type="checkbox"/>	<input type="checkbox"/>
7	Has the applicant ever been refused authorisation to carry on business by any regulatory body (whether in Namibia or elsewhere), or has such authorisation ever been suspended or revoked by any such body, because of negligence, incompetence or mismanagement?	<input type="checkbox"/>	<input type="checkbox"/>
8	Has the applicant ever been placed under judicial management, insolvency, liquidation or any other processes of a similar nature?	<input type="checkbox"/>	<input type="checkbox"/>
9	Has the applicant ever been convicted of an offence or found to be liable under the Financial Intelligence Act, 2012 (Act No. 13 of 2012), and/or the Prevention of Organized Crime Act, 2004 (Act No. 29 of 2004), and/or the Prevention and Combating of Terrorist and Proliferation Activities Act, 2014 (Act No. 4 of 2014) and/or any other similar Acts describing similar offences and/or liability in any country?	<input type="checkbox"/>	<input type="checkbox"/>
10	Is the applicant in bad repute with any business or financial community or any market?	<input type="checkbox"/>	<input type="checkbox"/>
11	Does the applicant have any additional information, which should be brought to the Registrar's attention, which may have an impact on the evaluation by the Registrar of the applicant's conduct ?	<input type="checkbox"/>	<input type="checkbox"/>

**PART 3.**  
**OPERATIONAL ABILITY OF APPLICANT**

**SECTION 1: QUESTIONNAIRE**

		YES	NO
1	Does the applicant's compliance arrangements specify how often compliance with procedures will be monitored and reported?	<input type="checkbox"/>	<input type="checkbox"/>
2	Does the applicant use a documented process to maintain the adequacy of its compliance and monitor arrangements?	<input type="checkbox"/>	<input type="checkbox"/>
3	Does the applicant document processes to ensure records are kept for training programs attended, including continued education training, for its key individuals and/or representatives?	<input type="checkbox"/>	<input type="checkbox"/>
4	Does the applicant have documented processes for the supervision and monitoring of its representatives to ensure they comply with the Act?	<input type="checkbox"/>	<input type="checkbox"/>
5	Does the applicant use a documented process to ensure all representatives are trained, competent and will provide financial services on its behalf efficiently, honestly and fairly?	<input type="checkbox"/>	<input type="checkbox"/>
6	Does the applicant have professional indemnity or fidelity insurance cover?	<input type="checkbox"/>	<input type="checkbox"/>

7	Has the applicant established compliance and reporting arrangements for its entity activities?	<input type="checkbox"/>	<input type="checkbox"/>
8	Will any substantial activities of the entity be outsourced?	<input type="checkbox"/>	<input type="checkbox"/>
9	Does the applicant have a process in place to ensure that providers selected for any outsourced functions are suitable?	<input type="checkbox"/>	<input type="checkbox"/>
10	Is the outsourced entity a registered and regulated entity?	<input type="checkbox"/>	<input type="checkbox"/>
11	To whom is the applicant planning to outsource activities of its business? <input type="checkbox"/> Independent party; <input type="checkbox"/> Related party; or <input type="checkbox"/> Both the above.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
12	What is the name(s) of the entity(ies) to whom the applicant intends outsourcing some of your business activities? <hr/> <hr/>		
13	What function(s) will be outsourced? <hr/> <hr/>		
<b>DOES THE APPLICANT HAVE INTERNAL CONTROL STRUCTURES AND, PROCEDURES IN PLACE WHICH INCLUDE THE FOLLOWING:</b>			
14	Segregation of duties, roles and responsibilities where such segregation is appropriate from an operational risk mitigation perspective?	<input type="checkbox"/>	<input type="checkbox"/>
15	Access rights and data security on electronic data, where applicable?	<input type="checkbox"/>	<input type="checkbox"/>
16	Physical security of the providers' assets and records, where applicable?	<input type="checkbox"/>	<input type="checkbox"/>
17	Documentation relating to business processes, policies and controls, and technical requirements?	<input type="checkbox"/>	<input type="checkbox"/>
18	Systems application testing, where applicable?	<input type="checkbox"/>	<input type="checkbox"/>
19	Disaster recovery and back-up procedures on electronic data where applicable?	<input type="checkbox"/>	<input type="checkbox"/>
20	Training for all staff regarding the requirements of the Act?	<input type="checkbox"/>	<input type="checkbox"/>
21	A business continuity plan?	<input type="checkbox"/>	<input type="checkbox"/>

## SECTION 2: BUSINESS PLAN

The business plan of the applicant, that has been approved by the board of directors must at least deal with the following matters:

- (a) Provide an overview of the entity's business operations (company profile, clientele and post-trade offering, Investment Platform, Future Growth, etc.), Corporate Governance Framework, Risk Management Framework, Internal Control Framework, Business Continuity Plan, Systems for Portfolio Management, Agreements with Service Providers (internal and external), Information Technology Systems, Marketing Plan, Human Resources Plan, etc.;

- (b) An explanation of the management structure of the applicant including the names of the individuals responsible for the major functional areas and the number of personnel employed or to be employed in each functional area in the applicant;
- (c) The planned development of the information technology systems and infrastructure of the applicant and arrangements for their supply, management, maintenance, upgrading and security including details pertaining to the method or facility by means of which the business will be carried on;
- (d) The planned approach to qualifying, quantifying and managing risk within the applicant;
- (e) Security procedures to ensure the integrity of the systems for recording transactions and the maintenance of records, the capacity of these systems in relation to the budgeted number of transactions and the back-up resources available in the event of a systems failure;
- (f) A report by the chairperson of the board of directors confirming that the applicant has adequate systems, procedures and policies in place to protect the information, data, records and documents relating to client accounts and the affairs clients against any unauthorized access, alteration, destruction or dissemination; and
- (g) The arrangements in place for the effective and efficient monitoring of compliance with the Financial Intelligence Act, 2012 (Act No. 13 of 2012) regarding the Know Your Client (KYC) matter.

**PART 4.****COMPLIANCE WITH ANTI MONEY LAUNDERING (AML) LEGISLATION**

<b>COMPLIANCE WITH THE FINANCIAL INTELLIGENCE ACT, 2012 (ACT NO. 13 OF 2012), AND OTHER ANTI-MONEY LAUNDERING (AML) LEGISLATION</b>			
		<b>YES</b>	<b>NO</b>
1	Does the applicant have written internal rules in place as required by the Financial Intelligence Act, 2012 (Act No. 13 of 2012)?	<input type="checkbox"/>	<input type="checkbox"/>
2	Does the applicant have processes in place to ensure that employees receive training in respect of and are aware of their obligation to report suspicious transactions?	<input type="checkbox"/>	<input type="checkbox"/>
3	Does the applicant have anti-money laundering (AML) control policies, procedures and systems in place?	<input type="checkbox"/>	<input type="checkbox"/>
4	Does the applicant have processes to incorporate any additional requirements as may be required under the Financial Intelligence Act, 2012 (Act No. 13 of 2012), and/or any other anti-money laundering (AML) legislation?	<input type="checkbox"/>	<input type="checkbox"/>
5	Does the applicant have process in place to train staff in relation to anti-money laundering (AML) legislation?	<input type="checkbox"/>	<input type="checkbox"/>
6	Are the applicant's terms and conditions of business separate from its mandate and/or application form?	<input type="checkbox"/>	<input type="checkbox"/>
7	Does the applicant have processes in place to ensure compliance with its identification, verification, record keeping and reporting obligations under the Financial Intelligence Act, 2012 (Act No. 13 of 2012)?	<input type="checkbox"/>	<input type="checkbox"/>
8	Customer Acceptance		
	Does the applicant have procedures or process by which customers are initially accepted?	<input type="checkbox"/>	<input type="checkbox"/>
	Does the applicant have control(s) by which management will ensure that the procedures for customer initial acceptance are complied with?	<input type="checkbox"/>	<input type="checkbox"/>

9	Customer identification and verification of information		
	Does the applicant have Customer Identification and verification procedures or processes (internal rules concerning ascertainment and verification of identities)?	<input type="checkbox"/>	<input type="checkbox"/>
	Does the applicant conduct and/or maintain business relations with anonymous clients or clients with fictitious, false or incorrect names? If yes, please describe such relationships?	<input type="checkbox"/>	<input type="checkbox"/>
	Does the applicant have control(s) by which management will ensure that the procedures or processes for Customer Identification and verification are complied with?	<input type="checkbox"/>	<input type="checkbox"/>
10	Risk Clients	<input type="checkbox"/>	<input type="checkbox"/>
	Does the applicant have risk management and monitoring procedures or processes by which clients or beneficial owners of clients (whose activities may pose a risk of money laundering, financing of terrorism or both) are identified, assessed and mitigated?	<input type="checkbox"/>	<input type="checkbox"/>
	Does the applicant have control(s) by which management will ensure that the procedures or processes for the identification, assessment and mitigation of the risk posed by clients or beneficial owners of clients whose activities may pose a risk of money laundering, financing of terrorism or both?	<input type="checkbox"/>	<input type="checkbox"/>
11	Record Keeping		
	Does the applicant have procedures or processes by which records are kept/stored as required by sections 26 to 29 and regulation 15?	<input type="checkbox"/>	<input type="checkbox"/>
	Does the applicant have control(s) by which management will ensure that the procedures or processes for record keeping are complied with?	<input type="checkbox"/>	<input type="checkbox"/>
12	Reporting of Suspicious Transactions and Activities		
	Does the applicant have procedures or processes by which suspicious transactions and electronic transfers of money to and from Namibia are detected analysed and reported to the Financial Intelligence Centre (these procedures or processes must take into account issues of Confidentiality, tipping off)?	<input type="checkbox"/>	<input type="checkbox"/>
	Does the applicant have control(s) by which management will ensure that the procedures or processes for the reporting of suspicious transactions are complied with?	<input type="checkbox"/>	<input type="checkbox"/>
13	Staff Training		
	Does the applicant have procedures or processes by which staff is trained on AML Compliance and Money Laundering risks?	<input type="checkbox"/>	<input type="checkbox"/>
	Is the training program implemented at all branches and subsidiaries?	<input type="checkbox"/>	<input type="checkbox"/>
14	Anti-Money Laundering Compliance officer	<input type="checkbox"/>	<input type="checkbox"/>
	Who has the applicant appointed as its Anti-Money Laundering Compliance Officer? Or does its structure make provision for the appointment of an Anti-Money Laundering Compliance Officer?	<input type="checkbox"/>	<input type="checkbox"/>
	What are the responsibilities and level of authority of the Anti-Money Laundering Compliance Officer?	<input type="checkbox"/>	<input type="checkbox"/>
	Does the applicant have controls by which management will ensure that the Anti-Money Laundering Compliance Officer is appointed and has the required level of authority and responsibilities?	<input type="checkbox"/>	<input type="checkbox"/>
15	Independent Audit Function		
	Does the applicant have procedures or processes by which the measures taken by the institution to comply with the Financial Intelligence Act, 2012 (Act No. 13 of 2012) are evaluated and their effectiveness tested?	<input type="checkbox"/>	<input type="checkbox"/>

16	On-going and enhanced due diligence		
	Does the applicant have on-going due diligence procedures or processes by which management intends to maintaining adequate current and up-to-date information and records relating to:		
	a. the client and beneficial owner;	<input type="checkbox"/>	<input type="checkbox"/>
	b. monitor of transactions carried out by the client; and		
	c. ensuring that the obligations relating to high risk clients are fulfilled?		
17	United Nations (UN) List		
	Does the applicant screen customers and transactions against lists of persons, entities or countries issued by government/competent authorities?	<input type="checkbox"/>	<input type="checkbox"/>
18	Any other procedures, processes and/or controls by which management intends to comply with the provisions of the Financial Intelligence Act, 2012 (Act No. 13 of 2012) and/or mitigate the assessed potential money laundering risk?	<input type="checkbox"/>	<input type="checkbox"/>

**PART 5.**  
**ONGOING OBLIGATIONS**

The applicant is obliged to comply with ongoing obligations as enumerated below:

	Comply with the Registrar's registration requirements;
	Complete and submit statutory and levy returns, in a manner determined by the Registrar, on or before the given due date;
	Submit a full composition of investments under management with the quarterly returns;
	Submit a copy of the audited annual financial statements within three (3) months from the date of the financial year-end;
	Submit a compliance report;
	Pay levies (basic and additional) when due and payable;
	Notify the Registrar of any change relating to: name, registered or business address, shareholders, directors, or any requirements in terms of which the applicant was approved as contemplated in these Standards for approval as trustee or custodian;
	Generally, comply with any regulations that the Minister may issue by notice or with any requirements / standards that the Registrar may issue from time to time; and
	Compliance with the Financial Intelligence Act, 2012 (Act No. 13 of 2012), and other anti-money laundering legislation.

**DECLARATION BY APPLICANT**

I, \_\_\_\_\_ (full names), in my capacity as \_\_\_\_\_  
of the applicant referred to herein, hereby declare under oath/affirm as follows:

- all the information provided in this application (including all attachments) is complete, true and correct;
- I read and understand the provisions in the standards and hereby declare/affirm that the applicant will comply with such provisions and any other provisions as may be determined by the Registrar; and
- I understand that if any information in this application changes before this application is approved, we must notify the Registrar in writing immediately of the changes.

I know and understand the content of this declaration. I do not have objections to taking the prescribed oath/affirmation. I consider the prescribed oath/affirmation to be binding on my conscience.

---

**SIGNATURE OF DEPONENT**

I hereby declare that the deponent has sworn/affirmed to and signed this statement in my presence at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_, and he/she declared/affirmed as follows: that the facts herein contained fall within his/her personal knowledge and that he/she understands the contents hereof; that he/she has no objection to taking the oath/affirmation; and that he/she regards the oath/affirmation as binding on his/her conscience.

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**SIGNATURE OF COMMISSIONER OF OATHS**

FULL NAMES: \_\_\_\_\_

CAPACITY: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 (Act No. 2 of 2021)****APPLICATION BY REGISTERED MANAGER OF A COLLECTIVE INVESTMENT  
SCHEME FOR CANCELLATION OF REGISTRATION GRANTED PURSUANT  
TO SECTION 176 OF THE ACT OR FOR VARIATION OF THE  
CONDITIONS FOR REGISTRATION****Standard No. CIS.S.4.18**

*issued by NAMFISA under section 410(2)(c), read with section 178(1) and (2), of the  
Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard -
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “special resolution” means a resolution passed by a company as contemplated in sections 207 through to section 211 of the Companies Act; and
  - (c) “NAMFISA ERS” means the Electronic Regulatory System that facilitates communication between NAMFISA and financial institutions.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:



- (a) as defined in section 1 of the Act -
  - (i) auditor;
  - (ii) board;
  - (iii) document;
  - (iv) principal officer;
  - (v) NAMFISA;
- (b) as defined in section 168 of the Act -
  - (i) collective investment scheme; and
  - (ii) manager.

### **Applicability**

2. This Standard applies to a registered manager of a collective investment scheme (hereinafter referred to as “applicant”) applying for cancellation or variation of its registration granted pursuant to section 176 of the Act.

3. An application for variation to the conditions subject to which registration was granted, must be dealt with in accordance with this Standard CIS.S.4.18.

4. An application for cancellation of registration granted pursuant to section 178 of the Act or for variation of conditions of registration must be made to NAMFISA in accordance with clause 5 and submitted to NAMFISA in accordance with clause 10.

### **Application for cancellation of registration or variation of registration conditions**

5. Pursuant to section 178(2) of the Act, an application for cancellation of its registration granted pursuant to section 176 or variation of registration conditions must: -

- (a) be in writing, and provide the particulars as specified in Schedule 1, Application form for cancellation of registration granted pursuant to section 176 of the Act;
- (b) be accompanied by a copy of the notice published in terms of section 178(3) of the Act;
- (c) be accompanied by the original certificate of registration (declaration under Oath where original lost);
- (d) be accompanied by certificates issued by the auditor and trustee/custodian stating that the manager has no liability, or where liability exist, furnish details of measures taken to discharge such liability;
- (e) be accompanied by a bank letter confirming the closure of the bank account(s) opened and operated for purposes of segregating client assets;
- (f) be signed by the principal officer or a person duly authorised to represent the applicant;
- (g) be accompanied by a copy of a special resolution on the decision to cancel its registration granted pursuant to section 178 of the Act;
- (h) provide proof of payment of the prescribed application fee; and

6. The applicant must disclose all information as required in the Schedule and all parts must be duly completed.

7. (1) An application, not complete in all respects and not conforming to the instructions specified in the Schedules may be rejected on the basis of being non-compliant with this Standard.

(2) In instances where the application is deemed not complete, NAMFISA must give the applicant the opportunity to provide the required information to complete the application. The required information must be provided within seven working days, failing which the application shall be rejected.

8. Nothing shall prevent NAMFISA from seeking further or additional information or documents as may be reasonably necessary for processing of the application.

9. The applicant, its principal officer or a duly authorised person<sup>22</sup> may, if so required, be called to appear before NAMFISA for a personal representation in connection with the application.

### **Submission**

10. (1) An application for cancellation of registration must be submitted to NAMFISA electronically on the NAMFISA ERS.

(2) Where necessary and when so directed by NAMFISA, the applicant must submit specified documentation manually to NAMFISA.

### **Effect of cancellation of registration**

11. On and from the date of cancellation of the registration, the manager shall cease to act as such.

### **SUPPORTING SCHEDULES**

12. The following supporting schedule is attached to, and form part of this Standard:

**Schedule 1:** - Application form for cancellation of registration granted pursuant to section 176 of the Act, or for variation of the conditions for registration.

## **SCHEDULE 1**

### **APPLICATION FORM FOR CANCELLATION OF REGISTRATION GRANTED PURSUANT TO SECTION 176 OF THE ACT, OR FOR VARIATION OF THE CONDITIONS FOR REGISTRATION**

**Please complete in full:**

#### **MANAGER**

Full Name: .....

Company Registration Number: .....

NAMFISA Registration Number: .....

Income Tax Number: .....

#### **CONTACT DETAILS**

Physical address: .....

Postal address: .....

<sup>22</sup> Applicant to attach the original copy of letter or document of authorisation.

Tel. Work: .....

Cell. No: .....

Email address: .....

#### **DETAILS OF PRINCIPAL OFFICER**

First Names: .....

Surname: .....

ID/Passport No: .....

Nationality: .....

Gender: .....

Physical address: .....

Postal Address: .....

Tel: .....

Mobile: .....

Email address: .....

#### **DETAIL OF SHAREHOLDER(S)**

<b>Name</b>	<b>Shareholding</b>

#### **DETAILS OF BOARD OF DIRECTORS**

<b>Name</b>	<b>Nationality</b>	<b>Executive/Non-Executive</b>

Name of the Board Chairperson: .....

<b>Name</b>	<b>Name of Chairperson(s) of sub-committee(s)</b>

#### **DETAILS OF AUDITOR**

.....

.....

.....

.....

**DETAILS OF TRUSTEE OR CUSTODIAN**

.....

.....

.....

**DECLARATION BY PRINCIPAL OFFICER OR DULY AUTHORISED PERSON**

**DECLARATION BY APPLICANT**

I, \_\_\_\_\_ (full names), in my capacity as \_\_\_\_\_  
of the applicant referred to herein, hereby declare under oath/affirm as follows:

- all the information provided in this application (including all attachments) is complete, true and correct;
- I read and understand the provisions in the conditions and hereby declare/affirm that the applicant will comply with such provisions and any other provisions as may be determined by the NAMFISA ; and
- I understand that if any information in this application changes before this application is approved, we must notify NAMFISA in writing immediately of the changes.

I know and understand the content of this declaration. I do not have objections to taking the prescribed oath/affirmation. I consider the prescribed oath/affirmation to be binding on my conscience.

**SIGNATURE OF DEPONENT**

I hereby declare that the deponent has sworn/affirmed to and signed this statement in my presence at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_, and he/she declared/affirmed as follows: that the facts herein contained fall within his/her personal knowledge and that he/she understands the contents hereof; that he/she has no objection to taking the oath/affirmation; and that he/she regards the oath/affirmation as binding on his/her conscience.

**SIGNATURE OF COMMISSIONER OF OATHS**

FULL NAMES: \_\_\_\_\_

CAPACITY: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

## SCHEDULE 2

## TEMPLATE FOR WRITTEN REPRESENTATIONS: DRAFT PROPOSED STANDARDS

[illegible]

**SCHEDULE 1****FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****RETIREMENT FUNDS****THE DEFINITION OF “ACTUARIAL SURPLUS”****Standard No. RFS.5.1**

*issued by NAMFISA under section 410(6)(a) of the Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard-
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “benefits” in relation to a fund means any amount payable to a member, dependent or nominee in terms of the fund’s rules, under the following circumstances:
    - (i) retirement;
    - (ii) death and disability;
    - (iii) member induced termination of membership;
    - (iv) employer induced termination of membership;
    - (v) liquidation or dissolution of a fund; and
    - (vi) any other circumstance as may be specified in the fund’s rules.
  - (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including, without limitation, the following-
    - (a) as defined in section 1 of the Act:
      - (i) board;
      - (ii) NAMFISA
    - (b) as defined in section 249 of the Act:
      - (i) defined benefit fund; and
      - (ii) fund.

**Actuarial surplus**

2. In relation to a fund which is subject to actuarial valuation-
  - (a) “accrued assets” means the value of the fund on the valuation date;
  - (b) “accrued liabilities” means the value of future benefits accrued by members for service prior to the valuation date together with the value of any contingency reserve accounts established by the board of the fund;
  - (c) “accrued surplus” or “accrued deficit” means the result calculated in accordance with clause 4;
  - (d) “net actuarial surplus” or “net actuarial deficit” means the result calculated in accordance with clause 6.
  - (e) “unaccrued assets” means the value of future contributions to the fund on the valuation date;

- (f) “unaccrued liabilities” means the value on the valuation date of future benefits for present members to be earned as a result of future service;
- (g) “unaccrued surplus” or “unaccrued deficit” means the result calculated in accordance with clause 5.
3. This standard applies only to funds which are defined benefit funds.
4. Accrued surplus or accrued deficit is calculated as follows:
- $$A - B = C$$
- where
- A is the value that the valuator has placed on the accrued assets of the fund;
- B is the value that the valuator has placed on the accrued liabilities of the fund; and
- C equals:
- an accrued surplus if C is more than zero; or
- an accrued deficit if C is less than zero.
5. Unaccrued surplus or unaccrued deficit is calculated as follows:
- $$D - E = F$$
- where
- D is the value that the valuator has placed on the unaccrued assets of the fund;
- E is the value that the valuator has placed on the unaccrued liabilities of the fund; and
- F equals:
- an unaccrued surplus if F is more than zero; or
- an unaccrued deficit if F is less than zero.
6. (a) Net actuarial surplus means:
- C, if C is more than zero and F is also more than zero; or
- $C + F$  if C is more than zero and F is less than zero, and the result is positive.
- (b) Net actuarial deficit means:
- C, if C is less than zero and F is more than zero or
- $C + F$ , if C is less than zero and F is also less than zero; or
- F, if C is more than zero and F is less than zero.
-

## FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

### RETIREMENT FUNDS

#### REQUIREMENT FOR AN INVESTIGATION BY AND THE REPORT OF A VALUATOR ON THE FINANCIAL POSITION OF A FUND AND THE FORM OF A SUMMARY OF SUCH REPORT

##### Standard No. RF.S.5.2

*issued by NAMFISA under sections 410(6)(h) and 410(6)(o) of the  
Financial Institutions and Markets Act, 2021*

#### Definitions

1. (1) In this Standard-
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “current liabilities” means any liabilities of the retirement fund, other than the technical provisions;
  - (c) “discretionary retirement or other benefits increase” means an increase in the retirement or other benefits awarded to members, spouses or beneficiaries at the discretion of the board;
  - (d) “funding ratio” means the actuarial value of the assets to the total liabilities, expressed as a percentage;
  - (e) “insured benefit” means a death, disability or funeral benefit or any other contingent benefit which does not form part of the retirement benefit, for which the retirement fund holds an insurance policy;
  - (f) “report by a valuator” means a written report, prepared and signed by a valuator, valuing the assets of the retirement fund and determining the technical provisions of the fund, and on the financial soundness requirement of the retirement fund since the last actuarial valuation;
  - (g) “technical provisions” mean
    - (i) the systematic determination of accrued liabilities for retirement and other benefits;
    - (ii) the concomitant prudent investment of accruing contributions and investment income in assets; and
    - (iii) the systematic determination of contribution rates sufficient to fund emerging benefits in accordance with Standard RF.S.5.5;

all so as to ensure the ongoing solvency of the retirement fund and the fulfilment of members’ reasonable benefit expectations;
  - (a) “total liabilities” means the sum of the liabilities in respect of accrued benefits referred to above in the definition of “technical provisions” and the current liabilities of the fund;
  - (b) “value of assets” means the value of the assets of the fund determined by the valuator;



- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following-
  - (a) as defined in section 1 of the Act:
    - (i) NAMFISA;
    - (ii) retirement fund;
    - (iii) valuator
  - (b) as defined in section 249 of the Act:
    - (i) defined benefit fund;
    - (ii) defined contribution fund;
    - (iii) employer;
    - (iv) fair value;
    - (v) fund;
    - (vi) member;
    - (vii) retirement benefits;
    - (viii) sponsor; and
    - (ix) nominee.

### **Requirements for an investigation and report**

- 2. This Standard applies to every retirement fund registered under the Act that is required to cause the financial position of the fund to be investigated by the valuator of the fund pursuant to section 268 of the Act, the valuator of such a fund and any independent valuator appointed by NAMFISA pursuant to section 272(5) of the Act.
- 3. The report by a valuator of a fund must be made in accordance with clause 4 or 5, as applicable.
- 4. In the case of a fund that is a defined benefit fund, the report by a valuator may include-
  - (a) an opening statement setting out the objectives of the report and the date on which the report and the previous report were conducted;
  - (b) disclosure of any standards and guidance notes considered in preparing the report;
  - (c) a review of all the relevant developments since the previous report, including:
    - (i) formal for discretionary changes/awards in respect of retirement or other benefits;
    - (ii) contribution rates paid and any changes thereto;
    - (iii) changes in the profile or characteristics of the membership, if such changes are in excess of 20%; and
    - (iv) changes in the investment policy that may reasonably be expected to increase the risk profile, or reduce the expected rate of return, of the fund's investment portfolios (e.g., shifts in the asset mix from less volatile to more volatile classes or conversely);
  - (d) a summary of the retirement and other benefits and contribution rates used in the valuation;
  - (e) a summary of the data used in the report;
  - (f) measures taken by the valuator to ensure the completeness and accuracy of data, and, if necessary, a qualification if the valuator has any reservations regarding the completeness and accuracy of the data;

- (g) details of how expenses, and risk benefits such as death, disability and other benefits are recognized in the technical provisions;
  - (h) comment on appropriateness of reinsurance or self-insurance of risk benefits (where appropriate), taking into account the balance in any contingency reserve accounts and future recommended contributions for this purpose;
  - (i) comments on financially significant events that have occurred since the report date, or that may be imminent, and the allowance for such events in the report, if applicable;
  - (j) a summary of the assets of the retirement fund broken down into asset classes in accordance with the Regulation/s with respect to investments of retirement funds;
  - (k) an explanation of and justification for the methodology and assumptions used to determine the actuarial value of assets, if different from the fair value of assets;
  - (l) an assessment of the appropriateness/suitability of the asset portfolio in relation to the liability portfolio in terms of duration, liquidity requirements, expected growth rates of assets and liabilities, etcetera;
  - (m) a description and justification of the valuation method and assumptions used to determine the technical provisions;
  - (n) the technical provisions, and sensitivity testing of the technical provisions against changes in financially significant assumptions;
  - (o) a comparison of the current period's technical provisions with the technical provisions at the previous report date, quantifying the changes over the valuation period;
  - (p) an analysis of the change in actuarial surplus or deficit as defined in standard RF.S.5.1;
  - (q) recommendations for financing any actuarial deficit or the utilization of actuarial surplus, if applicable;
  - (r) recommendations on the future contribution rates, indicating the circumstances under which contribution rates are expected to remain constant, increase or decrease;
  - (s) where reserves have been held for specific contingencies and the valuator is of the opinion that these reserves require an increase or decrease, the valuator must quantify the increase or decrease, and recommend how these will be paid for or accommodated in the fund;
  - (t) the valuator must provide a certification of the adequacy of matching of assets with liabilities of the fund; and
  - (u) a certification of the suitability of the investment strategy.
5. In the case of a fund that is a defined contribution fund, the report of a valuator must include:
- (a) an opening statement setting out the objectives of the report;
  - (b) a review of all the relevant developments since the previous report, including:
    - (i) contribution rates paid and any changes thereto;
    - (ii) changes in excess of 20% in the profile or characteristics of the membership, including changes in excess of 20% in active membership or retired membership; and

- (iii) changes in the investment policy that may reasonably be expected to increase the risk profile, or reduce the expected rate of return, of the fund's investment portfolios (e.g., shifts in the asset mix from less volatile to more volatile classes or conversely);
  - (c) a summary of the data used in the report;
  - (d) measures taken by the valuator to ensure the completeness and accuracy of data, and if necessary, a qualification if the valuator has any reservations regarding the completeness and accuracy of the data;
  - (e) a detailed description of the manner of financing expenses and any non-retirement or risk benefits, such as death or disability, including a clear delineation as to the financing provided by members and by employers and sponsors;
  - (f) comment on appropriateness of reinsurance or self-insurance of risk benefits (where appropriate), taking into account the balance in any contingency reserve accounts and future recommended contributions for this purpose;
  - (g) comments on financially significant events, if any, that have occurred since the report date, or that may be imminent, and the allowance for such events in the report;
  - (h) a summary of the assets of the retirement fund by asset class in accordance with any Regulation/s with respect to the investments of a retirement fund;
  - (i) the determination of the technical provisions;
  - (j) an assessment of the appropriateness/suitability of the asset portfolio in relation to the liability portfolio in terms of duration, liquidity requirements, expected growth rates of assets and liabilities, etcetera;
  - (k) a comparison of the current period's technical provisions with the technical provisions at the previous report date, quantifying the changes over the valuation period;
  - (l) an explanation of and justification for the methodology and assumptions used to determine the actuarial value of assets, if different from the fair value of assets;
  - (m) a description and justification of the valuation method and assumptions used to determine the technical provisions;
  - (n) the valuator must provide a certification of the matching of assets to liabilities.
6. A report referred to in clause 4 or 5 must include the certificate of the valuator on-
- (a) the technical provisions and the funding ratio in accordance with Schedule 1 attached to this Standard; and
  - (b) a schedule of contributions in accordance with Schedule 2 attached to this Standard.

## **SUPPORTING SCHEDULES**

The following supporting schedules are attached to and form part of this Standard:

### **Schedule 1**

Form of valuator's certification of the determination of technical provisions and funding ratio

### **Schedule 2**

Form of valuator's certification of schedule of contributions

**SCHEDULE 1****VALUATOR'S CERTIFICATE****Form of valuator's certification of the determination of technical provisions and funding ratio***Name of retirement fund***Determination of technical provisions and funding ratio**

I, the undersigned, certify that, in my opinion, the determination of the fund's technical provisions as at [insert effective date of valuation on which the calculation is based] is made in accordance with Standard No. RF.S.5.5: Determination of the Soundness of the Financial Position of a Fund for the purposes of section 272(3) of the Act. The calculation uses a method and assumptions determined in consultation with the board of the fund as set out in the statement of financial soundness principles dated [dd/mm/yyyy], as referred to in clauses 5 and 6 of RF.S.5.5

Technical Provisions	[N\$ amount]
Current liabilities	[N\$ amount]
Total liabilities	[N\$ amount]
[Actuarial] value of assets	[N\$ amount]
Current assets	
Reserves	
Funding ratio	%

\_\_\_\_\_  
SIGNATURE\_\_\_\_\_  
DATE\_\_\_\_\_  
FULL NAME IN PRINT\_\_\_\_\_  
QUALIFICATIONS\_\_\_\_\_  
ADDRESS\_\_\_\_\_  
NAME OF EMPLOYER OF  
VALUATOR (If applicable)**SCHEDULE 2****VALUATOR'S CERTIFICATE****Form of valuator's certification of schedule of contributions***Name of fund***Adequacy of rates of contribution**

I, the undersigned, certify that, in my opinion:

1. This schedule of contributions is consistent with the statement of Financial Soundness principles dated [dd/mm/yyyy], as referred to in clauses 5 and 6 of RF.S.5.5; and

2. The financial soundness requirement can be expected to be met by the end of the period specified in the rehabilitation plan dated [dd/mm/yyyy] OR The financial soundness requirement can be expected to continue to be met for the period for which the schedule is in force. [delete whichever alternative does not apply]

The certification of the adequacy of the rates of contributions for the purpose of ensuring that the financial soundness requirement is met is not a certification of their adequacy for the purpose of securing the fund's liabilities by the purchase of annuities, if the fund were to be wound up.

Member contribution rate (category 1)	[% of salary or nominal]
Employer contribution rate (category 1)	[% of salary or nominal]
Member contribution rate (category 2)	[% of salary or nominal]
Employer contribution rate (category 2)	[% of salary or nominal]
.....	

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
FULL NAME IN PRINT

\_\_\_\_\_  
QUALIFICATIONS

\_\_\_\_\_  
ADDRESS

\_\_\_\_\_  
NAME OF EMPLOYER OF  
VALUATOR (if applicable)

## FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

### RETIREMENT FUNDS

#### MINIMUM INFORMATION THAT MUST BE FURNISHED TO A FUND BY AN EMPLOYER WITH RESPECT TO THE PAYMENT OF CONTRIBUTIONS

##### Standard No. RF.S.5.3

*issued by NAMFISA under section 410(6)(j) of the Financial Institutions and Markets Act, 2021*

#### Definitions

1. (1) In this Standard, "Act" means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including, without limitation, the following, which are defined in section 249 of the Act-
  - (a) employer;
  - (b) fund;
  - (c) member;
  - (d) retirement benefits; and
  - (e) retirement fund.

#### Applicability

2. This Standard is applicable to all retirement funds registered under the Act.

**Minimum information**

3. Where applicable, a retirement fund shall, and an employer has an obligation to ensure that the contribution schedules and additional documentation provided by employers include the following information regarding each member:
- (a) surname, initials and identity number;
  - (b) date of birth;
  - (c) marital status and gender;
  - (d) membership number/reference;
  - (e) date on which the member joined the fund, and in the event of a new addition to the fund, include the relevant supporting documentation pertaining to that new member (application form to join the fund as a member, etc.);
  - (f) the contributions by and on behalf of members payable in each relevant pay reference period by the employer (percentage and amount in Namibian dollars), and the amount actually paid;
  - (g) the date on which membership was terminated, if applicable, including supporting documentation;
  - (h) description of the member's status in the fund, which must be either active or some other category of membership;
  - (i) the members' updated beneficiary nomination forms in terms of Standard RF.S.5.9, if such beneficiary nomination form has been updated during the period in respect of which the contribution schedules are submitted;
  - (j) the contact details of each member, as well as the contact details of at least two (2) persons whom are next of kin to the member;
  - (k) any other information that the retirement fund deems necessary or which NAMFISA requires;
  - (l) the salary on which the contributions are based, if applicable;
  - (m) the percentage and amount in Namibian dollars of any additional voluntary contributions by a member and/or an employer;
  - (n) notification of any late retirees (past normal retirement age); and
  - (o) details of any salary deductions by an employer in connection with a housing loan secured by retirement benefits, and payment thereof.
-

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****RETIREMENT FUNDS****REQUIREMENTS FOR THE RULES OF A FUND AND  
ANY AMENDMENT OF SUCH RULES****Standard No. RF.S.5.4**

*issued by NAMFISA under sections 271, 272 and 410(6)(m) of the  
Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.
- (2) Words and phrases defined in the Act have the same meaning in this standard unless the context indicates otherwise, including without limitation, the following-
  - (a) as defined in section 1 of the Act:
    - (i) auditor;
    - (ii) NAMFISA;
    - (iii) principal officer;
    - (iv) retirement fund;
    - (v) subsidiary;
    - (vi) valuator.
  - (b) as defined in section 249 of the Act:
    - (i) beneficiary fund;
    - (ii) board;
    - (iii) defined benefit fund;
    - (iv) defined contribution fund;
    - (v) dependant;
    - (vi) employer;
    - (vii) fund;
    - (viii) fund administrator;
    - (ix) member;
    - (x) retirement benefits;
    - (xi) rules; and
    - (xii) sponsor.

**Applicability**

2. This Standard applies to all retirement funds registered under the Act and to its boards, principal officers and fund administrators.

**Requirements for rules**

3. The rules of a retirement fund must not be inconsistent with the Act and this Standard, it must be in the official language of the Republic of Namibia and, subject to clause 0, it must provide for the following matters-
  - (a) the full name of the retirement fund, including a reference to any name changes that the retirement fund may have undergone;
  - (b) the dates of the first and subsequent financial year ends;

- (c) the address of the principal office of the retirement fund;
- (d) the objects of the retirement fund;
- (e) a list of definitions, in alphabetical order, defining any terms which are frequently used in the rules and which bear a special connotation;
- (f) a detailed description of the eligibility conditions for joining the retirement fund and the circumstances under which membership shall cease, with specific reference to the following:
  - (i) the class or classes of persons who are, or may in due course become, eligible to join the retirement fund;
  - (ii) whether membership is to be compulsory or not, and, if applicable, any period within which current employees may exercise a choice with respect to membership;
  - (iii) the conditions of membership relating to deferred members, if any; and
  - (iv) mutual transfer arrangements with any other retirement fund, if any;
- (g) the calculation and payment of contributions to the retirement fund by members or on behalf of members;
- (h) the fines and forfeitures (if any) to be imposed on any employer or member and the consequences of non-payment of any contribution or fine;
- (i) the nature and extent of the retirement benefits granted by the retirement fund, and the payment of those benefits to any member, dependant or other person entitled to such benefits, in respect of the following, except that where the sponsor of the retirement fund is not an employer, provision need not be made for retirement benefits in respect of subparagraphs (v), (vi), (vii) or (viii):
  - (i) normal retirement;
  - (ii) early retirement;
  - (iii) retirement due to ill-health;
  - (iv) death before retirement;
  - (v) resignation;
  - (vi) dismissal;
  - (vii) retrenchment;
  - (viii) redundancy; andwhere applicable:
  - (A) late retirement;
  - (B) deferred benefits; and
  - (C) death after retirement.
- (j) a specific description of participation in the retirement fund differentiating among retirement funds established for the benefit of:



- (i) employees of a principal employer and its subsidiaries;
- (ii) employees of various employers that do not fall within the ambit of clause 3(j)(i); and
- (iii) persons not referred to in clauses 3(j)(i) or 3(j)(ii);
- (k) the appointment or election of a board of trustees to manage the business of the fund consisting of persons who are fit and proper to hold such office in accordance with the requirements of Standard No. GEN.S.10.2;
- (l) the appointment of a principal officer by the board of trustees who is fit and proper to hold such office in accordance with the requirements of Standard No. GEN.S.10.2;
- (m) the term of office of board members and the chairperson of the board, provided these terms may not exceed five years and three years, respectively, which terms may be renewed on similar terms;
- (n) powers of the board of trustees, the removal and/or dismissal from office of any member of the board of trustees or the principal officer, and the method of determining their remuneration, if any;
- (o) the appointment, powers, and removal from office of other officers of the fund;
- (p) the manner of calling the annual general meeting and any special general meeting of members, if any such meetings are held, the quorum necessary for the transaction of business at such meetings and the manner of voting thereat, and the requirement that annual general meetings, if any, must be held within six months after the financial year-end of the fund;
- (q) the investment powers of the retirement fund, as determined by the board of trustees;
- (r) the appointment of a valuator of the fund who is fit and proper within the meaning of Standard No. GEN.S.10.2 and independent within the meaning of Standard No. GEN.S.10.8, and provisions regarding the triennial investigation, valuation and report if the retirement fund is subject to the provisions of sections 267 and 268 of the Act;
- (s) the appointment of the auditor of the retirement fund;
- (t) the manner in which contracts and other documents binding the retirement fund must be executed;
- (u) the manner of amending or rescinding any rules, and of making additional rules;
- (v) the manner in which any disputes between the retirement fund and its members or between the retirement fund and any other person whose claim is derived from a member must be settled;
- (w) the safe custody of title deeds or any other securities belonging to or held by the retirement fund;
- (x) subject to the provisions of the Act, the manner in which and the circumstances under which the retirement fund must be terminated or dissolved, with specific reference to:
  - (i) total and partial dissolution;
  - (ii) the appointment of a liquidator, to be approved by NAMFISA;
  - (iii) any transfers of participating employers to any other retirement fund; and

- (iv) the position of persons whose membership ceased during a minimum of the 12-month period immediately prior to the date of the termination or dissolution;
  - (y) the amalgamation of the retirement fund with any other financial institution or financial intermediary;
  - (a) the transfer of the business of the retirement fund, or any part thereof, to any other financial institution or financial intermediary;
    - (b) the manner in which unclaimed benefits must be dealt with upon:
      - (i) the death of a member, including any deferred member;
      - (ii) the termination or dissolution of the retirement fund;
      - (iii) the withdrawal of a member from the retirement fund; and
      - (iv) the inability of the retirement fund to locate the member, a dependant or other person entitled to such benefits;
    - (ac) the opening of a bank account in the name of the retirement fund;
    - (ad) the policy of insurance effected to indemnify the retirement fund against losses owing to the dishonesty or fraud of any of its board of trustees, officers or employees or such other indemnification as NAMFISA may allow; and
    - (ae) such other matters as NAMFISA may require.
4. (1) The rules of a retirement fund must state the right of-
- (a) members, upon request, to be provided, free of charge, with a copy of:
    - (i) the rules/consolidated rules of the fund upon becoming a member; and
    - (ii) any amendment to, rescission of, or addition to the rules of the fund at the time of its implementation and/or upon becoming a member;
  - (b) members, beneficiaries, nominees or persons authorized by a member, beneficiary or nominee, to inspect, free of charge, any of the documents referred to in sub-clauses 4(1)(a)(i) and 4(1)(a)(ii), at the principal office of the fund and to make extracts therefrom; and
  - (c) members, beneficiaries, nominees or persons authorized by a member, beneficiary or nominee to be provided with a copy of:
    - (i) the rules of the fund, in addition to the copy referred to in sub-clause 4(1)(a)(i);
    - (ii) the most recent financial statements of the fund; and
    - (iii) the most recent report by a valuator prepared pursuant to section 268 of the Act,
- (2) The copies of any documents referred to in sub-clauses 4(1)(b) and 4(1)(c) must be provided:
- (a) free of charge if requested in electronic form; or
  - (b) for a reasonable charge if requested in hard copy or paper form.

5. A retirement fund referred to in section 255 of the Act and a beneficiary fund referred to in section 256 of the Act must amend its rules to comply with this Standard within six months of the date on which this Standard comes into effect.

6. The rules of a retirement fund must comply with the following requirements as to format:

- (a) the rules must be printed in at least 1.0 line spacing on A4 paper of at least 80 grams;
- (b) the rules must be printed on one side of the paper only with a margin of at least 20 mm on the left side of the paper;
- (c) headings and subheadings must be printed in bold print;
- (d) definitions must be printed in capital letters and used in that way throughout the text;
- (e) the document must not contain any underlining; and
- (f) the document shall at the front contain a detailed table of contents, with references to the relevant page numbers.

7. The rules of a retirement fund must be certified as follows on the first page or on the cover if the rules are in the form of a booklet: “Certified that these are the rules of the XYZ Retirement Fund (substitute “XYZ Retirement Fund” with the full name of the fund) which will become effective on the date of registration of the fund” or “on the specified date” in the case of a fund referred to in clause 0.

8. The rules and any amended, rescinded or additional rule must be signed on the first page as follows:

- (a) where the fund is managed by one individual, there must be two signatures, by:
  - (i) that individual; and
  - (ii) the principal officer;
- (b) where the fund is managed by a board of trustees, there must be three signatures, by:
  - (i) the chairperson of the board of trustees;
  - (ii) one other trustee of the board; and
  - (iii) the principal officer; and
- (c) where, in the case of sub-clause (b), the principal officer is also a member of the board of trustees, there must be three signatures in that another member of the board in addition to the chairperson and the principal officer must also sign the document.

9. Within thirty days from the date of the passing of a resolution for the amendment or rescission of any rule or for the adoption of any additional rule, but not later than thirty days prior to the implementation of any such amended, rescinded or additional rule, the board of the fund shall submit to NAMFISA, together with the text of the amended, rescinded or additional rule, and in the manner prescribed by NAMFISA-

- (a) a copy of the resolution adopted by the board of trustees together with a certificate signed to the effect that the resolution has been adopted in accordance with the provisions of the rules of the fund;
- (b) if the fund is a defined contribution fund or a beneficiary fund, a certificate from the valuator confirming that the amended, rescinded or additional rule has no effect on the current or prospective financial position of the fund;

- (c) if the amended, rescinded or additional rule affects the financial condition of a fund that is a defined benefit fund, a certificate by a valuator as to:
  - (i) the financial soundness of the amendment, rescission or addition; and
  - (ii) the impact of the amendment, rescission or addition on:
    - (A) the funding and solvency position of the fund; and
    - (B) the contribution requirements of the fund;
- and
- (d) a statement explaining the reason for the amendment, rescission or additional rule.

10. The resolution and certificate referred to in clause 9(a) is not necessary in the case of a consolidation of the existing rules, but will apply in the case of a consolidation that contains amended, rescinded or additional rules.

11. In accordance with clause 4(1)(a)(ii), the principal officer of the fund must, within one month of its implementation, communicate details of any rule amendments to each member, and upon request by a member, send to such member a copy of any amendments to, rescissions of or additions to the rules of the fund.

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## **FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

### **RETIREMENT FUNDS**

#### **THE DETERMINATION OF THE SOUNDNESS OF THE FINANCIAL POSITION OF A FUND FOR THE PURPOSES OF SECTION 272(3)**

##### **Standard No. RF.S.5.5**

*issued by NAMFISA under section 410(6)(n) of the Financial Institutions and Markets Act, 2021*

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#### **Definitions**

1. (1) In this Standard-
- (a) “accrued benefits” means the retirement benefits of members at the valuation date;
  - (b) “accrued benefits funding method” is a funding method where the technical provisions are based on the accrued benefits up to the valuation date;
  - (c) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (d) “actuarial value of assets” means the value of the assets of the fund determined by the valuator in terms of clauses 1.1.11312, 13 and 14;
  - (e) “current liabilities” means any liabilities of the retirement fund, other than the technical provisions;
  - (f) “discretionary retirement or other benefits increase” means an increase in the retirement or other benefits awarded to members, spouses or beneficiaries at the discretion of the board;
  - (g) “funding ratio” means the actuarial value of the assets to the total liabilities, expressed as a percentage;

- (h) “insured benefit” means a death, disability or funeral benefit or any other contingent benefit which does not form part of the retirement benefit, for which the retirement fund holds an insurance policy;
- (i) report by a valuator” means a written report, prepared and signed by a valuator, valuing the assets of the retirement fund and determining the technical provisions of the fund, and on the financial soundness requirement of the retirement fund since the last actuarial valuation;
- (j) “solvency” means a funding ratio of at least 100%;
- (k) “technical provisions” means
  - (i) the systematic determination of accrued liabilities for retirement and other benefits;
  - (ii) the concomitant prudent investment of accruing contributions and investment income in assets; and
  - (iii) the systematic determination of contribution rates sufficient to fund emerging benefits in accordance with this Standard RF.S.5.5;

all so as to ensure the ongoing solvency of the retirement fund and the fulfilment of members’ reasonable benefit expectations;
- (l) “total liabilities” means the sum of the liabilities in respect of accrued benefits referred to above in the definition of “technical provisions” and the current liabilities of the fund.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following-
  - (a) as defined in section 1 of the Act:
    - (viii) NAMFISA;
    - (ix) retirement fund;
    - (x) valuator
  - (b) as defined in section 249 of the Act:
    - (iii) defined benefit fund;
    - (iv) defined contribution fund;
    - (v) employer;
    - (vi) fair value;
    - (vii) fund;
    - (viii) member;
    - (ix) retirement benefits; and
    - (x) sponsor;

### **Applicability**

This Standard shall apply to all retirement funds registered under the Act.

This Standard is not exhaustive and should be read in conjunction with the Act and Regulations and Standards made under the Act relevant to the determination of the financial position of the fund, or guidelines which NAMFISA may issue from time to time.

### **Requirements for the soundness of the financial position**

A retirement fund meets the financial soundness requirement if: -

the funding ratio is at least 100%; and

- (a) the rates of contributions to the fund are such that the condition in clause 4(a) can be expected to be met for the period for which the contribution schedule is in force.
1. The board must prepare, and from time-to-time review and if necessary, revise a written statement of financial soundness principles for ensuring that the financial soundness requirement is met.
  2. The statement of financial soundness principles must, at a minimum, include:
    - (a) the method and assumptions to be used in calculating the fund's technical provisions and rates of contributions and confirmation that both are based on the same method and assumptions; otherwise, any differences must be explained; and
    - (b) the period within which, and the manner in which, failure to meet the financial soundness requirement is to be rectified.
  3. To determine whether the retirement fund meets the financial soundness requirement, the board must:
    - (a) in the case of a defined benefit fund, obtain a report by a valuator at intervals of not more than three years;
    - (b) in the case of a defined contribution fund, obtain a report by a valuator at intervals of not more than three years, unless such defined contribution fund has been exempted from requiring regular investigations by a valuator.
  4. The report by a valuator must be submitted to NAMFISA within 180 days of the financial year end of the retirement fund.
  5. In determining whether the retirement fund meets the financial soundness requirement, the assets of the retirement fund exclude:
    - (a) assets that are prohibited by the provisions of the Regulation/s for investments; and
    - (b) where the valuator deems it appropriate, any rights under an insurance policy or annuity contract.
  6. In determining whether the retirement fund meets the financial soundness requirement, the total liabilities of the retirement fund are:
    - (a) any liabilities in relation to the accrued benefits of members; and
    - (b) current liabilities.
  7. Where the valuator has excluded any rights under an insurance policy or annuity contract in terms of clause 9(b), the liabilities secured by the insurance policy shall be disregarded for the purposes of clause 10(a).
  8. The assets and total liabilities of the retirement fund shall be valued by reference to the same date.
  9. In the case of a defined contribution fund, the actuarial value of the assets shall be the fair value of assets.
  10. In the case of a defined benefit fund, the actuarial value of the assets:
    - (a) must be consistent with the basis used to determine the liabilities and contribution rates as per the technical provisions and clauses 16, 18, 19 and 20; and
    - (b) must be compared with the fair value of the assets on the valuation date.
  11. In the case of a defined contribution fund, the technical provision for any individual member is equal to the member's individual account. The technical provisions for the retirement fund are the aggregate of the technical provisions of all the individual members of the retirement fund.

1. In determining the technical provisions of a retirement fund that is a defined benefit fund, the fund and its valuator must use a generally accepted actuarial valuation method (e.g., the projected unit credit method or a variant thereof, or the projected the accrued benefits funding method) as stipulated in the board's statement of financial soundness principles, using prudent assumptions.
12. In determining the technical provisions of a defined contribution fund, the fund and its valuator must use a generally accepted actuarial valuation method appropriate to the liabilities and costs for which the technical provisions are required and as stipulated in the board's statement of financial soundness principles.
13. In adopting the projected unit credit method or the projected accrued benefits funding method, the board of the retirement fund should consider:
  - (a) taking into account expected future salary increases of members;
  - (b) how the application of the method may affect the incidence of the required future contributions to the retirement fund;
  - (c) the total liabilities in respect of all members of the retirement fund;
  - (d) the current and future demographics of the retirement fund;
  - (e) the ability and willingness of the sponsoring employer to make advance provision for future adverse events in the technical provisions; and
  - (f) the allowance for expenses.
14. In determining the assumptions to be used, the board and the valuator must have regard to the following principles:
  - (a) the assumptions must be chosen prudently, taking into account, appropriate margins for adverse deviation;
  - (b) the rates of interest used to discount future payments of retirement and other benefits must be chosen prudently and consistent with the manner in which the valuation of assets is made;
  - (c) the mortality and demographic assumptions must be based on prudent principles, having regard to the current and expected characteristics of the members of the fund;
  - (d) the evidence for, and rationale supporting each assumption; and
  - (e) sensitivity of the technical provisions to the assumptions.
15. Any change in the method or assumptions used in determining the technical provisions of the retirement fund must be justified by a change in legal, demographic or economic circumstances.
2. Where the funding ratio of a fund is less than 100%, the board, with the approval of the valuator, must notify NAMFISA and the sponsoring employer(s) of such funding ratio, and must further either:
  - (a) instruct the sponsoring employer(s) to make a payment into the fund within a period not in excess of three (3) months that will suffice to ensure that the funding ratio is at least 100%; or
  - (b) with the approval of the sponsoring employer(s), the valuator and NAMFISA, develop and undertake, within a period not in excess of three (3) months, a rehabilitation plan that, in the opinion of the valuator, may be regarded as reasonably certain to ensure that the funding ratio will be at least 100% within a specific timeframe, which timeframe must not exceed five (5) years.

16. A copy of the rehabilitation plan referred to in clause 21(b) must be submitted to NAMFISA within a period of three (3) months from the date of notification referred to in clause 21.
17. The rehabilitation plan must:
  - (a) state the timeframe within which the funding ratio of the retirement fund will be restored to 100%, which timeframe is subject to clause 21(b)21(b);
  - (b) state whether the underfunding of the retirement fund will be rectified by:
    - (i) an increase in contributions;
    - (ii) periodic payments by the employer;
    - (iii) any other method, which method must be adequately explained; or
    - (iv) a combination of (i), (ii) and (iii); and
  - (c) include the valuator's certification of the rehabilitation plan as per Schedule 1.
18. In preparing or revising a rehabilitation plan, the board, with the approval of the valuator, must take account of the following matters –
  - (a) the asset and liability structure of the retirement fund;
  - (b) its risk profile;
  - (c) its liquidity requirements;
  - (d) the age profile of the members; and
  - (e) in the case of a fund under which the rates of contributions payable by the employer are determined –
    - (i) by or in accordance with the advice of a person other than the board; and
    - (ii) without the agreement of the employer;the recommendations of that person.
19. NAMFISA may require a rehabilitation plan to be revised from time to time, and where NAMFISA has issued a directive under section 412 of the Act as to the period within which and as to the manner in which, a failure to meet the financial soundness requirement is to be remedied, the rehabilitation plan must be reviewed, and if necessary revised within a specified period determined by NAMFISA.
20. A rehabilitation plan may be reviewed, and if necessary revised, where the board considers it appropriate.
21. A rehabilitation plan must specify the date on which it was prepared, or, if it has been revised, the date on which it was last revised.
22. A copy of any rehabilitation plan sent to NAMFISA by the board must be accompanied –
  - (a) in a case where the plan has been prepared or revised following a report by a valuator, by a summary of the information contained in the report; and
  - (b) in a case where the plan has been revised in the circumstances described in clause 26, by an explanation of the reasons for the revision.

## **SUPPORTING SCHEDULES**

The following supporting schedules are attached to and form part of this Standard:



**Schedule 1**

Form A Form of valuator's certification of rehabilitation plan

**SCHEDULE 1****VALUATOR'S CERTIFICATES****Form of valuator's certification of rehabilitation plan***Name of fund***Rehabilitation plan**

I, undersigned, certify that, in my opinion, the rehabilitation plan dated [dd/mm/yyyy] is expected to restore the funding ratio of the fund to 100% by [dd/mm/yyyy].

The certification of the adequacy of the rates of contributions [and/or] payments by the employer to the fund for the purpose of ensuring that the funding ratio is restored to 100%, is not a certification of their adequacy for the purpose of securing the fund's liabilities by the purchase of annuities, if the fund were to be wound up.

\_\_\_\_\_  
SIGNATURE\_\_\_\_\_  
DATE\_\_\_\_\_  
FULL NAME IN PRINT\_\_\_\_\_  
QUALIFICATIONS\_\_\_\_\_  
ADDRESS  
(If applicable)\_\_\_\_\_  
NAME OF VALUATOR'S  
EMPLOYER**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****RETIREMENT FUNDS****REQUIREMENTS FOR THE VOLUNTARY TERMINATION OR DISSOLUTION  
OF A FUND PURSUANT TO SECTION 278 AND IN THE CIRCUMSTANCES  
SPECIFIED IN ITS RULES****Standard No. RFS.5.6**

*issued by NAMFISA under sections 278 and 410(6)(p) of the  
Financial Institutions and Markets Act, 2021*

**Definitions**

1. (1) In this Standard, "Act" means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following-
  - (a) as defined in section 1 of the Act-

- (i) Appeal Board;
  - (ii) NAMFISA;
  - (iii) NAMFISA Act;
  - (iv) principal officer;
  - (v) retirement fund; and
  - (vi) valuator
- (b) as defined in section 249 of the Act-
- (a) board;
  - (b) employer;
  - (c) fund;
  - (d) member;
  - (e) rules; and
  - (f) sponsor.

### **Applicability**

2. This Standard applies to every retirement fund registered under the Act, to the board and principal officer of such retirement fund and to a liquidator appointed under clause 5.

### **Requirements for the voluntary dissolution of a fund**

3. The rules of a retirement fund must provide procedures for the voluntary dissolution of the retirement fund.
4. A retirement fund may be terminated or dissolved, wholly or in part, in the manner directed by its rules.
5. A liquidator from the list maintained by NAMFISA pursuant to clause 7 must be appointed for the retirement fund in the manner directed by its rules, or, if the rules do not contain directions as to such appointment, by the board of the fund, but such appointment is subject to the further approval of NAMFISA as provided for in clause 7, and the period of dissolution shall be deemed to commence as from the date of such approval.
6. The remuneration of the liquidator shall be paid from the assets of the fund, and a copy of the resolution of the board of the fund approving the dissolution of the fund and the remuneration of the liquidator must be submitted to NAMFISA and kept with the records of the fund.
7. NAMFISA may maintain a list of persons, approved by NAMFISA, as suitable to act as liquidators of retirement funds, but notwithstanding that a person has been approved for the list, the appointment of the person as liquidator for a particular retirement fund is subject to the further approval of NAMFISA, and NAMFISA may, in its discretion, refuse to grant that approval.
8. Until such time as the fund is finally dissolved, the provisions of the Act shall continue to apply to the fund as if the liquidator is the board of the fund.
9. The liquidator must, as soon as possible but within ninety calendar days from the date of the approval of his or her appointment, deposit with NAMFISA the preliminary accounts in the form of Forms A to D of Schedule 1, attached to this Standard, signed and certified as correct by the liquidator and showing:
  - (a) the assets and liabilities of the fund as at the date of commencement of the dissolution and the manner in which it is proposed to realize the assets and to discharge the liabilities of the fund, including any liabilities and contingent liabilities to or in respect of members; or

- (b) in the case of the partial dissolution of the fund, the assets and liabilities of the fund attributable to the members connected to the participating employer whose withdrawal from the fund has caused its partial dissolution.
- 10. In discharging the liabilities and contingent liabilities to or in respect of members referred to in clause 9(a), full recognition must be accorded to-
  - (a) the rights and reasonable benefit expectations of the members and other beneficiaries; and
  - (b) any additional benefits, the payment of which by the fund has become an established practice.
- 11. NAMFISA may, at its discretion, direct the liquidator to submit a report on the preliminary accounts referred to in clause 9, drawn up by an independent valuator or other competent person nominated or approved by NAMFISA.
- 12. The preliminary accounts and report (if any) referred to in clauses 9 and 11 must be open for inspection by members of the retirement fund and the public for a period of thirty calendar days at the office of NAMFISA, the office of the employer if applicable, and at the principal office of the fund.
- 13. The liquidator must publish a notice, at the cost of the fund, in the Government Gazette and in a national or regional/local newspaper in the English language or, if the liquidator deems it necessary in the circumstances, in any other language, circulating in the district in which the principal office of the fund and/or the employer is situated, stating the period during which and the places at which the preliminary accounts and report (if any) shall be open for inspection by members of the fund and the public, which period shall be thirty calendar days as contemplated in clause 12.
- 14. The notice referred to in clause 13 must state that any member or other person who has any objection to the preliminary accounts and report (if any) may lodge their objections in writing with NAMFISA within the period stated in the notice, which period shall be thirty calendar days, calculated from the last day on which those documents are open for inspection.
- 15. If, in the case of a particular fund or a particular participating employer whose withdrawal from the fund has caused its partial dissolution, NAMFISA is satisfied on reasonable grounds that there exist special circumstances which justify an exemption from the provisions of clauses 13 and 14, NAMFISA may, having due regard to the rights of members of the fund and other interested persons, exempt the fund from all or any of the provisions of clauses 13 and 14 and any such exemption shall be subject to the conditions determined from time to time by NAMFISA.
- 16. Before granting an exemption under clause 15, NAMFISA must have regard to:
  - (a) the number of members and beneficiaries in the fund;
  - (b) the size of the assets of the fund;
  - (c) the probable cost of publishing notices relative to the financial resources of the fund as shown in the preliminary accounts and report (if any) submitted pursuant to clauses 9 and 11; and
  - (d) the steps taken by the liquidator:
    - (i) to notify members, beneficiaries and other interested parties, in so far as they can be reasonably ascertained, of the contents of the preliminary accounts; and

- (ii) to ascertain whether there are any objections to distribution on the basis of such accounts.
- 17. If no objections are lodged with NAMFISA pursuant to clause 14, and NAMFISA is satisfied with the preliminary accounts, NAMFISA may direct the liquidator to complete the dissolution.
- 18. If objections are lodged with NAMFISA pursuant to clause 14, NAMFISA may, after considering the objections, direct the liquidator to amend the preliminary accounts or give such other directives relating to the dissolution as NAMFISA deems fit, provided such directives are not inconsistent with the rules of the fund or this Standard, and any such directive shall be binding upon the liquidator.
- 19. The liquidator must forthwith upon the receipt of any directive of NAMFISA pursuant to clause 18, send a copy of the directive to every member, beneficiary (where applicable), shareholder (where applicable) and creditor of the fund if it is practically possible, else publish a notice of the directive, at the cost of the fund, in a national or regional/local newspaper in the English language or, if the liquidator deems it necessary in the circumstances, in any other language, and the liquidator or any person aggrieved by any such directive may appeal to the Appeal Board in terms of section 39 of the NAMFISA Act.
- 20. If NAMFISA is satisfied that its directives, in so far as they have not been varied or set aside by the Appeal Board or court, have been given effect by the liquidator, NAMFISA may direct the liquidator to complete the dissolution.
- 21. Not later than 30 calendar days after completion of the dissolution, the liquidator must lodge with NAMFISA the final accounts in the form of Forms A to D of Schedule 1 signed and certified as correct by the liquidator and showing:
  - (a) the assets and liabilities of the fund, as at the commencement of the dissolution, or, in the case of the partial dissolution of the fund, those assets and liabilities of the fund which, at the commencement of the dissolution, were attributable to the members connected to the participating employer whose withdrawal from the fund has caused its partial dissolution; and
  - (b) the manner in which the assets have been realized and the liabilities (including any liabilities and contingent liabilities to or in respect of members) have been discharged.
- 22. Before the liquidator effects payments of any amounts to members and beneficiaries of a fund, the preliminary accounts and report (if any) specified in clauses 9 and 11 or such other information as may be acceptable to NAMFISA must have been submitted to NAMFISA.
- 23. All claims against the fund must be proved to the satisfaction of the liquidator, and the liquidator may require any claim to be made on affidavit.
- 24. If satisfied that the accounts prepared by the liquidator in respect of the fund are correct and that the dissolution has been completed, NAMFISA must:
  - (a) cancel the registration of the fund, in the case where the fund is wholly terminated, and thereupon the fund must be deemed to be terminated and dissolved; or
  - (b) in the case of the partial dissolution of the fund, confirm the completion of the partial dissolution of the fund.
- 25. NAMFISA may exempt a fund from:
  - (a) the provisions of clause 21; or
  - (b) the provisions of clauses 5 to 9, 11 to 20, 22 to 24 and 33 to 43, provided the conditions of clause 26 and 27 are respectively met.

26. In order to obtain an exemption under clause 25(a) from the requirements of clause 21 to submit final accounts, the liquidator must confirm to NAMFISA that the dissolution has been completed in accordance with the requirements of this Standard and that all benefits have been paid to the members and their beneficiaries.
27. In order to obtain an exemption under clause 25(b), on the date that the board of the fund passes a resolution to dissolve or partially dissolve the fund, the following conditions must apply:
- (a) the average benefit per member is less than N\$50 000;
  - (b) the fund or the withdrawing participating employer does not have more than 50 members or employees, as applicable; and
  - (c) the fund or the withdrawing participating employer has assets of less than N\$5 million,
- but NAMFISA may, in its discretion, grant such exemption if either of these conditions are not met.
28. (a) In the event that an exemption is granted pursuant to clause 25(b), the fund must comply with the conditions of this clause and clauses 29 and 30.
- (b) The board of the fund must inform NAMFISA of the name and contact details of the person who will be responsible for managing the dissolution of the fund.
- (b) the person referred to in sub-clause 28(b) will be deemed to be the liquidator of the fund, however such person will not perform the role of the board of the fund as contemplated in clause 8.
- (d) Effective on the date on which an exemption under clause 25(b) is granted, the person referred to in sub-clause 28(b) must at least every 90 calendar days, submit a written report to NAMFISA containing the following information:
- (i) the method used to calculate benefits;
  - (ii) communications to members and beneficiaries;
  - (iii) any outstanding tax issues;
  - (iv) the death and any other termination of membership of any member subsequent to the date on which the exemption was granted;
  - (v) the manner in which objections to the benefit calculations were resolved;
  - (vi) payments of benefits; and
  - (vii) payment/treatment of unclaimed benefits, if any.
29. All benefits must be paid to members and beneficiaries within six months from the date on which NAMFISA granted the exemption under clause 25(b), and any unclaimed benefits must be paid either into the Guardian's Fund [or such other fund as may be designated for this purpose by the Minister].
30. A declaration that the retirement fund has no remaining members, assets or liabilities must be submitted to NAMFISA by the liquidator within 30 calendar days after the final distribution of member and beneficiary benefits, including unclaimed benefits, and must be accompanied by an application for the cancellation of the registration of the fund.
31. NAMFISA may withdraw an exemption granted under clause 25(a) or (b) where the members and beneficiaries of the fund or the withdrawing participating employer have been

- prejudiced as a result of the exemption granted, and in the case of an exemption granted under clause 25(b), where the requirements outlined in clauses 28, 29 and 30 have not been met.
32. The provisions of this Standard shall not apply to a fund if the total or partial dissolution of the fund is a result of an amalgamation or transfer approved by NAMFISA pursuant to Part 8 of Chapter 10 of the Act.
33. A fund undergoing voluntary dissolution according to its rules, must prepare and submit to NAMFISA financial statements current to the day preceding the date on which the appointment of the liquidator is approved by NAMFISA under clause 5 or the date on which NAMFISA grants an exemption from the provisions of this Standard under clause 25(b).
34. In the event that the period following:
- (a) the date on which the most recent annual financial statements were submitted to NAMFISA by the retirement fund up to and including the date on which the appointment of the liquidator is approved by NAMFISA under clause 5; or
  - (b) the date an exemption is granted under clause 25(b),
- exceeds 6 months, new financial statements must be prepared and submitted to NAMFISA.
35. Where the period referred to in clause 34 is less than 6 months, the financial statements may be included with those for the preceding financial year, provided that the total period covered by such financial statements does not exceed 18 months.
36. Notwithstanding clause 35, where the financial statements for the most recent financial year have been finalized and the period between the immediately preceding year-end and the date of appointment of the liquidator does not exceed 6 months, no further financial statements need be submitted.
37. Where the financial period of a retirement fund has been changed as a result of the provisions of clause 35 or 36, the rules of the fund need not be amended to provide for such a change in year-end.
38. In exercising its powers and functions under this Standard, NAMFISA may request any additional information not provided for in this Standard that NAMFISA considers necessary or desirable.
39. In order to be approved by NAMFISA to act as liquidator of a retirement fund and added to the list pursuant to clause 7, a person must submit an application to NAMFISA in the form of Form A of Schedule 2.
40. Upon the appointment of a liquidator by a retirement fund and the acceptance by the liquidator of the appointment, the following documents must be submitted to NAMFISA:
- (a) an application in the form of Form B of Schedule 2 completed by the board of the fund;
  - (b) an application in the form of Form C of Schedule 2 completed by the appointed liquidator; and
  - (c) a copy of the board resolution approving the dissolution of the fund and the appointment of the liquidator.
41. Where for any reason it is necessary to replace a liquidator, the replacement liquidator appointed by the fund must submit to NAMFISA an application in the form of Form C of Schedule 2, together with the following information:
- (a) the reasons for the replacement of the liquidator;

- (b) confirmation that the members have been informed of the replacement of the liquidator; and
  - (c) confirmation that all the relevant documentation relating to the dissolution has been made available to the newly appointed liquidator, where applicable.
42. In order for a retirement fund to obtain an exemption under clause 15 from the requirements of clauses 13 and 14, the liquidator must submit an application to NAMFISA in the form of Form F of Schedule 2, together with written declarations, in the form set out in Form E of Schedule 2 of all members and beneficiaries of the fund to the effect that the members and beneficiaries are satisfied with the relevant dissolution and distribution accounts and have approved the accounts accordingly.
  43. In order to obtain an exemption under clause 25(a) from the requirements of clause 21 to submit final accounts, the liquidator must submit to NAMFISA an application in the form of Form G of Schedule 2.
  44. In order to obtain an exemption under clause 25(b), a retirement fund must submit to NAMFISA an application in the form of Form D of Schedule 2.
  45. Following the granting of an exemption under clause 25(b), the board of a fund must inform NAMFISA of the name and contact details of the person who will be responsible for managing the dissolution of the fund in the form set out in Form D of Schedule 2.
  46. A declaration of the liquidator made under clause 30 must be accompanied by an application for the cancellation of the registration of the fund in the form of Form J of Schedule 2.
  47. Before NAMFISA may cancel the registration of a fund or participating employer pursuant to clause 24, the liquidator must submit an application to NAMFISA in the form of Form I of Schedule 2.

## 1. SUPPORTING SCHEDULES

The following supporting schedules are attached to and form part of this Standard:

### Schedule 1

Form A	Preliminary/Final Dissolution Accounts
Form B	Preliminary/Final Dissolution Accounts
Form C	Preliminary/Final Dissolution Accounts
Form D	Preliminary/Final Dissolution Accounts

### Schedule 2

Form A:	Application to be added to the panel of liquidators approved by NAMFISA to act as liquidators of a fund pursuant to clause 7.
Form B:	Application by the board of a fund for the approval of the appointment of a liquidator pursuant to clause 40
Form C:	Application by the liquidator to be appointed to a fund or employer participating in a fund pursuant to clause 40
Form D:	Application for an exemption pursuant to clause 25(b)
Form E:	Declaration by members and beneficiaries – Application for an exemption from the requirement to advertise and provide for the inspection of dissolution accounts pursuant to clause 15
Form F:	Application for partial exemption from the requirement to advertise and provide for the inspection of dissolution accounts pursuant to clause 15

Form G: Declaration by the liquidator – application for partial exemption from submitting final accounts pursuant to clause 25(a)

Form I: Application for cancellation of registration or confirmation of the completion of the partial dissolution of the fund pursuant to clause 47

### Schedule 1

<b>FORM A</b>
<b>PRELIMINARY/FINAL DISSOLUTION ACCOUNTS pursuant to clause 9 and clause 21 of Standard No. RF.S.5.6. made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)</b>

..... (name of fund)

REGISTRATION NUMBER: 25/7/7/.....

Preliminary/Final Statement of Funds and Net Assets at the commencement of the dissolution as  
on ..... (date)



**1. FUNDS**

1.1	ACCUMULATED FUNDS	.....	
1.1.1	Pension	.....	
1.1.2	Provident	.....	
1.1.3	Retirement Annuity	.....	
1.1.4	Benefit	.....	
1.2	RESERVE ACCOUNTS	.....	
1.2.1	Reserve	.....	
1.2.2	Pensioner reserves	.....	
1.2.3	Other reserves	.....	.....

TOTAL FUNDS AND RESERVES .....

**2. FIXED ASSETS AND INVESTMENTS** .....

2.1	FIXED ASSETS	.....	
2.2	INVESTMENTS	.....	
2.3	CURRENT ASSETS	.....	
2.3.1	Accounts receivable	.....	
2.3.2	Income accrued	.....	
2.3.3	Arrear contributions	.....	
2.3.4	Cash at bank	.....	
2.3.5	Other (specify)	.....	.....

TOTAL ASSETS .....

**3. LESS: LIABILITIES** .....

3.1.	LONG TERM LIABILITIES	.....	
3.1.1	(Specify)	.....	
3.1.2	(Specify)	.....	
3.2.	CURRENT LIABILITIES	.....	.....
3.2.1	Contributions in advance	.....	
3.2.2	Accounts payable	.....	
3.2.3	Benefits due	.....	
3.2.4	Bank overdraft	.....	
3.2.5	Other (specify)	.....	.....

**NET ASSETS**

.....

Certified correct ..... (Liquidator)

Place ..... Date .....

**FORM B**

**PRELIMINARY/FINAL DISSOLUTION ACCOUNTS pursuant to clause 9 and clause 21 of Standard No. RF.S.5.6. made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)**

..... (name of fund)

REGISTRATION NUMBER: 25/7/7/.....

Preliminary/Final Realisation Account at ..... (date)

**1. RECEIPTS**

(Details of amounts realized by assets in accordance with the Preliminary/Final Statement of Funds and Net Assets as per Form A)

Description	Value as per statement	Realisable value
.....	.....	.....
.....	.....	.....
Other receipts		<u>.....</u>
.....	.....	
.....	.....	

**2. LESS: LIABILITIES**

(Details from the Preliminary/Final Statement of Funds and Net Assets in Form A)

Description	
.....	.....
.....	.....
.....	<u>.....</u>

**DISTRIBUTION ACCOUNT AS PER FORM C**

N\$ .....

Certified correct ..... (Liquidator)

Place .....

Date .....

**FORM C**

**PRELIMINARY/FINAL DISSOLUTION ACCOUNTS pursuant to clause 9 and clause 21 of Standard No. RF.S.5.6. made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)**

..... (name of fund)

REGISTRATION NUMBER: 25/7/7/.....

Preliminary/Final Distribution Account at ..... (date)

**1. BASIS OF DISTRIBUTION:**

(Concise description of the basis of distribution to beneficiaries, with reference to the rule in terms of which the fund is being dissolved and the rule (if any) under which the distribution is being made. Particular reference must be made to the vested rights of retirement benefits of retired members.)

**2. SCHEDULE OF DISTRIBUTION:**

PARTICULARS OF BENEFICIARIES				DATES OF MEMBERSHIP		PAYMENT
<u>NR</u>	<u>SURNAME</u>	<u>INITIALS</u>	<u>ID NUMBER</u>	<u>COMMENCED</u>	<u>CEASED</u>	<u>N\$</u>

Total as per Preliminary/Final realization account in Form B	N\$
--	-----

Certified correct ..... (Liquidator)

Place ..... Date .....

**FORM D**

**PRELIMINARY/FINAL DISSOLUTION ACCOUNTS pursuant to clause 9 and clause 21 of Standard No. RF.S.5.6. made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)**

..... (name of fund)

REGISTRATION NUMBER: 25/7/7/.....

1. Number of members
    - 1.1 Active .....
    - 1.2 Retired .....
      - 1.2.1 Current .....
      - 1.2.2 Deferred members .....
    - 1.3 Dependents and nominees in receipt of regular payments .....
- TOTAL** .....

2. The number of members (including retired members) at the date of dissolution of the fund .....
3. Highest number of members (including retired members) during the 12 months preceding the date of dissolution .....
4. The reason(s) for the difference in 2 and 3 above:  
.....  
.....  
.....

**Note:** Submit in duplicate on a separate page only with the Final Dissolution Accounts.

Certified correct ..... (Liquidator)

Place .....

Date .....

## SCHEDULE 2

<b>FORM A</b>			
<b>APPLICATION TO BE ADDED TO THE LIST OF LIQUIDATORS APPROVED BY NAMFISA TO ACT AS LIQUIDATORS OF FUNDS</b>			
<b>pursuant to clause 7 of Standard No. RF.S.5.6. made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)</b>			
I, hereby apply to be added to the panel of liquidators approved by NAMFISA to perform dissolutions of funds, pursuant to clause 7 of Standard No.RF.S.5.6.			
1.	Surname:		
2.	Full Names		
3.	Identity / passport Number		
4.	Postal address:		
5.	Registered address (domiculum citandi et executandi) where documents and records will be kept in safe custody or where legal documents can be served:		
6.	Telephone number:		
7.	Cell phone number:		
8.	E-mail address:		
		<b>Yes/ No</b>	<b>Comments</b>
9.	Are you fully conversant with the provisions of the Act, Regulations and Standards as well as the relevant requirements, policies and procedures in respect of the dissolution of funds?		
10.	Have you ever been convicted of an offence resulting from dishonesty, fraud or embezzlement? If so, give details:		

11.	Has your estate ever been sequestrated or a business in which you had a financial interest been dissolved? Are you a rehabilitated insolvent? If so, kindly provide details.		
12.	Have you been involved as a controlling shareholder or director of a company or close corporation at the time it was placed under judicial management or in liquidation/dissolution?		
13.	Have you been subject to disciplinary proceedings by an employer or regulatory body? If so, kindly provide details.		
14.	Have you ever been barred from entry into any profession or occupation? If so, kindly provide details.		
15.	What experience have you had in the liquidation/dissolution of a retirement fund or other financial institution? Describe		

A copy of my Curriculum Vitae in relation to retirement funds is attached hereto.  
 I hereby certify that the abovementioned information is true, correct and complete and further undertake to advise NAMFISA of any important changes to the above information.  
 I hereby agree that NAMFISA may perform reference checks and verification of qualifications, as well as require me to submit a police clearance certificate to NAMFISA.

SIGNATURE OF APPLICANT		DATE
FULL NAMES IN BLOCK LETTERS		

#### FORM B

#### APPLICATION BY THE BOARD OF A FUND FOR THE APPROVAL OF THE APPOINTMENT OF A LIQUIDATOR

**pursuant to clause 5 and clause 40(a) of Standard No. RF.S.5.6. made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)**

Name of Fund:			
Fund Registration Number:			
Name of participating employer (where applicable):			
Reference number of participating employer (where applicable):			
Rule Reference number:			
Full Name of Liquidator:			
Identity / passport number of Liquidator:			
	<table border="1"> <tr> <th>Yes/No</th> <th>Comments</th> </tr> </table>	Yes/No	Comments
Yes/No	Comments		

1.	Are the rules and all rule amendments, in respect of the fund or relevant participating employer submitted?		
2.	Are all transfers in respect of the fund or relevant participating employer until the date of appointment of the Liquidator approved?		
3.	Are all valuation reports submitted?		
4.	Are all financial statements submitted?		
5.	Are there any arrear contributions or penalty interest outstanding?		
6.	Are there any unclaimed benefits in the fund?		
7.	Are there any outstanding tax liabilities?		
8.	What is the average benefit per member of the fund or participating employer as at date of the application?		
9.	What is the number of members participating in the fund or participating employer as at date of the application?		
10.	What is the total value of the assets of the fund or participating employer as at date of the application?		
Kindly provide any additional information, of which you are aware and which may be of assistance to NAMFISA: ..... .....			
We, the board of the Fund hereby confirm that we have considered the fit and proper requirements in connection with the Liquidator and confirm that we are satisfied with such appointment.			
<b>SIGNATURE OF CHAIRPERSON</b>		<b>SIGNATURE OF BOARD MEMBER</b>	
<b>FULL NAMES IN BLOCK LETTERS</b>		<b>FULL NAMES IN BLOCK LETTERS</b>	
<b>DATE</b>		<b>DATE</b>	
<b>SIGNATURE OF PRINCIPAL OFFICER</b>			

<b>FULL NAMES IN BLOCK LETTERS</b>		
<b>DATE</b>		

**Note:** The duly signed board resolution by a properly constituted board of trustees must be attached hereto.

<b>FORM C</b>	
<b>APPLICATION BY THE LIQUIDATOR TO BE APPOINTED TO A FUND OR PARTICIPATING EMPLOYER PARTICIPATING IN A FUND</b>	
<b>pursuant to clause 5 and clause 40(b) of Standard No. RF.S.5.6. made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)</b>	
Name of Fund:	
Fund Registration Number:	
Name of participating employer (where applicable):	
Reference number of participating employer (where applicable):	
Full Names of Liquidator:	
Identity / passport number of Liquidator:	
1	<p>I have not been involved in the management, administration, valuation or auditing of the abovementioned Fund/ participating employer, except for the following (where applicable):</p> <p>.....</p> <p>.....</p>
2.	<p>My appointment would not cause any conflict of interest in performing my duties as Liquidator of the Fund, except for the following (where applicable):</p> <p>.....</p> <p>.....</p>
3.	<p>I am aware of the provisions of clause 5 of Standard No. RF.S.5.6 whereby I will be appointed in my personal capacity and will take responsibility for the Fund/participating employer in the place of the board of the Fund and undertake to safeguard the assets of the Fund;</p>
4.	<p>I will discharge my duty to the best of my ability and act in the best interest of members of the Fund / participating employer;</p>
5.	<p>All information previously provided and my declaration made in respect of my application to be added to the list of liquidators approved by NAMFISA to act as liquidators of funds (Form A) have/has not materially changed. Provide details in respect of any material changes: .....</p> <p>.....</p> <p>.....</p>
<p>I hereby certify that the abovementioned information is true, correct and complete and further undertake to inform NAMFISA about any important changes to the above information.</p> <p>.....</p> <p>.....</p>	

LIQUIDATOR AS APPLICANT		FULL NAMES IN BLOCK LETTERS
DATE		

<b>FORM D</b>				
<b>APPLICATION FOR AN EXEMPTION</b> pursuant to clause 25(b) and clause 45 of Standard No. RF.S.5.6. made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021) (the “Act”)				
Name of Fund:				
Fund Registration Number:				
Name of participating employer (where applicable):				
Reference number of participating employer (where applicable):				
Rule Reference number:				
		Yes/No	Comments	Amount, if any (applicable to questions 5-13)
1.	Are the rules and all rule amendments, in respect of the fund or relevant participating employer submitted?			
2.	Are all transfers in respect of the fund or relevant participating employer until the date of appointment of the Liquidator approved?			
3.	Are all valuation reports submitted?			
4.	Are all financial statements submitted?			
5.	Are there any arrear contributions or penalty interest outstanding? (If yes, please disclose amounts)			
6.	Are there any unclaimed benefits in the fund? If yes, please disclose amount)			
7.	Are there any outstanding tax liabilities? (If yes, please disclose amount)			
8.	Are there any NAMFISA fees, penalties or levies outstanding? (If yes, please disclose amount)			
9.	What is the average benefit per member of the fund or participating employer as at date of the application? (Please disclose amount)			
10.	What is the number of members participating in the fund or participating employer as at date of the application? (Please disclose amount)			
11.	What is the total value of the assets of the fund or participating employer as at date of the application? (Please disclose amount)			



12	Are there any housing loans and/or guarantees outstanding? (If yes, please disclose amounts)			
13	Does the Fund have any litigation procedures pending? (If yes, please disclose amounts of expected claims and costs)			
Kindly provide any additional information, of which you are aware and which may be of assistance to NAMFISA:				
.....				
.....				
Details in respect of the person responsible for the dissolution of the Fund/Participating Employer:				
1.	Full names:			
2.	Identity Number:			
3.	Postal address:			
4.	Registered address (domiculum citandi et executandi) where documents and records will be kept in safe custody or where legal documents can be served:			
5.	Telephone number:			
6.	Cell phone number:			
7.	E-mail address:			
<p>We, the board of the Fund / participating employer hereby apply for exemption pursuant to clause 44 of Standard No. RF.S.5.6 for the assets to be distributed under the supervision of the board of the Fund.</p> <p>We further confirm that we are aware that the board of the Fund will remain responsible to ensure that the dissolution of the Fund / participating employer is dealt with appropriately.</p> <p>We hereby confirm that we have considered the fit and proper requirements in connection with the person mentioned above and confirm that we are satisfied with the appointment and undertake that all assets of the Fund/participating employer will be safeguarded and distributed in terms of the rules of the Fund.</p>				
SIGNATURE OF CHAIRPERSON		SIGNATURE OF BOARD MEMBER		
FULL NAMES IN BLOCK LETTERS		FULL NAMES IN BLOCK LETTERS		
DATE		DATE		

<b>FORM E</b>	
<b>DECLARATION BY MEMBERS AND BENEFICIARIES – APPLICATION FOR EXEMPTION FROM THE REQUIREMENT TO ADVERTISE AND PROVIDE FOR THE INSPECTION OF DISSOLUTION ACCOUNTS</b>	
<b>pursuant to clauses 15 and 42 of Standard No. RFS.5.6. made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021) (the “Act”)</b>	
Name of Fund:	
Fund Registration Number:	
Name of participating employer (where applicable):	
Reference number of participating employer (where applicable):	
<b>Detail of Member/Beneficiary of the Fund:</b>	
Full Name:	
Identity number:	
Contact number:	
Postal address:	
E-mail address:	
Dissolution benefit as per the dissolution account	
I hereby have no objection to the Fund/participating employer being exempted from the requirement to advertise the relevant preliminary dissolution account and to provide for its inspection.	
I hereby declare that I have examined the preliminary dissolution and distribution account of the above-mentioned Fund / participating employer and have no objection thereto and I accept the dissolution benefit amount as stated above as my full and final dissolution benefit.	
<b>MEMBER/BENEFICIARY</b>	<b>FULL NAMES IN BLOCK LETTERS</b>
<b>DATE</b>	

Note: This form can be customized for bulk submissions without detracting from the content

<b>FORM F</b>	
<b>APPLICATION FOR PARTIAL EXEMPTION FROM THE REQUIREMENT TO ADVERTISE AND PROVIDE FOR INSPECTION OF DISSOLUTION ACCOUNTS</b>	
<b>pursuant to clauses 15 and 42 of Standard No. RFS.5.6. made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021) (the “Act”)</b>	
Name of Fund:	
Fund Registration Number:	
Name of participating employer (where applicable):	
Reference number of participating employer (where applicable):	
Full Names of Liquidator:	
Identity / passport number of Liquidator:	
1.	All members and beneficiaries of the fund/participating employer have been included in the preliminary accounts furnished to NAMFISA and the exemption, if granted, will not be to the prejudice of any member or beneficiary.
2.	I have notified all members, beneficiaries and other interested parties of the contents of the said preliminary dissolution accounts and there were no objections to such accounts.
3.	I have obtained the declarations of all the members and beneficiaries confirming that they have no objection to the abovementioned fund/participating employer being exempted from the requirement to advertise the relevant preliminary dissolution account and to provide for its inspection, and that they have no objection to the abovementioned accounts.

I hereby declare that the abovementioned is true and correct.		
SIGNATURE OF APPROVED LIQUIDATOR		FULL NAMES IN BLOCK LETTERS
DATE		

**FORM G**

**DECLARATION BY THE LIQUIDATOR - APPLICATION FOR PARTIAL EXEMPTION FROM SUBMITTING FINAL ACCOUNTS**  
**pursuant to clause 25(a) and clause 43 of Standard No. RFS.5.6. made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021) (the "Act")**

Name of Fund:	
Fund Registration Number:	
Name of participating employer (where applicable):	
Reference number of participating employer (where applicable):	
Full Names of Liquidator:	
Identity / passport number of Liquidator:	

I, as the approved Liquidator of the abovementioned Fund/ Participating Employer, hereby declare that I have discharged all my duties in respect of the following:

- |    |   |
|----|---|
| 1. | The preliminary dissolution and distribution account and report, specified in clauses 9 and 11 of Standard No. RFS.5.6 have been furnished to NAMFISA and have been approved. |
| 2. | The reason for the application for exemption from the submission of final accounts is:<br>.....<br>.....<br>.....   |

I hereby declare that the abovementioned is true and correct.

SIGNATURE OF APPROVED LIQUIDATOR		FULL NAMES IN BLOCK LETTERS
DATE		

**FORM I**

**APPLICATION FOR CANCELLATION OF REGISTRATION OR CONFIRMATION OF THE COMPLETION OF THE PARTIAL DISSOLUTION OF THE FUND**  
**pursuant to clauses 24 and 47 of Standard No. RFS.5.6. made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)**

Name of Fund:	
Fund Registration Number:	
Name of participating employer (where applicable):	
Reference number of participating employer (where applicable):	
Full Names of Liquidator:	
Identity / passport number of Liquidator:	

Name of Administrator	
I, hereby declare that all benefits have been paid in terms of the dissolution accounts and that there are no members, assets or liabilities remaining in the fund / participating employer and the Fund/participating employer ceased to exist on .../...../ 20.....	
In the case of an application for cancellation where exemption has been obtained for the submission of final accounts pursuant to clauses 21 and 33 of Standard No. RFS.5.6, I, the abovementioned administrator, hereby certify that should any valid claims arise as a result of the dissolution of the fund/participating employer, that I will for a period of three years following the cancellation of the fund, take full responsibility for the payment of any such claims.	
I hereby declare that the abovementioned is true and correct.	
<b>SIGNATURE OF APPROVED LIQUIDATOR / ADMINISTRATOR</b>	<b>FULL NAMES IN BLOCK LETTERS</b>
<b>DATE</b>	

## FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

### RETIREMENT FUNDS

#### MINIMUM BENEFITS THAT A FUND MUST PROVIDE TO ITS MEMBERS

##### Standard No. RFS.5.7

*issued by NAMFISA under section 410(6)(q) of the Financial Institutions and Markets Act, 2021*

#### Definitions

1. (1) In this Standard:
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “commencement date” means the date of coming into force of the Act;
  - (c) “deferred member” means an active member who has not yet retired but has left the service of the employer concerned prior to the retirement date, as defined in the rules of the fund, leaving in the fund the rights of the member to such benefits as may be payable according to those rules;
  - (d) “discretionary benefits” mean any additional benefits in excess of retirement or other benefits awarded to members, spouses or beneficiaries at the discretion of the board;
  - (e) “Income Tax Act” means the Income Tax Act, 1981 (Act No. 24 of 1981);
  - (f) “Magistrates’ Courts Act” means the Magistrates’ Courts Act, 1944 (Act No. 32 of 1944);
  - (g) “Maintenance Act” means the Maintenance Act, 2003 (Act No. 9 of 2003); and
  - (h) “minimum individual reserve” means the reserve determined in accordance with clauses 13 and 14 or clause 15, as applicable.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including, without limitation, the following:
  - (a) “NAMFISA”, as defined in section 1 of the Act;

- (b) “policy benefits”, as defined in section 4 of the Act;
- (c) as defined in section 249 of the Act-
  - (i) board;
  - (ii) defined benefit fund;
  - (iii) defined contribution fund;
  - (iv) employer;
  - (v) fund;
  - (vi) member;
  - (vii) member’s individual account;
  - (viii) retired member;
  - (ix) retirement;
  - (x) retirement fund; and
  - (xi) rules.

### **Applicability**

2. This Standard applies to every retirement fund registered under the Act.

### **Minimum benefits**

3. Every retirement fund shall provide to members the minimum benefits set out in clauses 5 to 11.
4. The benefit paid to a member who ceases to be member of the fund prior to retirement in circumstances other than termination or dissolution of the fund, shall not be less than the minimum individual reserve.
5. (a) Subject to sub-clause 5(b), in the event that a fund is terminated or dissolved pursuant to section 278 of the Act, the benefit paid to a member must not be less than the minimum individual reserve, and except where permitted by Chapter 5 of the Act, the Income Tax Act or the Maintenance Act, benefits provided for in the rules of the fund, including policy benefits secured or to be secured from another registered fund by the fund for a member, or a right to such benefit, or a right in respect of contributions made by or on behalf of a member shall not be reduced, transferred or otherwise ceded, and such benefits must not be pledged or hypothecated, or be liable to be attached or subject to any form of execution under a judgment or order of the court.
- (b) Where the fair value of the assets of the fund, after recovery of any debt owed by the employer, is lower than the sum of the minimum individual reserves for all members after adjustment for any benefits paid previously and the cost of policy benefits which will provide equivalent retirement benefits to all existing members and deferred members, the minimum individual reserve may be proportionally reduced in the ratio which the fair value of the assets bears to the total of all the minimum individual reserves adjusted for any benefits paid previously plus the cost of such policy benefits.
6. In the event that a defined benefit fund is converted to a defined contribution fund, the amount to be credited to the member’s individual account shall not be less than the minimum individual reserve, provided that, where the fair value of the assets of the fund, after recovery of any debt owed by the employer, is lower than the sum of the minimum individual reserves for all members after adjustment for any benefits paid previously and the cost of policy benefits which will provide equivalent retirement benefits to all existing members and deferred members, the minimum individual reserve may be proportionally reduced in the ratio which the fair value of the assets bears to the total of all the minimum individual reserves adjusted for any benefits paid previously plus the cost of such policy benefits.
7. The minimum individual reserve referred to in clauses 5 and 6 must not be taken into account in determining a debtor’s financial position under section 65 of the Magistrates’ Courts Act,

nor be deemed to form part of the assets in the insolvent estate of that person.

8. At least once every three years, the board of a retirement fund that is a defined benefit fund, commencing with the first valuation following the commencement date, must cause to be determined and must grant to retired members and deferred members a retirement benefits increase that must not be less than the minimum retirement benefits increase based on the policy referred to in clause 15, with effect from the valuation date in question.
9. The minimum individual reserve for a member or a deferred member in a defined benefit fund must be based on the present value of the retirement benefits or the deferred retirement benefits payable to that member inclusive of all retirement benefits increases made pursuant to clause 8.
10. Clauses 3 to 9 shall apply:
  - (a) on and after the date of registration in respect of a fund which is registered on or after the commencement date; and
  - (b) on and after the commencement date in respect of a fund which is registered prior to the commencement date.
11. If the employer or the board exercises any right that the employer or the board has in terms of the rules of the fund, as such right had been defined in the rules on the commencement date, to terminate, dissolve or liquidate the fund, or to terminate participation of a particular employer in the fund, or to change the basis upon which future benefits accrue prior to the date from which clause 4 applies to the fund, the members may not seek redress against the employer or the board in respect of any increase in value of the benefits that would occur as a result of the application of minimum individual reserves to the fund.
12. (a) The member's individual reserve, in the case of a member of a defined contribution fund, shall be determined by the board in accordance with the following formula or on a methodology that NAMFISA approves as substantially equivalent:
 

Fixed Rate Contributions + Discretionary Benefits + Additional Contributions + Investment Income and Capital Gains – Expenses and Capital Losses

or

$FC + DB + AC + IC - X$

where:

  - (i) FC represents fixed-rate contributions paid (both member and employer contributions), or amounts transferred into the fund, by or on behalf of the member, where the fixed-rate contributions are defined in the rules;
  - (ii) DB represents amounts allocated by the board, at their discretion, for the benefit of the member and actuarial surplus apportionment;
  - (iii) AC represents additional contributions paid voluntarily by the member or by the employer on the member's behalf;
  - (iv) IC represents investment income and capital gains, as determined by the board; and
  - (v) X represents expenses and capital losses, as determined by the board, thus including other amounts, if any, permitted to be credited to or debited from the member's individual account.

- (b) The expenses referred to in sub-clause 12(a)(v) include direct costs of establishing and operating the fund and any administrative, insurance, risk benefit insurance/reinsurance premiums and taxation costs relating to the establishment and operation of the fund.
- 13. In determining the minimum individual reserve of a member of a defined contribution fund, the board shall in consultation with the valuator, determine the value of the member's individual reserve in accordance with clause 12, and add thereto a share of the investment reserve account, the member surplus account and such contingency reserve accounts as the board may decide should be included in the proportion that the value of the member's individual reserve as at the effective date of the calculation bears to the total value of all members' individual reserves as at that date, or such other method of apportionment as the board deems reasonable and NAMFISA has approved.
- 14. In determining the minimum individual reserve of a member of a defined benefit fund, the board shall determine the greater of:
  - (a) the fair value equivalent of the present value of the member's accrued retirement benefits provided that:
    - (i) where there is no uniform rate of accrual over the full period of membership in the fund, the accrued deferred retirement benefits shall be calculated assuming a uniform rate of accrual as if the member had remained in service until the normal retirement date as defined in the rules of the fund, but such uniform rate of accrual shall not be less than the uniform rate of accrual that is calculated based on the period of service completed up to the date of calculation;
    - (ii) the determination of the present value of accrued retirement benefits must be based on assumed rates of increase consistent with the minimum benefit increase requirement of this Standard and on assumptions in regard to rates of discount, mortality, disability and retirement as prescribed by Standard No. RFS.5.5 for such purpose; and
    - (iii) the term 'accrued retirement benefits' in this clause shall include the portion of any lump sum benefit payable at the normal retirement date which corresponds to prior service; and
  - (b) an amount equal to the amount of the member's contributions, augmented as from the date of payment of a contribution by the net rate of return on the fund plus any amount payable in terms of the rules of the fund in excess of the member's contributions.
- 15. The board shall establish and implement a policy with regard to increases to be granted to retired members and deferred members in accordance with clause 8 above, which policy must:
  - (a) aim to award a percentage equal to at least the consumer price index, or some other measure of price inflation which is deemed suitable by the board, that will enable members to preserve purchasing power in an inflationary environment; and
  - (b) set the frequency with which increases will be considered in line with the policy, provided that increases must be considered each year, with comparison to a compulsory increase at least once every three years.
- 16. The policy referred to in clause 15 must be communicated to retired members and deferred members at the time that it is established and at any time that it is changed.
- 17. The policy referred to in clause 15 will not be required where:
  - (a) members on or after retirement under the rules of a fund, secure policy benefits from an insurer registered under Chapter 2 of the Act;

- (b) members on whose behalf a fund, on or after the retirement date as defined in the rules of the fund, secures policy benefits from an insurer registered under Chapter 2 of the Act; or
  - (c) members elect to receive a fixed retirement benefit or a retirement benefit with fixed increases, or a retirement benefit amount which is elected by the member from time to time, paid from the fund under the rules of the fund.
- 18. Notwithstanding that this Standard identifies the minimum benefits that a fund must provide to its members, the board is required to identify, maintain and pay all fund benefits as provided for in the rules of the fund to the members of the fund, and not just those identified as minimum benefits.
- 19. The Act and this Standard does not shield the benefits of a defined contribution fund from the effects of any adverse investment decisions made by the board or by investment advisors appointed by the board.

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## FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

### RETIREMENT FUNDS

#### PROVISION FOR COMPULSORY BENEFICIARY NOMINATION FORMS TO BE COMPLETED BY MEMBERS OF A FUND FOR THE PURPOSES OF ENABLING A MEMBER TO DESIGNATE A NOMINEE OR NOMINEES TO RECEIVE BENEFITS FROM SUCH FUND UPON THE DEATH OF SUCH MEMBER

#### Standard No. RF.S.5.9

*issued by NAMFISA under section 410(6)(r) of the Financial Institutions and Markets Act, 2021*

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#### Definitions

- 1.
  - (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.
  - (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including, without limitation, the following-
    - (a) as defined in section 1 of the Act:
      - (i) board;
      - (ii) retirement fund;
      - (iii) spouse;
    - (b) as defined in section 249 of the Act:
      - (i) dependent;
      - (ii) fund;
      - (iii) member; and
      - (iv) nominee.

#### Applicability

- 2. This Standard applies to all retirement funds registered under the Act.



### Beneficiary nomination forms

3. For the purposes of section 276 of the Act, every retirement fund must, for completion by members, send to all its members, at least once every year, a beneficiary nomination form, in the form of or in a similar form as Schedule 1, attached hereto and forming part hereof, indicating as applicable, a designated dependent or dependents, and a nominee or nominees to receive benefits from the fund upon the death of the member.
4. The beneficiary nomination form referred to in clause 3 must be returned to the fund by members on or before the 30<sup>th</sup> of January each year, irrespective of whether or not any changes has been effected thereto.
5. The board of the retirement fund shall ensure that the following is included in the beneficiary nomination form:
  - (a) Nomination category for legal dependents (for example, a spouse and children, including adopted children and children born out of wedlock, regardless of whether the child was financially dependent on the member);
  - (b) Nomination category for factual dependents (for example, mother, father or any other person living with the member or who is financially dependent upon the member, including a former spouse to whom the member is paying maintenance, or children of whom the member is the guardian, or stepchildren who are financially dependent on the member) and the member should be informed that it is the responsibility of the board of the retirement fund to decide whether a particular person was financially dependent on the member at the time of death; and
  - (c) Nomination category for other beneficiaries (nominees indicated on the beneficiary nomination form of the member).
6. Members are entitled to amend their beneficiary nomination forms at any time by completing a new beneficiary nomination form, in which case any and all preceding beneficiary nomination forms will be invalid and of no force and effect.

### SCHEDULE 1

#### BENEFICIARY NOMINATION FORM

**Please print all details**

Employer			Cost Centre	
Member Name			Ref No	
Tel No (home)		Fax No		
Tel No (work)		e-mail		

I, (full names) ..... hereby wish to nominate the undermentioned person(s) to receive the lump sum benefit payable by the Fund on my death in the proportions indicated.

**THIS FORM SUPERCEDES ANY PREVIOUS NOMINATION MADE BY ME.**

(A) Spouse	Title, First Name, Initials & Surname	Date of Birth/ Identification Number	Basis of marital union	Church Congregation membership/ Town/Village	Region where spouse resides and Traditional Authority, if applicable	Telephone number/ cell phone number	% Share

**\*Civil/Customary/Common law/Co-habitation****BENEFICIARY NOMINATION FORM (CONT.)**

(B) Dependent Children**	Title, First Name, Initials & Surname	Gender	Date of Birth	Guardian	Church Congregation membership/ Town/Village	Region where Dependent resides and Traditional Authority, if applicable	Telephone number/ cell phone number	% Share

\*\*Usually, a child of the member, including a child born out of wedlock or legally adopted child, under the age of 21 and unmarried: or a stepchild, under the age of 21 and unmarried, who, in the opinion of the Trustees, was substantially dependent on the member at the time of his/her death; provided that the Trustees may at their discretion include a child who is over the age of 21 years and is engaged in full time studies at an educational institution approved by the Trustees and was substantially dependent on the member.

**BENEFICIARY NOMINATION FORM (CONT.)**

<b>Member Name:</b>						<b>Ref No</b>			
(C) Other persons supported by the member (example mother/father) **	Title, First Name, Initials & Surname	Gender	Date of Birth	Relation-ship	Church Congregation membership/ Town/Village	Region where person resides and Traditional Authority, if applicable	Type of support	Tele-phone number/ cell phone number	% Share

**BENEFICIARY NOMINATION FORM (CONT.)**

(D) Nominees/ Other members not mentioned in A, B, or C and who are not supported by the member	Title, First Name, Initials & Surname	Gender	Date of Birth	Relation-ship	Church Congregation membership/ Town/Village	Region where nominee resides and Traditional Authority, if applicable	Telephone number/ cell phone number	% Share

<b>Member Signature</b>	
<b>Date</b>	
<b>Witness Name</b>	
<b>Witness Signature</b>	
<b>Date</b>	

**Additional Remarks:**


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**The Financial Institutions and Markets Act regulates the payment of lump sum death benefits by the Fund. It is very important that member notifies the Fund's Trustees in writing who his/her dependents are and any other person (nominee) he/she wishes to nominate to receive a portion of the benefit payable from the Fund in the event of the member's death.**

The Financial Institutions and Markets Act recognize the following categories of persons as dependents:

- A person for whom member was legally liable to maintain (e.g., a minor child);
- A person whom the Trustees consider as having in fact been dependent on the member for maintenance at the time of the members' death (e.g., a parent incapable of self-support).
- The member's spouse (the surviving partner in a recognized marital union, including a customary union according to tribal law and custom);
- A person for whom the member would have become legally liable for maintenance had the member not died (e.g., an unborn child).

All dependents must thus be shown whether they are to receive a portion of the benefit or not.

In terms of the Financial Institutions and Markets Act the Trustees must take the above expression of wish into consideration when deciding on the equitable allocation of benefits to dependents and/or nominee and information provided by the employer/dependents/nominees.

**WE URGE YOU TO UPDATE YOUR BENEFICIARY FORM ON A REGULAR BASIS PARTICULARLY AS AND WHEN YOUR CIRCUMSTANCES CHANGE.**

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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

**RETIREMENT FUNDS**

**THE CONDITIONS ON WHICH A DEFINED CONTRIBUTION FUND  
MAY BE EXEMPTED FROM THE REQUIREMENT OF REGULAR  
INVESTIGATIONS BY A VALUATOR**

**Standard No. RF.S.5.10**

*issued by NAMFISA under section 410(6)(i) of the Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard "Act" means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including, without limitation, the following-
  - (a) as defined in section 1 of the Act:
    - (i) board;
    - (ii) retirement fund;
  - (b) registered insurer, as defined in section 4 of the Act;

- (c) as defined in section 249 of the Act-
  - (i) defined contribution fund; and
  - (ii) member.

### **Requirements for exemption**

1. A retirement fund which is a defined contribution fund may, pursuant to section 268(7) of the Act, apply for an exemption from the requirement to have regular investigations by a valuator if:

- (a) for a period of at least three (3) consecutive years, the total assets of the retirement fund are equal to or exceed the total of the members' individual accounts, the expense reserve, and any undistributed investment returns;
- (b) any benefit on retirement is fully secured through the purchase of an annuity policy from a registered insurer;
- (c) any benefit payable to a member in addition to, in lieu of, or in excess of the value of the member's individual account is fully insured by one or more registered insurers; and
- (d) no reserves other than an expense reserve required by the terms of the retirement fund and of which any excess assets are required to be fully distributed among the members at least annually, and undistributed investment returns which is required to be fully distributed among members at least annually, are held or are required to be held, either by NAMFISA or by generally acceptable actuarial practice.

2. An application for exemption pursuant to section 268(7) of the Act must be made to NAMFISA and must be accompanied by the following documents:

- (a) a statement of compliance with the conditions set out in clause 2, duly signed by two members of the board of the retirement fund, together with a certified copy of the resolution of the board and other supporting documents;
- (b) a statement duly signed by a valuator certifying that the retirement fund meets the conditions required by clause 2, including the opinion of the valuator with respect to any of those conditions, as at the date from which the exemption is required, which date must coincide with the fund's financial year end; and
- (c) if it is a practice of the fund to project benefits, a statement duly signed by a valuator certifying that the assumptions that will be used to project the benefits that the fund will pay to a member at normal retirement date, are appropriate.

3. Once an exemption has been granted, the exemption will remain in effect unless it is revoked in writing by NAMFISA.

4. The board of a retirement fund that has obtained an exemption must notify NAMFISA in writing without delay with full particulars, if at any time:

- (a) the retirement fund fails to comply with any of the conditions set out in clause 2;
- (b) the board, principal officer, chairperson, valuator, auditor or administrator of the retirement fund, or any other person acting in an advisory capacity to the retirement fund, is no longer of the opinion that all of the conditions of clause 2 are being complied with; or
- (c) the retirement fund submits to NAMFISA an amendment of any rule which, once effective, would cause the retirement fund no longer to qualify for the exemption.

5. On receipt of the notification referred to in clause 5, NAMFISA may revoke the exemption.

6. As a consequence of the revocation of an exemption by NAMFISA-
- (a) the retirement fund must within 90 days from the date of the revocation of the exemption by NAMFISA, appoint a valuator pursuant to section 267 of the Act; and
  - (b) the retirement fund must submit a valuation and report pursuant to section 268(4) of the Act as at the date of the retirement fund's first financial year end following the revocation of the exemption.
7. Where a retirement fund is exempt from valuation as at the date of publication of this Standard, such exemption will remain in force for a period of 12 months from that date, following which an application for exemption must be made pursuant to section 268(7) of the Act and this Standard.

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## FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

### RETIREMENT FUNDS

#### ALTERNATIVE FORMS OF PAYMENT OF PENSIONS FOR THE PURPOSES OF DEFINED CONTRIBUTION FUNDS

#### Standard No. RF.S.5.11

*issued by NAMFISA under section 410(6)(b) of the Financial Institutions and Markets Act, 2021*

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#### Definitions

1. (1) In this Standard -
- (a) "Act" means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) "default option" means the form of retirement income that is deemed to have been made by a member in the event the member does not exercise the right to choose a form of retirement income within the period provided or permitted for such election;
  - (c) "due diligence" means the care that a reasonable person exercises to avoid harm to other persons or their property;
  - (d) "early withdrawal" means:
    - (i) the termination of the member's participation in the retirement fund;
    - (ii) the termination of the retirement fund; or
    - (iii) the partial termination of the retirement fund should that involve the member concerned;

prior to the member becoming eligible for early retirement as defined in the rules of the retirement fund;
  - (e) "former member" means a member who has taken early withdrawal from a defined contribution fund and has transferred the value of the retirement benefits to:
    - (i) another retirement fund;
    - (ii) a registered financial institution; or

- (iii) a registered retirement income provider;
  - (f) “programmed withdrawal scheme” means a form of retirement income whereby a member determines the amount of retirement income to be withdrawn in each year following retirement;
  - (g) “registered retirement income provider” means a registered insurer or other registered financial institution referred to in clause 5;
  - (h) “retirement fund account” means an account held by a defined contribution fund or a registered retirement income provider for a former member of a defined contribution fund and which account holds any amount in respect of retirement; and
  - (i) “retirement income” means the regular periodic payment, usually monthly, of retirement benefits or preserved retirement benefits to a member, former member or beneficiary, following retirement.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -
- (a) as defined in section 1 of the Act -
    - (i) financial institution;
    - (i) NAMFISA;
    - (iii) spouse; and
  - (b) as defined in section 249 of the Act -
    - (i) defined contribution fund;
    - (ii) fund;
    - (iii) member;
    - (iv) member’s individual account; and
    - (v) retirement fund.

### **Applicability**

2. This Standard applies to -
- (a) the conversion of a member’s individual account into retirement income, upon the retirement of the member from a defined contribution fund;
  - (b) the conversion into retirement income of the retirement fund account of a member or former member upon retirement where the retirement fund account has arisen out of a transfer of benefits from a defined contribution fund to a financial institution or to another retirement fund upon the early withdrawal of the member from the defined contribution fund;
  - (c) the conversion into retirement income of a member’s individual account maintained by a defined contribution fund in respect of benefits for former members of the defined contribution fund following early withdrawal from such fund;
  - (d) the balance of a member’s individual account or retirement income account that is available for conversion into a retirement income after the payment of such portion thereof as a lump sum, provided that such amount as may have been paid as a lump sum was paid according to the rules of the defined contribution fund and, further, subject to the payment of such lump sum being limited to any maximum amounts specified in any applicable legislation, regulation or subordinate legislation.

### **Forms of payment of pensions**

3. Provided that the conditions set out in this Standard are satisfied, a member may elect that

his or her member's individual account or retirement fund account be converted into one or a combination of the following forms of retirement income:

- (a) an annuity payable for the life of the member;
  - (b) an annuity payable for the life of the member and guaranteed to be paid for at least a specified period of years following conversion;
  - (c) an annuity payable for the life of the member and continuing to the member's surviving spouse at a specified rate (e.g., 50%), following the member's death, which may also be guaranteed to be paid for at least a specified period of years following conversion;
  - (d) one of the forms of conversion referred to in clauses 3(a) to (c) with payments indexed to a cost-of-living or other comparable index or a form in which payments are guaranteed to increase yearly at some specified rate;
  - (e) an annuity payable for a fixed period of years regardless of the survivorship of the member, such period being not less than 20 years, which annuity may or may not be subject to cost-of-living or comparable indexation or to guaranteed yearly increases at some specified rate; or
  - (f) a programmed withdrawal scheme.
4. Conversion of a member's individual account or retirement fund account into a form of retirement income must be by contractual arrangement made with a registered retirement income provider.
5. The following are registered retirement income providers:
- (a) in respect of the forms of retirement income referred to in clauses 3(a) to (d), a registered life insurer; and
  - (b) in respect of the forms of retirement income referred to in clauses 3(e) and (f), a registered life insurer or retirement fund.
6. Should the amount of funds available be less than the amount prescribed by section 1(b)(iv)(bb) of the Income Tax Act (Act No. 24 of 1981) under the definition of "pension of "preservation fund" or section 1(b)(ii) of the Income Tax Act (Act No. 24 of 1981) under the definition of "retirement annuity fund", the registered retirement income provider must provide the member with the option to take the remaining funds in a lump sum or in fixed yearly instalments, with interest at the current bank demand deposit rate, over a period not to exceed 3 years.

#### **Notice of retirement and intention to elect a form of retirement income**

7. Registered retirement income providers must provide members and former members with information as specified in this Standard and must allow members or former members to give at least 60 days' notice of their intention to retire and their intention to elect a form of retirement income or of any request for information in support of their election of a form of retirement income.

#### **Information to be provided to members or former members prior to election of a form of retirement income**

8. A registered retirement income provider must provide members and former members with the following information prior to making an election of a form of retirement income:
- (a) notice that they may elect one or more of the forms of retirement income referred to in clause 3 and notice of any time limitations in respect of advising of their choice of form of retirement income;



- (b) an explanation in simple and non-technical language of the characteristics of each form in terms of -
  - (i) the determination of the initial amount of the retirement income, the duration of the retirement income (at least an estimation of duration for a programmed withdrawal scheme), whether the amount of the retirement income is fixed or may change over time and, if so, under what circumstances and the benefits that may be paid on death of the member; and
  - (ii) any longevity, investment, expense or insolvency risks which the member would be required to manage (e.g., investments) or to which the member may be exposed;
- (c) notice that the member must appoint a beneficiary and that, should the member elect the form of retirement income referred to in clause 3(a), the member must provide a statement that the member's spouse, should one exist, has been notified that there are no benefits payable to the spouse in the event of the member's death, and the member must provide proof of such notification to the fund.

#### **Default option**

9. In the event that a member or former member, having given notice of intention to retire, does not elect a form of retirement income prior to his or her date of retirement, the defined contribution fund may deem the member or former member to have elected a programmed withdrawal scheme form of retirement income at a drawdown rate of at least 5% per annum, and arrange for the issue of a contract with a registered retirement income provider on behalf of the member or former member, exercising due diligence in doing so. The member must also be notified that such decision has been taken by the fund on his behalf.

#### **Maximum annual withdrawal (payout) rates: Programmed withdrawal schemes**

10. The maximum annual withdrawals applicable to programmed withdrawal schemes vary by the member's attained age and are determined as percentages of the funds standing to the credit of the member with the registered retirement income provider, but may not exceed 20% per annum.

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### **FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

#### **RETIREMENT FUNDS**

#### **REQUIREMENTS OF A COMMUNICATIONS STRATEGY TO BE ADOPTED BY THE BOARD OF A FUND TO ENSURE THAT ADEQUATE AND APPROPRIATE INFORMATION IS COMMUNICATED TO MEMBERS, EMPLOYERS AND SPONSORS**

##### **Standard No. RF.S.5.13**

*issued by NAMFISA under subsections 265(1)(e) and 410(6)(d) of the  
Financial Institutions and Markets Act, 2021*

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#### **Definitions**

1. (1) In this Standard:
- (a) "Act" means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) "deferred member" means an active member who has not yet retired but has left the service of the employer concerned prior to the retirement date, as defined in the rules

of the fund, leaving in the fund the rights of the member to such benefits as may be payable according to those rules;

- (c) “inactive member” means a member who has taken early withdrawal from a fund and has not yet received all the retirement benefits which may be due to him from the fund;
- (d) “life insurer” means an insurer registered under the Act to undertake life insurance business;
- (e) “qualified financial institution” means a financial institution registered under the Act that complies with the requirements of Regulation No. RF.R.5.10;
- (f) “qualified retirement income provider” means:
  - (i) a life insurer registered under the Act; or
  - (ii) a retirement fund or other financial institution registered under the Act and approved by NAMFISA pursuant to Standard No. RF.S.5.11;
- (g) “retirement fund account” means an account held by a retirement fund or a qualified financial institution for an inactive member of a retirement fund and which account holds any amount in respect of retirement benefits transferred to it for that inactive member by another retirement fund or financial institution;
- (h) “retirement income” means the regular periodic payment, usually monthly, of retirement benefits or preserved retirement benefits to a member, inactive member, dependant or nominee, following retirement;
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following-
  - (a) as defined in section 1 of the Act-
    - (i) financial institution;
    - (ii) NAMFISA;
    - (iii) retirement fund;
  - (b) as defined in section 4 of the Act-
    - (i) insurer;
  - (c) as defined in section 8 of the Act-
    - (i) life insurance business;
  - (d) as defined in section 249 of the Act-
    - (i) board;
    - (ii) defined contribution fund;
    - (iii) dependant;
    - (iv) fund;
    - (v) member;
    - (vi) nominee;
    - (vii) retired member;
    - (viii) retirement; and
    - (ix) retirement benefits.

### **Applicability**

2. This Standard applies to:

- (a) all retirement funds;
- (b) qualified financial institutions in respect of accounts maintained for, or funds invested on behalf of, inactive members;
- (c) qualified retirement income providers that have contracts in force relating to the payment of retirement income in respect of retirement benefits arising out of transfers of money or investments from retirement funds or qualified financial institutions upon the retirement of members or inactive members;
- (d) members of the board of retirement funds; and
- (e) service providers to retirement funds, qualified financial institutions and qualified retirement income providers to the extent that their responsibilities involve communications with:
  - (i) boards and principal officers of, or other service providers to, retirement funds;
  - (ii) qualified financial institutions and qualified retirement income providers; and
  - (iii) Active members, inactive members and retired members having funds held or invested by retirement funds, qualified financial institutions or qualified retirement income providers.

### **Requirements applicable generally**

#### **3. A communications strategy must be in clear, simple, non-technical language and must:**

- (a) be developed by and become the property of the board of the retirement fund, or of the qualified financial institution or qualified retirement income provider;
- (b) define the objectives that the strategy is designed to achieve;
- (c) define the processes and relevant service standards for managing communications of various types, including
  - (i) recurring information regarding benefits and contributions, as applicable, to active members, inactive members, deferred members, retired members, dependants and nominees in respect of their retirement fund accounts;
  - (ii) dissemination of reports to active members, inactive members, deferred members, retired members, dependants and nominees in respect of their retirement fund accounts;
  - (iii) notices to active members, inactive members, deferred members, retired members, dependants and nominees;
  - (iv) responding to complaints and inquiries or requests for information by active members, inactive members, deferred members, retired members, dependants and nominees in respect of their accounts or benefits;
  - (v) communications with the NAMFISA, government authorities, the media or other third parties;
  - (vi) internal communications involving the boards of retirement funds and their administrators, advisors and service providers or the responsible management of qualified financial institutions and qualified retirement income providers;

- (d) classify information pertaining to the retirement fund, or to the accounts or funds held or invested for active members, inactive members or retired members by qualified financial institutions and qualified retirement income providers, as:
  - (i) confidential;
  - (ii) protected but available to specified persons;
  - (iii) available on an unrestricted basis; or
  - (iv) according to some other reasonable classification system;
- (e) ensure that, with respect to contributions payable to the retirement fund in accordance with the rules of the fund, there is a regularly scheduled, detailed flow of information between the retirement fund administrator and all employers or sponsors contributing to the retirement fund, with regular notification to the board of all arrears, delays or interruptions of the timely receipt of contributions for deposit to the fund;
- (f) specifically identify continuing measures designed to minimise the incidence of untraceable:
  - (i) members, inactive members and deferred members; and
  - (ii) retired members, dependants and nominees in receipt of retirement income;
- (g) provide for remote, secure, electronic access to information, including general information as well as person-specific information, and for the electronic submission of requests or inquiries, by active members, inactive members, deferred members, retired members, dependants and nominees to the extent that it is cost-effective to do so; and
- (h) provide for a regular report on the communications function and an assessment of its operations and needs for improvement.

**4. A communications strategy for a retirement fund must:**

- (a) provide for periodic circulation of information to members, inactive members, deferred members and retired members, the currently contributing employer or employers, and, if applicable, the sponsor or sponsors of the retirement fund, concerning:
  - (i) fund performance in general;
  - (ii) activities of interest materially affecting the abovementioned members; and
  - (iii) notification of legislative, regulatory or supervisory practices to the extent they may affect defined contribution funds;
- (b) provide a written explanation to members, inactive members, deferred members and retired members and currently contributing employers and sponsors, as applicable in the circumstances, of:
  - (i) the essence of the communication processes involved in the operation and maintenance of the retirement fund, its functioning and capabilities, together with the various roles and responsibilities of the board, the administration of the retirement fund, the currently contributing employers or sponsors of the fund and the members, inactive members or retired members, emphasizing in the case of inactive members and retired members the vital importance of remaining in contact with the fund; and

- (ii) the steps involved whereby members, inactive members, deferred members and retired members may submit requests for information or complaints that they have been unable to resolve.

**5. A communications strategy for a retirement must:**

- (a) comply with the requirements of clause 4 of this Standard;
- (b) ensure that active members, inactive members, deferred members and retired members have access to the fund's latest auditor's report and valuator's report, if applicable.

**Requirements applicable to qualified financial institutions and qualified retirement income providers**

6. A communications strategy for a qualified financial institution or qualified retirement income provider holding accounts for or managing funds on behalf of inactive members or retired members must:
- (a) to the extent applicable in the circumstances, comply with the requirements of clauses 4 and 5 of this Standard;
  - (b) ensure that all promotional or sales material involved in offering contracts to inactive members or retired members is factual and is not in any respect misleading or unclear;
  - (c) in respect of contracts that are offered to inactive members prior to their retirement by qualified financial institutions to administer accounts held for such inactive members, or to manage funds invested on behalf of such inactive members, ensure that their rights of transfer of account balances or invested funds to other qualified financial institutions or qualified retirement income providers and the charges, penalties or discounts that may apply to such transfers, either prior to or upon conversion of such funds into retirement income, are factually, comprehensively and clearly disclosed to such inactive members prior to their acceptance of such contracts;
  - (d) in respect of contracts that are offered to retired members in respect of the conversion of accumulated funds into retirement income by qualified retirement income providers, ensure that the rights to transfer the present value of remaining contractually guaranteed incomes or, in the case of programmed withdrawal schemes, to transfer the value of the balance of funds undisbursed as withdrawals, to other qualified retirement income providers and the charges or penalties or discounts that may apply to such transfers are factually, comprehensively and clearly disclosed to such retired members prior to their acceptance of such contracts; and
  - (e) ensure that the exposure to risk of loss by any inactive member or retired member who is a prospective contract-holder with a qualified financial institution or qualified retirement income provider in the event of the insolvency of the issuer of the contract is clearly disclosed.
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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****RETIREMENT FUNDS****REQUIREMENTS FOR THE ANNUAL REPORT OF A FUND****Standard No. RF.S.5.15**

*issued by NAMFISA under sections 265(1)(k) and 410(6)(e) of the  
Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard -
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act; and
  - (b) “deferred member” means an active member who has not yet retired but has left the service of the employer concerned prior to the retirement date, as defined in the rules of the fund, leaving in the fund the rights of the member to such benefits as may be payable according to those rules.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -
  - (a) as defined in section 1 of the Act -
    - (i) NAMFISA; and
    - (ii) principal officer;
  - (b) as defined in section 249 of the Act -
    - (i) active member;
    - (ii) board;
    - (iii) defined benefit fund;
    - (iv) defined contribution fund;
    - (v) fund;
    - (vi) member;
    - (vii) retired member; and
    - (viii) retirement fund.

**Applicability**

2. This Standard applies to -
  - (a) retirement funds;
  - (b) members of the boards of trustees of retirement funds;
  - (c) principal officers of retirement funds; and
  - (d) service providers for retirement funds to the extent that their responsibilities require them to support principal officers and boards of retirement funds in regard to matters that are disclosed in the annual report of the retirement fund to NAMFISA, and in the preparation of the report.

**Requirements applicable generally**

3. The annual report of a retirement fund to NAMFISA must be in the form of Schedule 1 to this Standard and must be prepared within six months after the end of the fund's financial year, and must at a minimum -
4.
  - (a) be prepared by or under the supervision of the board of the retirement fund and submitted to NAMFISA by the board in both written and electronic form;
  - (d) include the following, insofar as the following is not already included in the annual financial statements of the fund:
    - (i) a summary of the activities of the board during the year under review, with sufficient detail to provide an assessment of its management efforts (for example meetings of the board, changes in the membership of the board, identification of typical meeting agenda items, interactions with service providers (administrator, auditor, investment manager, valuator), reports received by the board and their disposition, changes in the board's governance practices, changes in the administrative practices of the fund, changes of service provider);
    - (ii) a summary of all actions of a legal nature to which the fund was a party, or a statement that there are none to report;
    - (iii) a summary of any amendments to the rules of the fund made during the year under review;
    - (iv) a summary of all policies of the fund that have been documented and approved by the board and that are in force (e.g. investment policy, funding policy, risk management policy, administrative policy etc.) and of any material changes to those policies during the year under review;
    - (v) a summary of the key financial data reported on by the auditor and a commentary on the results of the fund's operations during the year under review (contributions received, investment income accrued, gross and net rate of return earned on the fund's portfolio, benefits paid, net increase or decrease in the fund), including the management report findings by the auditors of the fund;
    - (vi) a brief analysis of the fund's gains and losses during the year under review;
    - (vii) a summary of the changes in the fund's membership (active members, deferred members and retired members) and participating employers during the year under review;
    - (viii) a summary of the fund's administrative activities during the year under review (e.g. monitoring contribution flows, quarterly review of the fund's investment portfolio (performance and changes in investments and loans), maintenance and updating of fund data and records including ensuring integrity and security, provision of annual benefit statements to members, processing early withdrawals and retirements, providing quarterly reports to the board, supporting the work of the fund's auditor, investment manager and valuator, responding to member inquiries and resolving member complaints, human resource administration, including training and development);
    - (ix) a description of any special events that occurred during the year (e.g., mergers or sales of business that impacted the fund, discontinuation of business segments producing partial plan termination, commencement or termination of contribution suspension (contribution holidays), other utilization of surplus (benefit improvements, refunds to employers or sponsors));

- (x) a summary of key risks facing the fund, and the risk mitigation actions taken or considered by the board; and
- (xi) a list of all service level agreements with service providers and details of their review periods.

#### **Requirements applicable to defined contribution funds**

5. The annual report of a fund that is a defined contribution fund must -
- (a) comply with the requirements of clause 3;
  - (b) disclose the investment policy of the fund including options available to members to allocate their contributions and funds comprising their accounts to separate funds; and
  - (c) report the gross and net annual rates of return on the fund (or on each separate fund available for members to allocate their contributions and funds) for the current year and prior 4 years (5 years in total).

#### **Requirements applicable to defined benefit funds**

6. The annual report of a fund that is a defined benefit fund must -
- (a) comply with the requirements of clause 3;
  - (b) report the gross and net annual rates of return on the fund for the current year and prior 4 years (5 years in total).
  - (c) disclose the results of the most recent investigation of the fund's financial soundness and its solvency position; and
  - (d) disclose any issues or developments that may have arisen since the most recent investigation of the fund's financial soundness and solvency position other than amendments to the fund rules and that may be reasonably expected to produce a material change in the fund's financial soundness or solvency position.

### **SUPPORTING SCHEDULES**

The following supporting schedule is attached to and forms part of this Standard:

**Schedule 1:** Form of annual report of fund

#### **SCHEDULE 1**

##### **Form of annual report of fund**

<b>Board Activities –</b>
<b>1. Report on board meetings held during the year, e.g., dates, quorum and number of members present</b>
<b>2. Report on any changes in the board membership during the year with comments as to nature of change, e.g., resignation, disqualification etc.</b>



<b>3. Report on typical board meeting agenda items, e.g., approval of previous minutes, receipt and discussion of reports, interviews of service provider etc.</b>
<b>4. Report on any approved changes in board or administrative practices or procedures</b>
<b>5. Briefly describe all policies of the fund that have been documented and approved by the board (continued below) during the year under review.</b>
<b>6. Report on any approvals of new, or material amendments to, documented policies, e.g., investment policy, funding policy, risk management policy, administrative policy</b>
<b>7. Provide a summary of any amendments to the fund rules during the year</b>
<b>8. Comment on any actions of a legal nature to which the fund was a party during the year or to which the fund is currently a party</b>

**9. Provide a summary of the key financial data of the fund**  
**(all items to be reported for both the current and prior year)**

	<b>Current Year</b>	<b>Prior Year</b>
<b><u>Balance Sheet</u></b>		
Assets		
Liabilities		
Surplus		
<b><u>Income and Expenses</u></b>		
Contributions		
Investment Income		
Administrative Expense		
Investment Expense		
Benefits		
Net Income		
<b><u>Rate of Return on Investments</u></b>		
Gross ROI		
Net ROI		

**10. Provide a brief analysis of the fund's gains and losses during the year (gain signifies actual result more than expected or less than expected depending on whether the item is an income item or an expense item)**

**Gains**

**From Operations (More Contributions and/or less Expenses than expected)**

**From Investments (greater ROI, capital gains on dispositions)**

**Other**

**Losses**

**From Operations (Fewer Contributions and/or more Expenses than expected)**

**From Investments (lower ROI, capital losses on dispositions)**

**Other**

**11. Briefly summarise the fund's membership**

	<b>Current Year</b>	<b>Prior Year</b>
<b>Members</b>		
Male		
Female		
Average Age		
<b>Retired Members</b>		
Male		
Female		
Average Age		
<b>Deferred Members</b>		
Male		
Female		
Average Age		

**12. Summarise the Main Administrative Activities of the Fund During the Year**  
(see note 1)

**13. Describe all Special Events That Occurred During the Year**  
(see note 2)

**14. For Defined Contribution Funds:**

**Describe the Fund's Investment Policy in detail, including a description of all investment options available to members (or append a copy to this report)**

**Provide the Gross and Net ROIs of the Fund (i.e. for the entire fund and, if applicable, for each of any funds that are optionally available to members)**

	<b>Gross ROI</b>	<b>Net ROI</b>
<b>CY</b>		
<b>CY-1</b>		
<b>CY-2</b>		
<b>CY-3</b>		
<b>CY-4</b>		

**15. For Defined Benefit Funds:**

**Provide the following data for the fund according to the most recent valuator's report on the fund**

**Fund Assets**  
**Fund Liabilities**  
**Funded Ratio**  
**Solvency Ratio**

**Describe all developments that have arisen since the most recent investigation of the fund's financial condition (other than amendments to the fund's rules) that may reasonably be expected to produce a material change in the funded or solvency status of the fund and describe the most probable effect thereof.**

**Note 1**

The disclosure of administrative activities of the fund during the year is an important indicator of the fund's support of its risk management function and must be reported both as to what was done (in summary form) and by whom.

These activities include such items as:

- Monitoring contribution flows
- Quarterly review and analysis of the fund's investment performance and of any material changes in investments and loans
- Maintenance and updating of fund data and membership records and monitoring its integrity and completeness
- Provision of benefit statements to members
- Processing early withdrawals and retirements
- Providing quarterly reports to the board
- Supporting the work of advisors to the fund, e.g., auditor, investment manager and valuator
- Responding to member inquiries and resolving member complaints
- Human resource administration

**Note 2**

The disclosure of special events must include any of the following 'reportable events':

- Mergers, acquisitions or sales of businesses that impact the fund
- Discontinuations of business or activities or implementation of technology or processes that produce a workforce reduction (aka ‘retrenchment’) and partial termination of the fund
- Industrial relations developments, i.e., strikes or lock-outs
- Commencement or termination of contribution suspension (aka ‘contribution holiday’)
- Utilisation of surplus (benefit improvements, refunds to employer(s) or sponsor(s))

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## FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

### RETIREMENT FUNDS

#### CATEGORIES OF PERSONS HAVING AN INTEREST IN THE COMPLIANCE OF A FUND WITH THE PROVISIONS OF SECTION 270(7) AND THE REPORTS THAT MUST BE SUBMITTED BY THE PRINCIPAL OFFICER OR A PERSON AUTHORIZED UNDER SECTION 270(8) TO SUCH CATEGORIES OF PERSONS WITH RESPECT TO SUCH COMPLIANCE

#### Standard No. RF.S.5.17

*issued by NAMFISA under sections 270(7) and 410(6)(k) of the  
Financial Institutions and Markets Act, 2021*

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#### Definitions

1. (1) In this Standard -
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “authorised person” means a person, other than the principal officer of a retirement fund, authorised by the board of the fund pursuant to section 270(8); and
  - (c) “deferred member” means an active member who has not yet retired but has left the service of the employer concerned prior to the retirement date, as defined in the rules of the fund, leaving in the fund the rights of the member to such benefits as may be payable according to those rules.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -
  - (a) as defined in section 1 of the Act -
    - (i) financial institution;
    - (ii) NAMFISA; and
    - (iii) principal officer;
  - (b) as defined in section 249 of the Act -
    - (i) active member;
    - (ii) board;
    - (iii) employer;
    - (iv) fund
    - (v) member;
    - (vi) retired member;
    - (vii) retirement fund; and
    - (viii) sponsor.

**Requirements for the report**

2. The principal officer of a retirement fund or an authorised person must provide a report with respect to the compliance of the fund with the provisions of section 270 to the following persons who have a continuing and material interest in the compliance of the fund with the provisions of that section:
  - (a) active members;
  - (b) members of the board of the fund;
  - (c) employers contributory to the fund;
  - (d) the auditor of the fund;
  - (e) the valuator of the fund, if applicable;
  - (f) NAMFISA;
  - (g) any other party who may have a similar interest.
3. The report must be prepared in accordance with the format specified in Schedule 1 to this Standard and shall be provided to the persons referred to in clause 2 in electronic format free of charge, but a paper copy may be provided upon payment of such fee as the fund may charge from time to time, subject to the waiver of the fee in the case of members of the board of the fund.
4. The report must be prepared as at the end of each calendar quarter and be provided to the persons referred to in clause 2 within 30 calendar days of that date.
5.
  - (1) Upon this Standard coming into force, the principal officer of a fund or the authorised person must notify active members, retired members and deferred members of the fund of the process followed by the fund to ensure compliance of the fund with section 270.
  - (2) The notification referred to in sub-clause (1) must state that the members referred to in that sub-clause may request electronic copies of the most recent report and that these will be provided free of charge.
  - (3) Following the date on which this Standard comes into force, new members of the fund must be notified as provided in sub-clauses (1) and (2).
7. Any employer contributory to a fund and any financial institution receiving contributions on behalf of the fund for deposit in the accounts of the fund must provide the principal officer of the fund or the authorised person with all data necessary for the preparation of the report and must do so in a timely manner having regard for the requirement of this Standard with respect to the date of issue of the report.
7. The report must be addressed to the board of the fund, and copied to the other persons referred to in clause 2, and certified by the principal officer of the fund or the authorised person as being complete and accurate in all material respects to the best of his or her knowledge and belief.

# SCHEDULE 1

## Report to categories of persons having an interest in the compliance of a retirement fund with section 270 of the Act

To the Board of XYZ Retirement Fund:			
This is the report required to be provided to persons having an interest in the compliance of the fund with section 270 of the Act.			
To the best of my knowledge and belief, this report is complete and accurate in all material respects.			
Signature of the Principal Officer/Authorised person			
<b>Quarter: e.g., 2<sup>nd</sup> of 2021</b>	<b>Month of April</b>	<b>Month of May</b>	<b>Month of June</b>
Required Contributions for Current Service:			
Contribution Base per Employer records as <u>actual amounts of salaries paid or hours credited</u> in the month:			
Salaries –	254800	247300	251400
or Hours -			
or Other -			
Employee Contributions Payable according to Formula per fund rules:			
% of salaries	5.5%	5.5%	5.5%
or \$ per hour worked			
or Other			
Employee Contributions Payable for the month = Base*Formula=(a)	14014	13601.50	13827
Employer Contributions Payable according to Formula per fund rules			
% of salaries	7.0%	7.0%	7.0%
or \$ per hour worked			
or Other			
Employer Contributions Payable for the month = Base*Formula=(b)	17836	17311	17598
Employee Contributions Received in the month for Current Service by fund's depositories	14952	14217	13827
Employee Contributions Received in the month for current service paid directly to the fund	0	0	0
Employee Contributions Received in some other manner	0	0	0
Employer Contributions Received by way of Utilisation of Surplus	0	0	0
Total Employee Contributions Received=(c)	14592	14217	13827

Total Employee Contributions Payable (from above)=(a)	14014	13601.50	13827
Excess of Employee Contributions Received over Employee Contributions Payable=(c)-(a)	578	615.50	0
Employer Contributions Received in the month for Current Service by fund's depositories	18361	17542	18014
Employer Contributions Received in the month for current service paid directly to the fund	0	0	0
Employer Contributions Received in some other manner	0	0	0
Employer Contributions Received by way of Utilisation of Surplus	0	0	0
Total Employer Contributions Received=(d)	18361	17542	18014
Total Employer Contributions Payable (from above)=(b)	17836	17311	17598
Excess of Employer Contributions Received over Employer Contributions Payable=(d)-(b)	525	231	416
Contributions for Special Payments by Employer/Sponsor (N/A for Defined Contribution Funds)			
Employer Special Payments Payable per most recent report of fund's valuator=(e)	N/A	N/A	N/A
Employer Special Payments received in the month by fund's depositories			
Employer Special Payments in the month paid directly to the fund			
Employer Special Payments Received in some other manner			
Total Special Payments Received in the month=(f)			
Excess of Special Payments Received in the month over Special Payments Payable=(f)-(e)	N/A	N/A	N/A

## Notes:

1. The above presumes that the base for determining current service contributions payable (i.e. salaries, hours worked or other) is the same for both the employee required contributions and those required of the employer.
2. The report could readily be expanded to require the detail of dates of receipt of contributions throughout the reporting period, e.g., by week. This would enable the identification of lags in depositing employee contributions beyond the permitted 7-day delay of subsection 270(3).
3. The contributions reported as received in the month whether by a depository or by the fund should exclude contributions received in the first 7 days of the month that relate to service of the preceding month and include contributions received in the first 7 days of the next following month that relate to service of the current month.

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****RETIREMENT FUNDS****MATTERS TO BE INCLUDED IN AN INVESTMENT POLICY STATEMENT****STANDARD NO. RF.S.5.18**

*issued by NAMFISA under section 410(6)(s) of the Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard:
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021) and it includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “deferred member” means an active member who has not yet retired but has left the service of the employer concerned prior to the retirement date, as defined in the rules of the fund, leaving in the fund the rights of the member to such benefits as may be payable according to those rules;
  - (c) “life insurer” means a registered insurer that carries on life insurance business; and
  - (d) “Statement of Investment Policy” means a document written and adopted by the board of a fund that complies with the requirement of section 265(1)(c) of the Act and which defines the policy set by the board for purposes of managing the investments of the fund.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:
  - (a) as defined in section 1 of the Act:
    - (i) banking institution;
    - (ii) financial institution;
    - (iii) financial intermediary;
    - (iv) NAMFISA;
    - (v) principal officer;
    - (vi) registered;
    - (vii) retirement fund;
  - (b) “registered insurer” as defined in section 4 of the Act;
  - (c) “life insurance business” as defined in section 8 of the Act;
  - (d) “exchange” as defined in section 78 of the Act;
  - (e) “collective investment scheme” as defined in section 168 of the Act; and
  - (f) as defined in section 249 of the Act:
    - (i) active member;
    - (ii) board;
    - (iii) defined benefit fund;
    - (iv) defined contribution fund;
    - (v) employer;
    - (vi) fund;
    - (vii) retired member;
    - (viii) retirement fund.



2. The board of a fund must develop and maintain a Statement of Investment Policy, and, unless exempted from this requirement pursuant to clause 5, in doing so may consider advice from the fund investment advisor, if applicable.
3. The Statement of Investment Policy of a fund which does not permit active members to direct the allocation of their contributions, or their contributions and those of the employer, i.e., member choice investments, must include the following:
  - (a) a description of the fund's rate of return objective which may be expressed as either real or nominal rates and in either absolute terms (e.g., a real rate of return of 4% p.a. or a nominal rate of return of 6% p.a.) or relative terms (e.g. the nominal rate of return on long-term Government debt plus 3%);
  - (b) a description of the fund's tolerance for aggregate investment risk (volatility of the portfolio rate of return), as low, moderate or high and must include an analysis of the risk structure of the portfolio that complies with clause 4(a);
  - (c) an analysis of the reasonableness of the rate of return objective referred to in sub-clause (a), in light of the characterization of the fund's tolerance for aggregate investment risk referred to in sub-clause (b);
  - (d) a description of the asset classes in which the fund may invest which must be inclusive and specific, together with an analysis and assessment of the portfolio's level of diversification (both as across and within asset classes) as low (relatively few asset classes and few sub-classes), moderate or high (a substantial representation of asset classes and sub-classes);
  - (e) the target proportion of the portfolio (or range thereof) that each asset class is typically expected to represent;
  - (f) the portfolio limits applicable to each asset class (the maximum proportion of the portfolio that each asset class may represent);
  - (g) for each asset class, the statement must describe all prohibited investments (e.g. in the case of corporate debt, all securities rated less than AAA by recognized rating agencies);
  - (h) for each asset class, the maximum exposures to a single investment within the class expressed as a percentage of the portfolio;
  - (i) the limit applicable to the total exposure of the portfolio to a single entity (i.e. the maximum proportion of the portfolio that could be invested in the debt or equity of, or loans to, a single issuer or entity);
  - (j) the limit applicable to the total exposure to currency risk (i.e. the maximum proportion of the portfolio that may be denominated in currency other than Namibian dollars);
4. To comply with clause 3(b), the Statement of Investment Policy must either:
  - (a) determine:
    - (i) the proportion of the portfolio typically represented by asset classes that include fixed-income investments (e.g., debt securities, certificates of deposit, first mortgages on real property);
    - (ii) the proportion of the portfolio typically represented by asset classes that include variable income investments (e.g., common equity shares, commercial real estate);
    - (iii) the ratio of (i) to (ii), and

- (iv) must justify the characterization of the aggregate portfolio risk as low, moderate or high in relation to the value of (iii), having regard for the fact that a high value of (iii) (e.g., >1.5) represents low aggregate portfolio risk and a low value of (iii) (e.g., <.75) represents high aggregate portfolio risk; or
  - (b) provide an analysis on some other basis prepared by the fund investment advisor that justifies the assessment of the fund's tolerance for aggregate investment risk having regard for the asset classes in which the fund invests, the target proportions thereof, the limits on single investments within asset classes and the level of diversification of the fund.
- 5. The Statement of Investment Policy for a defined contribution fund may be prepared by its board without taking advice from a fund investment advisor, provided the Policy complies with clause 6 of this Standard and further restricts the investments of the fund to the following (excluding unlisted investments), all of which must be denominated in Namibian dollars, and, where applicable, have a term to maturity not in excess of 5 years:
  - (a) debt securities of the Government of Namibia;
  - (b) certificates of deposit or guaranteed investment certificates issued by a banking institution or a financial institution;
  - (c) equity shares of issuers listed on an exchange registered under the Act;
  - (d) annuity contracts issued by a life insurer registered under the Act which must be guaranteed as to capital and rate of return; and
  - (e) units of:
    - (i) collective investment schemes; or
    - (ii) life insurance segregated funds of a life insurer registered under the Act, the investments of which comply with this clause.
- 6. Where the rules of a defined contribution fund permit active members to direct the allocation of their contributions, or their contributions and those of the employer, to funds managed by a fund investment advisor that is a registered financial institution or registered financial intermediary or to funds managed by some other registered financial institution or registered financial intermediary, the Statement of Investment Policy must stipulate that:
  - (a) active members must receive clear descriptions, at least annually, of each of the various funds available to them, which descriptions must include their specific investment policies, their risk exposures, rate of return objectives and expense charges, including details as to periodic management fees and charges for inter-fund transfers and withdrawals;
  - (b) allocation options available to active members are suitably circumscribed so as to prevent imprudent risk exposure due to inadequate diversification or excess allocation among higher risk asset classes;
  - (c) the fund will provide investment counselling workshops for active members at least once every three years to provide guidance and training in the management of investments with emphasis on the risk and return relationship and the need to monitor and adjust asset class allocations over time; and
  - (d) the fund management will provide active members with comprehensive statements of their account activity, fund balance marked-to-market and net rate of return on a quarterly basis, as a minimum frequency, with such statements delivered either electronically or physically at the option of the active member.

7. Where the rules of a defined contribution fund permit active members to direct the allocation of their contributions, or their contributions and those of the employer, the Statement of Investment Policy must include the following:
  - (a) a description of the fund's policy with respect to:
    - (i) the use of derivatives;
    - (ii) securities lending;
    - (iii) acquisition of unlisted shares/debt; and
    - (iv) participation in private placements;
  - (b) confirmation that the fund will not acquire the voting shares of a listed or unlisted entity that, in the aggregate, exceed the lesser of 30% of the outstanding voting shares of that entity or the amount of such shares that would or could confer voting control on the fund without the prior notification and approval of NAMFISA;
  - (c) a description of the processes the board has implemented to regularly review and assess the investments of the fund and the operational measures that are instituted to monitor and control the key investment risks – market risk, interest rate risk, credit risk and liquidity risk; and
  - (d) a description of the processes to be followed when appointing fund investment advisors, investment managers, appraisal of these service providers, how the appraisals will be conducted and by whom.
8. The Statement of Investment Policy of a fund that is a defined benefit fund must, with respect to its rate of return objective, have regard for the rate of return assumption adopted by the valuator of the fund based on the most recent valuation report on the financial condition of the fund, and must therefore include a description of the relationship between the fund's rate of return objective according to the Statement of Investment Policy and the rate of return assumption adopted by the valuator and, if the rate of return objective exceeds the rate of return assumption by more than 2% per annum, an explanation of the justification for the divergence in the rates must also be included.
9. The Statement of Investment Policy must:
  - (a) include a summary substantially similar to that contained in Schedule 1 to this Standard;
  - (b) be made available to active members, retired members and deferred members on request either electronically or physically; and
  - (c) have regard to and comply with all legislative requirements pertaining to the investments of retirement fund.

## **SUPPORTING SCHEDULES**

The following supporting schedule is attached to and forms part of this Standard:

**Schedule 1:** Sample summary of a Statement of Investment Policy of a retirement fund

Display of the Asset Allocation Structure of the Investment Policy All Allocations and Limits Expressed as % of the Total Portfolio				
Asset Class	Rate of Return Objective	Target Allocation to the Class	Acceptable Range of Allocation to the Class	Limit on Exposure to a Single Asset Within the Class
GON Securities <=5 years to maturity				
GON Securities > 5 years to maturity				
Bank demand deposits				
Bank certificates of deposit				
Other financial institutions' certificates of deposit				
Commercial paper and short-term notes				
Corporate debt rated AAA or higher <=5 years to maturity				
Corporate debt rated AAA or higher > 5 years to maturity				
Corporate debt rated less than AAA				
Common equity shares - listed				
Preferred equity shares - listed				
Common equity shares – unlisted				
Preferred equity shares - unlisted				
Mortgage loans – residential				
Mortgage loans – residential – to members of the fund				
Mortgage loans – commercial				
Real estate – residential				
Real estate – commercial				
Other 1				
Other 2				
Other 3				

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****RETIREMENT FUNDS****MATTERS TO BE COMMUNICATED TO MEMBERS AND CONTRIBUTING EMPLOYERS AND MINIMUM STANDARDS FOR SUCH COMMUNICATION****Standard No. RF.S.5.19**

*issued by NAMFISA under section 410(6)(t) of the Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard -
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “deferred member” means an active member who has not yet retired but has left the service of the employer concerned prior to the retirement date, as defined in the rules of the fund, leaving in the fund the rights of the member to such benefits as may be payable according to those rules;
  - (c) “programmed withdrawal scheme” means a form of retirement income whereby a member determines the amount of retirement income to be withdrawn in each year following retirement; and
  - (d) “solvency ratio” means the ratio of the lesser of the actuarial value of the assets of the fund to the total liabilities, expressed as a percentage, or the fair value of the assets to the total liabilities, expressed as a percentage.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -
  - (a) “NAMFISA”, as defined in section 1 of the Act; and
  - (b) as defined in section 249 of the Act -
    - (i) active member;
    - (ii) board;
    - (iii) defined benefit fund;
    - (iv) defined contribution fund;
    - (v) employer;
    - (vi) fund;
    - (vii) retired member;
    - (viii) retirement fund; and
    - (ix) rules.

**Matters in respect of Communication with Members**

2. A retirement fund must -
  - (a) ensure that its communications with active members, retired members and deferred members are clear, complete and accurate; and
  - (b) at least annually, provide its active members, retired members and deferred members with the reports and other documents listed in clauses 3 to 8 inclusive, which must meet the minimum requirements described in those clauses.

3. In accordance with clause 2(b), a retirement fund must provide a description of the retirement fund that includes -

- (a) an explanation of the objectives of the fund, the risks involved in its operations as they may affect members and contributing employers, and the conditions that would tend to maximise the likelihood of its success;
- (b) the contribution rates required to be made by members and the contributing employer, the terms and conditions that apply thereto, the contribution rates that may be made on a voluntary basis by members, and the policy of the employer in regard to utilizing any emerging surplus to finance contribution requirements;
- (c) all costs associated with the administration of the fund, as well as how such administration costs are derived/computed;
- (d) the manner in which benefits are determined in the cases of:
  - (i) retirement;
  - (ii) death;
  - (iii) disability; or
  - (iv) early withdrawal, which must include member-specific values for each type of benefit offered to the member, using reasonable assumptions where necessary for the determination;
- (e) the age or ages at which members may elect to retire or at which the members are required to retire together with all terms and conditions that apply thereto;
- (f) the optional forms of benefits that are available to members upon retirement or early withdrawal and that are available to beneficiaries in the event of the death of the member before or after retirement;
- (g) in the case of a defined contribution fund, the investment options available to the members and their risk and reward characteristics, and the investment program adopted by the contributing employer in respect of its own contributions; and
- (h) the terms and conditions that would apply to the termination of the retirement fund, including the allocation and distribution of any surplus funds, and, in the case of a defined benefit fund, the potential effects of any unfunded solvency deficits on the accrued benefits of active members, deferred members and retired members.

4. In accordance with clause 2(b), a retirement fund must provide an annual report that complies with Standard No. RF.S.5.15.

5. In accordance with clause 2(b), a retirement fund must provide annual benefits statements which include:

- (a) in the case of a defined contribution fund, the minimum requirements of clause 6; and
- (b) in the case of a defined benefit fund, the minimum requirements of clause 7.

6. The benefit statement of a defined contribution fund must include -

- (a) Member's membership or employee number or other unique identifier, current municipal address, e-mail address, date of birth, gender, marital status, date on which the member became an active member, date on which the member became a deferred member or retired member, if applicable, date of retirement or early withdrawal if applicable, and identity(ies) of beneficiary(ies);

- (b) in the case of a defined contribution fund in respect of each active member or deferred member -
  - (i) the contributions of the member received by the fund in the current year, indicating which portion of contributions are additional voluntary contributions;
  - (ii) the contributions of the employer received by the fund in the current year;
  - (iii) the accumulated contributions of the member to the end of the current year;
  - (iv) the accumulated contributions of the employer to the end of the current year;
  - (v) the value of the investment portfolio corresponding to the accumulated contributions of the active member or deferred member as at the end of the current year;
  - (vi) the value of the investment portfolio corresponding to the accumulated contributions of the employer at the end of the current year; and
  - (vii) the net rate of return for the current and prior year in respect of each investment portfolio of the member and each investment portfolio of the employer;
- (c) in the case of a defined contribution fund, in respect of a retired member who has elected a programmed withdrawal scheme as optionally made available to active members by the fund -
  - (i) the value of the investment portfolio from which benefit payments are periodically withdrawn for payment to the retired member;
  - (ii) the projections of the balance in their account assuming different drawdown rates and returns, showing the sustainability of different rates over time; and
  - (iii) the maximum amount available for withdrawal in the year following the year of the statement;
  - (iv) the current drawdown rate of the member;
- (d) active member's or deferred member's election of allocations of contributions to specific investment funds, if applicable;
- (e) active member's or deferred member's individual account data as shown in tabular format in Schedule 1 to this Standard, if applicable;
- (f) retired member's benefits as shown in tabular format in Schedule 2 to this Standard;
- (g) briefly summarise the investment policy of the fund, including options available to members to allocate their contributions and funds comprising their accounts to separate funds;
- (h) report the net annual rates of return on the fund (or for each separate fund available for members to allocate their contributions and funds) and the investment expense percentage (including a breakdown of the different types of investment expenses) for the current year and prior 4 years (5 years in total); and
- (i) projections of potential retirement benefits under different investment scenarios.

7. The benefit statement of a defined benefit fund must include -

- (a) Member's membership or employee number or other unique identifier, current municipal address, e-mail address, date of birth, gender, marital status, date on which the member became an active member, date on which the member became a deferred member or retired member, if applicable, the pensionable service date applied to the member's benefit calculation, member's pensionable salary and contribution rate, date of retirement or early withdrawal if applicable, and identity(ies) of beneficiary(ies);
  - (b) active member's or deferred member's or retired member's accrued benefits, or benefits in payment, including death and disability benefits if applicable, and, as applicable, contribution data, as shown in tabular format in Schedule 2 to this Standard;
  - (c) disclose the results of the most recent investigation of the fund's financial soundness and its solvency position; and
  - (d) disclose any issues or developments that may have arisen since the most recent investigation of the fund's financial soundness and solvency position, other than amendments to the rules of the fund, and that may be reasonably expected to produce a material change in the fund's financial soundness or solvency position.
  - (e) in the case of a defined benefit fund, in respect of a retired member -
    - (i) the amount of benefit paid to the member during the current year;
    - (ii) the amount of benefit to be paid to the member in the following year;
    - (iii) the amount of benefit increase for the year of report attributed to cost-of-living benefit or allocation of fund surplus; and
    - (iv) the solvency ratio of the fund as at the date of the most recent report on the financial condition of the fund.
  - (f) in the case of a defined benefit fund, in respect of an active member or a deferred member -
    - (i) the contributions of the active member for the current year, indicating which portion of contributions are additional voluntary contributions;
    - (ii) the accumulated contributions of the active member or deferred member to the end of the current year;
    - (iii) the accrued benefit in respect of the member's service to the end of the current year;
    - (iv) the retirement benefit that is expected to be accrued in the year following the year of the report; and
    - (v) the solvency ratio of the fund as at the date of the most recent report on the financial condition of the fund.
8. In accordance with clause 2(b), a retirement fund must provide notices which must include -
- (a) notice of any annual meeting of active members, retired members and deferred members;
  - (b) notice of meetings held to provide information regarding management of investment portfolios as required by Standard No. RF.S.5.18;
  - (c) notice of potential mergers or sale or discontinuance of business segments that will impact the fund;



- (d) notice of the suspension of employer contributions whether as a result of utilisation of fund surplus or otherwise; and
- (e) notice of forthcoming rule amendments together with a description of the impact of such amendments on the fund or its members.

#### **Matters in respect of communication with contributing employers**

9. A retirement fund must -

- (a) ensure that its communications with contributing employers are clear, complete and accurate; and
- (b) provide contributing employers with the following:
  - (i) all matters required to be notified to contributing employers pursuant to Standards No. R.F.S.5.13 and R.F.S.5.17;
  - (ii) notification of all meetings of the board and meetings of active members, retired members or deferred members;
  - (iii) notice of any legal action taken against the fund or the board and an explanation of the status of the response by the board;
  - (iv) summary of all complaints made by active members, deferred members or retired members and evidence of the resolution or other disposition of such complaints;
  - (v) copies of all reports required to be prepared under the Act including the audited financial statements, valuator's report if applicable and investment manager's quarterly and annual reports;
  - (vi) where a mortgage held by an active member, retired member or deferred member is two months' payments in arrears, and the contributing employer has given a guaranty to the fund in respect of such mortgage, a notice to the contributing employer of the arrears together with a demand for the calling up of the guarantee;
  - (vii) where a member of the board has breached the code of conduct applicable to the board, a notice of the breach including the investigative actions taken by the board, the deliberations and findings of the board, and the action to be, or that has been, taken by way of sanction pursuant to Standard No. R.F.S.5.20;
  - (viii) notice of any material concerns raised by any service provider to the fund whether in a required report to the board or otherwise and an explanation of the disposition of those concerns; and
  - (ix) request for information concerning any report or article published in the media concerning the corporate, financial or other status of the contributing employer where such report or article may reasonably be interpreted as involving the retirement fund directly or contingently.

#### **SUPPORTING SCHEDULES**

- Schedule 1:** Benefit statement for a defined contribution fund  
**Schedule 2:** Benefit statement for a defined benefit fund

**SCHEDULE 1****Benefit statement for a defined contribution fund**

Name and ID (if applicable)					
Date of Birth					
Current residential address					
Email address					
Status – AM or DM or RM					
Date became AM or DM or RM					
Beneficiary of record					
<b>IF APPLICABLE</b> Elected Allocations of Active Member Contributions to Specific Investment Funds (describe fund and indicate % allocation): <div style="text-align: center;">           Fund A            Fund B            Fund C         </div> <b>IF NOT APPLICABLE DO NOT INCLUDE</b>	A% B% C%				
Individual Account Data:					
NOTE: Only applies to retired members if programmed withdrawal form of retirement income was elected					
Balance end of prior year = (a)					
Active Member contributions received – nil for deferred members and retired members = (b)					
Employer(s) contributions received – nil for deferred members and retired members = (c)					
Investment Income received or allocated = (d)					
Expenses assessed = (e)					
Benefits paid to member = (f)					
Balance end of current year = [(a)+(b)+(c)+(d) –[(e)+(f)]					
Investment Policy					
Include a brief description of the retirement fund's investment policy.					
Investment Rates of Return – most recent five years					
	CY	CY-1	CY-2	CY-3	CY-4
ROI					
Investment Expense					
% -see below					

Determine as  $IE\% = 2 * (\text{Total Investment Expenses}) / [\text{Fund at beginning of year} + \text{Fund at end of year}] * 100$

EG IER =  $\{2(2800)/(105500+117500)\} * 100 = 2.51\%$

**SCHEDULE 2****Benefit statement for a defined benefit fund**

Name and ID (if applicable)	
Date of Birth	
Current residential address	
Email address	
Status – AM or DM or RM	
Date became AM or FM or RM	
Beneficiary of record	
Individual Benefit Data:	
Accrued benefit end of prior year = (a)	
Benefit accrued to an AM during the year according to the fund rules= (b)	
Note: this is nil for a DM or RM	
Benefits awarded during the year for cost-of-living adjustments or from allocations of surplus = (c)	
Accrued benefit end of current year = (a)+(b)+(c)	
AM's contributions - accumulation at end of prior year	
AM's own contributions received during year	
AM's contributions – accumulation at end of current year	
<u>Fund Financial Condition Information</u>	
As of the last investigation by the fund's valuator:	
The fund was fully funded on a going concern basis	
Or	
The fund was not fully funded on a going concern basis and the funded ratio was ____%. The funding deficit is being met by additional employer payments over the next ____ years.	
The fund was fully funded on a termination of fund basis	
Or	
The fund was not fully funded on a termination of fund basis and the solvency ratio was ____%. The solvency deficit is being met by additional employer payments over the next ____ years.	

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****RETIREMENT FUNDS****MATTERS TO BE INCLUDED IN A CODE OF CONDUCT  
TO BE ADOPTED BY THE FUND****Standard No. RF.S.5.20**

*issued by NAMFISA under section 410(6)(u) of the  
Financial Institutions and Markets Act, 2021*

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**Definitions**

1.
  - (1) In this Standard “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.
  - (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:
    - (a) as defined in section 1 of the Act:
      - (i) NAMFISA;
      - (ii) principal officer;
    - (b) as defined in section 249 of the Act:
      - (i) board;
      - (ii) fund;
      - (iii) retirement fund; and
      - (iv) rules.

**Code of conduct**

2. The following requirements must be stipulated in the code of conduct of the board of a fund and must be included in the rules of the fund in compliance with section 261(6)(b) of the Act:
  - (a) Duty of Attendance of meetings - the code of conduct must include a minimum attendance requirement which, if not met, is sanctionable;
  - (b) Duty of Active Engagement - Board members must be actively engaged in board activities and not merely passive vote-casters at meetings. This means not only attending meetings but also withholding their vote on any issue until they are satisfied that their vote is based on their own personal critical examination of the issue and then voting on the basis of their appraisal of the facts. They must be or become knowledgeable concerning the fund rules, its objectives and operations, the roles played by service providers, the provisions of Chapter 5 of the Act and must be intimately familiar with the code of conduct and its interpretation;
  - (c) Duty of Prudence - Board members must discharge their responsibilities with skill, diligence and prudence having regard for the fact that the management, conservation and growth of the assets and investments of the fund is in their hands. Board members must carefully test and challenge the advice of service providers to ensure that the fund is not unduly exposed to risk of loss and that its rate of return expectations is reasonable and appropriate to the objectives and nature of the fund;
  - (d) Duty to Protect the Fund - Board members must ensure that the fund is operated and maintained subject to adequate and appropriate measures to identify and control risks, whether they are investment risks, administrative risks, insolvency risks or financial risks (e.g., estimation of costs or liquidity requirements etc.);

- (e) Duty of Avoidance and Fair Dealing - Board members must avoid conflicts of interest (and if unavoidable, adequately manage such conflicts), avoid accepting gifts or inducements from any source related to the fund in any way, to ensure that members and beneficiaries maintain their confidence in the governance of the fund and that its governance is transparent and free of any questionable conduct issues. Board members must ensure that all transactions involving the fund and its governance, maintenance, investment and administrative operations are based on sound corporate governance principles and are at arm's length of board members, fund employees and members and beneficiaries of the fund;
  - (f) Duty of Independence - Board members must exercise discipline in terms of rigorously exercising independence of thought and analysis when considering the business of the board. This means, in general, seeking information that is needed to ensure that matters are carefully examined, and critically inspecting that information to ensure it meets various tests, e.g., completeness, consistency and reasonableness. Board members must resist the tendency to uncritically accept the views and opinions of other board members and of representatives of service providers;
  - (g) Duty of Efficiency - Board members must incur only those reasonable expenses necessary to ensure their preparation for, attendance at and effective participation in meetings of the board or of members and beneficiaries. Board members must ensure that meeting expenses are reasonable and have regard for their duty to protect the fund against excessive expenditures. Board members must ensure that the bases for the expense charges of service providers are reasonable, and that the actual charges are subject to appropriate verification and audit;
  - (h) Duty to Monitor Performance - Board members must monitor the investment and administrative performance of the fund. Board members must review and analyse reports and ensure that all questions that arise therefrom receive attention and are resolved to the satisfaction of the board member or members concerned.
  - (i) Duty to Hold Service Providers Accountable - Board members must satisfy themselves to the greatest possible extent that the counsel of, work performed and reporting by service providers are reasonable and based on the highest professional or industry standards. To that end, they must study all reports submitted by service providers, ensure that they are given the opportunity to meet with service providers and, as necessary in the circumstances, challenge items or matters that are unclear or that seem questionable or unreasonable; and
  - (j) Duty of Compliance - Board members must ensure that the fund meets the requirements of all applicable legislation, regulations and standards and that it is operated in accordance with its rules. The board must satisfy itself that all parties involved in the maintenance and administrative or investment operations of the fund comply with a code of conduct that the board considers sufficient and appropriate. The board must instruct all such parties to report to it all misconduct or non-compliance with fund rules or administrative standards or guidelines.
3. This Standard must be read in conjunction with Standard No. GEN.S.10.9 – Code of Conduct.
-

## FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

### RETIREMENT FUNDS

#### THE TRANSFER OF ANY BUSINESS FROM A FUND TO ANOTHER FUND OR THE TRANSFER OF ANY BUSINESS FROM ANY OTHER PERSON TO A FUND

#### Standard No. RF.S.5.22

*issued by NAMFISA under section 410(6)(y) of the Financial Institutions and Markets Act, 2021*

#### Definitions

1. (1) In this Standard -
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “transferor fund” means the retirement fund from which accrued benefits and corresponding assets and liabilities are transferred to another retirement fund pursuant to the rules of the transferor fund;
  - (c) “transferee fund” means the retirement fund to which accrued benefits and corresponding assets and liabilities are transferred from another retirement fund pursuant to the rules of the transferee fund;
  - (d) “transfer agreement” means an agreement between two retirement funds whereby one fund transfers accrued benefits, assets and liabilities in respect of certain of its members to another fund;
  - (e) “transferring employer” means the employer of members of the transferor fund whose accrued benefits are being transferred to the transferee fund and whose future benefits will be provided by the transferee fund or another fund, as applicable; and
  - (f) “transferring members” means the members of the transferor fund whose accrued benefits are being transferred to the transferee fund and whose future benefits will be provided by the transferee fund or another fund, as applicable.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -
  - (a) NAMFISA, as defined in section 1 of the Act;
  - (b) as defined in section 249 of the Act -
    - (i) board;
    - (ii) defined benefit fund;
    - (iii) employer;
    - (iv) fund;
    - (v) retirement fund; and
    - (vi) rules.

#### Prohibited transfers

2. No transfer of benefits and corresponding assets and liabilities from a fund to another fund may be made if -
  - (a) either of the transferor fund or the transferee fund is -

- (i) not in compliance with the Act, and such non-compliance may prejudice or negatively impact the rights of the transferring members or the amount to be transferred;
    - (ii) a party to a legal action in the course of adjudication, if such legal action may prejudice or negatively impact the rights of the transferring members or the amount to be transferred;
    - (iii) technically insolvent;
    - (iv) not expressly authorised by its rules to transfer accrued benefits and corresponding assets and liabilities to another fund or to accept transfers of benefits and corresponding assets and liabilities from another fund, as applicable;
  - (b) the transferor fund and the transferee fund have not made an agreement that sets out the terms and conditions that will govern the transfer;
  - (c) NAMFISA has not approved the terms and conditions of the transfer agreement that will govern the transfer; or
  - (d) any transferring employer is in default of any obligation to the transferor fund or the transferee fund or to NAMFISA.
3. Notwithstanding clause 2, NAMFISA may, if the transferor fund and the transferee fund has complied with the requirements in clause 4 and NAMFISA is satisfied that the proposed transfer is in the interest of the members of both the transferor fund and the transferee fund, consider and approve the proposed transfer.

#### **Requirements for approval by NAMFISA**

4. NAMFISA will not approve a transfer of accrued benefits and corresponding assets and liabilities from a transferor fund to a transferee fund, unless satisfied that -
- (a) a transfer agreement has been submitted to NAMFISA jointly by the transferor fund and the transferee funds for review;
  - (b) the transfer agreement adequately and appropriately addresses the reasonable and legitimate concerns of members of either fund and that the members have been given at least three months' notice prior to the effective day of the transfer, of the pending transfer agreement and of their right to make their concerns known to the boards of the funds;
  - (c) the transfer agreement complies with the Act, and in particular with Part 8 of Chapter 10 of the Act;
  - (d) the transfer agreement:
    - (i) protects the accrued benefits of transferring members including making provision for their reasonable benefit expectations;
    - (ii) includes an analysis showing that members of the transferor fund who are not transferring members and the members of the transferee fund are treated equitably and provides an analysis of the impacts of the transfer on the financial position of both funds;
    - (iii) stipulates that the accrued benefits transferred are and will remain fully and irrevocably vested in the transferring members during their membership in the transferee fund;

- (iv) stipulates that the transferring members' periods of service recognized in the transferor fund will be recognized as credited service by the rules of the transferee fund for all purposes used to determine rights to their transferred accrued benefits and their future accruals of benefits in the transferee fund;
- (v) in the case where, subject to the prior approval of NAMFISA, investments of the transferor fund are being transferred to the transferee fund rather than cash, specifies the methodology applied to determine the selection of those investments and an analysis of that methodology that supports its appropriateness to the circumstances of the transfer, which analysis must be based on a report by an independent retirement fund advisor;
- (vi) in the case of a transferor fund that is a defined benefit fund and that has an actuarial surplus at the date of transfer, describes the rights of members to allocations of such surplus upon termination or partial termination of the fund according to its rules, the provision made for the allocation of surplus to transferring members including a statement of opinion by the valuator of the transferor fund that the allocation is equitable to both the transferring members and to members who are not transferring members;
- (vii) in the case of a transferee fund that is a defined benefit fund, describes the effects on the rights to surplus of members of the transferee fund that may reasonably expected to result from the transfer of assets and liabilities in respect of the accrued benefits to be transferred to the transferee fund in respect of transferring members including a statement of opinion by the valuator of the transferee fund that those rights are not expected to be adversely affected by the transfer;
- (viii) includes a certification by the board of each of the transferor fund and the transferee fund that the transfer agreement is authorised by the rules of the fund and is in compliance with those rules, together with a disclosure of the proportions of the members of each fund that have formally objected to the transfer, and
- (ix) includes a statement of costs associated with the transfer.

#### **Reports to be appended to transfer agreement**

5. The following reports, if applicable, must be appended to the transfer agreement upon the agreement being submitted to NAMFISA:
- (a) any statements by or opinions of an independent retirement fund advisor or a valuator of a transferor fund or a transferee fund; and
  - (b) the reports on which those statements or opinions are based.
-



**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****RETIREMENT FUNDS****THE FEE THAT MAY BE CHARGED TO MEMBERS FOR COPIES OF  
CERTAIN DOCUMENTS, AND THE REPORTS AND OTHER INFORMATION  
THAT MUST BE PROVIDED BY THE BOARD OF A FUND TO ITS  
MEMBERS FREE OF CHARGE****Standard No. RF.S.5.23**

*issued by NAMFISA under section 410(6)(z) of the Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -
  - (a) as defined in section 1 of the Act -
    - (i) NAMFISA; and
    - (ii) principal officer;
  - (b) as defined in section 249 of the Act -
    - (i) board;
    - (ii) fund;
    - (iii) retirement fund; and
    - (iv) rules.

**Copies free of charge**

2. A retirement fund must provide a copy of the following documents to members free of charge, irrespective of whether the copy is required to be provided to the member pursuant to any provision of the Act or whether the copy has been requested by the member on an ad hoc basis -
  - (a) the rules of the fund, fund policy statements and fund service level standards;
  - (b) fund governance documents (e.g., board code of conduct, board meeting procedures etc.) and board performance standards applicable to the board or to fund service providers;
  - (c) the annual report of the board to members;
  - (d) the fund’s certificate of registration issued by NAMFISA or by any other government agency or department that is required by law to register the fund;
  - (e) any notice required to be given to members pursuant to any provision of the Act;
  - (f) any application by the fund to NAMFISA for approval of any material change to or activity involving the fund (e.g., refund of surplus, suspension of contributions, proposal for a partial termination, termination, merger or exemption from a provision of the Act, ) and the subsequent letter or other document from NAMFISA communicating its decision, insofar as is directly relates to the member; and

- (g) any amendment to any of the documents referred to in sub-clauses (a) to (h).

#### **Reasonable fees for copies**

- 3. (1) A retirement fund may charge reasonable fees for copies of the documents listed in sub-clause (2), where such documents:
  - (a) are not required to be provided to members by any provision of the Act;
  - (b) have been specifically requested by a member.

#### **The documents referred to in sub-clause (1) are the following:**

- (a) A copy of any document which was previously provided to a member pursuant to clause 2;
- (b) the most recent report of the auditor and valuator (if applicable) of the fund, and the investment manager or advisor, administrator or other service provider to the fund, if such copies have already been provided to the member on a previous occasion;
- (c) any other report received by the board whether it was required by the Act or commissioned by the board on a recurring or an ad hoc basis, insofar as the report relates directly to the member;
- (d) the minutes of meetings of the board and meetings of members, insofar as such minutes relate directly to the member; and
- (e) any court adjudication or legal opinion involving the fund if the matter exposed or will expose the fund to a material risk, and disclosure of the document does not violate any requirement of confidentiality.

#### **Hard copy or copy in electronic format**

- 4. (1) In the event that a member requests a copy of a document to which clause 2 or 3 applies and does not specify whether the member prefers or requires a paper copy or a copy in electronic format, the retirement fund must ascertain whether or not the member will accept the document in electronic format.
- (2) In the event that a member has requested a copy of a document to which clause 2 or 3 applies and the member has agreed to receive the copy in electronic format, the retirement fund shall provide such a copy free of charge.
- (3) In the event that a member has requested that a copy of a document to which clause 2 applies be provided in paper format, the retirement fund shall provide the paper copy of the relevant pages at a reasonable charge.
- (4) In the event that a member has requested that a copy of a document to which section 2 applies be provided in paper format, and the document has been received by the fund in a bound format, extends beyond 5 standard report-size pages, includes a mix of standard report-size pages and non-standard large-sized pages, or is otherwise difficult to copy, the retirement fund, in its sole discretion, may offer the member the option of accepting a copy of an excerpt from such document that includes the conclusion or other material provisions on a fee-exempt basis in lieu of being provided with a copy of the complete document on a payment-of-fee basis.

#### **Board approval of fees**

- 5. (1) Fees for a paper copy of a document to which clause 3 applies that are charged by a retirement fund must be approved by the board, and in any specific case may not exceed the lowest cost of copying the document in question charged in the commercial market for making copies at that time.

- (2) The board may delegate the approval of fees referred to in sub-clause (1) to the principal officer of the fund, but must review all such approvals on a regular basis.

### **Summary of Standard**

6. The board of a retirement fund must arrange for a summary of the provisions of this Standard to be prepared and distributed to each member of the retirement fund free of charge.

### **Other relevant Standards**

7. This Standard must be read in conjunction with the provisions of Standard No. RF.S.5.13.

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## **FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

### **RETIREMENT FUNDS**

#### **MANNER AND FORM OF APPLICATION FOR REGISTRATION OF A FUND**

##### **Standard No. RF.S.5.24**

*issued by NAMFISA under sections 252(2)(a), 252(2)(d) and 410(6)(aa) of the  
Financial Institutions and Markets Act, 2021*

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### **Definitions**

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.
- (2) Words and phrases defined in the Act have the same meaning in this Standard unless the context indicates otherwise, including without limitation, the following-
  - (a) as defined in section 1 of the Act -
    - (i) auditor;
    - (ii) NAMFISA;
    - (iii) principal officer;
    - (iv) retirement fund;
    - (v) valuator;
  - (b) as defined in section 249 of the Act -
    - (i) board;
    - (ii) employer;
    - (iii) fund;
    - (iv) fund administrator;
    - (v) rules; and
    - (vi) sponsor.

### **Applicability**

2. This Standard applies to all funds and applicants and to their boards, principal officers and fund administrators.

### **Requirements for application of registration**

3. An application for registration of a fund must consist of a duly completed application form, in the form of Annexure A to this Standard, duly signed by the board in the case of an existing fund, or by the interim board in the case of any other fund.

4. In addition to the application form referred to in clause 3, an application for registration must be accompanied by-
- (a) one original set and one copy of the rules of the fund duly signed and certified by the chairperson of the board/interim board as well as an additional board member as being the rules which will become effective on the date of registration of the fund or the date of commencement of the operations of the fund, whichever is the later;
  - (b) an original certificate by a valuator as to the financial soundness of the rules, which certificate must state the name, physical address, professional qualifications and experience of the valuator, including certified copies of the valuator's qualifications and his/her curriculum vitae;
  - (c) a document (for example a copy of the resolution of the directors of the participating employer or sponsor) to indicate the authority in terms of which the fund is established;
  - (d) proof of payment of the prescribed registration/application fee;
  - (e) the documents referred to in section C of Annexure A to this Standard;
  - (f) the requirements contained in Standards GEN.S.10.2 (fit and proper requirements) and GEN.S.10.8 (Independence requirements), and
  - (g) any other document and/or information that may be requested by the Authority as provided for in the Act.

## ANNEXURE A

### RETIREMENT FUNDS

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#### APPLICATION FOR THE REGISTRATION OF A FUND

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#### APPLICATION FOR REGISTRATION AS A FUND

*In terms of Section 252 of the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)*

<b>Section A. General Information</b>
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I, \_\_\_\_\_  
(full name of authorized representative of fund)

hereby apply for the registration of

\_\_\_\_\_ as a retirement/beneficiary fund (delete whichever is not applicable).

1. It is intended that -

(a) The Principal Officer will be

\_\_\_\_\_  
(full names)

(b) The ID/Passport number of the of the Principal Officer

\_\_\_\_\_

- (c) The physical address of the Principal Officer

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- (d) The contact details of the Principal Officer

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- (e) The principal office of the fund

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(full physical address)

- (f) The postal address of the fund

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- (g) The name and contact details of the proposed fund administrator (if applicable), as well as proof of registration as a fund administrator, if applicable.

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- (h) The name and contact details of the proposed auditor.

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- (i) The name and contact details of the proposed/appointed valuator

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**Section B.** Applicant's declaration (oath)

I, \_\_\_\_\_,  
(Full name of natural person acting as applicant)

On behalf of the fund: \_\_\_\_\_  
(Name of fund)

Hereby declare the following:

This statement consists of \_\_\_\_\_ pages, each initialled by me. The content of this declaration is true to the best of my knowledge and belief. I am aware that should it be submitted as evidence and I know something appears therein that I know to be false or believe to be not true, I may be liable for prosecution.

I undertake that, as long as I continue to be a board member and/or principal officer of the institution, I will notify NAMFISA of any material changes to, or affecting the completeness or accuracy of, the information supplied to NAMFISA as soon as possible, but in no event later than 30 days from the day that the changes come to my attention.

I know and understand the content of this declaration. I do not have objections to taking the prescribed oath. I consider the prescribed oath to be binding on my conscience.

**SIGNATURE OF DEPONENT**

I certify that the above statement was taken by me and that the deponent has acknowledged that he/she knows and understands the content of this statement. This statement was sworn to/affirmed before me and the deponent's signature was placed hereon in my presence, at

\_\_\_\_\_ on \_\_\_\_\_

**COMMISSIONER OF OATHS/PUBLIC NOTARY**

FULL NAMES: \_\_\_\_\_

EX OFFICIO: \_\_\_\_\_

AREA: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

*(Please note: All pages are to be initialled by Commissioner of Oaths/Public Notary)*

### Section C. Attachments

Kindly confirm the attachment of documents by marking the appropriate box with an “X”.

		Attached	Comment
<b>PROPOSED FUND INFORMATION</b>			
(a)	An original set and a copy of the proposed rules of the fund;		
(b)	The date on which the fund will come into operation;		
(c)	Full details of those who will be participating employers of the fund (if applicable);		
(d)	Number of members who will immediately join the fund upon registration;		
(e)	Code of conduct for the members of the Board of Trustees (if available);		
<b>INTERIM BOARD OF TRUSTEES INFORMATION</b>			
(f)	A copy of the Interim Board of Trustees resolution for the establishment of the fund;		
(g)	Full details of the proposed interim trustees;		
(h)	Curriculum vitae's of the proposed interim trustees;		
(i)	Identification documents of proposed interim trustees;		
(j)	Completed disclosure of interest report by the proposed interim trustees;		
(k)	Proof of application for the Police Clearance by the Police/Certificate of conduct by the Police;		
(l)	Completed fit and proper form for each trustee;		
<b>PRINCIPAL OFFICER INFORMATION</b>			
(m)	The proposed interim Board of Trustees resolution approving the appointment of the principal officer;		
(n)	Curriculum vitae of the proposed Principal Officer;		
(o)	Proof of Namibian citizenship or permanent residence of principal officer, including copy of Identity Document;		
(p)	Proof of application for the Police Clearance by the Police/Certificate of conduct by the Police;		
(q)	Completed fit and proper form;		
<b>THIRD PARTY INFORMATION</b>			
(r)	A copy of the Valuator's Certificate of financial soundness of the rules;		
(s)	Copy of the proposed administration agreement between the fund and the administrator (if applicable);		
(t)	Copy of any other agreements between the fund and any other party (benefit consultant, valuator, auditor, investment manager) (if applicable); and		
<b>REGULATORY REQUIREMENTS</b>			
(u)	Proof of payment of the prescribed application fee.		

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****RETIREMENT FUNDS****FORM OF CERTIFICATE OF REGISTRATION FOR A FUND****Standard No. RF.S.5.25**

*issued by NAMFISA under sections 254(3) and 410(6)(aa) of the  
Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the term “fund” as defined in section 249 of the Act.

**Applicability**

2. This Standard applies to all funds registered under the Act.

**Form of certificate of registration**

3. Upon registration of an applicant as a fund, NAMFISA must issue to the fund a certificate of registration in the form of Annexure A to this Standard.

**ANNEXURE A**

**Registration. No.....**

**CERTIFICATE OF REGISTRATION**

**Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)**

**REGISTRATION AS A FUND**

**This is to certify that**

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**with principal office: \_\_\_\_\_**

**has been duly registered in terms of section 254(1) of the Financial Institutions and Markets  
Act, 2021**

**(Act No. 2 of 2021), and may operate from the following places within Namibia:**

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**SCHEDULE 1****FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****FRIENDLY SOCIETIES****STATEMENT OF THE ASSETS OF A FRIENDLY SOCIETY****Standard No. FS.S.6.1**

*issued by NAMFISA under section 410(7)(a) of the Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following-
  - (a) As defined in section 1 of the Act:
    - (i) friendly society;
    - (ii) Generally Accepted Accounting Practice;
    - (iii) International Auditing Standards;
    - (iv) NAMFISA;
  - (b) As defined in section 284 of the Act:
    - (i) assets;
    - (ii) board;
    - (iii) fair value; and
    - (iv) society.

**Applicability**

2. This Standard applies to all societies registered under the Act and the board and principal officer of each society shall be responsible for ensuring that the statement of assets of the society meets the requirements of this Standard.

**Statement of assets**

3. Every society shall annually prepare a statement of its assets as at the end of its financial year, and shall deposit such statement with NAMFISA within 90 days from that financial year end.
4. The statement of assets of a society must comply with Generally Accepted Accounting Practice and International Auditing Standards.
5. The inclusion of amounts produced from actuarial valuations and/or assessments in the statement of assets is subject to Standard FS.S.6.8 and to review by NAMFISA post facto. No amounts made pursuant to actuarial or other methodology that represent future contributions by future members of the society, may be included in any statement of assets.
6. All assets of the society in respect of its business related to its objects, as described in clause 16 of this Standard, shall be included in the statement of assets. The values at which assets are to be included are their fair values as defined in section 284 of the Act. Where their fair values differ from their market value, their market values shall also be reported. The state-

ment of assets shall, in the case of each such asset whose fair value differs from its market value, disclose whether the market value is readily ascertainable from publicly available data or has been determined in some other manner. Where the market value of an asset is readily ascertainable from public data, the source of the market value shall also be reported with details as to the manner in which the market value has been determined at its source, together with a description of whether or not accrued investment income has been incorporated in the amount reported. Where the market value has been otherwise ascertained, the statement shall describe the methodology for its determination in detail.

7. Any statement of assets required to be deposited shall, unless otherwise approved by NAMFISA, report the assets in the format set out in the Schedule to this Standard.
8. Where, in respect of any asset, any payment of interest, dividends, capital or other amount that is due to have been paid to the society has not been received, and more than 60 days have elapsed from the due date to the date as of which the statement is prepared, the asset shall be included in the statement as a separate item and not included in any grouping or aggregation of assets, together with data showing the due date and the amount due. Details of the manner of determining the fair value and market value of such assets shall be provided.
9. No expenses of administration, organization or business extension, and no purchase price of a business (apart from the value of any property belonging thereto) or of goodwill or any item of a similar nature, shall be included as an asset.
10. Full particulars of each asset shall be furnished, provided that if compliance with the requirements of this clause by a particular society would result in an unduly voluminous statement, the society concerned may group various classes of assets together, or otherwise abridge the statement in such manner as NAMFISA may approve in writing.
11. Subject to clause 8, the statement of assets shall, for each asset, include the amounts of investment income that have accrued to the date of the statement but which are not yet due to be paid.
12. The statement of assets must be accompanied by a declaration of the board of the society stating whether in their opinion the statement of assets has been drawn up in accordance with the requirements of the Act and this Standard.
13. The declaration of the board of the society pursuant to clause 12 must be by way of a resolution of board which specifies the day on which it was made and be signed by the chairperson of the board.
14. The statement of assets of a society must include a statement by the auditor of the society to the effect that in his or her opinion, the statement of assets has been compiled in accordance with the requirements of the Act and this Standard.
15. NAMFISA will assess the adequacy and appropriateness of disclosures in the statement of assets and may request further information and additions to the statement if NAMFISA deems it appropriate.
16. Where the society conducts business other than that corresponding to its objects, it must maintain separate funds, accounts of revenues and expenses, assets and liabilities pertaining to the affairs corresponding to its objects.

### Schedule of the Statement of Assets

<b>Asset Group by Jurisdiction and by Currency within Jurisdiction</b>	<b>Cost Amount paid for investment</b>	<b>Fair Value As of date of statement</b>	<b>Investment Income Overdue &gt; 60 days</b>
Credit Balances: Bank Accounts and Deposits – list by account			
Credit Balances: Other Bank Instruments – list by instrument			
Government Bonds: – list in order of increasing term to maturity with key characteristics – issuer, coupon rate, if convertible etc			
State-owned enterprise, local authority and regional council Bonds: – list in order of increasing term to maturity with key characteristics – issuer, coupon rate, if convertible etc			
Corporate Bonds: – list in order of increasing term to maturity with key characteristics – issuer, coupon rate, if convertible etc			
Foreign Bonds: – list in order of increasing term to maturity with key characteristics – issuer, coupon rate, if convertible etc			
Property: – list by property disclosing ownership interest, location and proportion occupied by the Society			
Shares: – group publicly traded and non-publicly traded separately, common and preferred separately, and within common group dividend-paying and non-dividend paying separately. Within all groupings list each holding separately disclosing issuer and number of shares held			
Other Claims:			
Other Assets:			
Mortgage Loans: - Residential–group loans to non-members and to members separately. Within each grouping list each loan separately in order of increasing term to maturity disclosing interest rate and term to maturity			
Mortgage Loans: – Commercial and Industrial – list each loan separately identifying property location, interest rate and term to maturity			
Investment Income Receivable and not overdue more than 60 days			
Members' Contributions Receivable – less than 60 days overdue			
Members Contributions Receivable – more than 60 days overdue			
Office equipment and supplies			
Other			

**General Interrogatory Regarding Statement of Assets**

1. Have all assets reported in this statement been acquired in compliance with the Investment Policy adopted by the Society Board in accordance with the Society's Rules? If not, append an explanation.
  2. Does the Society delegate investment decisions to an independent professional or are investment decisions taken by Society board? If the latter, append an explanation of the internal processes involved.
  3. Has the Society's Investment Policy been reviewed by an independent professional within the last 3 years? If yes, disclose any significant changes that were effected as a result of that review. If not, append an explanation.
  4. Does the Society's Investment Policy contain descriptions of the rate of return objectives for the investment portfolio, the associated risk measures and controls? If not, please append an explanation.
  5. Does the Society invest in derivative instruments for hedging or other purposes? If so, explain the activities and disclose all transactions during the year, ending with the date of the statement by appending same to this statement.
  6. Does the Society lend its securities? If so, please append an explanation of the practice and disclose all transactions during the year ending with the date of the statement.
  7. Are any payments of investment income overdue more than 180 days? If any, append a list of the investments concerned and the amounts overdue to this statement, together with an explanation of the determination of those investments' fair value and of the Society's plan for securing its interests therein.
  8. What was the net internal rate of return on the investment portfolio in the year ending with the date of the statement and what were those rates of return in each of the immediately preceding two years?
  9. Does the statement of assets include any amounts determined by a valuator as outputs of an actuarial valuation or process? If so, please append an explanation.
  10. Do all mortgage loans to members comply with section 306(2) of the Act? If not, please append an explanation.
  11. Have the fair values of the Society's investments been determined by the Society board? If so, has the board's methodology been reviewed by the Society's auditor and, if so, please append a description of any material findings of that review? If not, append an explanation of the source of the determinations and its methodology.
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# FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

## FRIENDLY SOCIETIES

### STATEMENT OF THE LIABILITIES OF A FRIENDLY SOCIETY

#### Standard No. FS.S.6.2

*issued by NAMFISA under section 410(7)(b) of the Financial Institutions and Markets Act, 2021*

#### Definitions

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation-
  - (a) as defined in section 1 of the Act-
    - (i) friendly society;
    - (ii) Generally Accepted Accounting Practice;
    - (iii) International Auditing Standards;
    - (iv) NAMFISA;
  - (b) as defined in section 284 of the Act-
    - (i) board;
    - (ii) liabilities;
    - (iii) fair value; and
    - (iv) society.
3. This Standard applies to all societies registered under the Act and the board and principal officer of each society shall be responsible for ensuring that the statement of liabilities of the society meet the requirements of this Standard.
4. Every society must, at least annually, prepare a statement of its liabilities other than those requiring actuarial scrutiny, and every society must at least triennially prepare a statement of its liabilities inclusive of those liabilities requiring actuarial scrutiny in the format set out in the Schedule to this Standard.
5. The statement of liabilities of a society must comply with Generally Accepted Accounting Practice and International Auditing Standards.
6. (a) A society shall deposit its statement of liabilities within 90 days of the end of its financial year, except that where such statement includes liabilities requiring actuarial scrutiny, the society shall deposit its statement of liabilities within 90 days after the date of completion of the valuation by the valuator of the liabilities requiring actuarial scrutiny, but in any case, not later than 180 days following the end of the financial year.
- (b) A society whose liabilities include liabilities subject to actuarial scrutiny shall deposit a statement of its liabilities, including those liabilities subject to actuarial scrutiny, at the end of the financial year in which the Act comes into force, or at the end of the third financial year following the date on which the society’s liabilities were last determined, whichever is later.
7. Where the statement of liabilities of a society includes liabilities subject to actuarial scrutiny, the actuarial processes that produce said liabilities shall conform to generally accepted actu-

arial practice, be based on data which is sufficient, complete and accurate, and shall comply with the requirements of Standard No. FS.S.6.8, except where otherwise allowed in writing by NAMFISA.

8. The statement of liabilities shall, subject to clauses 9 and 10, disclose in accordance with the Schedule to this Standard:
  - (a) The liabilities for unmatured contracts in force that require actuarial scrutiny separately for each such line of business issued pursuant to the rules of the society;
  - (b) The liabilities for unmatured contracts in force other than those requiring actuarial scrutiny separately for each such line of business issued pursuant to the rules of the society;
  - (c) The liabilities for matured contracts and benefit claims that have been reported but have not been settled as of the date of the statement;
  - (d) The liabilities for matured contracts and benefit claims that have been incurred but have not yet been reported as of the date of the statement;
  - (e) The liabilities for accrued expenses separating between those due and unpaid and those not yet due, and further, between those allocated to administration and those allocated to investment operations;
  - (f) The liabilities for accrued taxes, if any, separating between those due and unpaid and those not yet due;
  - (g) The liabilities that have been determined by NAMFISA in respect of contingences, business or provisions and that have not been determined by a valuator or otherwise;
  - (h) Miscellaneous liabilities; and
  - (i) Paid up Share Capital, if any.
9. Notwithstanding anything contained in clauses 7 and 8 above, and subject to clause 11, a liability or contingent liability which is covered by reinsurance shall not be shown as a liability on the statement of liabilities if the reinsurance has been effected with:
  - (a) a reinsurer authorized to carry on reinsurance business pursuant to Chapter 2 of the Act; or
  - (b) another registered society.
10. The statement of liabilities of a society related to its insurance business shall report amounts (both amounts of insurance and the associated liabilities) determined on a net of reinsurance basis where such reinsurance has been ceded by the society to an insurer or reinsurer that has been registered by NAMFISA, and on a gross of reinsurance basis where such reinsurance has been ceded to an insurer or reinsurer that has not been registered by NAMFISA, and in both cases, the amounts and liabilities thereof, i.e. ceded and assumed, shall be separately disclosed in the statement of liabilities identifying the insurer or reinsurer as the case may be.
11. The statement of liabilities of a society related to its insurance business shall include amounts (both amounts of insurance and the associated liabilities) related to insurance assumed from insurers or from reinsurers disclosing those amounts assumed from insurers or reinsurers registered by NAMFISA separately from those assumed from insurers or reinsurers not registered by NAMFISA, and identifying each such insurer or reinsurer in each case.
12. If any of the liabilities or contingent liabilities of a society that are to be included in the statement of liabilities in accordance with clauses 7, 8, 9 and 10 are of indeterminate amount, and have not been valued by a valuator pursuant to section 304 of the Act, the society concerned shall in writing request NAMFISA to determine the basis upon which such liabilities must be valued, and any determination so made by NAMFISA shall be binding upon the society.

13. NAMFISA may recover from the society all expenses necessarily incurred in making a determination under clause 12.
14. The liabilities of a society shall be separately stated in respect of each object or kind of business for which a separate account is required by the rules of the society.
15. NAMFISA will assess the adequacy and appropriateness of disclosure in the statement of liabilities and may request further information and additions to the statement if NAMFISA deems it appropriate.

#### Schedule to the Statement of Liabilities

<b>Business Requiring Actuarial Scrutiny – Net of Reinsurance Ceded to Registered Insurance Entities– Report At Least Triennially Liabilities in Respect of Unmatured Contracts in Force</b>		
<b>Class of Business</b>	<b>Amount in Force</b>	<b>Liability</b>
Life Insurance		
Annuity		
Accident and Sickness		
Other Health		
Other Line A		
Other Line B etc		
Reinsurance Details		
Ceded to Registered Entities		
Ceded to Unregistered Entities		
Assumed from Registered Entities		
Assumed from Unregistered Entities		
<b>Other Liabilities – All Business Report Annually</b>		
<b>Classification of Liability</b>	<b>Amount</b>	
Amounts Due in Respect of Reported Claims		
Amounts Due in Respect of Unreported Claims		
Reinsurance Details – Amounts Due in Respect of Reported Claims – As per item above.		
<b>Classification of Liability</b>	<b>Amount</b>	
Member Contributions Received but not yet Due		
Unearned Member Contributions – Note 1		
Accrued Expenses Due and Unpaid – Administrative		
Accrued Expenses Due and Unpaid – Investment		
Accrued Taxes Due and Unpaid		
Accrued Expenses – Administrative		
Accrued Expenses – Investment		
Accrued Taxes		
Provision for miscellaneous contingencies		
Other determinable liabilities not included elsewhere – Note 2		
Indeterminate Liabilities for which NAMFISA has determined the basis		
Dividends to Shareholders due and unpaid		
Accrued Dividends to Shareholders		
Paid-Up Capital		



1. Where a member pays a yearly contribution on June 30 - as of December 31, one-half of that contribution has been 'earned' and one-half is 'not earned' and must be reported as a liability.

Valuator's Certificate – to be included in any statement of liabilities which include liabilities in respect of business for which actuarial scrutiny is required.

I \_\_\_\_\_ the undersigned, hereby certify that the liabilities of the \_\_\_\_\_ Friendly Society included in this statement for which actuarial scrutiny is required were determined by me on the basis of assumptions and methods which conform to generally accepted actuarial standards of practice using data which I believe to be sufficient, complete and accurate.

Signed at \_\_\_\_\_ this day of \_\_\_\_\_

\_\_\_\_\_  
**Signature of Valuator**

#### **Interrogatory re Statement of Liabilities**

1. Is the society a defendant in any legal action(s) as of the date of the statement of liabilities? If so, append an explanation of the action(s) and indicate what provision for liability has been included in the statement.
2. Are any tax filings of the society known to be under investigation? If so, append an explanation and indicate what provision for liability has been included in the statement.
3. Have the society's auditor and valuator engaged in consultations regarding matters pertaining to the determination of the society's accounts, data, investments or other subjects related to the determination of the society's liabilities? If so, disclose any issues of concern by either or both that were raised with board and the manner in which those issues have been addressed.
4. Are there any reported claims for which the society is holding a provision in the statement of liabilities that is materially less than the amount claimed? If so, append an explanation.
5. Does the society have contracts in force guaranteeing to pay death benefits? If so, what is the largest single amount of benefit that it has in force and what proportion of it has been ceded to a reinsurer?
6. Does the society have contracts in force guaranteeing to pay income benefits (life annuities)? If so, append a description of the provision for improvements in longevity that has been made in the determination of the liabilities.
7. Does the society monitor claims ratios for short-term lines of business (e.g., accident and health)? If so, append an explanation of the monitoring process and recent results.
8. Does the society monitor the adequacy of its claims reserves for short-term lines of business (e.g., health and short-term disability income)? If so, append an explanation of the monitoring process and recent results.
9. Have any of the expenses of the society not directly allocable to the operations of the businesses on which the statement of liabilities is based been included in the statement of liabilities? If so, append a description of the amounts involved and the methodology used to allocate and report them in this statement.
10. Does the total of the liabilities and paid-up capital reported in this statement, together with the most recent total of the liabilities in respect of business requiring actuarial scrutiny, if this statement does not include same, exceed the total of the assets of the society as reported

in the statement of assets prepared as of the same date? If yes, append an explanation together with a summary of the steps to be taken to ensure the society's capacity to continue in operation.

### **Attestation by Principal Officer**

I \_\_\_\_\_ Principal Officer of \_\_\_\_\_ Friendly Society do hereby attest that the responses to the foregoing Interrogatory re the Statement of Liabilities are complete and accurate.

Signed at \_\_\_\_\_ this day of \_\_\_\_\_

\_\_\_\_\_  
**Signature of Principal Officer**

## **FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

### **FRIENDLY SOCIETIES**

#### **MANAGEMENT AND GOVERNANCE OF A FRIENDLY SOCIETY**

#### **Standard No. FS.S.6.4**

*issued by NAMFISA under section 410(7)(g) of the Financial Institutions and Markets Act, 2021*

### **Definitions**

1. (1) In this Standard, "Act" means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following-
  - (a) as defined in section 1 of the Act-
    - (i) Companies Act;
    - (ii) friendly society;
    - (iii) NAMFISA; and
    - (iv) Principal officer.
  - (b) as defined in section 284 of the Act-
    - (i) board
    - (ii) rules; and
    - (iii) society.

### **Applicability**

2. This Standard applies to the board and principal officer of a friendly society.

**Management and governance**

3. The rules of a friendly society must provide for the constitution of a board, and the members of the society must, in accordance with the rules of the society, elect or appoint the members of the board who are fit and proper within the meaning of standard GEN.S.10.2.
4. The term of office of members of the board must not exceed a period of five years, but such members may be re-elected or re-appointed upon expiry of such term.
5. The board of a friendly society must have a minimum of three members and a maximum of seven members.
6. The board of a friendly society must appoint a principal officer, who is fit and proper within the meaning of Standard No. GEN.S.10.2, in accordance with the rules of the society and subject to the provisions of the Act, and must notify NAMFISA within 30 calendar days of such appointment.
7. The chairperson of the board of a friendly society must not be the principal officer of the society.
8. The members of the board must, in accordance with the rules of the society, appoint a chairperson from among their number.
9. The term of office of the chairperson must not exceed a period of three years, but a chairperson may be re-appointed for one additional term upon expiry of his or her first term of office.
10. The board of a friendly society is responsible for the sound and prudent management of the society.
11. The board must fully understand the risks associated with the society's activities, and the prudent management of those risks to ensure timely and open discussion and action regarding potential problems.
12. The board must have internal control systems and risk management strategies, to ensure that the society is able to meet its commitments to members and other applicable parties, in place.
13. At any meeting of the board of a friendly society, the chairperson must ask for a declaration of any conflict or potential conflict of interest on the part of any member of the board regarding any matter due for discussion during the meeting, and the chairperson and the other members of the board must decide on how to manage any such conflict of interest so declared.
14. The board of a friendly society must establish policies and procedures that ensure sound governance, legal and regulatory compliance and reporting including compliance with the anti-money laundering regime as contemplated in the Financial Intelligence Act, 2012 (Act No. 13 of 2012), and such policies and procedures must include, amongst others:
  - (a) written policies that are consistent with the business of the society specifying the internal control systems and risk management strategies to be implemented within the society;
  - (b) a formal charter that sets out the roles and responsibilities of the board and the individual members of the board;
  - (c) a fit and proper policy that is consistent with Standard No. GEN.S.10.2, which policy must apply to all board members, other officers, trustees, custodians, auditors and valuers of the friendly society.
  - (d) a documented remuneration policy, which must outline the remuneration objectives and the structure of the remuneration arrangements for officers and employees of the society, including but not limited to, performance-based remuneration; and

- (e) a documented remuneration policy, which must outline the remuneration objectives and the structure of the remuneration arrangements for the members of the board of the society, including but not limited to, performance-based remuneration, and such policy must be adopted at the annual general meeting.
- 15. The board of a friendly society must cause to be kept in safe custody or a strong room at the principal office of the society or of a financial institution approved by the board, any mortgage bond, title deed or other security belonging to or held by the society except when held in the temporary custody of another person for or on behalf of the society.
- 16. The board of a friendly society must make such provisions as deemed desirable, with due regard to normal practice and recommended guidelines, pertaining to the retention of documents and for the safe custody of the books, records, documents and other effects of the society.
- 17. The board of a friendly society must be available to meet with NAMFISA on request.
- 18. In the case of a society with share capital that is incorporated under the Companies Act, its management and governance must comply with the governance provisions of the Companies Act, this Standard as well as the standard to be issued in terms of section 410(2)(n) of the Act.

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## FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

### FRIENDLY SOCIETIES

#### REQUIREMENTS FOR THE ANNUAL REPORT OF A FRIENDLY SOCIETY

##### Standard No. FS.S.6.5

*issued by NAMFISA under section 410(7)(h) of the Financial Institutions and Markets Act, 2021*

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#### Definitions

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following-
  - (a) as defined in section 1 of the Act-
    - (i) auditor;
    - (ii) friendly society;
    - (iii) Generally Accepted Accounting Practice;
    - (iv) International Auditing Standards;
    - (v) principal officer;
    - (vi) valuator; and
  - (b) as defined in section 284 of the Act-
    - (i) assets;
    - (ii) board;
    - (iii) fair value;
    - (iv) rules; and
    - (v) society.

**Applicability**

2. This standard applies to every friendly society registered under the Act and to the board, principal officer, auditor and valuator, if any, of the friendly society.

**Requirements for annual report**

3. Subject to clause 6(d), the information required under this Standard must be submitted in the form required by NAMFISA either electronically or manually.
4. A friendly society must submit the required annual report within 90 calendar days after the financial year end of the society.
5. Upon written application by a friendly society before the expiration of the period contemplated in clause 4, NAMFISA may grant the society an extension, to a maximum of 180 calendar days for the submission of the required annual report.
6. Financial statements must accompany the annual report submitted by a friendly society and must be prepared in accordance with:
  - (a) Generally Accepted Accounting Practice;
  - (b) International Financial Reporting Standards;
  - (c) International Auditing Standards; and
  - (d) in the case of a friendly society with share capital that is incorporated under the Companies Act, the provisions of the Companies Act will apply specifying requirements relating to the form and content of a financial report.
7. Annual financial statements of a friendly society submitted to NAMFISA pursuant to this Standard, must be audited by the auditor appointed by the society.
8. Any certification of the financial soundness of a friendly society by the valuator appointed by the society must be submitted to NAMFISA at the same time as the information required to be provided to NAMFISA under this Standard, and any such certification must be in accordance with Standard No. FS.S.6.8, and with any applicable professional actuarial or valuation standards.
9. Notwithstanding the requirements of any of the accounting standards referred to in clause 6, the assets of each benefit fund of a friendly society must be measured at fair value, with changes in fair value recognised in the income statement.
10. The financial statements of a friendly society must include the following:
  - (a) A statement of comprehensive income for the financial year that accurately represents the profit or loss of the society as well as each benefit fund kept for each object of the society determined in accordance with the rules of the society and the requirements of the Act;
  - (b) a statement of financial position that accurately represents the financial position of the society as well as each benefit fund consistent with the rules of the society and the requirements of the Act; and
  - (c) additional information in relation to the financial statements, which must either be attached to or submitted with the statement of comprehensive income and statement of financial position, including:
    - (i) a report of the board;
    - (ii) a report of the auditor; and

- (iii) a report of the valuator, if any.
11. The report by the auditor of the friendly society referred to in clause 10(c)(ii) must be in accordance with Generally Accepted Accounting Practice and International Auditing Standards.
  12. There must be attached to the financial statements of a friendly society a declaration by the board, as contemplated in clause 10(c)(i), as to whether or not, in its opinion:
    - (a) the financial statements are properly drawn up in accordance with the requirements of the Act and this Standard;
    - (b) the statement of comprehensive income accurately represents the profits or losses determined in accordance with the Act and this Standard;
    - (c) the statement of financial position accurately represents the financial position of the society consistent with the requirements of the Act and this Standard as at the end of the financial year of the society;
    - (d) the distribution of the surplus, if any, of the benefit funds of the friendly society has been made in accordance with the rules of the society; and
    - (e) any assets of the society have been applied or invested in contravention of the Act and any standards relating thereto.
  13. The declaration of the board referred to in clause 12 must:
    - (a) be made in accordance with a resolution of the board;
    - (b) specify the day on which the resolution was made; and
    - (c) be signed by at least two members of the board.

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## FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

### FRIENDLY SOCIETIES

#### REQUIREMENTS FOR THE RULES OF A FRIENDLY SOCIETY AND ANY AMENDMENTS OF SUCH RULES

##### Standard No. FS.S.6.6

*issued by NAMFISA under section 410(7)(i) of the Financial Institutions and Markets Act, 2021*

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### Definitions

1.
  - (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following-
    - (a) as defined in section 1 of the Act-
      - (i) friendly society;
      - (ii) NAMFISA; and
      - (iii) principal officer;

- (b) as defined in section 284 of the Act-
  - (i) board;
  - (ii) member;
  - (iii) rules; and
  - (iv) society.

### **Applicability**

2. This Standard applies to all friendly societies required to be registered under the Act and to their board and principal officer.

### **General Requirements for Rules**

3. The rules of a friendly society must not be inconsistent with the Act and this Standard, must be in the official language of the Republic of Namibia and must provide for the following matters:
  - (a) the full name of the friendly society, including a reference to any name changes that the society may have undergone;
  - (b) the date of registration of the friendly society and the date of the first and subsequent financial year end;
  - (c) the address of the principal office of the friendly society;
  - (d) the objects of the friendly society;
  - (e) a list of definitions, in alphabetical order, defining any terms which are frequently used in the rules and which bear special connotation;
  - (f) the calculation and payment of contributions to the friendly society by members and the purpose for which they are to be applied;
  - (g) the right of members to make voluntary contributions;
  - (h) the various classes (if any) of members and the requirements for admission to membership and the circumstances under which membership is to cease;
  - (i) the conditions under which any member or other person may become entitled to any benefit and the minimum and maximum amount of any such benefit;
  - (j) the circumstances and the nature of any fines or forfeitures to be imposed on any member and the consequences of non- payment of any contribution or fine;
  - (k) the appointment or election, removal from office, powers and method of determining any remuneration of the principal officer, board and other officers of the friendly society;
  - (l) the investment powers of the friendly society;
  - (m) whether, in terms of section 304(1) of the Act any part of the business of the society is subject to actuarial scrutiny, and if so, a description of that business;
  - (n) where paragraph (m) applies, the appointment of a valuator of the society who is fit and proper within the meaning of Standard No. GEN.S.10.2 and independent within the meaning of Standard No. GEN.S.10.8, and provisions regarding the investigation, valuation and report by the valuator provided for in section 304 of the Act;

- (o) the maintenance of accounts relating to any businesses described in paragraph (m) separately from accounts relating to any other business;
- (p) whether a separate account is to be kept in respect of any particular kind of business other than those separate accounts required by paragraph (o) and if so, a description of such business;
- (q) the opening of a bank account in the name of the friendly society for each account referred to in paragraphs (o) and (p);
- (r) the appointment of the auditor of the friendly society, if applicable;
- (s) the portion of contributions that are to be allocated towards the costs/expenses of managing the society, and if so, opening and maintenance of a separate account for such contributions and expenses;
- (t) if separate accounts are to be kept in respect of any particular kind of business, or in respect of costs/expenses of managing the society and contributions towards such expenses, the circumstances in which and conditions upon which amounts may be transferred from one such account to another;
- (u) the manner of determining profits and losses and of disposing of such profits or providing for such losses;
- (v) the manner in which contracts and other documents binding the society must be executed;
- (w) the manner of amending or rescinding any rules, and of making additional rules;
- (x) the manner in which any disputes between the friendly society and its members or former members, or between the friendly society and any other person whose claim is derived from a member or former member must be settled;
- (y) the safe custody of title deeds, securities, books, papers and other effects belonging to or held by the society;
- (z) subject to the provisions of the Act, the manner in which and the circumstances under which the society must be terminated or dissolved, with particular reference to-
  - (i) total and partial dissolution;
  - (ii) the appointment of a liquidator, to be approved by NAMFISA; and
  - (iii) how former members, whose membership ceased during at least the 12-month period immediately preceding the date of the termination or dissolution, must be taken into consideration;
- (aa) the amalgamation of the friendly society with any other financial institution or financial intermediary;
- (bb) the transfer of the business of the friendly society, or any part thereof to any financial institution or financial intermediary;
- (cc) the appointment of a board to oversee the management of the friendly society and any subcommittees;
- (dd) the number of members forming a board and any subcommittee referred to in paragraph (cc), and the appointment of alternate board members;



- (ee) the frequency with which any board or subcommittee referred to in paragraph (cc) must meet, which must be at least four times each year for the board and at least twice per year for any subcommittee;
  - (ff) the manner of calling the annual general meeting and any special general meeting of members, if any such meetings are held, the quorum necessary for the transaction of business at such meetings, the manner of voting thereat and the requirement that annual general meetings be held within six months after the financial year-end of the society;
  - (gg) the manner in which unclaimed benefits shall be dealt with upon:
    - (i) the death of a member;
    - (ii) the termination or dissolution of the friendly society; and
    - (iii) the withdrawal of a member from the friendly society.
4. The rules of a friendly society must state the right of:
- (a) members to be provided, free of charge, with a copy of:
    - (i) the rules of the society upon becoming a member;
    - (ii) a copy of any amendment to, rescission of, or addition to the rules of the society the date of its implementation after commencement of the member's membership of the society;
  - (b) members, beneficiaries or persons authorised by a member or beneficiary, to inspect, free of charge, any of the documents referred to in paragraphs 4(a)(i) and 4(a)(ii), at the principal office of the friendly society and to make extracts therefrom; and
  - (c) members, beneficiaries or persons authorised by a member or beneficiary to be provided, at a charge that must not exceed N\$• with a copy of:
    - (i) the rules of the society;
    - (ii) the most recent income statement and balance sheet of the society; and
    - (iii) either a full report or an abridged version of the most recent report by the valuator of the society prepared pursuant to section 304 of the Act,
- provided that upon request of members, electronic copies of any of the documents listed under paragraph 4(c) must be provided free of charge.

#### **Transition provision**

5. A friendly society referred to in section 292 of the Act must amend its rules to comply with this Standard within six months of the date on which this Standard comes into effect.

#### **Format and certification**

6. The rules of a friendly society must comply with the following requirements as to format:
- (a) the rules must be printed in at least 1,5 spacing on A4 paper of at least 80 grams;
  - (b) the rules must be printed on one side of the paper only with a margin of at least 30mm on the left side of the paper;
  - (c) headings and subheadings must be printed in bold print;

- (d) definitions must be printed in capital letters and used in that way throughout the text;
  - (e) the document must not contain any underlining; and
  - (f) the document shall at the front contain a detailed table of contents, with references to the relevant page numbers.
7. The rules of a friendly society must be certified as follows on the first page or on the cover if the rules are in the form of a booklet: “Certified that these are the rules of the XYZ Friendly Society (substitute “XYZ Friendly Society” with the full name of the society) which will become effective on the date of registration of the society” or “on the specified date” in the case of a society referred to in clause 5.

#### **Amended, rescinded and additional rules**

8. The rules and any amended, rescinded or additional rule must be signed on the first page by the principal officer and either the chairperson of the board or any other member of the board.
9. Within 30 calendar days from the date of the passing of a resolution for the amendment or rescission of any rule or for the adoption of any additional rule, but not later than 30 calendar days prior to the implementation of any such amended, rescinded or additional rule, the principal officer of the society must submit to NAMFISA, together with the text of the amended, rescinded or additional rule, and in the manner prescribed by NAMFISA:
- (a) a copy of the resolution adopted by the friendly society with a certificate to the effect that the resolution has been adopted in accordance with the provisions of the rules of the society;
  - (b) if the amended, rescinded or additional rule affects the financial condition of the society, a certificate by the valuator of the society as to the financial soundness of the amendment, rescission or addition; and
  - (c) a statement explaining the reason for the amended, rescinded or additional rule.
10. The resolution and certificate referred to in clause 9(a) are not necessary in the case of a consolidation of the existing rules, but will apply in the case of a consolidation that contains amended, rescinded or additional rules.
11. In accordance with clause 4(a)(ii), the principal officer of the society must, within one month of its implementation, send to each member a copy of any amendments to, rescissions of or additions to the rules of the society.

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## **FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

### **FRIENDLY SOCIETIES**

#### **THE DETERMINATION OF THE SOUNDNESS OF THE FINANCIAL POSITION OF A FRIENDLY SOCIETY FOR THE PURPOSES OF SECTION 308(3)**

#### **Standard No. FS.S.6.8**

*issued by NAMFISA under sections 308(3) and 410(7)(m) of the  
Financial Institutions and Markets Act, 2021*

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#### **Definitions**

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;

- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following-
  - (a) as defined in section 1 of the Act-
    - (i) friendly society;
    - (ii) NAMFISA;
    - (iii) valuator;
  - (b) as defined in section 284 of the Act:
    - (i) assets;
    - (ii) liabilities;
    - (iii) member;
    - (iv) rules; and
    - (v) society.

### **Applicability**

- 2. This Standard applies to the board of a society, the valuator and the report referred to in sections 304 and 308 of the Act.

### **Financial soundness**

- 3. A society will be considered to be in a financially sound position for the purposes of sections 304(2) provided:
  - (a) Audited financial statements are prepared and they show that the society's assets exceed its liabilities and there are no qualifications accompanying the auditor's certification;
  - (b) The valuator's report has been prepared in accordance with generally accepted actuarial practice and no amounts of benefits or contributions in respect of future members have been recognized;
  - (c) The valuator's report shows that the assets of the funds held in respect of benefit liabilities for business subject to actuarial scrutiny exceed those liabilities as at the date of the report, and that a projection of those assets and liabilities on the valuation basis, and assuming no new members, shows that the projected assets exceed the projected liabilities at the end of each of the three succeeding financial years;
  - (d) The valuator's report includes an analysis of the gains and losses of each of the benefit funds and, where there are losses, indicates the sources thereof and makes recommendations for increases in the relevant member contributions or reductions in benefits, as provided for by the rules of the society;
  - (e) The valuator's report states what, if any, pending amendments to, rescissions of, or additions to the rules of the society have been taken into account and what, if any, their financial impact is expected to be, the necessary steps to be taken to ensure the continuing financial soundness of the society if their financial impact impairs the society's financial soundness; and
  - (f) The valuator's report includes a certification free of any qualifications.
- 4. The valuator may rely on the immediately preceding report on the financial soundness of a society provided that in the event it was prepared by another valuator, the valuator includes a disclosure in the report to the effect that the reliance was made on the basis of a review of the report of the other valuator and that no questions or concerns arose, or, if there were any, they were brought to the attention of the other valuator and have been resolved.

**Valuation report**

5. The report required under sections 304(2) and 308(3) of the Act, must be certified by the valuator concerned and the certification must include:
    - (a) the name and qualifications of the valuator;
    - (b) the relationship of the valuator to the society;
    - (c) an outline of the matters the valuator has considered in making the report;
    - (d) a statement that the report is based on methods and assumptions that conform to generally accepted actuarial standards;
    - (e) a statement that the report is based on data that the valuator considers to be accurate and complete;
    - (f) the date by which contribution rates should be next reviewed if the report relates to rates of contribution; and
    - (g) any additional information or qualification required in accordance with the professional code of conduct of the valuator.
  6. The report of the valuator shall include the following information in addition to that stipulated in clause 5:
    - (a) the methods used and the assumptions made including, in the case of those assumptions having significant impacts on the results, a discussion of the basis for their selection or construction;
    - (b) a discussion of the reliance made on the work of others (auditor, previous valuator if applicable, investment advisor, administrator);
    - (c) a summary of the results of the valuation including, for each separate benefit fund, a balance sheet showing the assets and liabilities of the society;
    - (d) tabular distributions of the data used in the valuation in respect of membership and benefit amounts;
    - (e) in respect of the analysis of gains and losses by benefit fund, a discussion of their significance in terms of the adequacy/inadequacy of member contributions in relation to benefits; and
    - (f) a discussion of the appropriateness of the investment portfolio of each benefit fund in relation to the characteristics of the society as to its liabilities for fixed or variable benefits and its expected benefit and expense outflows.
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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****FRIENDLY SOCIETIES****REQUIREMENTS FOR THE VOLUNTARY TERMINATION OR DISSOLUTION  
OF A FRIENDLY SOCIETY PURSUANT TO SECTION 316 AND  
IN CIRCUMSTANCES SPECIFIED IN ITS RULES****Standard No. FS.S.6.9**

*issued by NAMFISA under section 410(7)(r) of the Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard-
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “Companies Act” means the Companies Act, 2004 (Act No. 28 of 2004);
  - (c) “final accounts” means the final revenues and expenses account and the final balance sheet; and
  - (d) “preliminary accounts” means the preliminary revenues and expenses account and the preliminary balance sheet.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following-
  - (a) as defined in section 1 of the Act-
    - (i) friendly society;
    - (ii) NAMFISA;
    - (iii) principal officer; and
    - (iv) valuator;
  - (b) as defined in section 284 of the Act-
    - (i) assets;
    - (ii) board;
    - (iii) liabilities;
    - (iv) member;
    - (v) rules; and
    - (vi) society.

**Applicability**

2. This Standard applies to every friendly society registered under the Act and to the board and principal officer of such friendly society, and to a liquidator appointed under clause 11.

**Requirements for voluntary dissolution**

3. The rules of a friendly society must provide procedures for the voluntary dissolution of the friendly society.
4. Where the rules of a friendly society provide for the dissolution of the society upon:

- (a) the expiry of a certain period;
  - (b) upon the occurrence of a certain event; or
  - (c) a resolution by the members to that effect, the society must be dissolved and the assets of the society distributed in the manner provided by its rules, subject to the provisions of this Standard.
5. Subject to an evaluation of the particular circumstances and to the rules of the friendly society, NAMFISA must determine whether a friendly society meets the requirements for voluntary dissolution.
  6. Following a decision by members pursuant to clause 4(c), the principal officer must, in consultation with NAMFISA, furnish every member with a memorandum containing the reason(s) for the proposed dissolution and with a resolution to that effect as contemplated in clause 4(c), and a ballot paper.
  7. The memorandum and ballot paper referred to in clause 6 must be submitted to NAMFISA for approval before being sent to the members.
  8. Every member must be requested to return the ballot paper, duly completed, before a specified date, which date must not be later than 90 calendar days after the memorandum as contemplated in clause 6 is furnished to members.
  9. If at least 75 % of the members return their ballot papers duly completed and the majority is in favour of the dissolution of the friendly society, the board must ensure that the society is dissolved.
  10. If two successive attempts to obtain a 75 % return of ballot papers fail, the board must refer the matter to NAMFISA for guidance.
  11. A liquidator from the list maintained by NAMFISA pursuant to clause 13 must be appointed for the society in the manner directed by its rules, or, if the rules do not contain directions as to such appointment, by the board or principal officer of the society, but such appointment is subject to the approval of NAMFISA, and the period of dissolution shall be deemed to commence as from the date of such approval.
  12. A copy of the resolution by the members of the society approving the dissolution of the society and the remuneration of the liquidator shall be submitted to NAMFISA and kept with the records of the society.
  13. NAMFISA may maintain a list of persons approved by NAMFISA to act as liquidators of friendly societies, the purpose of the list being to expedite the appointment of a liquidator by a society and the approval of such appointment by NAMFISA.
  14. During the period of dissolution of the society, the provisions of the Act shall continue to apply to the society as if the liquidator is the board or principal officer of the society.
  15. The liquidator must, as soon as possible but within ninety (90) calendar days from the date of the approval of his or her appointment, deposit with NAMFISA the preliminary accounts, signed and certified as correct by the liquidator and showing the assets and liabilities of the society as at the date of commencement of the dissolution and the manner in which it is proposed to realise the assets and to discharge the liabilities of the society, including any liabilities and contingent liabilities to or in respect of members.
  16. The liquidator shall discharge from the assets of the friendly society all of the debts, liabilities and obligations of the society (including all expenses incurred in liquidating the society) or otherwise make adequate provision for payment and discharge thereof, including, if the liquidator considers it necessary, the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine.

17. NAMFISA may, at its discretion and at its own cost, direct the liquidator to submit a report on the preliminary accounts referred to in clause 15, drawn up by an independent valuator or other competent person nominated by NAMFISA.
18. The preliminary accounts and report (if any) referred to in clauses 15 and 17 must be open for inspection by members of the society and other interested persons for a period of thirty days at the office of NAMFISA and at the principal office of the society.
19. NAMFISA must direct the liquidator to publish a notice, at the cost of the society, in the Government Gazette and in a national and/or regional/local newspaper in the English language or, if NAMFISA deems it necessary in the circumstances, in any other language, circulating in the district in which the principal office of the society is situated stating the period during which and the places at which the preliminary accounts and report (if any) shall be open for inspection by members of the society and other interested persons, which period shall be thirty days as contemplated in clause 18.
20. The notice referred to in clause 19 must state that any member or other interested person who has any objection to the preliminary accounts and report (if any) may lodge their objections in writing with NAMFISA within a period stated in the notice, which period shall be thirty days calculated from the last day on which those documents are open for inspection.
21. The text of the notice referred to in clause 19 must be approved by NAMFISA prior to its publication.
22. If no objections are lodged with NAMFISA pursuant to clause 20, NAMFISA must direct the liquidator to complete the dissolution.
23. If objections are lodged with NAMFISA pursuant to clause 20, NAMFISA may, after considering the objections, direct the liquidator to amend the preliminary accounts or give such other directions relating to the dissolution as NAMFISA thinks fit, provided such directions are not inconsistent with the rules of the society or this Standard, and any such direction shall be binding upon the liquidator.
24. The liquidator must forthwith upon the receipt of any direction of NAMFISA pursuant to clause 23, send a copy of the direction to every member, shareholder (where applicable) and creditor of the society, and the liquidator or any person aggrieved by any such direction may apply by motion to the court within twenty eight days after receipt of the direction by the liquidator, for an order to set aside the direction, and the court may confirm, vary or set aside the direction or make such other order as the court thinks fit.
25. If NAMFISA is satisfied that its directions, in so far as they have not been varied or set aside by the court, have been given effect by the liquidator, NAMFISA must direct the liquidator to complete the dissolution.
26. Not later than 30 days after completion of the dissolution, the liquidator must lodge with NAMFISA the final accounts signed and certified as correct by the liquidator and showing the assets and liabilities of the society at the commencement of the dissolution and the manner in which the assets have been realized and the liabilities (including any liabilities and contingent liabilities to or in respect members), have been discharged.
27. The provisions of the Companies Act relating to a voluntary winding-up, in so far as they are applicable to a society and are not inconsistent with the provisions of the Act and this Standard, shall apply mutatis mutandis to the dissolution of a society in accordance with this Standard.
28. All claims against the society must be proved to the satisfaction of the liquidator, subject to a right to appeal to the court, and the liquidator may require any claim to be made on affidavit.
29. If satisfied that the accounts prepared by the liquidator in respect of the society are correct and that the dissolution has been completed, NAMFISA must cancel the registration of the society and thereupon the society must be deemed to be dissolved.

30. If a society has a share capital, the liability of a shareholder of the society in the event of dissolution of the society, must be:
  - (a) limited to the amount (if any) unpaid on any share held by that shareholder; or
  - (b) unlimited if so, provided by the rules of the society.
31. The provisions of this Standard shall not apply to a society if the dissolution of the society is a result of an amalgamation or transfer approved by NAMFISA pursuant to Part 8 of Chapter 10 of the Act.
32. In exercising its powers and functions under this Standard, NAMFISA may request any additional information not provided for in this Standard that NAMFISA considers necessary or desirable.

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## FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

### FRIENDLY SOCIETIES

#### THE REQUIREMENTS WITH WHICH A FRIENDLY SOCIETY REFERRED TO IN SECTION 286(1) MUST COMPLY (EXEMPTED SOCIETIES)

##### Standard No. FS.S.6.10

*issued by NAMFISA under sections 286(1) and 410(7)(c) of the  
Financial Institutions and Markets Act, 2021*

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#### Definitions

1.
  - (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following-
    - (a) as defined in section 284 of the Act-
      - (i) society; and
      - (ii) NAMFISA.

#### Applicability

2. This standard applies to all friendly societies referred to in section 286(1).

#### Requirements

3. Any society to which Regulation FS.R.6.1 applies, must submit to NAMFISA:
  - (a) upon its establishment:
    - (i) the address of its principal office;
    - (ii) the name and contact details of its principal officer; and
    - (iii) the names and contact details of the persons managing the business of the society, if different from the principal officer;
  - (b) within 30 days or such other period determined by NAMFISA by written notice, after the end of each calendar quarter, a statement of financial position, a statement



of comprehensive income and a statement of cash flows of the society in the form determined by NAMFISA.

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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

**FRIENDLY SOCIETIES**

**MINIMUM NUMBER OF MEMBERS OF A FRIENDLY SOCIETY**

**Standard No. FS.S.6.11**

*issued by NAMFISA under Section 410(7)(f) of the Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard -
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) Words and phrases defined in the Act bear the meanings ascribed to them by the Act.

**Applicability**

2. This standard applies to all Friendly Societies registered under the Act.

**Minimum number of members**

3. The minimum number of members a Friendly Society must have is 7 (seven) persons who are either corporate bodies or natural persons who have attained the age of majority, and who are actively contributing to the society.

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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

**FRIENDLY SOCIETIES**

**THE VALUATION AND REPORT OF THE VALUATOR OF A FRIENDLY SOCIETY REFERRED TO IN SECTION 304**

**Standard No. FS.S.6.12**

*issued by NAMFISA under subsections 304 and 410(7)(k) of the Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard -
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “auditor” means the person appointed in terms of section 302 of the Act;
  - (c) “IBNR” in relation to claims against a Friendly Society means Incurred But Not Reported;

- (d) “ICAN” means Institute of Chartered Accountants of Namibia;
- (e) “IFRS” means International Financial Reporting Standards;
- (f) “principal officer” means the person appointed in terms of section 296 of the Act;
- (g) “SMEs” means Small to Medium Enterprises;
- (h) “Valuator” means a person appointed in terms of section 303 of the Act;
- (2) Words and phrases defined in the Act bear the meanings ascribed to them by the Act, unless the context indicates otherwise.

### **Applicability**

- 2. This standard applies to all Friendly Societies registered under the Act which, under their rules, are subject to actuarial scrutiny.

### **Valuation report**

- 3. The Valuator should adhere to the following reporting requirements when compiling the report contemplated in section 304 of the Act -
  - (a) The report should specify the Friendly Society to which it relates, that it is for the purposes of section 304 of the Act and should include:
    - (i) A description of the methodologies and processes used by the Friendly Society to monitor and assess its assets and liabilities on an ongoing basis, including the sources of data and information used in such monitoring;
    - (ii) A statement of the assets and liabilities of the Friendly Society as at the end of the preceding financial year that includes, where applicable, claims IBNR as well as future member claims liabilities;
    - (iii) A description of the benefits of each benefit category contemplated in section 285 of the Act provided by the Friendly Society to its members;
    - (iv) An analysis of the current membership profile in relation to each benefit category contemplated in section 285 of the Act including the age, marital status and number of dependants of the member;
    - (v) Assumptions used in calculating the liabilities of the Friendly Society, as well as how each of the assumptions was derived;
    - (vi) Details of any proposed benefit changes being considered by the Friendly Society as at the end of the preceding financial year, specifying the reasons for such changes and the implications of such for the liabilities of the Friendly Society;
    - (vii) Material risks that may affect the liabilities of the Friendly Society as identified by the Valuator;
    - (viii) The name and contact details of the appointed valuator;
    - (ix) Details of any advice given by the valuator to the Friendly Society concerning the liabilities of the Friendly Society during the period covered in the report.
  - (b) The report should use the IFRS for SMEs as adopted and applied by ICAN to the extent that they are applicable;

4. The principal officer of the Friendly Society should sign the report before it is submitted to NAMFISA in order to indicate that he or she knows and understands the contents of the report.
5. The valuator's report must be accompanied by a certificate by the board and principal officer certifying that to the best of their knowledge the information furnished to the valuator for the purposes of the report was correct and complete in every material respect.
6. The Valuator must consider which aspects are material to the interpretation of the IBNR valuation and future member claims liabilities and disclose these aspects in his/her report.
7. Where appropriate given the nature of the benefits provided by the Friendly Society, the Valuator must perform a sensitivity analysis to indicate to the Friendly Society the possible variations in the IBNR provision and future member claims liabilities should actual experience turn out different to the original assumptions. This should be done by identifying the likelihood/probability that the IBNR and future member claims liabilities will be sufficient and by explaining the reasons why, or the events that could occur to cause, the IBNR to be insufficient. By changing the IBNR assumptions, parameters and/or the IBNR method of calculation itself, the Valuator can ascertain the sensitivity of the IBNR provision.
8. The valuator must express an opinion on the financial soundness of the friendly society.
9. The Valuator's report is required to be presented at least every three (3) years.

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## **FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

### **FRIENDLY SOCIETIES**

#### **THE PERCENTAGE OF THE FAIR VALUE OF PROPERTY REFERRED TO IN SECTION 306(2) OF THE ACT**

#### **Standard No. FS.S.6.13**

*issued by NAMFISA under Section subsections 306(2) and 410(7)(l) of the  
Financial Institutions and Markets Act, 2021*

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#### **Definitions**

1. (1) In this Standard -
  - (a) "Act" means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) Words and phrases defined in the Act bear the meanings ascribed to them by the Act.

#### **Applicability**

2. This standard applies to all Friendly Societies registered under the Act.

#### **Fair value of property**

3. A Friendly Society may grant loans secured by first mortgages of immovable property to any of its members in terms of section 306(2) of the Act only to the extent to which the amount of such loan, expressed as a percentage of the fair value of the property, does not exceed 75 (seventy-five) percent.
-

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****FRIENDLY SOCIETIES****THE BOOKS OF ACCOUNT AND RECORDS THAT MUST BE KEPT AND  
MAINTAINED WITH RESPECT TO THE MONEYS AND ASSETS  
BELONGING TO A FRIENDLY SOCIETY****Standard No. FS.S.6.14**

*issued by NAMFISA under Section 410(7)(p) of the Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard -
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.
  - (b) “auditor” means the person appointed in terms of section 302 of the Act;
    - (i) “ICAN” means the Institute of Chartered Accountants of Namibia;
- (2) Words and phrases defined in the Act bear the meanings ascribed to them by the Act including but not limited the following –
  - (i) assets;
  - (ii) auditor;
  - (iii) corporate body;
  - (iv) fair value;
  - (v) society;
  - (vi) Generally Accepted Accounting Practice;
  - (vii) member;
  - (viii) principal officer; and
  - (ix) standard.

**Applicability**

2. This standard applies to all Friendly Societies registered under the Act.

**Books of account and records to be kept**

3. The following books of account and records must be kept by a Friendly Society with respect to the moneys and assets belonging to the society in accordance with the Generally Accepted Accounting Standards as adopted and applied by ICAN –
  - (a) A record of all payments received from members of the Friendly Society which include the name and identity number, or registration number if the member is a corporate body or other juristic person, of the member and the physical address and telephone number of the member;

- (b) A record of all payments received from persons other than members of the Friendly Society, the reason for such payment and the name, address and telephone number of the payer;
- (c) A record of the type, extent and nature of investments currently held by the Friendly Society (e.g., moneys in hand, loans granted to members of the Society in terms of section 306(2) of the Act, foreign bonds or shares in companies) and which indicates any changes made by the Society to its investments within the month in question;
- (d) An asset register of all assets currently held by the Friendly Society reflecting –
  - (i) the type of asset held e.g., movable or immovable property, office furniture, computer hardware; and
  - (ii) relevant details of the asset sufficient for the auditor to be able to identify it.
- (e) If a Friendly Society provides more than one category of benefit to its members then the records listed in paragraphs i. to iii. above must be kept separately in respect of each benefit category;
- (f) A monthly record of all the sales and purchases of goods and services by the Friendly Society specifying the nature of the goods and the amounts of money spent or obtained from such sales and purchases if applicable;
- (g) Records of all correspondence with NAMFISA concerning the assets of the Friendly Society

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## **FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

### **FRIENDLY SOCIETIES**

#### **THE PERSONS WHO MAY KEEP IN THE NAME OF A FRIENDLY SOCIETY THE MONEY AND ASSETS OF A FRIENDLY SOCIETY**

##### **Standard No. FS.S.6.15**

*issued by NAMFISA under subsection 410(7)(q) of the Financial Institutions and Markets Act, 2021*

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#### **Definitions**

- 1. (1) In this Standard -
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “auditor” means the person appointed in terms of section 302 of the Act;
    - (i) “ICAN” means the Institute of Chartered Accountants of Namibia;
- (2) Words and phrases defined in the Act bear the meanings ascribed to them by the Act including but not limited the following –
  - (i) assets;
  - (ii) entity;
  - (iii) member;

- (iv) officer of friendly society;
- (v) principal officer;
- (vi) society;

### **Applicability**

2. This standard applies to all Friendly Societies registered under the Act.

### **Persons**

3. The principal officer, or other officer of a Friendly Society who sits on the board of the Friendly Society and who is responsible for finance and investment as contemplated in the definition of “officer” in section 1 of the Act, may keep in the name of the Friendly Society the money and assets of a Friendly Society;
4. The principal officer, or other officer, referred to in paragraph (3) above must meet the requirements of “Fit and Proper” as per Standard No. GEN.S.10.2, dealing with fitness and propriety under the FIM Act.

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## **FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

### **FRIENDLY SOCIETIES**

#### **THE PERIOD AFTER WHICH PAYMENT OF CONTRIBUTIONS TO A FRIENDLY SOCIETY BECOME DUE**

#### **Standard No. FS.S.6.16**

*issued by NAMFISA under sections 301(2) and 410(7)(t) of the  
Financial Institutions and Markets Act, 2021*

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### **Definitions**

1. (1) In this Standard, unless the context indicates otherwise -
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “contribution delinquency” means a state in which contributions to a friendly society, that are required to be paid to the society according to its rules or under the Act by a member and/or an employer that is a contributory to or participatory in the society as of any date or during any period of time, have not been paid within the period or periods of time following their due dates of payment as required by the rules of the society or the Act; and
  - (c) “contribution deficiency” as at any date means the amount by which the contributions required to be paid to the society according to its rules or under the Act by a member and/or an employer that is a contributory to, or participatory in, a society, exceed the amounts actually paid.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following-
  - (a) “board” as defined in section 1 of the Act;
  - (b) as defined in section 284 of the Act -

- (i) society;
- (ii) friendly society; and
- (iii) member.

### **Applicability**

2. This Standard applies to all friendly societies registered under the Act.

### **Period after which contributions are due**

3. Any contribution to a friendly society, whether a contribution which, under the rules of the society, must be deducted from the member's remuneration, any contribution for which the employer is liable under those rules, any contribution for the payment of which the member of the society is responsible personally, or any contribution to be paid on a member's behalf-
- (a) must be deposited directly into the society's bank account with a banking institution not more than seven calendar days after the end of the month for which such contribution is payable; or
  - (b) must be forwarded directly to the society in such a manner that the society receives the contribution not more than seven days after the end of the month.
4. The board of a society must deposit or cause to be deposited into the bank account of the society any contribution forwarded to and received by the society in the circumstances described in clause 3(b), on the first business day following the day of receipt.
5. The board of a friendly society must notify active members of the society and NAMFISA of a contribution delinquency or of a contribution deficiency within 30 days after the period referred to in clause 3.

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## **FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

### **FRIENDLY SOCIETIES**

#### **MANNER AND FORM OF APPLICATION FOR REGISTRATION OF A FRIENDLY SOCIETY**

##### **Standard No. FS.S.6.17**

*issued by NAMFISA under sections 289(2)(a), 289(2)(c) and 410(7)(t) of the  
Financial Institutions and Markets Act, 2021*

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### **Definitions**

1. (1) In this Standard, "Act" means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.
- (2) Words and phrases defined in the Act have the same meaning in this Standard unless the context indicates otherwise, including without limitation, the following-
- (a) as defined in section 1 of the Act -
    - (i) auditor;
    - (ii) NAMFISA;
    - (iii) principal officer;
    - (iv) valuator;

- (b) as defined in section 284 of the Act -
  - a. board;
  - b. friendly society;
  - c. rules;
  - d. society administrator; and
  - e. sponsor.

### **Applicability**

2. This Standard applies to all friendly societies and to their boards, principal officers, sponsor and society administrators.

### **Requirements for application of registration**

3. An application for registration of a friendly society must consist of a duly completed application form, in the form of Annexure A to this Standard, duly signed by the board in the case of an existing society, or by the interim board in the case of any other society.
4. In addition to the application form referred to in clause 3, an application for registration must be accompanied by-
  - (a) One original set and one copy of the rules of the society duly certified by the chairperson of the board/interim board as well as an additional board member as being the rules which will become effective on the date of registration of the society or the date of commencement of operations of the society, whichever is the later;
  - (b) An original certificate by a valuator as to the financial soundness of the rules, which certificate must state the name, physical address, certified professional qualifications and experience of the valuator, including certified copies of the valuator's qualifications and his/her curriculum vitae;
  - (c) a copy of a document (for example a copy of the resolution of the directors of the sponsor) to indicate the authority in terms of which the society is established;
  - (d) proof of payment of the required registration/application fee;
  - (e) the documents referred to in section C of Annexure A to this Standard;
  - (f) the requirements contained in Standards GEN.S.10.2 (fit and proper requirements) and GEN.S.10.8 (Independence requirements), and
  - (g) any other document and/or information that may be requested by the Authority as provided for in the Act.



**ANNEXURE A**  
**FRIENDLY SOCIETIES**

**APPLICATION FOR THE REGISTRATION OF A FRIENDLY SOCIETY**

**IN TERMS OF SECTION 289 OF THE FINANCIAL INSTITUTIONS  
AND MARKETS ACT, 2021 (Act No. 2 OF 2021)**

<b>Section A. General Information</b>
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1. I, \_\_\_\_\_  
(full name of authorized representative of society)  
  
hereby apply for the registration of \_\_\_\_\_  
\_\_\_\_\_ as a friendly society.
  
2. It is intended that -
  - (a) The Principal Officer will be  
\_\_\_\_\_  
(full names)
  
  - (b) The ID/Passport number of the of the Principal Officer  
\_\_\_\_\_
  
  - (c) The physical address of the Principal Officer  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
  - (d) The contact details of the Principal Officer  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
  - (e) The principal office of the society  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(full physical address)

(f) The postal address of the society

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(g) The name and contact details of the proposed society administrator (if applicable)

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(h) The name and contact details of the proposed auditor (if applicable)

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(i) The name and contact details of the proposed/appointed valuator (if applicable)

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<b>Section B. Applicant's declaration</b>
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I, \_\_\_\_\_ ,  
(Full name of natural person acting as applicant)

On behalf of the society: \_\_\_\_\_  
(Name of society)

Hereby declare the following:

This statement consists of \_\_\_\_\_ pages, each initialled by me. The content of this declaration is true to the best of my knowledge and belief. I am aware that should it be submitted as evidence and I know something appears therein that I know to be false or believe to be not true, I may be liable for prosecution.

I undertake that, as long as I continue to be a board member and/or principal officer of the institution, I will notify NAMFISA of any material changes to, or affecting the completeness or accuracy of, the information supplied to NAMFISA as soon as possible, but in no event later than 30 days from the day that the changes come to my attention.

I know and understand the content of this declaration. I do not have objections to taking the prescribed oath. I consider the prescribed oath to be binding on my conscience.

**SIGNATURE OF DEPONENT**

I certify that the above statement was taken by me and that the deponent has acknowledged that he/she knows and understands the content of this statement. This statement was sworn to/affirmed before me and the deponent's signature was placed hereon in my presence, at \_\_\_\_\_ on \_\_\_\_\_.

**COMMISSIONER OF OATHS/PUBLIC NOTARY**

FULL NAMES: \_\_\_\_\_

EX OFFICIO: \_\_\_\_\_

AREA: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

*(Please note: All pages are to be initialled by Commissioner of Oaths/Public Notary)*

**Section C. Attachments**

***Kindly confirm the attachment of documents by marking the appropriate box with an "X".***

		Attached	Comment
<b>PROPOSED SOCIETY INFORMATION</b>			
(a)	One original set and one copy of the proposed rules of the society;		
(b)	The date on which the society will come into operation;		
(c)	Full details of those who will be participating employers of the society (if applicable);		
(d)	Number of members who will immediately join the society upon registration;		
(e)	Code of conduct for the members of the Board of Trustees (if available);		
<b>INTERIM BOARD OF TRUSTEES INFORMATION</b>			
(f)	Two copies of the Interim Board of Trustees resolution for the establishment of the society;		
(g)	Full details of the proposed interim trustees;		
(h)	Curriculum vitae's of the proposed interim trustees;		
(i)	Identification documents of proposed interim trustees;		
(j)	Completed disclosure of interest report by the proposed interim trustees;		
(k)	Proof of application for the Police Clearance by the Police/ Certificate of conduct by the Police;		
(l)	Completed fit and proper form for each trustee;		

PRINCIPAL OFFICER INFORMATION			
(m)	The proposed interim Board of Trustees resolution approving the appointment of the principal officer;		
(n)	Curriculum vitae of the proposed Principal Officer;		
(o)	Proof of Namibian citizenship or permanent residence of principal officer, including a copy of Identity Document;		
(p)	Proof of application for the Police Clearance by the Police/ Certificate of conduct by the Police;		
(q)	Completed fit and proper form;		
THIRD PARTY INFORMATION			
(r)	A copy of the Valuator's Certificate of financial soundness of the rules;		
(s)	Copy of the proposed administration agreement between the society and the administrator (if applicable);		
(t)	Copy of any other agreements between the society and any other party (benefit consultant, valuator, auditor, investment manager) (if applicable); and		
REGULATORY REQUIREMENTS			
(u)	Proof of payment of the prescribed application fee.		

## FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

### FRIENDLY SOCIETIES

#### FORM OF CERTIFICATE OF REGISTRATION FOR A FRIENDLY SOCIETY

##### Standard No. FS.S.6.18

*issued by NAMFISA under sections 291(3) and 410(7)(t) of the  
Financial Institutions and Markets Act, 2021*

#### Definitions

1. (1) In this Standard, "Act" means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the term "friendly society" as defined in section 284 of the Act.

#### Applicability

2. This Standard applies to all friendly societies registered under the Act.

#### Form of certificate of registration

3. Upon registration of an applicant as a friendly society, NAMFISA must issue to the society a certificate of registration in the form of Annexure A to this Standard.

**ANNEXURE A**

Registration. No .....

**CERTIFICATE OF REGISTRATION****Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)****REGISTRATION AS A FRIENDLY SOCIETY****This is to certify that**

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**with principal office:** \_\_\_\_\_**has been duly registered in terms of section 291(1) of the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and may operate from the following places within Namibia:**

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**Chief Executive Officer**

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**Date of registration**

[illegible]

**SCHEDULE 1****FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****REQUIREMENTS FOR RULES OF A MEDICAL AID FUND  
AND ANY AMENDMENTS OF SUCH RULES****Standard No. MAF.S.7.4**

*issued by NAMFISA under section 410(8)(p) of the Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following-
  - (a) as defined in section 1 of the Act-
    - (i) medical aid fund;
    - (ii) NAMFISA;
    - (iii) officer; and
    - (iv) principal officer;
  - (b) as defined in section 321 of the Act-
    - (i) beneficiary;
    - (ii) board or board of trustees;
    - (iii) contribution;
    - (iv) fund;
    - (v) fund administrator;
    - (vi) member; and
    - (vii) rules.

**Applicability**

2. This Standard applies to all medical aid funds registered under the Act and to their boards of trustees, principal officers and fund administrators.

**Requirements for rules**

3. The rules of a medical aid fund must not be inconsistent with the Act, the regulations and this Standard, must be in the official language of the Republic of Namibia and must provide for the following matters:
  - (a) the full name of the medical aid fund, including a reference to any name changes that the fund may have undergone;
  - (b) the date of registration of the medical aid fund and the date of the first and subsequent financial year end;
  - (c) the address of the principal office of the medical aid fund;
  - (d) the objects of the medical aid fund;
  - (e) a list of definitions, in alphabetical order, defining any terms which are frequently used in the rules and which bear a special connotation;

- (f) the payment of contributions to the medical aid fund by or on behalf of members;
- (g) a detailed description of the eligibility conditions for joining the medical aid fund and the circumstances under which membership shall cease, with specific reference to the following:
  - (i) the types of membership e.g., principle, spouse, dependant, and/or special etc, who are, or may in due course become, eligible to join the fund;
  - (ii) details regarding conditions for continuation of membership either after employment or as a dependent of a deceased member; and
  - (iii) whether membership is to be compulsory or not, and, if applicable, any period within which current employees may exercise a choice with respect to membership;
- (h) the circumstances under which contributions may be increased or decreased and providing for prior written notice to members of any change in contributions and benefits or any other condition affecting their membership;
- (i) the right of members to make voluntary contributions;
- (j) the nature and extent of the benefits granted by the fund, and the payment of such benefits to a member or other person entitled thereto;
- (k) a specific description of the type of participation in the fund so as to differentiate among funds established for the benefit of-
  - (i) employees of a principal employer and its subsidiaries;
  - (ii) employees of employers that do not fall within the ambit of clause k(i); and
  - (iii) employees not referred to in either clauses k(i) or k(ii);
- (l) the appointment or election of a board of trustees and alternate members of the board of trustees to manage the business of the fund, consisting of persons who are fit and proper to hold such office in accordance with the requirements of Standard No. GEN.S.10.2;
- (m) the appointment of any subcommittees of the board;
- (n) the frequency with which the board and any subcommittee referred to in paragraph (m) must meet, which must be at least four times each year in respect of the board and at least twice a year in respect of any subcommittee;
- (o) a detailed description of the duties of the board, and of any subcommittee referred to in paragraph (m);
- (p) the appointment of a principal officer by the board of trustees who is fit and proper to hold such office in accordance with the requirements of Standard No. GEN.S.10.2;
- (q) a detailed description of the duties of the principal officer;
- (r) the powers of the board of trustees, the removal from office of any member of the board of trustees or the principal officer, and the method of determining their remuneration, if any;
- (s) the appointment and removal from office of officers of the fund;
- (t) the manner of calling the annual general meeting and any special general meeting of members, the quorum necessary for the transaction of business at such meetings and



- the manner of voting thereat, and the requirement that annual general meetings be held within six months after the financial year-end of the fund;
- (u) the investment powers of the medical aid fund;
  - (v) the appointment of a valuator of the fund who is fit and proper within the meaning of Standard No. GEN.S.10.2 and independent within the meaning of Standard No. GEN.S.10.8, and provisions regarding the annual investigation and report of the valuator pursuant to section 347 of the Act;
  - (w) the appointment of the auditor of the fund, and the duration of such appointment;
  - (x) the manner in which contracts and other documents binding the medical aid fund must be executed;
  - (y) the manner of amending or rescinding any rules, and of making additional rules;
  - (z) the manner in which any disputes between the fund and its members, former members, and any other person whose claim is derived from a member, must be handled
  - (aa) the safe custody of title deeds, securities, books, papers and other effects belonging to or held by the fund;
  - (bb) subject to the relevant provisions of the Act, the manner in which and the circumstances under which the fund must be terminated or dissolved, with specific reference to:
    - (i) total and partial dissolution;
    - (ii) the appointment of a liquidator, to be approved by NAMFISA; and
    - (iii) any transfers of participating employers to any other medical aid fund;
  - (cc) the amalgamation of the medical aid fund with any other financial institution or financial intermediary;
  - (dd) the transfer of the business of the medical aid fund, or any part thereof, to any financial institution or financial intermediary;
  - (ee) the opening of a bank account in the name of the fund;
  - (ff) professional indemnity insurance for the board of trustees and the principal officer;
  - (gg) the contribution to any association instituted for the benefit of a fund;
  - (hh) the allocation to a member of a personal medical savings account, within the limit and in the manner prescribed by the fund from time to time, to be used for the payment of any relevant health service on behalf of that member, if applicable;
  - (ii) donations to any hospital, clinic, nursing home, maternity home, infirmary or home for aged persons in the interest of all or some of such institutions' beneficiaries and the method for the adoption by the fund of the decision to make such donation;
  - (jj) a detailed description of the procedure by which a member or beneficiary may make a claim from the fund; and
  - (kk) the matters referred to in section 352(5) of the Act.
4. The rules of a medical aid fund must not provide any limitation in respect of the re-imbursement of any relevant health service obtained by a member from a hospital where this service complies with the general scope and level of benefits provided for by the fund.

5. The rules of a medical aid fund must state the right of:
  - (a) members to be provided, free of charge, with a copy of :
    - (i) the rules of the fund upon becoming a member;
    - (ii) a copy of any amendment to, rescission of, or addition to the rules of the fund at the time of its implementation and/or upon becoming a member;
    - (iii) benefit statements at least once per year at the start of a benefit year; and
    - (iv) claims statements and benefits statements after each claim has been processed;
  - (b) members, beneficiaries or persons authorised by a member or beneficiary, to inspect, free of charge, any of the documents referred to in clause 5(a)(i) and (ii), at the principal office of the medical aid fund and to make extracts therefrom; and
  - (c) members, beneficiaries or persons authorised by a member or beneficiary to be provided, at a charge that must not exceed N\$• with a copy of:
    - (i) the rules of the fund;
    - (ii) the most recent financial statements of the fund; or
    - (iii) either a full report or an abridged version of the most recent report by the valuator of the fund prepared pursuant to section 347(1) of the Act, provided that upon request of members, electronic copies of any of the documents listed under paragraph (c) must be provided free of charge.
6.
  - (1) Where a medical aid fund imposes a waiting period pursuant to section 354(1) of the Act, the rules of the fund must state that:
    - (a) any general waiting period must not be longer than 30 days, and the rules must further stipulate certain conditions which are not subject to any waiting period, or certain conditions which are subject to a general waiting period; and
    - (b) any condition-specific waiting period must not be longer than 30 days.
  - (2) Where a medical aid fund imposes a waiting period pursuant to section 354(2) of the Act, the rules of the fund must state that:
    - (d) any general waiting period must not be longer than 90 days, provided the rules must further stipulate certain conditions which are not subject to any waiting period, or certain conditions which are subject to a general waiting period; and
    - (e) any condition-specific waiting period must not be longer than nine months.
7. The rules of a medical aid fund must provide that every member must be provided free of charge with:
  - (a) a membership card upon becoming a member;
  - (b) upon request of the member, a certificate of membership; and
  - (f) upon termination of the members' membership, with a membership certificate indicating the date on which he or she was admitted as a member and the date on which membership was terminated.
8. A medical aid fund referred to in section 329 of the Act must amend its rules to comply with this Standard within six months of the date on which this Standard comes into effect.

**Format and certification**

9. The rules of a medical aid fund must comply with the following requirements as to format:
  - (a) the rules must be printed in at least 1.5 spacing on A4 paper of at least 80 grams;
  - (b) the rules must be printed on one side of the paper only with a margin of at least 30 mm on the left side of the paper;
  - (c) headings and subheadings must be printed in bold print;
  - (d) definitions must be printed in capital letters and used in that way throughout the text;
  - (e) the document must not contain any underlining; and
  - (f) the document must at the front contain a detailed table of contents, with references to the relevant page numbers.
10. The rules of a medical aid fund must be certified as follows on the first page or on the cover if the rules are in the form of a booklet: “Certified that these are the rules of the XYZ Medical Aid Fund (substitute “XYZ Medical Aid Fund” with the full name of the fund) which will become effective on the date of registration of the fund” or “on the specified date” in the case of a fund referred to in clause 8.
11. The rules and any amended, rescinded or additional rule must be signed on the first page as follows:
  - (a) where the medical aid fund is administered by one individual, there must be two signatures, by:
    - (vii) that individual; and
    - (viii) the principal officer; or
  - (b) where the fund is managed by a board of trustees, there must be three signatures, by:
    - (i) the chairperson of the board;
    - (ii) one other member of the board who is not the principal officer; and
    - (iii) the principal officer.

**Adoption of rules**

12. A medical aid fund that adopts a new rule or an amendment to or rescission of an existing rule may only do so by resolution of the board.

**Amended, rescinded and additional rules**

13. Within 30 days from the date of the passing of a resolution for the amendment or rescission of any rule or for the adoption of any additional rule, but not later than 30 days prior to the implementation of any such amended, rescinded or additional rule, the board of the fund shall submit to NAMFISA, together with the text of the amended, rescinded or additional rule, and in the manner prescribed by NAMFISA-
  - (a) a copy of the resolution adopted by the board together with a certificate to the effect that the resolution has been adopted in accordance with the provisions of the rules of the fund;
  - (b) if the amended, rescinded or additional rule affects the financial position of the fund, a certificate by the valuator of the fund, or if no valuator has been appointed, by a

valuator retained by the fund for this purpose, as to the financial soundness of the amendment, rescission or addition; and

- (c) a statement explaining the reason for the amended, rescinded or additional rule.
- 14. The resolution and certificate referred to in clause 13(a) is not necessary in the case of a consolidation of the existing rules, but will apply in the case of a consolidation that contains amended, rescinded or additional rules.
- 15. In accordance with clause 5(a)(ii), the principal officer of the fund must, within one month of its implementation, communicate to each member a copy of any amendments to, rescissions of or additions to the rules of the fund.

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## **FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

### **THE DETERMINATION OF THE SOUNDNESS OF THE FINANCIAL POSITION OF A MEDICAL AID FUND FOR THE PURPOSES OF SECTION 353(3)**

#### **Standard No. MAF.S.7.5**

*issued by NAMFISA under section 410(8)(g) of the Financial Institutions and Markets Act, 2021*

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#### **Definitions**

- 1.
  - (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act; and
  - (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following-
    - (a) as defined in section 1 of the Act-
      - (i) NAMFISA; and
      - (ii) valuator;
    - (b) as defined in section 321 of the Act-
      - (a) contribution;
      - (b) member;
      - (c) medical aid fund;
      - (d) fund; and
      - (e) rules.

#### **Applicability**

- 2. This Standard applies to a valuator and to the reports required to be prepared by a valuator pursuant to sections 347, 353(3) and 353(4) of the Act.

#### **Determination of soundness of financial position**

- 3. A medical aid fund will be considered to be in a financially sound position pursuant to sections 347, 353(3) or 353(4) of the Act if:
  - (a) audited financial statements have been prepared at the relevant time and it show that the fund’s assets exceed its liabilities and there are no qualifications within the auditor’s opinion on the financial statements;
  - (b) the fund complies with any financial reserving requirements and solvency requirements that are specified for medical aid funds in the Act;

- (c) the valuator's report has been prepared in accordance with standards and principles generally recognised and accepted by actuarial science;
  - (d) the valuator's report takes into account all of the material risks to which the fund is exposed, including risks in respect of -
    - (i) IBNR liability (claims incurred but not reported);
    - (ii) the adequacy of contributions relative to anticipated expenses and claims;
    - (iii) loss of members from the fund;
    - (iv) trends in the demographic profile of the fund's membership;
    - (v) medical inflation;
    - (vi) previous years history and medical loss ratios; and
    - (vii) the fund's investment strategy;
  - (e) the valuator's report certifies that the contributions for all options within the fund are sufficient considering the expenses, claims, health risk factors of members and risks of each option;
  - (f) the valuator's report shows that the assets of the fund held in respect of benefit liabilities exceed those liabilities as at the date of the report, and that a projection of those assets and liabilities on the valuation basis, shows that the projected assets exceed the projected liabilities at the end of each of the three succeeding financial years;
  - (g) the valuator's report includes an analysis of all gains and losses and, where there are losses, indicates the sources thereof and makes recommendations for increases in the relevant member contributions or reductions in benefits, as provided for by the rules of the fund;
  - (h) the valuator's report states what, if any, pending amendments to, rescissions of, or additions to the rules of the fund have been taken into account and what, if any, their financial impact is expected to be, and the necessary steps to be taken to ensure the continuing financial soundness of the fund if their financial impact impairs the fund's financial soundness; and
  - (i) the valuator's report includes a certification free of any expressed reservations as to the financial soundness of the fund.
  - (j) The fund meets the prescribed regulatory capital requirement per standard MAF.S.7.3.
4. The valuator may rely on the immediately preceding report on the financial soundness of a fund provided that in the event it was prepared by another valuator, the valuator includes a disclosure in the report to the effect that the reliance was made on the basis of a review of the report of the other valuator and that no questions or concerns arose, or, if there were any, they were brought to the attention of the other valuator and have been resolved.
5. The valuator must comply with Standard No. MAF.S.7.3 for the purpose of certification.
6. The report required under section 353(3) of the Act must be certified by the valuator concerned and the certification must include:
- (a) the name and qualifications of the valuator;
  - (b) the relationship of the valuator to the medical aid fund;

- (c) an outline of the matters the valuator has considered in making the certification;
  - (d) a statement that the report is based on methods and assumptions that conform to generally accepted actuarial practices;
  - (e) a statement that the report is based on data that the valuator considers to be accurate and complete;
  - (f) the date by which contribution rates should be next reviewed if the report relates to rates of contributions; and
  - (g) any additional information or qualification required in accordance with the professional code of conduct of the valuator.
7. The report of the valuator shall include the following information in addition to that stipulated in clause 7:
- (a) the methods used and the assumptions made including, in the case of those assumptions having significant impacts on the results, a discussion of the basis for their selection or construction;
  - (b) a discussion of the reliance made on the work of others (auditor, previous valuator if applicable, investment advisor, administrator);
  - (c) a summary of the results of the valuation including, for each separate benefit fund, a balance sheet showing the assets and liabilities of the fund;
  - (d) tabular distributions of the data used in the valuation in respect of membership and benefit amounts;
  - (e) in respect of the analysis of gains and losses, a discussion of their significance in terms of the adequacy or inadequacy of member contributions in relation to benefits; and
  - (f) a discussion of the appropriateness of the investment portfolio of each benefit fund in relation to the characteristics of the fund as to its liabilities for fixed or variable benefits and its expected benefit and expense outflows.
8. The report of the valuator on the financial soundness of a medical aid fund should be structured in the following way:
- (a) Report Identification: This must include the name of the valuator and the valuator's qualifications, details of the relationship with the fund, the period of the investigation, the date of the report and a reference to the previous report where applicable;
  - (b) Background: A general outline of the medical aid fund, benefits provided and membership including the fund structure, nature of business, details of membership trends, inflation and assumptions made and the business plan;
  - (c) Data: A discussion of the data, details of different scenarios tested and a commentary on the adequacy of the data and a summary of reconciliations performed, including ratios by members, beneficiaries and dependents, and sensitivity analysis calculations as required by NAMFISA from time to time;
  - (d) Actual Financial Performance: A summary of the actual financial performance of the fund over the period of the investigation, and where the fund provides a range of benefits, the financial performance of the different classes of benefits must be considered separately, together with an analysis and discussion of expenses pertaining to administration, managed care and management;

- (e) Insured risk and other Benefit Liabilities: Details of the calculations of insured risks and other liabilities for other benefits provided by the fund;
- (f) Investments and other Assets: Details of the investment policy of the fund, a summary of current investments and details of historical investment returns. The valuator must comment on the appropriateness of the investments with respect to obligations of the fund, and if they align to the investment policy and charter including whether all other applicable Standards and Regulations have been complied with;
- (g) Financial Position: Details of the current financial position and an assessment of the minimum assets required for the fund to be financially sound in the opinion of the valuator, including a consideration of the adequacy of contribution rates and a discussion of the likely future financial position. The valuator must conduct an investigation into the solvency of the medical aid fund in accordance with standards MAF.S.7.3; and
- (h) Risk Management: A discussion of the key financial risks facing the fund, including membership risks, benefit risks, asset risks, operational risk, credit risk, contractual risk and risk transfer arrangements and expense risks.

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## **FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

### **THE PROVISION BY MEDICAL AID FUNDS TO THEIR MEMBERS OF WRITTEN PROOF OF MEMBERSHIP, AND THE PARTICULARS SUCH PROOF MUST OR MAY CONTAIN**

#### **Standard No. MAF.S.7.7**

*issued by NAMFISA under section 410(8)(t) of the Financial Institutions and Markets Act, 2021*

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#### **Definitions**

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.
- (2) Words and phrases defined in the Act, have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following, which are defined in section 321 of the Act-
  - (a) dependant;
  - (b) fund;
  - (c) medical aid fund; and
  - (d) member.

#### **Applicability**

2. This Standard applies to all medical aid funds registered under the Act.

#### **Requirements for proof of membership**

3. A medical aid fund must issue to each member, upon becoming a member, written proof of membership, containing, at a minimum, the following particulars:
  - (a) the name of the medical aid fund;
  - (b) the surname, first name and initials of the member and any dependants of the member, if any;

- (c) the gender and identity number of the member and any dependants of the member;
  - (d) the member's membership number;
  - (e) the day, month and year of birth of the member and any dependants of the member;
  - (f) the date on which the member becomes entitled to benefits from the medical aid fund;
  - (g) the date on which the main member's dependants becomes entitled to benefits from the medical aid fund;
  - (h) if applicable, details of waiting periods in relation to specific conditions;
  - (i) if applicable, the fact that the rendering of a relevant health service is limited to a specific provider of the service or group or category of providers of the service;
  - (j) if applicable, a reference to the benefit option to which a member is admitted and entitled; and
  - (k) any other particulars that NAMFISA may, from time to time, require.
4. A medical aid fund must, within 30 days of the termination of membership or at any time at the request of any former member or any dependant of a former member, provide that member or dependant with a certificate, stating the period of cover and type of cover.
  5. A medical aid fund must forward a copy of the certificate contemplated in clause 4 to any other medical aid fund to which a former member or dependant of a former member applies for membership, on request of that other medical aid fund.

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## FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

### THE REQUIREMENTS FOR THE VOLUNTARY TERMINATION OR DISSOLUTION OF A MEDICAL AID FUND PURSUANT TO SECTION 358, AND IN THE CIRCUMSTANCES SPECIFIED IN ITS RULES

#### Standard No. MAF.S.7.8

*issued by NAMFISA under section 410(8)(bb) of the Financial Institutions and Markets Act, 2021*

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#### Definitions

1. (1) In this Standard-
  - (a) "Act" means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) "Companies Act" means the Companies Act, 2004 (Act No. 28 of 2004);
  - (c) "final accounts" means the final revenues and expenses account and the final balance sheet; and
  - (d) "preliminary accounts" means the preliminary revenues and expenses account and the preliminary balance sheet.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:
  - (a) as defined in section 1 of the Act-



- (i) medical aid fund;
  - (ii) NAMFISA;
  - (iii) principal officer; and
  - (iv) valuator;
- (b) as defined in section 321 of the Act:
  - (i) board of trustees or board;
  - (ii) fund;
  - (iii) fund administrator;
  - (iv) member; and
  - (v) rules.

### **Applicability**

2. This Standard applies to every medical aid fund registered under the Act, and to the board of trustees, fund administrator, if any, and principal officer of such medical aid fund and to a liquidator appointed under clause 11.

### **Requirements for voluntary dissolution**

3. The rules of a medical aid fund must provide procedures for the voluntary dissolution of the medical aid fund.
4. A fund must dissolve, and its operations must be wound up, on the first to occur of the following events:
  - (a) an order of a court for voluntary dissolution; or
  - (b) a decision taken by at least 75% of the members present at a general, special or extraordinary meeting in favour of the dissolution of the fund, following which the board must arrange for each member to vote by ballot pursuant to clauses 6 – 9
5. Subject to an evaluation of the particular circumstances and the rules of the fund, NAMFISA must determine whether a medical aid fund meets the requirements for voluntary dissolution.
6. Following a decision by members pursuant to clause 4(b), the principal officer must, in consultation with NAMFISA, furnish every member with a memorandum containing the reasons for the proposed dissolution, together with a resolution to that effect as contemplated in clause 4(b) and a ballot paper.
7. The memorandum and ballot paper referred to in clause 6 must be submitted to NAMFISA for approval before being sent to the members.
8. Every member must be requested to return the ballot paper, duly completed, before a specified date, which date must not be later than 90 calendar days after the memorandum as contemplated in clause 6 is furnished to members.
9. If at least 75 % of all members return their ballot papers, duly completed, and the majority of the 75% is in favour of the dissolution of the medical aid fund, the board must dissolve the fund.
10. If two successive attempts to obtain a 75 % return of ballot papers fail, the board must refer the matter to NAMFISA for guidance.
11.
  - (1) If the majority of members have voted in favour of dissolution pursuant to clause 9, a liquidator from the list, referred to in clause 13, must be appointed for the fund-
    - (a) in the manner directed by the fund's rules; or

- (b) if the rules do not contain directions as to such appointment, by the board of the fund, provided that such appointment is subject to approval by NAMFISA.
  - (2) The dissolution of the fund shall be regarded to commence on the date of the approval by NAMFISA of the appointment of the liquidator.
- 12. A copy of the resolution by the members of the fund approving the dissolution of the fund and the remuneration of the liquidator must be submitted to NAMFISA and kept with the records of the fund.
- 13. NAMFISA may maintain a list of persons approved by NAMFISA to act as liquidators of medical aid funds, the purpose of the list being to expedite the appointment of a liquidator by a fund and the approval of such appointment by NAMFISA.
- 14. During the period of dissolution of the medical aid fund, the provisions of the Act shall continue to apply to the fund as if the liquidator is the board of the fund.
- 15. The liquidator must, as soon as possible but within 90 calendar days from the date of the approval of his or her appointment, deposit with NAMFISA the preliminary accounts in the form of Schedule 1 (Forms A to C to this Standard), signed and certified by the liquidator as correct and showing the assets and liabilities of the fund at the date of commencement of the dissolution and the manner in which it is proposed to realise the assets and to discharge the liabilities, including any liabilities and contingent liabilities to or in respect of members.
- 16. The liquidator must discharge from the assets of the medical aid fund all of the debts, liabilities and obligations of the fund (including all expenses incurred in liquidating the fund) or otherwise make adequate provision for payment and discharge thereof, including, if the liquidator considers it necessary, the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine.
- 17. NAMFISA may, at its discretion and at its own cost, direct the liquidator to submit a report, drawn up by an independent valuator or other competent person nominated by NAMFISA, on the preliminary accounts referred to in clause 15.
- 18. The preliminary accounts and report (if any) referred to in clauses 15 and 17 must be open for inspection by members and other interested parties for a period of 30 days at the office of NAMFISA and at the principal office of the medical aid fund.
- 19. The liquidator must publish a notice, at the cost of the fund, in the Government Gazette and in a national or regional/local newspaper in the English language or, if the liquidator deems it necessary in the circumstances, in any other language, circulating in the district in which the principal office of the fund is situated, stating the period during which and the places at which the preliminary accounts and report (if any) shall be open for inspection by members and other interested persons, which period shall be 30 days as contemplated in clause 18.
- 20. The notice referred to in clause 19, must state that any member or other interested person who has any objection to the preliminary accounts and report (if any), may lodge their objections in writing with NAMFISA within a period stated in the notice, which period shall be 30 days calculated from the last day on which those documents are open for inspection.
- 21. The text of the notice referred to in clause 19 must be approved by NAMFISA prior to its publication.
- 22. If no objections are lodged with NAMFISA pursuant to clause 20, and NAMFISA is satisfied with the preliminary accounts, NAMFISA may direct the liquidator to complete the dissolution.
- 23. If objections are lodged with NAMFISA pursuant to clause 20, NAMFISA may, after considering the objections, direct the liquidator to amend the preliminary accounts or give such other directives relating to the dissolution as NAMFISA consider fit, provided such

directives are not inconsistent with the rules of the fund, and any such directive shall be binding upon the liquidator.

24. The liquidator must forthwith, upon the receipt of any directive of NAMFISA pursuant to clause 23, send a copy of the directive to every member, beneficiary, shareholder (where applicable) and creditor of the fund if it is practically possible, else publish a notice of the directive, at the cost of the fund, in a national or regional/local newspaper in the English language or, if the liquidator deems it necessary in the circumstances, in any other language, and the liquidator or any person aggrieved by any such directive may appeal to the Appeal Board in terms of section 38 of the NAMFISA Act.
25. If NAMFISA is satisfied that its directives, in so far as they have not been varied or set aside by the Appeal Board, have been given effect by the liquidator, NAMFISA may direct the liquidator to complete the dissolution.
26. Not later than 30 days after completion of the dissolution, the liquidator must lodge with NAMFISA the final accounts in the form of Schedule 1 (Forms A to C of this Standard), signed and certified as correct by the liquidator and showing the assets and liabilities of the fund at the commencement of the dissolution and the manner in which the assets have been realised and the liabilities (including any liabilities and contingent liabilities to or in respect of members), have been discharged.
27. The provisions of the Companies Act relating to a voluntary winding-up, shall apply mutatis mutandis to the dissolution of a fund in accordance with this Standard.
28. All claims against the fund must be proved to the satisfaction of the liquidator, subject to the decision of the Adjudicator, and the liquidator may require any claim to be made on affidavit.
29. If satisfied that the final accounts prepared by the liquidator in respect of the fund are correct and that the dissolution has been completed, NAMFISA must, subject to clause 34, cancel the registration of the fund and thereupon the fund must be regarded to be dissolved.
30. The provisions of this Standard shall not apply to a fund if the dissolution of the fund is a result of an amalgamation or transfer approved by NAMFISA pursuant to Part 8 of Chapter 10 of the Act.
31. In exercising its powers and functions under this Standard, NAMFISA may request any additional information not provided for in this Standard that NAMFISA considers necessary or desirable.

#### **Application to be listed on the list of approved liquidators for medical aid funds**

32. In order to be approved by NAMFISA to act as liquidator of a medical aid fund and added to the list referred to in clause 13, a person must submit an application to NAMFISA in the form of Schedule 2 (Form A).

#### **Application for approval of the appointment of a liquidator under clause 11**

33. Upon the appointment of a liquidator by a medical aid fund and the acceptance by the liquidator of the appointment, the following documents must be submitted to NAMFISA for purposes of approving the appointment of the liquidator:
  - (a) an application in the form of Schedule 2, Form B, completed by the board of the fund;
  - (b) an application in the form of Schedule 2, Form C completed by the appointed liquidator; and
  - (c) a copy of the resolution by the members approving the dissolution of the fund.

## Application for cancellation of the registration of a fund pursuant to clause 29

34. Before NAMFISA may cancel the registration of a fund pursuant to clause 29, the liquidator must submit an application to NAMFISA in the form of Schedule 2, Form D.

### SUPPORTING SCHEDULES

The following supporting schedules are attached to and form part of this Standard:

#### Schedule 1

**Form A** Preliminary/Final Dissolution Accounts

**Form B** Preliminary/Final Dissolution Accounts

**Form C** Preliminary/Final Dissolution Accounts

#### Schedule 2

**Form A:** Application to be added to the list of liquidators approved by NAMFISA to act as liquidators of funds pursuant to clause 13

**Form B:** Application by the board of a fund for the approval of the appointment of a liquidator pursuant to clause 11

**Form C:** Application by the liquidator to be appointed to a fund pursuant to clause 11

**Form D:** Application for the cancellation of the registration of a fund pursuant to clause 29

### SCHEDULE 1

<b>FORM A</b>
<b>PRELIMINARY/FINAL DISSOLUTION ACCOUNTS pursuant to clause 15 and clause 26 of Standard No. MAF.S.7.8 made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)</b>

..... (name of fund)

REGISTRATION NUMBER: 25/7/7/.....

Preliminary/Final Statement of Funds and Net Assets at the commencement of the dissolution as on  
..... (date)

#### 1 FUNDS

1.1 ACCUMULATED FUNDS .....

1.2 RESERVES .....

1.2.1 (Specify) .....

1.2.2 (Specify) .....

1.2.3 (Specify) .....                     

TOTAL FUNDS AND RESERVES .....

2	FIXED ASSETS AND INVESTMENTS	.....
2.1	FIXED ASSETS	.....
2.2	INVESTMENTS	.....
2.3	CURRENT ASSETS	.....
2.3.1	Accounts receivable	.....
2.3.2	Income accrued	.....
2.3.3	Arrear contributions	.....
2.3.4	Cash at bank	.....
2.3.5	Other (specify)	.....
	TOTAL ASSETS	.....
3.	LESS: LIABILITIES	.....
3.1	LONG TERM LIABILITIES	.....
3.1.1	(Specify)	.....
3.1.2	(Specify)	.....
3.2	CURRENT LIABILITIES	.....
3.2.1	Contributions in advance	.....
3.2.2	Accounts payable	.....
3.2.3	Claims/Benefits due	.....
3.2.4	Bank overdraft	.....
3.2.5	Other (specify)	.....
4.	NET ASSETS	.....

Certified correct ..... (Liquidator)

Place ..... Date .....

#### FORM B

**PRELIMINARY/FINAL DISSOLUTION ACCOUNTS pursuant to clause 15 and clause 26 of Standard No. MAF.S.7.8 made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)**

..... (name of fund)

REGISTRATION NUMBER: 25/7/7/.....

Preliminary/Final Realisation Account at ..... (date)

## 1. RECEIPTS

(Details of amounts realised by assets in accordance with the Preliminary/Final Statement of Funds and Net Assets as per Form A)

Description	Value as per statement	Realisable value
.....	.....	.....
.....	.....	.....
Other receipts		.....
.....		.....
.....		.....

## 2. LESS: LIABILITIES

(Details from the Preliminary/Final Statement of Funds and Net Assets in Form A)

Description		
.....	.....	
.....	.....	
.....	.....	.....

DISTRIBUTION ACCOUNT AS PER FORM C

N\$ .....

Certified correct ..... (Liquidator)

Place ..... Date .....

**FORM C**

**PRELIMINARY/FINAL DISSOLUTION ACCOUNTS pursuant to clause 15 and clause 26 of Standard No. MAFS.7.8 made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)**

..... (name of fund)

REGISTRATION NUMBER: 25/7/7/.....

Preliminary/Final Distribution Account at ..... (date)

## 1. BASIS OF DISTRIBUTION:

(Concise description of the basis of distribution to beneficiaries, with reference to the rule in terms of which the fund is being dissolved and the rule (if any) under which the distribution is being made. Particular reference must be made to the vested rights of savings plan members.)

**2. SCHEDULE OF DISTRIBUTION:**

PARTICULARS OF BENEFICIARIES				DATES OF MEMBERSHIP		PAYMENT
<u>NR</u>	<u>SURNAME</u>	<u>INITIALS</u>	<u>ID NUMBER</u>	<u>COMMENCED</u>	<u>CEASED</u>	<u>N\$</u>

<b>Total as per Preliminary/Final realisation account in Form B</b>	<b>N\$</b>
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Certified correct ..... (Liquidator)

Place ..... Date .....

**SCHEDULE 2**

<b>FORM A</b>		
<b>APPLICATION TO BE ADDED TO THE LIST OF LIQUIDATORS APPROVED BY NAMFISA TO ACT AS LIQUIDATORS OF FUNDS</b> <b>pursuant to clause 13 of Standard No. MAF.S.7.8 made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)</b>		
I, hereby apply to be added to the list of liquidators approved by NAMFISA to perform dissolutions of funds, pursuant to clause 13 of Standard No.MAF.S.7.8		
1.	Surname:	
2.	Full Names	
3.	Identity / passport Number	
4.	Postal address:	
5.	Registered address (domiculum citandi et executandi) where documents and records will be kept in safe custody or where legal documents can be served:	
6.	Telephone number:	
7.	Cell phone number:	

8.	E-mail address:		
		<b>Yes/ No</b>	<b>Comments</b>
9.	Are you fully conversant with the provisions of the Act, Regulations and Standards as well as the relevant requirements, policies and procedures in respect of the dissolution of funds?		
10.	Have you ever been convicted of an offence resulting from dishonesty, fraud or embezzlement? If so, give details:		
11.	Has your estate ever been sequestrated or a business in which you had a financial interest been dissolved? Are you a rehabilitated insolvent? If so, kindly provide details.		
12.	Have you been involved as a controlling shareholder or director of a company or close corporation at the time it was placed under judicial management or in liquidation/dissolution?		
13.	Have you been subject to disciplinary proceedings by an employer or regulatory body? If so, kindly provide details.		
14.	Have you ever been barred from entry into any profession or occupation? If so, kindly provide details.		
15.	What experience have you had in the liquidation/dissolution of a medical aid fund or other financial institution? Describe		
<p>A copy of my Curriculum Vitae in relation to medical aid funds is attached hereto.</p> <p>I hereby certify that the abovementioned information is true, correct and complete and further undertake to advise NAMFISA of any important changes to the above information.</p> <p>I hereby agree that NAMFISA may perform reference checks and verification of qualifications, as well as require me to submit a police clearance certificate to NAMFISA.</p>			
<b>SIGNATURE OF APPLICANT</b>		<b>DATE</b>	
<b>FULL NAMES IN BLOCK LETTERS</b>			

**FORM B****APPLICATION BY THE BOARD OF A FUND FOR THE APPROVAL OF THE APPOINTMENT OF A LIQUIDATOR**

**pursuant to clause 11 of Standard No. MAFS.7.8 made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)**

Name of Fund:			
Fund Registration Number:			
Rule Reference number:			
Full Name of Liquidator:			
Identity / passport number of Liquidator:			
		<b>Yes/ No</b>	<b>Comments</b>
1.	Are the rules and all rule amendments, in respect of the fund submitted?		
2.	Are all transfers (if any) in respect of the fund until the date of appointment of the Liquidator approved?		
3.	Are all valuation reports submitted?		
4.	Are all financial statements submitted?		



5.	Are there any arrear contributions outstanding?		
6.	Are there any outstanding tax liabilities?		
8.	What is the average benefit per member of the fund as at date of the application?		
9.	What is the number of members participating in the fund as at date of the application?		
10.	What is the total value of the assets of the fund as at date of the application?		
<p>Kindly provide any additional information, of which you are aware and which may be of assistance to NAMFISA:</p> <p>.....</p> <p>.....</p> <p>We, the board of the Fund hereby confirm that we have considered the fit and proper requirements in connection with the Liquidator and confirm that we are satisfied with such appointment.</p>			
SIGNATURE OF CHAIRPERSON		SIGNATURE OF BOARD MEMBER	
FULL NAMES IN BLOCK LETTERS		FULL NAMES IN BLOCK LETTERS	
DATE		DATE	
SIGNATURE OF PRINCIPAL OFFICER			
FULL NAMES IN BLOCK LETTERS			
DATE			

Note: The duly signed board resolution by a properly constituted board of trustees must be attached hereto.

### FORM C

#### **APPLICATION BY THE LIQUIDATOR TO BE APPOINTED TO A FUND pursuant to clause 11 of Standard No. MAF.S.7.8 made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)**

Name of Fund:	
Fund Registration Number:	
Full Names of Liquidator:	
Identity / passport number of Liquidator:	
1.	<p>I have not been involved in the management, administration, valuation or auditing of the above-mentioned Fund, except for the following (where applicable):</p> <p>.....</p> <p>.....</p>

2.	My appointment would not cause any conflict of interest in performing my duties as Liquidator of the Fund, except for the following (where applicable):  ..... .....	
3.	I am aware of the provisions of clause 14 of Standard No. MAF.S.7.8 whereby I will be appointed in my personal capacity and will take responsibility for the Fund in the place of the board of the Fund and undertake to safeguard the assets of the Fund;	
4.	I will discharge my duty to the best of my ability and act in the best interest of members of the Fund;	
5.	All information previously provided and my declaration made in respect of my application to be added to the list of liquidators approved by NAMFISA to act as liquidators of funds (Form A) have/has not materially changed. Provide details in respect of any material changes:  ..... .....	
I hereby certify that the abovementioned information is true, correct and complete and further undertake to inform NAMFISA about any important changes to the above information.  ..... .....		
<b>LIQUIDATOR AS APPLICANT</b>		<b>FULL NAMES IN BLOCK LETTERS</b>
<b>DATE</b>		

<b>FORM D</b>		
<b>APPLICATION FOR CANCELLATION OF REGISTRATION OF THE FUND</b> pursuant to clause 29 of Standard No. MAF.S.7.8 made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)		
Name of Fund:		
Fund Registration Number:		
Full Names of Liquidator:		
Identity / passport number of Liquidator:		
Name of Administrator		
I, hereby declare that all benefits have been paid in terms of the dissolution accounts and that there are no members, assets or liabilities remaining in the fund and the Fund ceased to exist on ..... / ..... / 20.....		
I hereby declare that the abovementioned is true and correct.		
<b>SIGNATURE OF APPROVED LIQUIDATOR / ADMINISTRATOR</b>		<b>FULL NAMES IN BLOCK LETTERS</b>
<b>DATE</b>		

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****REQUIREMENTS FOR THE REPORT OF THE VALUATOR OF A  
MEDICAL AID FUND WITH RESPECT TO THE CURRENT FINANCIAL  
POSITION OF THE FUND AND ITS PROJECTED FINANCIAL SOUNDNESS****Standard No. MAF.S.7.10**

*issued by NAMFISA under section 410(8)(g) of the Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard -
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act; and
  - (b) “IBNR” in relation to claims against a medical aid fund means claims Incurred But Not Reported.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:
  - (a) ‘valuator’, as defined in section 1 of the Act;
  - (b) as defined in section 321 of the Act -
    - (i) fund;
    - (ii) imedical aid fund; and
    - (iii) rules.

**Applicability**

2. This Standard applies to all medical aid funds registered under the Act.

**Reporting requirements**

3. The valuator must adhere to the following reporting requirements with respect to its report regarding the financial position of the fund:
  - (a) the report must specify the medical aid fund and the purpose of the report and it should include:
    - (i) sources of data and outcome of reasonability checks;
    - (ii) analysis of data and experience;
    - (iii) discussion on the benefit structure of the fund;
    - (iv) analysis of the membership profile and growth;
    - (v) assumptions employed, as well as how each of the major assumptions were derived;
    - (vi) if pricing is defined to be on a breakeven basis, it should be disclosed explicitly; and

- (vii) whether pricing is on the basis of current membership and/or to maintain reserving level in accordance with the specified reserving strategy.
  - (b) discussion on the benefit changes or scenarios considered by the fund, especially where these were recommended by the valuator;
  - (c) analysis of adequacy and sustainability of contributions;
  - (d) impact on solvency;
  - (e) identification of risk areas (sensitivity tests);
  - (f) disclosure of discounts/rebates and risk loadings and how these were derived; and
  - (g) actuarial opinions and recommendations, including, where the contributions decided by the fund would not result in an adequate level of funding, the valuator needs to highlight that higher than usual contributions or benefit reductions will likely be required in future years.
2. The valuator of a medical aid fund must present the current financial position of the fund and its projected financial soundness going forward, which must include, but is not limited to-
- (a) data sources and validation conducted;
  - (b) a list of the assumptions used;
  - (c) the reasoning behind the assumptions used;
  - (d) how and why deviations in the assumptions and data were or were not allowed for;
  - (e) the methodology used, including any changes that have occurred since the previous valuation;
  - (f) the reasoning behind the process and method chosen as well as quantification of results; and
  - (g) the details around the sensitivity analysis performed.
3. The valuator must consider which aspects are material to the interpretation of the IBNR valuation and disclose these aspects in his or her final report.
4. The valuator must perform a sensitivity analysis to indicate to the medical aid fund the possible variations in the IBNR provision should actual experience turn out different to the original assumptions, by -
- (a) identifying the likelihood or probability that the IBNR will be sufficient and by explaining the reasons why, or the events that could occur to cause the IBNR to be insufficient;
  - (a) changing the IBNR assumptions, parameters and the IBNR method of calculation itself, so as to ascertain the sensitivity of the IBNR provision; and
  - (b) commenting on trends and their impact as part of the sensitivity analysis.
-

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**  
**MINIMUM NUMBER OF MEMBERS OF A MEDICAL AID FUND**

**Standard No. MAF.S.7.11**

*issued by NAMFISA under section 410(8)(i) of the Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following as defined in section 321 of the Act -
  - (i) beneficiary;
  - (i) dependant;
  - (ii) fund;
  - (iii) medical aid fund; and
  - (iv) member.

**Applicability**

2. This Standard applies to all medical aid funds registered under the Act.

**Minimum number of members**

3. A medical aid fund must maintain a sufficient number of members to ensure that it can maintain its business in a financially sound manner by-
  - (d) having assets which are sufficient to meet current liabilities;
  - (e) providing for the fund’s present and ongoing liabilities; and
  - (f) continuing to maintain the required statutory reserve and solvency requirements, as may be prescribed by NAMFISA from time to time.
4. NAMFISA may require the following additional information in the form of a valuator’s report, at intervals determined by NAMFISA -
  - (a) certification by the valuator that the number of members is sufficient to meet the requirements of clause 3;
  - (b) a statistical analysis showing the membership at present level, an income statement, cash flow statement and balance sheet reflecting the financial position of the fund, to enable NAMFISA to monitor the growth and the financial stability of the fund.

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**  
**REQUIREMENTS FOR THE ANNUAL REPORT OF A MEDICAL AID FUND**

**Standard No. MAF.S.7.12**

*issued by NAMFISA under section 410(8)(m) of the Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act; and
- (2) “pensioner” means members older than 60 years of age as at their last birthday, and “retired member” will have the same meaning.
- (3) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following as defined in section 321 of the Act -
  - (a) board of trustees;
  - (b) fund;
  - (c) fund administrator;
  - (d) medical aid fund; and
  - (e) rules.

**Applicability**

2. This Standard applies to all medical aid funds registered under the Act.

**Annual report**

3. The annual report of a medical aid fund to NAMFISA must be in the form similar to Schedule 1 to this Standard and must -
  - (a) be prepared by or under the supervision of the board, approved by the chairperson of the board of the medical aid fund and submitted to NAMFISA by the board in both written and electronic form, together with the annual financial statements;
  - (b) include the following, insofar as the following is not already included in the annual financial statements of the fund:
    - (i) a high-level summary of the activities of the board during the year under review;
    - (ii) a summary of all actions of a legal nature to which the fund was a party, or a statement that there are none to report;
    - (iii) a summary of any amendments to the rules of the fund made during the year under review;
    - (iv) a summary of all policies of the fund that have been documented and approved by the board and that are in force (e.g., investment policy, funding policy, risk management policy, administrative policy etc.) and of any material changes to those policies during the year under review;

- (v) a summary of the key financial data reported on by the auditor and a commentary on the results of the fund's operations during the year under review (contributions received, investment income accrued, gross and net rate of return earned on the fund's portfolio, benefits paid, net increase or decrease in the fund);
- (vi) a brief analysis of the fund's gains and losses during the year under review;
- (vii) a summary of the changes in the fund's membership (principal members, dependants and retired members/pensioners) during the year under review;
- (viii) a high-level summary of the fund's administrative activities during the year under review;
- (ix) a description of any special events that occurred during the year (e.g. mergers or sales of business that impacted the fund, discontinuation of business segments producing partial fund termination);
- (x) financial ratios relating to the statement of financial position;
- (xi) financial ratios relating to the consolidated statement of comprehensive income;
- (xii) notes to the management accounts/annual financial statements; and
- (xiii) detailed investment schedule, including compliance testing of the investments held related to the allowable investment types.

## SCHEDULE 1

### Form of an Annual report of a Medical Aid Fund

#### 1. Introduction

This guideline is intended to provide a general idea of what an Annual report of a Medical Aid Fund should entail. It should be noted that the Annual report of a Medical Aid Fund prepared by the administrator or the Board of Trustees do not have to precisely match this guideline. Nevertheless, all due care should be taken when preparing the Annual report of a Medical Aid Fund to ensure that sufficient and relevant information is provided to the users of the Annual report of a Medical Aid Fund.

Supporting schedules such investment compliance can be a separate attachment to the Annual report of a Medical Aid Fund

#### 2. Executive summary

The executive summary should provide a broad overview of the fund's operations. It should relay pertinent information in order to afford the members and stakeholders a clear view of what occurred during the annual period under review.

#### 3. Statement of Financial Position

As at dd/mm/yyyy

	Current year		Previous year
	Actual	Budget	Actual
<b>ASSETS</b>			
Non-current assets			
Property, plant & equipment (specify)			
Investment property			

Investments			
Other non-current assets (specify)			
Current assets			
Inventories			
Trade and other receivables			
Investments			
Cash and cash equivalents			
Medical savings and other trust assets			
Other current assets (specify)			
Total assets			
<b>FUNDS AND LIABILITIES</b>			
Members' Funds			
Accumulated funds			
Revaluation reserve - investments			
Revaluation reserve - property, plant & equipment (if applicable)			
Reserves set aside for specific purposes (specify)			
Other reserves (specify)			

Non-current liabilities			
Borrowings			
Other non-current liabilities (specify)			
Current liabilities			
Outstanding claims provision			
Trade and other payables			
Other current liabilities (specify)			
Medical savings and other trust liabilities			
Total funds and liabilities			

#### 4. Ratios - Statement of Financial Position

As at dd/mm/yyyy

	Current year		Previous year
	Actual	Budget	Actual
Accumulated reserves as a % of annualised gross contributions (solvency ratio)			
Total assets: total liabilities (norm 2:1)			
Current assets/ current liabilities (norm 1:1)			
Average trade and other receivables days outstanding (Outstanding trade and other receivables / annualised gross contribution * no of days)			
Average trade and other payables days outstanding (Outstanding trade and other payables / annualised risk claims incurred * no of days)			
Claims paying ability (Cash & cash equivalents + short term investments) / (gross claims)* no of months)			



Reserves per member			
Under)/ Over provision of IBNR as a % of IBNR			

**NB:** The above ratios are illustrative only. The fund must use ratios which are suitable for their circumstances.

## 5. Consolidated Statement of Comprehensive Income

For the period ended dd/mm/yyyy	Current year		Previous year	
Risk contribution income	Actual	Budget	Actual YTD	Full year
Relevant healthcare expenditure				
Net claims incurred				
Risk claims incurred				
Third party claims recoveries				
Net income/expense on risk transfer arrangements				
Risk transfer arrangement fees/ premiums paid				
Recoveries from risk transfer arrangements				
Profit/ (loss) share arising from risk transfer arrangements				
Gross healthcare result				
Net income/ (expense) on commercial reinsurance (If appropriate)				
Commercial reinsurance premiums paid				
Recoveries from commercial reinsurance				
Profit/ (loss) share arising from commercial reinsurance				
Managed care: management services				
Broker service fees( If appropriate)				
Administration expenses				
Net impairment losses on healthcare receivables				
Net healthcare result				
Other income				
Investment income				
Income from use of own facilities by external parties				
Sundry income				
Other expenditure				
Asset management fees				
Cost incurred in provision of own facilities to external parties				
Interest paid on medical savings accounts				
Sundry expenses				
Net surplus/ (deficit ) for the year				
Other comprehensive income				
Fair value adjustment on available for sale investments				
Reclassification adjustment*				
Land and buildings revaluation				
Total comprehensive income for the year				

\*The reclassification adjustment relates to gain/loss on sale of available-for-sale investments which is taken to the statement of comprehensive income within "Investment income"

Note: Any other individual line items are to be disclosed separately on the face of the statement of comprehensive income and not in sundry income or expense, following the same 'by function' classification.

## 6. Ratios – Consolidated Statement of Comprehensive Income

For the period ended dd/mm/yyyy

## 7. Monthly Cash Flow Statement (Full Annual Year By Month)

	Total Year
Cash flows from operating activities	
Cash receipts from members	
Cash paid to providers and members	
Cash generated from operations	
Interest paid	
Other (specify)	
Net cash from/(used in) in operating activities	
Cash flows from investing activities	
Purchase of property, plant and equipment	
Proceeds from disposal of property, plant	
Purchase of investment property	
Proceeds on disposal of investment property	
Purchase of investments	
Proceeds on disposal of investments	
Interest received	
Dividend received	
Rentals received	
Other (specify)	
Net cash from/(used in) in investing activities	
Cash flows from financing activities	
(Repayments)/increase in borrowings	
Other (specify)	
Net cash from/(used in) in financing activities	
Net increase in cash and cash equivalents	
Cash and cash equivalents at the beginning of the period	
Cash and cash equivalents at the end of the period	

Note: It will add value if this schedule could be compared to the previous year's forecast, or a separate forecast schedule.

## 8. Statement of Changes in Members' Funds

For the period ended dd/mm/yyyy

	Accumulated funds	Available for sale financial assets	Revaluation reserve investments	Revaluation reserves (PPE)	Reserves set aside for specific purposes	Other reserves	Total members funds
	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
Balance at the beginning of the period (1 January yyyy)							
– As previously reported							
– Prior period adjustment							
Total comprehensive income							
Transfer to/(from) accumulated funds							
– Due to amalgamation							
– Due to re-measurement							
– Other transfers							
Transfer (to)/from reserves							
Other (specify)							
Balance at the end of the period							

## 9. Periodic Consolidated Statement of COMPREHENSIVE INCOME (may not be required)

For the period ended dd/mm/yyyy	Q1 N\$'000	Q2 N\$'000	Q3 N\$'000	Q4 N\$'000	Actual Year N\$'000	Budget Year N\$'000
Risk contribution income						
Relevant healthcare expenditure						
Net claims incurred						
Risk claims incurred						
Third party claims recoveries						
Net income/expense on risk transfer arrangements						

Risk transfer arrangement fees/ premiums paid						
Recoveries from risk transfer arrangements						
Profit/ (loss) share arising from risk transfer arrangements						
Gross healthcare result						
Net income/ (expense) on commercial reinsurance(If appropriate)						
Commercial reinsurance premiums paid						
Recoveries from commercial reinsurance						
Profit/ (loss) share arising from commercial reinsurance						
Managed care: management services						
Broker service fees( If appropriate)						
Administration expenses						
Net impairment losses on healthcare receivables						
Net healthcare result						
Other income						
Investment income						
Income from use of own facilities by external parties						
Sundry income						

<b>Other expenditure</b>						
Asset management fees						
Cost incurred in provision of own facilities to external parties						
Interest paid on medical savings accounts						
Sundry expenses						
Net surplus/ (deficit ) for the year						
Other comprehensive income						
Fair value adjustment on available for sale investments						
Reclassification adjustment*						
Land and buildings revaluation						
<b>Total comprehensive income for the year</b>						

\*The reclassification adjustment relates to gain/loss on sale of available-for-sale investments which is taken to the statement of comprehensive income within "Investment income".

Note: Any other individual line items are to be disclosed separately on the face of the statement of comprehensive income and not in sundry income or expense, following the same 'by function' classification.

This schedule can also be done by quarters or for the full 12 months by month.

**10. Periodic Statement of Comprehensive Income PER OPTION (may not be required)**

<b>For the period ended dd/mm/yyyy Provide information for every fund option.</b>	<b>Q1 NS'000</b>	<b>Q2 NS'000</b>	<b>Q3 NS'000</b>	<b>Q3 NS'000</b>	<b>Actual Year NS'000</b>	<b>Budget Year NS'000</b>
Risk contribution income						
Relevant healthcare expenditure						
Net claims incurred						
Risk claims incurred						
Third party claims recoveries						
Net income/expense on risk transfer arrangements						
Risk transfer arrangement fees/ premiums paid						
Recoveries from risk transfer arrangements						
Profit/ (loss) share arising from risk transfer arrangements						
Gross healthcare result						
Net income/ (expense) on commercial reinsurance(If appropriate)						
Commercial reinsurance premiums paid						
Recoveries from commercial reinsurance						
Profit/ (loss) share arising from commercial reinsurance						
Managed care: management services						
Broker service fees( If appropriate)						
Administration expenses						
Net impairment losses on healthcare receivables						
Net healthcare result						
Other income						
Investment income						
Income from use of own facilities by external parties						
Sundry income						
Other expenditure						
Asset management fees						
Cost incurred in provision of own facilities to external parties						
Interest paid on medical savings accounts						
Sundry expenses						
Net surplus/ (deficit ) for the year						
Other comprehensive income						
Fair value adjustment on available for sale investments						
Reclassification adjustment*						

Land and buildings revaluation						
Total comprehensive income for the year						

\*The reclassification adjustment relates to gain/loss on sale of available-for-sale investments which is taken to the statement of comprehensive income within "Investment income".

Note: Any other individual line items are to be disclosed separately on the face of the statement of comprehensive income and not in sundry income or expense, following the same 'by function' classification.

# 11. Ratios – Periodic Statement of Comprehensive Income PER OPTION

For the period ended dd/mm/yyyy

Provide information for every option for the full period

	Current year		Previous year	
	Actual NS'000	Budget NS'000	Actual NS'000	Budget NS'000
NUMBER OF:				
Members				
Dependants				
Beneficiaries				
Average members				
Average beneficiaries				
Average age				
Pensioner ratio				
Family size				
RATIOS				
Gross contributions per average beneficiary per month				
Risk contribution income per average beneficiary per month				
Net relevant healthcare expenditure incurred per average beneficiary per month				
Non-healthcare expenditure per average beneficiary per month				
Administration expenses per average beneficiary per month				
Net relevant healthcare expenditure incurred as % of risk contribution income				
Non-healthcare expenditure as % of risk contribution income				
Administration expenses as a % of risk contribution income				
Net surplus/(deficit) for the year as % of risk contribution income				
Investment income as % of risk contribution income				
(Under)/over provision of IBNR as a % of IBNR				

# 12. Notes to the Annual Report

In the event that the fund manages savings plan monies on behalf of its members, the following notes should be included:

		<b>Current year NS'000</b>	<b>Previous year NS'000</b>
<b>1.</b>	<b>Medical savings account trust monies managed by the fund on behalf of its members</b>		
	Balance of medical savings account trust liability at the beginning of the year		
	Add: Savings account contributions received		
	Interest and other income earned on trust monies invested		
	Less: Claims paid on behalf of members		
	Refunds on death or resignation		
	Bank charges and investment management fees incurred		
	Balances due to members on savings account balances held in trust at the end of the year		
<b>2.</b>	<b>Investment of medical savings account trust monies managed by the fund on behalf of its members</b>		
	Bank account		
	Fixed deposits		
	Total medical savings account trust monies invested		
<b>3.</b>	<b>Risk contribution income</b>		
	Gross contributions per registered rules		
	Less: Savings contributions received*		
	Risk contribution income per statement of comprehensive income		
	* The savings plan contributions are received by the fund in terms of contributions and fund's registered rules and held in trust on behalf of its members. Refer to note 1 to the annual report for more detail on how these monies were utilised.		
<b>4.</b>	<b>Investment income</b>		
	Realized through sale		
	Unrealised		
	Income (Dividends, Interest)		

### 13. Variances

A brief explanation should be given for the major differences between actual and budgeted figures on a consolidated and per option level.

An explanation is preferable for all variances of more than 10%.

### 14. Graphs and Tables

Graphs and tables are suggested to enable users of the statements, especially NAMFISA, members and trustees, to distinguish at a glance the most important performance and statistical indicators.

Most of these indicators will appear in the financial statements, this annual report, notes or ratios, but they are easier to summarise and understand when it is presented graphically.

It might be useful to compare the monthly and cumulative figures and ratios with not only the previous period, but also with the budget.

The following list is not exhaustive and is merely an example of what could be presented in the monthly management accounts to ensure that the Board of Trustees is making informed decisions. They are recorded in the sections above of the annual report of the fund:

**Membership**

- The average age and pensioner ratio of beneficiaries per benefit option.
- The chronic distribution of beneficiaries.
- Analysis of member movement (e.g., reason(s) given by members for leaving the fund: death, new employment, etc.).
- A graph depicting the number of members per month for current year, previous year and budget.

**Non-healthcare expenditure**

- A graph of the total non-healthcare expenditure as a percentage of risk contribution income per month.
- A graph of the non-healthcare expenses per average beneficiary per month.
- Details on contractual administration and managed care: managed services fees payable.

**Underwriting performance**

- A graph of the total contributions per member per month, compared to benefit costs per member per month. A moving 12-month average can also be depicted.
- A graph of claims paid as a percentage of risk contribution income per month. This should also be compared with previous periods. This could also be depicted on a per member per month basis.
- A graph of the operating results as a percentage of risk contribution income.

**Claims/benefits**

- A pie chart of benefits paid by category i.e., hospitals, medicines, specialists etc. A comparison with previous periods and other funds or industry averages, if available, is useful.
- A list of the highest claims by category, compared to previous periods.
- A table of the average claims cost per member, by category of service, compared to previous periods.
- Analysis of claims paid aged over service dates. For each month's claims paid indicate the percentage of previous month's claims paid in current month, as well as the percentage claims paid relating to the current month.
- Comparison of actual claims paid with the monthly IBNR provision.
- Chronic utilisation of beneficiaries.
- A table reflecting a split of non-PMB and PMB claims for the current year, as well as previous year.
- Analysis of savings claims paid.

**Other indicators****15. Detailed investment schedule**

This can be a separate schedule.

The investment schedule should be completed per individual investment. It is important to provide the market values of all the underlying assets of all policies of insurance and collective investment funds (i.e., unit trust, wrap funds, funds of funds etc.).



Institution	Type Of Investment	Date Invested	Interest Rate	Opening Balance at Market Value	Dividends & Interest Capitalised	Market Value Adjustment	Closing Balance at Market Value

#### 16. Annexure covering compliance testing in terms of Standard MAF.S.7.3 and Regulation MAF.R.7.2

The schedule below needs to be completed to ensure that the limitations on assets as per Annexure B are being complied with.\

Annexure B item	Category or kinds of asset Reflect each of the asset classes as defined in the appropriate Standard	Description	Market value (R)	% Market value	Maximum % of aggregate fair value of liabilities and the minimum accumulated funds to be maintained in terms of Standard MAF.S.7.3 and Regulation MAF.R.7.2	Comment (i.e., compliant/ Non-compliant. If non-compliant state reasons).

Explanatory notes and conditions covering compliance testing: These notes must align to the Standard covering the kinds of assets types allowed and the required limitation on the % allowed too in the appropriate Standard and regulations applicable

### FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

#### THE PERIOD FOR GENERAL AND CONDITION-SPECIFIC WAITING PERIODS AND OTHER PERIODS REFERRED TO IN SECTION 354

##### Standard No. MAF.S.7.13

*issued by NAMFISA under sections 354 and 410(8)(s) of the  
Financial Institutions and Markets Act, 2021*

#### Definitions

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following as defined in section 321 of the Act -
  - (a) beneficiary;
  - (b) condition-specific waiting period;
  - (c) dependent;
  - (d) fund;
  - (e) general waiting period; and
  - (f) medical aid fund;

**Applicability**

2. This Standard applies to all medical aid funds registered under the Act.

**Waiting periods**

3. A medical aid fund may impose upon a person in respect of whom an application is made for membership or admission as a dependant, and who was not a member or a beneficiary of a medical aid fund for a period of at least 90 days preceding the date of application –
- (a) a general waiting period of up to three months; and
  - (b) a condition-specific waiting period of up to 12 months.
4. A medical aid fund may impose upon any person in respect of whom an application is made for membership or admission as a dependant, and who was previously a member or a beneficiary of a medical aid fund for a continuous period of up to 24 months, terminating less than 90 days immediately prior to the date of application, a condition-specific waiting period of up to 12 months, except in respect of any treatment or diagnostic procedures for which the former medical aid fund has imposed a waiting period and such waiting period had not expired at the time of termination, in which case a condition-specific waiting period for the unexpired duration of such waiting period imposed by the former medical aid fund may be imposed.
5. A medical aid fund may impose upon any person in respect of whom an application is made for membership or admission as a dependant, and who was previously a member or a beneficiary of a medical aid fund for a continuous period of more than 24 months, terminating less than 90 days immediately prior to the date of application, a general waiting period of up to three months, except in respect of any treatment or diagnostic procedures for which the former medical aid fund has imposed a waiting period and such waiting period had not expired at the time of termination, in which case a general waiting period for the unexpired duration of such waiting period imposed by the former medical aid fund may be imposed.
6. A medical aid fund may require an applicant to provide the medical aid fund with a medical report in respect of any proposed beneficiary only in respect of a condition for which medical advice, diagnosis, care or treatment was recommended or received within the preceding 12-month period ending on the date on which an application for membership was made.
7. If a medical aid fund requires a medical report to be provided to it by an applicant in terms of clause 6, the medical aid fund shall pay to the applicant or relevant health care provider the costs of any medical tests or examinations required by the medical aid fund for the purposes of compilation of this report.

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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****MANNER AND FORM OF APPLICATION FOR REGISTRATION  
OF A MEDICAL AID FUND****Standard No. MAF.S.7.14**

*issued by NAMFISA under section 326(2)(a) of the Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.

- (2) Words and phrases defined in the Act have the same meaning in this Standard unless the context indicates otherwise, including without limitation, the following-
  - (a) as defined in section 1 of the Act -
    - (i) auditor;
    - (ii) NAMFISA;
    - (iii) principal officer;
    - (iv) medical aid fund;
    - (v) valuator;
  - (b) as defined in section 321 of the Act -
    - (i) board;
    - (ii) fund;
    - (iii) fund administrator;
    - (iv) rules; and
    - (v) sponsor.

### **Applicability**

- 2. This Standard applies to all medical aid funds and to their boards, principal officers, sponsors and fund administrators.

### **Requirements for application of registration**

- 3. An application for registration of a medical aid fund must consist of a duly completed application form, in the form of Annexure A to this Standard, duly signed by the board in the case of an existing fund, or by the interim board in the case of any other fund.
- 4. In addition to the application form referred to in clause 3, an application for registration must be accompanied by-
  - (a) One original set and one copy of the rules of the fund duly certified by the chairperson of the board/interim board as well as an additional board member as being the rules which will become effective on the date of registration of the fund or the date of commencement of operations of the fund, whichever is the later;
  - (b) An original certificate by the valuator as to the financial soundness of the rules, which certificate must state the name, physical address, certified professional qualifications and experience of the valuator, including certified copies of the valuator's qualifications and his/her curriculum vitae;
  - (c) a copy of a document (for example a copy of the resolution of the directors of the sponsor) to indicate the authority in terms of which the fund is established; and
  - (d) proof of payment of the prescribed registration/application fee;
  - (e) the documents referred to in section C of Annexure A to this Standard;
  - (f) the requirements contained in Standards GEN.S.10.2 (fit and proper requirements) and GEN.S.10.8 (Independence requirements), and
  - (g) any other document and/or information that may be requested by the Authority as provided for in the Act.

**ANNEXURE A**  
**MEDICAL AID FUNDS**

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**APPLICATION FOR THE REGISTRATION OF A MEDICAL AID FUND**

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**APPLICATION FOR REGISTRATION AS A MEDICAL AID FUND**  
**IN TERMS OF SECTION 326 OF THE FINANCIAL INSTITUTIONS AND MARKETS**  
**ACT, 2021 (Act No. 2 OF 2021)**

<b>Section A. General Information</b>
---------------------------------------

1. I, \_\_\_\_\_  
(full name of authorized representative of fund)

hereby apply for the registration of \_\_\_\_\_

\_\_\_\_\_ as a medical aid fund.

2. It is intended that -

(a) The Principal Officer will be

\_\_\_\_\_  
(full names)

(b) The ID number of the Principal Officer

(c) The physical address of the Principal Officer

(d) The contact details of the Principal Officer

(e) The principal office of the fund

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(full physical address)

(f) The postal address of the fund

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---

(g) The name and contact details of the proposed administrator (if applicable)

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---

---

(h) The name and contact details of the proposed auditor

---

---

---

(i) The name and contact details of the appointed valuator

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<b>Section B.      Applicant's declaration</b>
--

I, \_\_\_\_\_ ,  
(Full name of natural person acting as applicant)

On behalf of the fund: \_\_\_\_\_  
(Name of fund)

Hereby declare the following:

This statement consists of \_\_\_\_\_ pages, each initialled by me. The content of this declaration is true to the best of my knowledge and belief. I am aware that should it be submitted as evidence and I know something appears therein that I know to be false or believe to be not true, I may be liable for prosecution.

I undertake that, as long as I continue to be a board member and/or principal officer of the institution, I will notify NAMFISA of any material changes to, or affecting the completeness or accuracy of, the information supplied to NAMFISA as soon as possible, but in no event later than 30 days from the day that the changes come to my attention.

I know and understand the content of this declaration. I do not have objections to taking the prescribed oath. I consider the prescribed oath to be binding on my conscience.

**SIGNATURE OF DEPONENT**

I certify that the above statement was taken by me and that the deponent has acknowledged that he/she knows and understands the content of this statement. This statement was sworn to/affirmed before me and the deponent's signature was placed hereon in my presence, at \_\_\_\_\_ on \_\_\_\_\_.

**COMMISSIONER OF OATHS/PUBLIC NOTARY**

FULL NAMES: \_\_\_\_\_

EX OFFICIO: \_\_\_\_\_

AREA: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

*(Please note: All pages are to be initialled by Commissioner of Oaths/Public Notary)*

<b>Section C. Attachments</b>
-------------------------------

Kindly confirm the attachment of documents by marking the appropriate box with an "X".

		Attached	Comment
<b>PROPOSED FUND INFORMATION</b>			
(a)	Two copies of the proposed rules of the fund;		
(b)	The date on which the fund will come into operation;		
(c)	Full details of those who will be participating employers of the fund (if applicable);		
(d)	Number of members who will immediately join the fund upon registration;		
(e)	Code of conduct for the members of the Board of Trustees (if available);		
<b>INTERIM BOARD OF TRUSTEES INFORMATION</b>			
(f)	Two copies of the Interim Board of Trustees resolution for the establishment of the medical aid fund;		
(g)	Full details of the proposed interim trustees;		
(h)	Curriculum vitae's of the proposed interim trustees;		
(i)	Identification documents of proposed interim trustees;		
(j)	Completed disclosure of interest report by the proposed interim trustees;		
(k)	Proof of application for the Police Clearance by the Police/Certificate of conduct by the Police;		
(l)	Completed fit and proper form for each trustee;		

PRINCIPAL OFFICER INFORMATION			
(m)	The proposed interim Board of Trustees resolution approving the appointment of the principal officer;		
(n)	Curriculum vitae of the proposed Principal Officer;		
(o)	Proof of Namibian citizenship or permanent residence of principal officer, including a copy of Identity Document;		
(p)	Proof of application for the Police Clearance by the Police/ Certificate of conduct by the Police;		
(q)	Completed fit and proper form;		
THIRD PARTY INFORMATION			
(r)	Two copies of the Valuator's Certificate of financial soundness of the rules;		
(s)	Copy of the proposed administration agreement between the fund and the administrator (if applicable);		
(t)	Copy of any other agreements between the fund and any other party (benefit consultant, valuator, auditor, investment manager) (if applicable); and		
REGULATORY REQUIREMENTS			
(u)	Proof of payment of the prescribed application fee.		

## FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

### FORM OF CERTIFICATE OF REGISTRATION FOR A MEDICAL AID FUND

#### Standard No. MAF.S.7.15

*issued by NAMFISA under section 328(3) of the Financial Institutions and Markets Act, 2021*

#### Definitions

2. (1) In this Standard, "Act" means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the term "medical aid fund" as defined in section 321 of the Act.

#### Applicability

2. This Standard applies to all medical aid funds registered under the Act.

#### Form of certificate of registration

3. Upon registration of an applicant as a medical aid fund, NAMFISA must issue to the Medical aid fund a certificate of registration in the form of Annexure A to this Standard.

**ANNEXURE A****Registration No .....****CERTIFICATE OF REGISTRATION****Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)****REGISTRATION AS A MEDICAL AID FUND****This is to certify that****with principal office: \_\_\_\_\_****has been duly registered in terms of section 328(1) of the  
Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021),  
and may operate from the following places within Namibia:****Chief Executive Officer****Date of registration****FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****THE PERIOD AFTER WHICH PAYMENT OF SUBSCRIPTIONS OR  
CONTRIBUTIONS TO A MEDICAL AID FUND BECOME DUE****Standard No. MAFS.7.16***issued by NAMFISA under section 410(8)(j) of the Financial Institutions and Markets Act, 2021***Definitions**

1. (1) In this Standard, unless the context indicates otherwise -
2. (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
- (b) “contribution delinquency” means a state in which contributions to a medical aid fund, that are required to be paid to the fund according to its rules or under the Act by a member and/or an employer that is a contributory to or participatory in the fund as of any date or during any period of time, have not been paid within the period or periods of time following their due dates of payment as required by the rules of the fund or the Act; and



- (c) “contribution deficiency” as at any date means the amount by which the contributions required to be paid to the fund according to its rules or under the Act by a member and/or an employer that is a contributory to, or participatory in, a fund, exceed the amounts actually paid.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following-
  - (a) “board” as defined in section 1 of the Act;
  - (b) as defined in section 321 of the Act -
    - (j) contribution;
    - (v) fund;
    - (vi) medical aid fund; and
    - (vii) member.

### **Applicability**

- 2. This Standard applies to all medical aid funds registered under the Act.

### **Period after which contributions are due**

- 3. Any contribution to a medical aid fund, whether a contribution which, under the rules of the fund, must be deducted from the member’s remuneration, any contribution for which the employer is liable under those rules, any contribution for the payment of which the member of the fund is responsible personally, or any contribution to be paid on a member’s behalf-
    - (a) must be deposited directly into the fund’s bank account with a banking institution not more than seven calendar days after the end of the month for which such contribution is payable; or
    - (b) must be forwarded directly to the fund in such a manner that the fund receives the contribution not more than seven days after the end of the month.
  - 4. The board of a fund must deposit or cause to be deposited into the bank account of the fund any contribution forwarded to and received by the fund in the circumstances described in clause 3(b), on the first business day following the day of receipt.
  - 5. The board of a medical aid fund must notify all affected active and retired members of the fund and NAMFISA of a contribution delinquency or of a contribution deficiency within 30 days after the period referred to in clause 3.
-

## SCHEDULE 2

## TEMPLATE FOR WRITTEN REPRESENTATIONS: DRAFT PROPOSED STANDARDS

[illegible]

**STANDARDS UNDER THE FINANCIAL INSTITUTIONS  
AND MARKETS ACT, 2021 (ACT NO. 2 OF 2021)**

**ARRANGEMENT OF SECTIONS**

**PART I PRELIMINARY**

1. Definitions
2. Conflict or inconsistency
3. Interpretation of Standards
4. Citation of Standards
5. Commencement
6. Fit and proper requirements for any person registered under this Act, and for directors, members of a board, principal officers, other officers, trustees, custodians, auditors and valuers of financial institutions and financial intermediaries, and for any other person subject to this Act
7. The independence of directors, members of a board, trustees, custodians, auditors and valuers and of any other person required to be independent under the Act
8. Code of Conduct
9. Outsourcing of functions and responsibilities by financial institutions and financial intermediaries
10. Institutional Investment
11. The Content of Investment Mandates
12. Payment of Contributions
13. Information from List Applicants and Others on Listed Individuals, Listed Companies and Others
14. Imposition of Penalties on List Applicants and Others Pursuant to Sections 56(2), 92(2), 96(6), 181(2) or 183(6)
15. Description of Plain Language
16. The Fiduciary Responsibilities of Financial Institutions and Financial Intermediaries and of Their Directors, Members of Boards, Principal Officers and Other Officers

**STANDARDS UNDER THE FINANCIAL INSTITUTIONS  
AND MARKETS ACT, 2021 (ACT NO. 2 OF 2021)**

**SCHEDULE**

**PART I: PRELIMINARY**

**1. Definitions**

- (1) In these Standards:

“Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;

“authorisation for registration” means the authorisation by a list applicant of a listed individual or listed company for registration by NAMFISA; [or: means the authorisation by a list applicant of a listed individual or listed company, within the meaning of Standard GEN 10-14, for registration by NAMFISA]

“category or categories of industry participants” means those industry participants that provide any particular type or types of financial services as their principal business;

“business function” includes a business activity, a business process and a business responsibility, but does not include the principal business of an industry participant;

“Companies Act” means the Companies Act, 2004 (Act No. 28 of 2004);

“conflict of interest” means a situation which a financial institution or financial intermediary encounters, while rendering a financial service to a client, if that situation:

- (i) influences the objectivity of the financial institution or financial intermediary in any aspect of rendering the financial service to the client; or
- (ii) prevents the financial institution or financial intermediary from rendering the financial service to the client in an unbiased and fair manner or from acting in the best interest of the client.

“fiduciary” means a financial institution or a functionary of a financial institution;

“fiduciary duty” means a duty arising when a client or investor reposes confidence and trust in a fiduciary, to act in the interest of and for the benefit of the client or investor, with the necessary loyalty and care required of a fiduciary, before, during or after providing a financial service;

“Financial Intelligence Act” means the Financial Intelligence Act 2012 (Act No. 13 of 2012);

“financial institutions and markets sector” means the sector comprising the financial institutions and financial intermediaries registered under the Act;

“functionary” means a director, member of the board, principal officer, other officer and employee of a financial institution or financial intermediary;

“Industry” means participants in the financial services and markets sector, other than banking institutions.

“industry participants or industry participant” means the financial institutions and financial intermediaries that are participants in the financial services and markets sector, or any one of them;

“material information” means information that would enable a client or investor to make an informed decision or information that, if not provided, would result in the client or investor not making an informed decision.

“principal business” means the financial service or financial services for which an industry participant is registered under the Act and which are described in its certificate of registration issued under the Act;

“key person” means an employee of a financial institution or financial intermediary with a major decision making role and the responsibility, either alone or with others, for the management of all aspects of rendering a financial service to a client or investor.

“list applicant” means:

- (a) for the purposes of Chapter 2 of the Act, a registered insurance company, as defined in section 4 and referred to in subsection 55(1) of the Act;
- (b) for the purposes of Chapter 3 of the Act, the following, as defined in section 78 and referred to in subsections 91(1) to (4) of the Act:
  - (i) a registered exchange

- (ii) a registered investment manager;
  - (iii) a registered securities advisor that is a company; and
  - (iv) a registered securities dealer that is a company; and
- (c) for the purposes of Chapter 4 of the Act, a manager, as defined in section 168 and referred to in subsection 180(1) of the Act;

“listed individual” means an individual who is:

- (a) for the purposes of Chapter 2 of the Act, an insurance agent, as defined in section 53 and referred to in subsection 55(1) of the Act;
- (b) for the purposes of Chapter 3 of the Act, the following, as defined in section 78 and referred to in subsections 91(1) to (4) of the Act:
  - (i) an authorised user;
  - (ii) a portfolio manager;
  - (iii) an authorised advisor; and
  - (iv) an authorised representative; and
- (c) for the purposes of Chapter 4 of the Act, an authorised representative, as defined in section 168 and referred to in subsections 180(1) of the Act;

“listed company” means a company that is:

- (a) for the purposes of Chapter 3 of the Act, an authorised user as defined in section 78 of the Act, and referred to in subsection 91(1) of the Act;
- (b) for the purposes of Chapter 4 of the Act, an authorised representative as defined in section 168 of the Act, and referred to in subsection 180(1) of the Act;

“material business activity” means the primary business activity or activities of a financial institution or financial intermediary;

“primary business activity or activities” mean the primary business activity or activities for which a financial institution or financial intermediary is registered under the Act and which are described in its certificate of registration issued under the Act;

“material business function” means a business function of an industry participant that, while not the principal business of that industry participant, nevertheless has the potential, if disrupted, for a significant and negative qualitative or quantitative impact on the finances, reputation or operation of the industry participant or on its ability to manage key risks effectively, or on its principal business;

“relevant matters” means all input used in facilitating the day to day running of the material business activity of a financial institution or financial intermediary.

“service provider” means a person who provides a business function to an industry participant;

“outsourcing arrangement” means an arrangement whereby a service provider undertakes to provide a business function to an industry participant;

“Outsourcing Agreement” means the agreement, referred to in clause 7, of Standard 10.10 documenting an outsourcing arrangement with respect to a material business function;

“outsourcing” means the process of entering into an outsourcing arrangement;

- (2) Words and phrases defined in the Act have the same meaning in these Standards, unless the context indicates otherwise, including without limitation, the following:

(a) as defined in section 1 of the Act:

- (i) affiliate;
- (ii) associate;
- (iii) board;
- (iv) client;
- (iv) director;
- (v) entity;
- (vii) financial crime;
- (viii) financial institution;
- (ix) financial intermediary;
- (x) financial service;
- (xi) foreign entity;
- (xii) NAMFISA;
- (xiii) officer;
- (xiv) principal officer; and
- (xv) valuator.

(b) control, as defined in section 3 of the Act;

(c) as defined in section 78 of the Act:

- (i) authorised user;
- (ii) exchange;
- (iii) investment management; and
- (iv) investment manager

## **2. Conflict or inconsistency**

Where any provision in these Standards is inconsistent or in conflict with a provision of the Act or regulations, the provision of the Act or regulations prevail to the extent of the inconsistency or conflict.

## **3. Interpretation of Standards**

These Standards must be read in conjunction with the Act and other standards and regulations as well as relevant guidelines, bulletins, rules and other measures issued under the Act.

## **4. Citation of Standards**

These Standards may be cited as the General Standards.

## **5. Commencement**

These Standards were issued by NAMFISA on {date} and will come into effect on {date}

PART II  
STANDARDS

**Fit and proper requirements for any person registered under this Act, and for directors, members of a board, principal officers, other officers, trustees, custodians, auditors and valuers of financial institutions and financial intermediaries, and for any other person subject to this Act**

**STANDARD  
GEN 10-2**

**FIT AND PROPER REQUIREMENTS FOR ANY PERSON REGISTERED UNDER THIS ACT, AND FOR DIRECTORS, MEMBERS OF A BOARD, PRINCIPAL OFFICERS, OTHER OFFICERS, TRUSTEES, CUSTODIANS, AUDITORS AND VALUATORS OF FINANCIAL INSTITUTIONS AND FINANCIAL INTERMEDIARIES, AND FOR ANY OTHER PERSON SUBJECT TO THIS ACT**

*made by NAMFISA under subsection 410(2)(d) of the Financial Institutions and Markets Act,*

*2021*

**1. Citation of standard**

This Standard may be cited as Standard GEN 10-2.

**2. Interpretation of Standard**

This Standard applies to all persons required to be fit and proper under the Act, including, without limitation:

- (a) all financial institutions and financial intermediaries registered or applying to be registered or authorised for registration, under the Act;
- (b) all individuals registered or authorised for registration or applying to be registered or authorised for registration under the Act, including, without limitation:
  - (i) members or proposed members of a board, principal officers, other officers, trustees, custodians, auditors and valuers of financial institutions and financial intermediaries referred to in sub-clause (a);
  - (ii) members of a board of an entity that controls a financial institution or financial intermediary referred to in sub-clause (a);
  - (iii) any other individual or entity exercising oversight function or control over the management or administration of a financial institution or financial intermediary registered under the Act; and
  - (iv) any other person who is or may become subject to the Act.

**3. Assessment requirements**

- (1) In assessing the fitness and propriety of an individual, NAMFISA must satisfy itself on reasonable grounds that the appointment or employment of the individual is not likely to have negative implications for the sound and prudent management of the financial institution or financial intermediary, and such assessment will take into account all relevant matters including, but not limited to:
  - (a) education and experience;
  - (b) competence and capability;

- (c) honesty, integrity, fairness and ethical behaviour; and
  - (d) financial soundness.
- (2) Subject to an evaluation of the particular circumstances, including those referred to in Schedule 1 attached hereto and forming part hereof, NAMFISA must determine whether an individual meets the fit and proper criteria referred to in sub-clause (1) with reference to the following:
- (a) Education and experience: An individual meets the education and experience requirement if the individual has met any educational and experience requirements applicable to a specific financial institution or financial intermediary;
  - (b) Competence and capability: In the discretion of NAMFISA and after consultation with the type of Industry concerned, an individual meets the competence and capability requirement if the individual has an appropriate range of skills to understand, operate and manage the activities and financial affairs of the specific financial institution or financial intermediary, and in the case of -
    - (i) an auditor, has the technical knowledge and ability to perform the duties for which the auditor is appointed, and is qualified as an auditor within the meaning of the Act; and
    - (ii) a valuator, has the technical knowledge and ability to perform the duties for which the valuator is appointed, and is qualified as an actuary or other expert within the meaning of the Act;
  - (c) Honesty, integrity, fairness and ethical behaviour: An individual meets the honesty, integrity, fairness and ethical behaviour requirement if that individual has been candid, truthful and accurate in all his or her dealings with any regulatory body, including NAMFISA, and the individual demonstrates substantial efforts to comply with the requirements of the Act and with any other applicable legal, regulatory and professional requirements, and, within the immediately preceding ten years-
    - (i) has not been disqualified from being a director of a company in terms of sections 225 and 226 of the Companies Act;
    - (ii) has not breached a fiduciary duty;
    - (iii) has not perpetrated or participated in grossly negligent, deceitful, or otherwise discreditable business or professional practices;
    - (iv) has not been reprimanded, disqualified or removed by a professional or regulatory body in relation to matters pertaining to the honesty, integrity or business conduct of the individual;
    - (v) has not been involved in the management of a business or entity which has made arrangements with creditors, filed for sequestration or liquidation, been declared bankrupt or had assets repossessed, where any such event has been occasioned in part by deficiencies of honesty, integrity, fairness or ethical behaviour in its management; and
    - (vi) has not been the subject of civil or criminal proceedings or enforcement action in relation to the management of a business or entity, or in relation to commercial or professional activities, where the proceedings or enforcement action were determined adversely to the individual (including the consent of the individual to an order or direction, or the undertaking of the individual not to engage in unlawful or improper conduct), which reflected adversely on the competence, diligence, judgment, honesty or integrity of the individual;



- (d) Financial Soundness: The financial soundness of an individual must be determined by the following factors in addition to the requirements stated in the Schedule that are applicable to a specific financial institution or financial intermediary:
  - (i) whether there are any indicators that the individual will not be able to meet his or her personal debt obligations as they fall due;
  - (ii) whether the individual meets the relevant solvency requirements;
  - (iii) whether the individual has seriously or persistently failed to manage personal debts or personal financial affairs satisfactorily in circumstances where such failure caused loss to others;
  - (iv) whether the individual has been subject to any judgment, debt or award that remains outstanding or which has not been satisfied within a reasonable period;
  - (v) whether the individual meets any required minimum insurance or bonding requirements, if any;
  - (vi) whether the individual has made arrangements with creditors, filed for sequestration or liquidation or been declared bankrupt or had assets repossessed, providing that a rehabilitated insolvent is not discriminated against in the application of this Standard and the Schedule; and
  - (vii) whether the individual has been able to provide a satisfactory credit reference.
- (3) An individual must be considered not to meet the fit and proper criteria if the individual has been found guilty of a financial crime in contravention of the Financial Intelligence Act 2012, the Prevention and combating of Terrorist and Proliferation Activities Act, 2014 and the Prevention of Organised Crime Act, 2004 by a court of competent jurisdiction.
- (4) In assessing the fitness and propriety of an individual to hold office in an entity that is, or upon registration will become, a financial institution or financial intermediary, NAMFISA must take into account any involvement by that individual in any contravention of or non-compliance with, the Financial Intelligence Act, 2012 the Prevention and combating of Terrorist and Proliferation Activities Act, 2014 and the Prevention of Organised Crime Act, 2004 by or any regulation, order, notice, circular, determination or directive made under the Financial Intelligence Acts, and any involvement in-
  - (a) money laundering and organised crime activities; or
  - (b) terrorist or proliferation of terrorism activity or any activity related to the financing of terrorism or proliferation of terrorism.
- (5) An individual must demonstrate that he or she meets the criteria set out in sub-clauses (1) to (4) and sub-clause (6) upon registration or authorisation for registration and on an on-going basis as determined from time to time by NAMFISA.
- (6) An individual must comply with any continuing education requirements that may, from time to time, be required by NAMFISA.
- (7) Failure by an individual to meet any one of the criteria set out in sub-clause (2) may not necessarily lead to a refusal of an application for, or revocation of, registration, to revocation of an exemption or to any other regulatory action by NAMFISA, and the significance and relevance of an individual failing to meet specific criteria will depend on-

- (a) the seriousness of the circumstances resulting in the failure of the individual to meet the specific criteria.
  - (b) the duties that are being or that will be, performed by the individual and the responsibilities that have been or that will be assumed by the individual; and
  - (c) the length of time during which the individual has failed or has repeatedly failed to meet the specific criteria.
- (8) Where an individual is required to apply directly to NAMFISA for registration or authorisation for registration, the following documents must be submitted to facilitate the assessment of fitness and propriety:
- (a) personal questionnaire and declaration form; (b) an up-to-date and signed curriculum vitae;
  - (c) police clearance or, if applicable, a criminal record certificate if available at the time of submitting an application for registration or, in the alternative, proof of application made for police clearance or a criminal record certificate, one of which must be submitted within the six months following registration or authorisation for registration; and
  - (d) any other relevant document that NAMFISA deems necessary.
- (9) Where an individual who is a listed individual is required to apply for authorisation for registration, the list applicant concerned:
- (a) must have in place a check-list including an affidavit made by the listed individual as required from time to time by NAMFISA to ensure that the listed individual meets the criteria set out in sub-clauses (1) and (2) and the policy referred to in sub-clause (14); and
  - (b) may request the listed individual to submit the documents required in sub-clause
- (8) with such changes as the context may require.
- (10) In assessing the fitness and propriety of an entity, NAMFISA must be reasonably satisfied that the entity has sound and prudent management and that it is not likely to have negative or adverse implications for-
- (i) the financial soundness and stability of the financial institutions and markets sector;
  - (ii) the protection of consumers of financial services; and
  - (iii) the reduction and deterrence of financial crime.
- (11) The assessment referred to in sub-clause (10) must take into account all relevant matters including, but not limited to-
- (a) the fitness and propriety, in accordance with the criteria set out in sub-clauses (2), (3) (4), (5) and (6) of-
    - (i) members of the board, principal officer and key persons, and any trustee or custodian, auditor or valuator of the entity; and
    - (ii) members of the board of any entity that controls the entity;
  - (b) the honesty, integrity, fairness and ethical behaviour of the entity; and

- (c) the financial soundness of the entity.
  - (12) The assessment referred to in sub-clause (11)(b) must take into account the following provisions
    - (a) whether the entity has been candid and accurate in the application for registration or, where applicable, for authorisation of registration, and has disclosed all relevant facts and information at the disposal of, or which are accessible to, the entity and which are required by or may be relevant to, NAMFISA, in determining the fitness and propriety of the entity;
    - (b) whether the entity has considered the fit and proper requirements for individuals referred to in clause 11(a) at the recruitment stage;
  - (13) In order to meet the requirements of sub-clause (11)(c), the entity must:
    - (a) not be under judicial management or liquidation;
    - (b) maintain in Namibian dollars current assets which are at least sufficient to meet current liabilities;
    - (c) maintain liquid assets equal to at least twenty-five percent of annual expenses or estimated annual expenses, or such greater amount as NAMFISA may, from time to time determine; and
    - (d) have audited financial statements that are satisfactory to NAMFISA.
  - (14) Where an entity that is a listed company is required to make an application to a list applicant for authorisation for registration, the list applicant concerned:
    - (a) must have in place a check-list including an affidavit made by the listed company as required from time to time by NAMFISA to ensure that the listed company meets the criteria set out in clauses 3(1) and 3(2) and the policy referred to in sub-clause (8); and
    - (b) may request the listed company to submit the documents required in sub-clause (a) with such changes as the context may require.
  - (15) Every financial institution and financial intermediary that is an entity must have a documented policy relating to fitness and propriety for the individuals referred to in sub-clause (11) (a), which must include compliance with any required criteria for continuing education or professional development issued by NAMFISA, and such policy must be approved by the board or, where applicable, by the board of the entity that controls the financial institution or financial intermediary.
  - (16) Every financial institution and financial intermediary that is an entity must take all reasonable steps to ensure that all individuals to whom its fit and proper policy applies are aware of, and understand, the provisions of that policy.
  - (17) The fit and proper policy referred to in sub-clauses (15) and (16) must form part of the risk management framework of the financial institution or financial intermediary.
  - (18) Where an entity applies to NAMFISA for registration the following documents must be submitted to facilitate the assessment of fitness and propriety:
    - (a) corporate questionnaire and declaration form;
    - (b) copy of the Memorandum of Association and Articles of Association or Articles of Incorporation or Continuance, or other instrument of incorporation and copy of certificate of incorporation, or other foundation documents of the entity and;
    - (c) any other relevant documents that NAMFISA deems necessary for the purpose.
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## **SUPPORTING SCHEDULE**

The following supporting schedule is attached to, and forms part of this Standard:

### **Schedule 1: Fit and Proper Requirements**

#### **SCHEDULE 1**

#### **GENERAL**

#### **FIT AND PROPER REQUIREMENTS**

#### **PART A**

#### **Individuals**

An individual is able to demonstrate honesty, fairness, ethical behavior and integrity if that individual:

- (i) is not disqualified from being a director of a company in terms of the Companies Act; and
- (ii) declares under oath and confirms within the immediately preceding ten years he or she:
  - a) has not been disqualified from being a director of a company in terms of sections 225 and 226 of the Companies Act;
  - b) has not breached a fiduciary duty;
  - c) has not perpetrated or participated in grossly negligent, deceitful, or otherwise discreditable business or professional practices;
  - d) has not been reprimanded, disqualified or removed by a professional or regulatory body in relation to matters relating to the individual's honesty, integrity or business conduct;
  - e) has not been involved in the management of a business or entity which has made arrangements with creditors, filed for sequestration or liquidation, been declared bankrupt or has assets repossessed, where any such event has been occasioned in part by deficiencies of honesty, integrity, fairness or ethical behavior in that management;
  - f) has not been the subject of civil or criminal proceedings or enforcement action in relation to the management of a business or entity or in relation to commercial or professional activities, where the proceedings or enforcement action were determined adversely to the individual (including the consent of the individual to an order or direction, or the undertaking of the individual not to engage in unlawful or improper conduct), which reflected adversely on competence, diligence, judgment, honesty or integrity of the individual;
  - g) has not been refused authorisation to carry on business by any regulatory body (whether in Namibia or elsewhere), or has such authorisation suspended or revoked by any such body because of negligence, incompetence or mismanagement;
  - h) did not have or has not had a significant ownership interest in a business or entity referred to in sub-clause(ii)(e) of this Schedule, where any events described in that sub-clause

have been occasioned in part by deficiencies of honesty, integrity, fairness or ethical behavior in that management; or

- i) has not been found liable under the Financial Intelligence Act (2012) or the Prevention of Organized Crime Act, 2004 (Act No. 29 of 2004), the Prevention and Combating of Financing of Terrorist and Proliferation Activities Act, 2004 (Act No 4 of 2014), or any other similar legislation in any country;
- j) is not listed on any credit bureau as a bad creditor;
- k) has never been involved in the management of or employed by a financial institution or financial intermediary which failed to maintain a sound financial position or any required capital or solvency.

#### **PART B**

<b>Management</b>	<b>Qualifications:</b>	<b>Experience:</b>	<b>Duties:</b>
	<ul style="list-style-type: none"> <li>i. A business degree (in Finance, Commerce, Accounting, Economics or related business qualification) from an accredited university.</li> <li>ii. Matric or Grade 12 with Commercial or Business related subjects (mathematics, economics, accounting or computer science or any other business subject).</li> </ul>	<ul style="list-style-type: none"> <li>i. At least three (3) years related experience in the financial services and markets sector.</li> <li>ii. At least ten (10) years' related experience in the financial services and markets sector.</li> <li>iii. At least three (3) years</li> </ul>	<ul style="list-style-type: none"> <li>i. Ensuring that the operations are managed prudently and in accordance with best practices and ensuring adherence to all applicable legislation and regulations and other subordinate legislation prescribed or issued thereunder.</li> <li>ii. Informing NAMFISA in</li> </ul>
	<ul style="list-style-type: none"> <li>iii. Registered persons' examinations of the South African Institute of Financial Markets.</li> <li>iv. Chartered Financial Analyst.</li> <li>v. Other qualifications to be evaluated by NAMFISA on a case by case basis.</li> </ul>	<ul style="list-style-type: none"> <li>Industry related experience.</li> <li>iv. At least one (1) year related experience in the financial services and markets sector.</li> <li>v. Determined by NAMFISA on a case by case basis.</li> </ul>	<ul style="list-style-type: none"> <li>writing of any matter which may affect the operations.</li> </ul>

<b>Key person</b>	<b>Qualifications:</b>	<b>Experience:</b>	<b>Duties:</b>
	i. A business degree (Finance, Commerce, Accounting, Economics or related business qualification) from an accredited university.  ii. Grade 12 or BA degree with Commercial or Business related subjects (mathematics, economics, accounting or computer science or any other business subject) and	i. At least three (3) years' related experience in the financial services and markets sector.  ii. At least ten (10) years' related experience in the financial services and markets sector.	i. demonstrate competency to undertake the relevant financial services, including, where appropriate, detailed knowledge of the structure, purpose and risks of the applicable financial products. ii. demonstrate knowledge and expertise relating to the:

	relevant tertiary qualification.  iii. Registered person's examinations of the South African Institute of Financial Markets.  iv. Chartered Financial Analyst.  v. Other qualifications to be evaluated by NAMFISA on a case by case basis.	iii. At least five (5) years' related experience in the financial services and markets sector.  iv. At least one (1) year related experience in the financial services and markets sector.  v. Determined by NAMFISA on a case by case basis	a. professional management of the financial institution or financial intermediary concerned;  b. applicable laws, products and markets;  c. financial or actuarial aspects d. administration,  ,internal control, information technology and risk management; e. financial accounting and reporting
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## **PART C**

### **Financial soundness: Entity**

An entity is able to demonstrate financial soundness if:

- i. in existence and operating for more than one year, and able to provide a copy of its audited financial statements as at its most recent financial year end;
- ii. able to provide a copy of its budgeted income and expenditure statement (income statement), balance sheet and cash flow statements for a three year period immediately preceding the date of its most recent financial year end, except in the case of an entity that has been in existence and operating for less than three years, in which case the period during which it has been in existence and operating supersedes that three year requirement;
- iii. able to provide a schedule illustrating its funding provisions for anticipated supervisory responsibilities over the budgetary period;
- iv. able to provide a written statement by the key person specifying the critical assumptions made in the preparation of the budgets as well as specifying the sources of funding;
- v. able to provide, where arrangements have been made for funding any temporary shortfall in available cash resources by the entity concerned setting out the extent and terms of its commitment;

- vi. able to provide a projection on the capital and current expenditure of management and staff required for the period covered by the budgets;
- vii. able to provide a Business Plan that has been approved by its key person as part of the oversight functions;
- viii. able to provide details of its compensation plans (professional indemnity and fidelity insurance cover) sufficient to cover the risk of losses due to fraud, dishonesty, negligence or any other dishonest acts or breaches of professional duty of the directors, employees or representatives;
- ix. able to provide proof of at least one million Namibia dollars as capital employed or the availability of that amount to be employed as capital in the business of the entity;
- x. there are no indicators that the entity will not be able to meet its obligations as they become due;
- xi. the key person has not seriously or persistently failed to manage personal debts or personal financial affairs satisfactorily in circumstances where such failure caused loss to others;
- xii. the key person has not been subject to any judgment debt or award that remains outstanding or has not been satisfied within a reasonable period;
- xiii. the key person meets required minimum financial and insurance or bonding requirements;
- xiv. the key person has not made arrangements with creditors, filed for sequestration or liquidation or been adjudged bankrupt or had assets sequestered; and
- xv. the key person has been able to provide a satisfactory credit reference.

**The independence of directors, members of a board, trustees, custodians, auditors and valuers and of any other person required to be independent under the Act**

**Standard GEN 10-8**

*made by NAMFISA under subsection 410(2)(e) of the Financial Institutions and Markets Act, 2021*

**THE INDEPENDENCE OF DIRECTORS, MEMBERS OF A BOARD, TRUSTEES,  
CUSTODIANS, AUDITORS AND VALUATORS AND OF ANY OTHER PERSON  
REQUIRED TO BE INDEPENDENT UNDER THE ACT**

**1. Citation of Standard**

This Standard may be cited as Standard GEN.10-8.

**2. Interpretation of Standard**

This Standard applies to any individual who is required under the Act to be independent including, without limitation, directors, members of a board, principal officers, trustees, custodians, auditors, and valuers.

**3. General Criteria**

- (1) An individual will not be considered independent in respect of an election or appointment to a position with a financial institution or financial intermediary if the individual:
  - (a) is an associate of :

- (i) the financial institution or financial intermediary; or
- (ii) an entity that is an affiliate of the financial institution or financial intermediary;

or

- (b) derives any benefit in the provision of a financial service to a client, other than through any contractual relationship with the financial institution or financial intermediary documenting the election or appointment to the position.
- (2) In relation to a financial institution or financial intermediary, an individual will not be considered independent if, in respect of an election or appointment to a position with that financial institution or financial intermediary, the individual:
- (a) is employed, or has, within the immediately preceding year, been employed, by the financial institution or financial intermediary concerned, or
  - (b) by an associate or affiliate of that financial institution or financial intermediary; or

#### **4. Specific criteria**

- (1) In addition to the other criteria of this Standard, an auditor will not be considered independent, whether as an individual not associated with a firm of auditors or associated to a firm of auditors if the auditor:
- a. is a key person with respect to the financial institution or financial intermediary concerned or is a key person of an associate or affiliate of that financial institution or financial intermediary; or
  - b. is associated with the valuator of that financial institution or financial intermediary or with the member of the firm of valuers designated pursuant to section 402 (2) (b) and (4) of the Act.
- (2) In addition to the other criteria of this Standard, a valuator will not be considered independent if the valuator:
- (a) is a key person with respect to the financial institution or financial intermediary concerned or is a key person of an associate or affiliate of that financial institution or financial intermediary; or
  - (b) is associated with the auditor of that financial institution or financial intermediary or with the member of the firm of auditors designated pursuant to section 401(2) of the Act.

#### **5. Disclosure**

Where it is contemplated that an individual may be elected or appointed to a position with a financial institution or financial intermediary, that individual must disclose to the financial institution or financial intermediary any matter which relates or may possibly relate to the independence of the individual, both before the election or appointment and on an ongoing basis.



**Standard GEN.S. 10.9**

*made by NAMFISA under subsections 410(2) (bbb), 410(4)(q) and 410(6)(u) of the Financial Institutions and Markets Act, 2021*

**CODE OF CONDUCT****1. Citation of standard**

This Standard may be cited as Standard GEN.S.10.9.

**2. Interpretation of standard**

This Standard applies to all financial institutions and financial intermediaries registered under the Act.

**3. General Requirements**

- (1) The board of every financial institution and the board of a financial intermediary must ensure that a Code of Conduct is in place, containing the elements described in clause 4(1) and followed by all board members, directors, principal officer, other officers, trustees, custodians and employees
- (2) A financial intermediary who is an individual and who is not employed by a financial institution or another financial intermediary that is an entity, must ensure that he or she has a code of conduct in place, containing the elements described in clause 4(1) in so far as applicable and that such Code is followed by all employees.

**4. Basic Elements**

- (1) The basic elements of the Code of Conduct are:
  - (a) Code of Conduct Policy: this is a policy statement that defines ethical standards for conduct;
  - (b) Conflicts of Interest: the code must include a definition of “conflicts of interest” and policy statement on:
    - (i) conflicts of interest;
    - (ii) actions that are required to be taken where conflicts of interest arise or are likely to arise, including disclosure and recusal; and
    - (iii) sanctions for breaches of the Code of Conduct involving conflicts of interest;
  - (c) Legal Compliance: this requires the board, directors, principal officer, other officers, trustees, employees and all employees to abide by the Act and all other applicable laws, including rules, regulations and standards relevant to the financial institution or financial intermediary;
  - (d) Company or Individual Information and Assets: the Code of Conduct should include standards relating to the:
    - (i) reporting of audited financial statements and other operational information to customers;
    - (ii) treatment of confidential information; and
    - (iii) fiduciary responsibilities.

- (e) Workplace Practices: the Code of Conduct should provide for ethical behavior, reporting of dishonest, unethical or illegal activities, and compliance with the Code of Conduct and the Act and other applicable laws, including provisions regarding authorisation to enter into contracts on behalf of the financial institution or financial intermediary and sanctions for such actions taken without such authority;
- (f) Confidentiality: the Code of Conduct should provide for the maintenance of confidentiality with respect to all information regarding the financial institution or financial intermediary and all stakeholder information, and for oaths of confidentiality by members of the board and management; and
- (g) Reporting, Enforcement and Sanctions: the Code of Conduct should provide for recording and reporting serious breaches of the Act, other applicable laws, rules, regulations, standards or the Code of Conduct to NAMFISA, provide for procedures for enforcement of the Code of Conduct, including investigations and disciplinary action, and provide for clear, appropriate and proportional sanctions for such breaches.
- (h) Appropriate sanctions: must be proportional to any breaches of the code of conduct and for the consistent application of such sanctions. The code of conduct should provide, at a minimum, the following:
  - i. procedures for the enforcement of the code of conduct, including investigations and disciplinary action;
  - ii. clear sanctions;
  - iii. oaths of confidentiality by members of the board and management; and
- (2) records of and reporting on breaches of the code of conduct and sanctions. as the elements of the Code of Conduct are concerned, it is expected that the board and management of a financial institution or financial intermediary and a financial intermediary who is an individual, shall exercise discretion in ensuring that the following principles are taken into account:
  - (a) act in good faith and in the best interest of the financial institution or financial intermediary and customers;
  - (b) act with prudence and reasonable care;
  - (c) act with skill, competence and diligence;
  - (d) maintain independence and objectivity by, among other actions, avoiding conflicts of interest, refraining from self-dealing, and refusing any gift that could reasonably be expected or perceived to affect conduct;
  - (e) comply with the Act, all other applicable laws, rules, regulations, standards or other subordinate measures, and constitutive documents and the Codes of Conduct of the financial institution or financial intermediary;
  - (f) deal fairly, objectively, and impartially with all customers;
  - (g) take actions that are consistent with the established objectives of the financial institution or financial intermediary and the policies that support those objectives and to review on a regular basis the efficiency and effectiveness of the financial institution or financial intermediary in meeting its goals, including assessing the performance and actions of its financial service providers;
  - (h) maintain confidentiality of the financial institution or financial intermediary and stakeholder information; and

- (i) communicate with stakeholders, NAMFISA and other supervisory authorities in a timely, accurate, and transparent manner.

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## **OUTSOURCING OF FUNCTIONS AND RESPONSIBILITIES BY FINANCIAL INSTITUTIONS AND FINANCIAL INTERMEDIARIES**

### **Standard GEN. 10-10**

*made by NAMFISA under subsection 410(2)(x) of the Financial Institutions and Markets Act, 2021*

#### **OUTSOURCING OF FUNCTIONS AND RESPONSIBILITIES BY FINANCIAL INSTITUTIONS AND FINANCIAL INTERMEDIARIES**

##### **1. Citation of Standard**

This Standard may be cited as Standard GEN.10-10.

##### **2. Interpretation of Standard**

This Standard applies to every industry participant and the material business functions of that industry participant, and to all service providers with respect to the outsourcing of any such material business function.

##### **3. Materiality**

- (1) In determining whether a business function is a material business function, NAMFISA will exercise discretion with regard to such factors as:
  - (a) the financial, operational and reputational impact of a failure of the service provider to perform the business function on the industry participant;
  - (b) the potential impact of outsourcing the business function on the provision of financial services to the clients of the industry participant;
  - (c) the potential losses to the clients of the industry participant on the failure of a service provider;
  - (d) the cost of the outsourcing arrangement;
  - (e) the degree of difficulty, including the time it would take, in finding an alternative service provider or bringing the outsourced activity back in-house;
  - (f) the ability of the industry participant to meet regulatory requirements if there are problems with the service provider;
  - (g) any affiliation or association between the industry participant and the service provider;
  - (h) any potential conflicts of interest that may result through outsourcing to a particular service provider; and
  - (i) the regulatory status of the industry participant and, if applicable, of the service provider.
- (2) Any business function directly related to the principal business of the registered person is a material business function.
- (3) An industry participant must not enter into an outsourcing arrangement with a service provider with respect to:

- (a) its principal business; or
- (b) any business function that is deemed by NAMFISA as likely to inhibit the ability of the industry participant to perform its duties and obligations under the Act.

#### **4. Requirements for outsourcing a material business function**

In assessing any potential outsourcing arrangements, an industry participant must take into account all relevant matters including, but not limited to, those referred to from sub-clauses 5 to 13.

#### **5. The role of the board and senior management**

- (1) The board and senior management of an industry participant that is an entity, in assessing a potential outsourcing arrangement, must:
  - (a) identify, assess, manage, mitigate and report to NAMFISA on risks associated with the outsourcing arrangement to ensure that the industry participant will remain able to meet its financial and other obligations to its clients and other stakeholders;
  - (b) approve the industry participant's outsourcing policy, which must set out the approach of the industry participant to outsourcing material business activities, including a detailed framework for managing all outsourcing arrangements;
  - (c) ensure that the industry participant has procedures in place to ensure that all of its officers and relevant business units are fully aware of, and comply with, the outsourcing policy;
- (2) The board and senior management of an industry participant are ultimately responsible for the outsourcing of a material business function by an industry participant, and although the outsourcing arrangement may result in the service provider having day-to-day managerial responsibility for a business function, the industry participant remains responsible for complying with the Act,
- (3) The board and senior management must ensure that the industry participant's outsourcing risks and controls are taken into account as part of its overall risk management systems.
- (4) The board and senior management must ensure that the industry participant's outsourcing policy sets out specific requirements in relation to outsourcing material business functions to:
  - (a) subsidiaries, affiliates or associates; and
  - (b) service providers located outside Namibia or conducting the material business activity outside Namibia.

#### **6. Assessment of outsourcing options**

- (1) An industry participant must be able to demonstrate to NAMFISA, as required, that, in assessing the options for outsourcing a material business function, the industry participant has:
  - (a) prepared a business plan for outsourcing the material business function;
  - (b) undertaken a tender or other selection process for selecting the service provider;
  - (c) undertaken a due diligence review of the chosen service provider;
  - (d) involved the board, a committee of the board or senior manager and provided delegated authority from the board, in approving the outsourcing agreement;

- (e) considered all the matters outlined in clause 7(2) that must, at a minimum, be included in the outsourcing agreement;
  - (f) established procedures for monitoring performance under the outsourcing agreement on a continuing basis;
  - (g) addressed the renewal process for the outsourcing agreement and how the renewal will be conducted;
  - (h) developed contingency plans that will enable the outsourced business activity to be provided by an alternative service provider or brought in-house if required; and
  - (i) considered all key risks associated with the outsourcing and the risk mitigation strategies that will be put in place to address these risks.
- (2) In addition to the factors listed under sub-clause (1), an industry participant must be able to demonstrate to NAMFISA, as required, that in assessing the options for outsourcing to subsidiaries, affiliates or associates of the industry participant or a key person, it has taken into account:
- (a) the changes to the risk profile of the material business function that arise from outsourcing it to a subsidiary, affiliate or associate of the industry participant or of a key person, and the manner in which this changed risk profile is to be addressed in risk management framework of the industry participant;
  - (b) the cost of the services being provided and that the industry participant has taken steps to ensure that the cost will not be greater than the fair value of like services that could be provided by an arm's-length service provider;
  - (c) the ability of the subsidiary, affiliate or associate in question to conduct the business activity on an ongoing basis; and
  - (d) the monitoring procedures necessary to ensure that the subsidiary, affiliate or associate is performing effectively, and the manner in which any potential inadequate performance will be addressed.

## **7. The outsourcing agreement**

- (1) All outsourcing arrangements must be in writing, and the agreement, hereinafter the "Outsourcing Agreement", must be signed by all parties before the outsourcing arrangement commences.
- (2) At a minimum, the Outsourcing Agreement must address the following matters:
  - (a) the scope of the outsourcing arrangement and the business functions to be supplied;
  - (b) commencement and termination dates;
  - (c) provisions for review;
  - (d) remuneration, pricing and fee structure;
  - (e) service levels and performance requirements; (f) audit and monitoring procedures;
  - (g) business continuity management and disaster recovery management;
  - (h) confidentiality, privacy and security of information;
  - (i) default arrangements and termination provisions; (j) dispute resolution arrangements;
  - (k) liability and indemnity provisions;

- (l) sub-contrating requirements;
  - (m) insurance; and
  - (n) to the extent applicable, off-shore arrangements (including through sub-contracting agreements).
- (3) An industry participant that outsources a material business function must ensure that the Outsourcing Agreement includes an indemnity to the effect that in the event of any sub- contract by the service provider to another service provider, the original service provider remains responsible for that other service provider, including liability for any failure on the part of that other service provider.
- (4) Where an unexpected event results in:
- (a) the industry participant legally withdrawing from a continuous engagement under an Outsourcing Agreement; or
  - (b) the sudden financial or operational failure of a service provider with whom the industry participant has entered into an Outsourcing Agreement, and it becomes necessary for the industry participant to enter into an Outsourcing Agreement with another service provider, then clauses 5(1) to 7(2) need to be complied with only to the extent that it is reasonably possible to do so, having regard to the nature of the unexpected event, and the industry participant must notify NAMFISA as soon as practicable of any such new Outsourcing Agreement and must fully comply with this Standard within a period not exceeding 90 business days.

#### **8. Right of NAMFISA to access service providers**

- (1) An Outsourcing Agreement must contain provisions that allow NAMFISA access to the service provider, including:
  - (a) documentation and information held by the service provider relating to the outsourcing arrangement; and
  - (b) the right for NAMFISA to conduct on-site visits to the service provider if NAMFISA considers this necessary.
- (2) NAMFISA expects service provider to cooperate with any request NAMFISA may make for information and assistance, and will normally inform the industry participant if NAMFISA intends to undertake an on-site visit to a service provider.
- (3) The industry participant must take all reasonable steps to ensure that a service provider will not disclose that NAMFISA has conducted an on-site visit, except as necessary to coordinate with other industry participants that are clients of the service provider.

#### **9. Off-shoring arrangements: requirement for consultation**

- (1) An off-shoring arrangement means the outsourcing of a material business function by an industry participant to a service provider located outside Namibia or to a service provider located in Namibia but who conducts the material business function outside Namibia.
- (2) A regulated person must consult with NAMFISA prior to entering into an Outsourcing Agreement with any service provider referred to in sub-clause (1) so that NAMFISA may be satisfied that the risks of the off-shoring arrangement are adequately addressed by the industry participant's risk management framework.
- (3) If, in NAMFISA's view, an off-shoring arrangement involves risks that the industry participant is not managing or will not be able to manage appropriately, NAMFISA

may require the industry participant to make other outsourcing arrangements for the material business function as soon as practicable, if the industry participant cannot satisfy such concerns of NAMFISA within a reasonable period or the period specified by NAMFISA.

#### **10. Remuneration**

Remuneration paid to a service provider pursuant to an Outsourcing Agreement must:

- (a) be reasonable and consistent with the fair value of the business function to be provided;
- (b) not be structured in a manner that may encourage the unreasonable or unfair treatment of the clients of the industry participant; and
- (c) not be linked to a measure that will result in, or encourage an activity that may result in, an undesirable practice or the mistreatment of the clients of the industry participant.

#### **11. Monitoring**

- (1) An industry participant must ensure that it has sufficient and appropriate resources to manage and monitor an Outsourcing Agreement at all times.
- (2) The type and extent of resources referred to in sub-clause (1) that are required will depend on the nature of the material business function to which the Outsourcing Agreement relates, and at a minimum, monitoring the Outsourcing Agreement must include:
  - (a) maintaining appropriate levels of regular contact with the service provider, ranging from daily operational contact to senior management involvement; and
  - (b) a process for regular monitoring of performance under the Outsourcing Agreement, including meeting criteria concerning service levels.
- (3) An industry participant must advise NAMFISA as soon as possible of any problems that have the potential to affect the Outsourcing Agreement and, as a consequence, to affect the business operations, profitability or reputation of the industry participant.
- (4) In the event that an Outsourcing Agreement is terminated, the industry participant must notify NAMFISA forthwith and provide a statement describing the transition arrangements and future strategies for carrying out the material business function.

#### **12. Audit arrangements**

- (1) The audit committee or other dedicated internal audit function of an industry participant must review any proposed outsourcing arrangement relating to a material business function and must regularly review and report to the board or senior management on compliance by both the industry participant and the service provider with the industry participant's outsourcing policy.
- (2) In the situation where an industry participant does not have an audit committee or other dedicated internal audit function, it must have in place an alternative arrangement, a description of which must be submitted to NAMFISA, and in the event that NAMFISA considers the arrangement to be inadequate, NAMFISA may require the industry participant to adopt some other arrangement satisfactory to NAMFISA.
- (3) NAMFISA may request the external auditor of an industry participant, or some other appropriate external expert, to assess the risk management processes in place with respect to an outsourcing arrangement related to a material business function

and to provide a report thereon. [For example, this could cover areas such as information technology systems, data security, internal control frameworks and business continuity plans.]

- (4) A report referred to in sub-clause (3) must be paid for by the industry participant concerned and be made available to NAMFISA.

### **13. Adjustments and exclusions**

NAMFISA may, by notice in writing to an industry participant, adjust or exclude a specific requirement of this Standard in relation to:

- (a) that particular industry participant; or
- (b) the outsourcing of a particular material business function by that industry participant.

### **14. Notification requirement**

- (1) An industry participant must notify NAMFISA as soon as possible after entering into an Outsourcing Agreement, and in any event no later than 30 business days after execution of the Outsourcing Agreement.
- (2) An industry participant must notify NAMFISA as soon as possible after any extension, renewal or amendment of an Outsourcing Agreement, and in any event no later than 30 business days after such extension, renewal or amendment comes into effect.
- (3) When an industry participant notifies NAMFISA of a new Outsourcing Agreement, it must also provide NAMFISA with a summary of the key risks involved in the outsourcing arrangement and the risk mitigation strategies put in place to address these risks, and NAMFISA, if NAMFISA considers it necessary, may request additional information and material in order to assess the impact of the outsourcing arrangement on the industry participant's risk profile.
- (4) An industry participant must notify NAMFISA of any material developments (for example terminations, material non-performance or disputes), with respect to the outsourcing arrangement documented in any Outsourcing Agreement that take place prior to the termination of the Outsourcing Agreement.

### **15. Compliance**

- (1) An Outsourcing Agreement entered into on or after the date on which this Standard takes effect must comply with this Standard.
  - (2) An Outsourcing Agreement entered into prior to the date on which this Standard takes effect must comply with this Standard from and after the date of any extension, renewal or amendment of the Outsourcing Agreement.
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**Institutional Investment****Standard GEN. 10-11**

*made by NAMFISA under subsections 410(3)(i) 410(6)(s) 410(7)(j) and 410(8)(e) of the Financial Institutions and Markets Act, 2021*

**INSTITUTIONAL INVESTMENT****1. Citation of Standard**

This Standard may be cited as Standard GEN. 10-11.

**2. Interpretation of Standard**

- (1) This Standard applies to all insurers, registered insurers, beneficiary funds, retirement funds, and friendly societies, etc, registered under the Act or to which the Act otherwise applies (hereafter “Investing Institutions or Investing Institution”).
- (2) This Standard sets out:
  - a) the matters that must be considered in the investment process of an Investing Institution; and
  - b) the matters that must be addressed in the Investment Policy Statement of the Investing Institution.

**3. Transparency**

- (1) A Financial Institution must have a written investment policy statement (referred to in this Standard as the “Investment Policy Statement”), that -
  - (a) identifies the investment decisions or categories of investment decisions of the Investing Institution that are required to be made, and identifies the person, whether the board, a member or members of the board, officer or officers of the Investing Institution or outside experts, designated to take each decision or category of decisions, and the reason why this particular structure has been selected;
  - (b) sets out the investment objectives of the Investing Institution;
  - (c) sets out the Investing Institution’s strategic asset allocation, including projected investment returns on each asset class, and how the strategic asset allocation has been determined;
  - (d) sets out the mandates given to all advisors, investment managers and other experts; and
  - (e) sets out the nature of the fee structures in place for all advisors, investment managers and other experts, and why these particular fee structures have been selected.
- (2) An Investment Policy Statement must address all of the issues stated in this Standard, including but not limited to:
  - (a) investment, return and risk objectives;
  - (b) portfolio investment policies, including diversification;
  - (c) liquidity and cash flow requirements;
  - (d) organisational structure and investment procedures;

- (e) exercise of voting rights, including proxy voting;
- (f) valuation procedures or methodologies for unlisted investments;
- (g) monitoring portfolio investments and performance;
- (h) related party transactions;
- (i) risk management;
- (j) quantitative asset exposure limits;
- (k) investment restrictions;
- (l) use of financial derivatives or structured products that have the economic effect of financial derivatives; and
- (m) the frequency with which the Investment Policy Statement and matters related thereto must be reviewed and revised.

#### **4. Accountability**

- (1) The board of an Investing Institution is ultimately responsible for the investment activities of the Investing Institution.
- (2) The board has a fiduciary duty to deal with investments with due care, skill and diligence and in good faith and to ensure that any investment activity complies with the Act, including this Standard, all other applicable laws and the Investment Policy Statement of the Investing Institution.
- (3) The guidelines contained in this Standard should be adapted by each board to suit the particular circumstances and objectives of the Investing Institution, taking into account all other factors that may affect the solvency (where applicable) and funding of the Investing Institution and its ability to meet its financial obligations.
- (4) The guidelines contained in this Standard are intended to serve as a guide only, without limiting the care that the boards of Investing Institutions are expected to take in the performance of their duties.

#### **5. Effective decision-making**

- (1) Decisions pursuant to the Investment Policy Statement of an Investing Institution must be taken-
  - (a) only by individuals or entities with the skills, experience, knowledge, information and resources necessary to take such decisions effectively; and
  - (b) only by persons authorised under the Act to do so.
- (2) Where the board elects to take investment decisions itself, the board must make such decisions:
  - (a) pursuant to and in furtherance of the Investment Policy Statement;
  - (b) with due regard to the expertise of the board and any expert advice obtained;
  - (c) in the interest of the Investing Institution and of persons deriving a benefit from, or vested with rights by the Act or any other law;
  - (d) with due regard to the nature and extent of the risks involved; and
  - (e) in accordance with the Act and any other applicable laws.

**6. Clear objectives**

- (1) The board must set out an overall investment objective in the Investment Policy Statement of the Investing Institution that:
  - (a) represents its best judgment of what is necessary to meet the Investing Institution's liquidity needs, liabilities (actual or contingent) and solvency requirements (where applicable); and
  - (b) takes account of its attitude to risk, and specifically its willingness to accept underperformance due to market conditions.

**7. Focus on investment strategy**

- (1) Strategic asset allocation decisions should receive a level of attention that fully reflects the contribution such decisions can make towards achieving the Investing Institution's investment objectives.
- (2) The strategic asset allocation adopted by an Investing Institution will be a function of its liabilities, in particular:
  - (a) the need to ensure that it holds sufficient assets to match its liabilities by nature, term and currency; and
  - (b) the need to balance its expected rates of return with the levels of risk that it is able to accept having regard to its financial condition.
- (3) As a result of sub-clauses 6(1) and 7(1), in the case of Investing Institutions that are retirement funds that are not defined contribution funds and similarly structured Investing Institutions, detailed analysis and management of the asset/liability relationship will be a pre-requisite to the determination and review of the strategic asset allocation.
- (4) The board must consider a full range of investment opportunities, not excluding from consideration any major asset class, including unlisted investments.

**8. Expert advice**

- (1) The members of a board must collectively have sufficient expertise to understand the important issues relating to the investment process and should ensure that all individuals conducting and monitoring investment activities have sufficient levels of knowledge, skills and experience.
- (2) In the event that a board does not have sufficient expertise, it must obtain expert advice and guidance from persons with the required qualifications and expertise and in this regard:
  - (a) contracts for experts should be open to competition; and
  - (b) the Investing Institution should be prepared to pay sufficient fees for each service to attract a broad range of experts.

**9. Written mandates**

A board must enter into a written investment mandate with an investment manager, which must be in accordance with Standard GEN. 10-12 – Content of Investment Mandate.

**10. Activism**

- (1) A board must have an explicit policy on whether the Investing Institution allows shareholder or member activism and, if so, the terms and conditions of the activism.

- (a) promote the economic interests of the Investing Institution and its clients and beneficiaries;
  - (b) enhance the economic value of the Investing Institution's long-term or illiquid investments; and
  - (c) monitor and, where appropriate and possible, influence the management of entities in which the Investing Institution has invested.
- (3) The board must have a written policy on proxy voting generally, and specifically in respect of shareholder or member activism if allowed, which policy must be made with due regard to the costs (in both time and money) and the desirability of such a policy, and must specifically name the fiduciaries who may exercise such fiduciary authority.
- (4) In delegating shareholder or member activism decisions by way of a proxy voting policy, such a policy must require the named fiduciary to:
- (a) make proxy voting decisions in the interest of the Investing Institution and its clients and beneficiaries;
  - (b) not subordinate the Investing Institution's interests to unrelated objectives or other interests;
  - (c) avoid conflicts of interest, including own interests; and
  - (d) report to the board on proxy voting decisions, including the rationale for the decisions (which must be to enhance the economic interest or value of the Investing Institution's investments in accordance with sub-clause 10(2)).
- (5) The board must periodically review the proxy voting decisions.

#### **11. Appropriate benchmarks**

- (1) The board of an Investing Institution must:
- (a) set appropriate benchmarks against which to measure the investment performance of the Investing Institution;
  - (b) in consultation with the investment manager of the Investing Institution, consider and review the appropriateness of benchmarks from time to time, and in particular, whether the benchmarks may lead to sub-optimal investment strategies;
  - (c) if limits are set on divergence from an index, ensure that such limits reflect the approximations involved in index construction and selection;
  - (d) where the board believes active management has the potential to achieve higher returns, set both target and risk controls that reflect this, giving the investment manager the freedom to pursue genuinely active strategies.

#### **12. Performance measurement**

- (1) The board of an Investing Institution must arrange, at least yearly, for the measurement of the performance of investments and assess investment procedures and decisions.
- (2) The board must arrange, at least yearly, for the formal assessment of performance and decision making delegated to an investment manager or other experts.

- (3) Where active portfolio management is chosen, the board must assess the performance of the investment manager in relation to the objectives and any benchmarks set, to determine:
  - (a) whether the performance has generated returns commensurate with the active investment mandate; and
  - (b) the risks taken to achieve such performance and whether the performance justifies the risks.

### **13. Investment control**

- (1) The board of an Investing Institution must exercise sufficient oversight and control over the assets and investments of the Investing Institution.
- (2) In exercising oversight and control, the board must have regard to the provisions of the Act pursuant to which assets of Investing Institutions may not be alienated, hypothecated, pledged or otherwise encumbered to the detriment of the Investing Institution or its clients and beneficiaries.
- (3) The board must have a policy for custodial (and sub-custodial), settlement and securities administration arrangements which impact control over the Investing Institution's investments with a view to reducing the risk of alienation, hypothecation, pledging, or other encumbrance of assets.
- (4) The board must pay special attention to securities lending arrangements and decide whether the assets of the Investing Institution may be subject to securities lending (e.g. for portfolio management and yield enhancement purposes), and the terms and conditions (e.g. insurance, hedging) subject to which securities lending may be undertaken.
- (5) The board must have regard to the rights and obligations of the investment manager or other financial intermediary in managing or dealing with the Investing Institution's assets, especially with regard to the collection of income (dividends and interest), proceeds from securities disposals, investment of additional assets, and rights and bonus issues and in dealing with these funds in relation to the Investing Institution's bank accounts or otherwise.
- (6) The board must ensure that the assets and investments of the Investing Institution are at all times kept separate from the assets of fiduciaries or other persons, in accordance with the Act and any standard dealing with the segregation and separation of assets of financial institutions that may be issued by NAMFISA, and ensure that the assets of the Investing Institution are at all times recorded in the name of the Investing Institution, with due regard to e.g. pooled portfolios or arrangements.
- (7) The board must only enter into and maintain an arrangement for the safekeeping of the Investing Institution's assets with a person duly authorised under the Act, and must periodically review such arrangement.
- (8) The board must pay particular attention to the fitness and propriety of persons in foreign jurisdictions, including putting in place requirements for the custodian to conduct due diligence on any sub-custodian to be used in a foreign jurisdiction and to satisfy the board of the fitness and propriety of the sub-custodian, and ensure that the sub-custodian is a regulated entity.

### **14. Regular reporting**

- (1) Where appropriate, the board of an Investing Institution must publish at least yearly, its Investment Policy Statement and the results of monitoring advisors, investment managers and other experts, and make the Investment Policy Statement and such results available to interested parties, including NAMFISA.

- (2) The board must explain to NAMFISA and any interested parties, any deviations from the Investment Policy Statement.

## **The Content of Investment Mandates**

### **Standard GEN. 10-12**

*made by NAMFISA under subsection 410(2) (hh) of the  
Financial Institutions and Markets Act, 2021*

## **THE CONTENT OF INVESTMENT MANDATES**

### **1. Definitions**

In this Standard:

- (a) “Investment Mandate” means the agreement between an Institutional Investor and an investment manager with respect to the investments of the Institutional Investor; and
- (b) “Institutional Investor” means a financial institution that is a party to an Investment Mandate.

### **2. Citation of Standard**

This Standard may be cited as Standard GEN. 10-12

### **3. Interpretation of Standard**

This Standard applies to:

- (a) every Institutional Investor; and
- (b) every investment manager registered under the Act that is a party to an Investment Mandate.

### **4. Investment Mandate Assessment**

- (1) An Investment Mandate and all amendments thereto and renewals thereof must be in writing, and must be signed by the Institutional Investor and the investment manager before the Investment Mandate, or any renewal or amendment of the Investment Mandate commences.
- (2) Discretion must be exercised by an Institutional Investor in assessing the appropriateness and adequacy of the provisions of an Investment Mandate and must take into account all relevant matters including, but not limited to, the following:
  - (a) the investment objective of the Institutional Investor; (b) investment and counter-party restrictions;
  - (c) expected returns and risk tolerance;
  - (d) nature of mandate (e.g., discretionary); (e) portfolio and risk management;
  - (f) custody and use of assets;
  - (g) reporting and disclosure requirements;
  - (h) fees and remuneration of the investment manager; and
  - (i) delegation of mandate and termination.

- (3) Subject to an evaluation of the particular circumstances, NAMFISA must determine whether an Investment Mandate contains appropriate and adequate contents with reference to the criteria referred to in sub-clause 3 (2) .

## **5. Objective**

- (1) The factors set out in sub-clauses 3(2) (a) to (c) are relevant to the assessment of the adequacy and appropriateness of the objective of an Investment Mandate, which must, at a minimum, address:
  - (a) the investment objectives of the Institutional Investor;
  - (b) the investment strategy to be adopted in the short and long term; and
  - (c) the terms and conditions of appointment of the investment manager.

## **6. Portfolio management**

- (1) The Investment Mandate must, at minimum, set out the following: (a) the duties of the investment manager;
- (b) the types and classes of assets in which investments are to be made; (c) the composition of asset classes and limits thereto;
- (d) jurisdictional gross exposure to asset classes and restrictions thereto; (e) maximum exposure limits for each asset class;
- (f) the index or other measure to be used for benchmarking performance; (g) actions and procedures in the case of non-performance; and
- (h) valuation methods and policies adopted in valuing the listed and unlisted assets in the portfolio.

## **7. Custody of assets**

- (1) The Investment Mandate should, at minimum, address the following:
  - (a) the provision of a power of attorney for the investment manager to perform investment management functions on behalf of the Institutional Investor;
  - (b) responsibility for appointing a custodian or nominee;
  - (c) the separation of the funds and assets of the Institutional Investor from the funds and assets of the investment manager and its affiliates and associates, and those of any other clients;
  - (d) the obligation of the investment manager to deal with the funds of the investor in accordance with the requirements of the Act and the Investment Mandate immediately upon receipt; and
  - (e) any other information that NAMFISA deems necessary.

## **8. Reporting**

- (1) The Investment Mandate must stipulate:
  - (a) the provision of monthly statements to the Institutional Investor, reflecting at a minimum, the following:
    - (i) a statement of the investment objectives governing the portfolio as at the closing and starting date of the monthly statement;

- (ii) a summary of the portfolio structure;
  - (iii) investments purchased or sold during the reporting period;
  - (iv) investments delivered or returned to the Institutional Investor or its nominee;
  - (v) cash received and payments made;
  - (vi) details of non-cash transactions;
  - (vii) income accruals earned and expenses incurred;
  - (viii) aggregate charges of the investment manager and any subsidiaries, affiliates or associates of the investment manager;
  - (ix) any remuneration received by the investment manager or any of its subsidiaries, affiliates or associates from a third party in respect of the transactions entered into, or in respect of any other services provided, in connection with the portfolio; and
  - (x) book and market values of all investments in the portfolio;
- (b) a quarterly portfolio report to the Institutional Investor, setting out at a minimum the following:
- (i) all information required by sub-clause 8 (1);
  - (ii) a statement with respect to how the Investment Mandate was executed;
  - (iii) rates of return and comparison to relevant benchmarks;
  - (iv) commentary on the investment outlook; and
  - (v) the investment strategy the investment manager intends to follow in the short and long term;
- (c) the appointment of an auditor to the investment manager as required by section 103(1) of the Act and the audit of the financial records of the investment manager;
- (d) access to the audited records and other reports of the investment manager by the auditor of the Institutional Investor or other person designated by the Institutional Investor; and
- (e) the requirement that all records pertaining to the Institutional Investor and the Investment Mandate must be maintained for at least 5 years or the duration of the Investment Mandate, whichever is longer.

## **9. Fees and remuneration**

- (1) The Investment Mandate, at minimum, should address:
- (a) the basis for calculating the investment management and performance fees of the investment manager and any other remuneration; and
  - (b) the responsibility for transactional, brokerage, transfer and other incidental fees borne by the investment manager or charged to the funds of the Institutional Investor.

## **10. Risk management**

- (1) The Investment Mandate should provide for:
- (a) acknowledgment of possibility of loss by the Institutional Investor;



- (b) the policy of the investment manager on risk management and internal controls;
- (c) acquisition by the investment manager of fidelity guarantee insurance;
- (d) procedures regarding amendments to, and renewal of, the Investment Mandate;
- (e) confidentiality and custody of the Institutional Investor's information;
- (f) corporate governance policies of the investment manager and how they are applied to investment policies and the Investment Mandate;
- (g) procedures to deal with conflicts of interest;
- (h) procedures to be followed in the event of a breach of any of the terms of the Investment Mandate by the investment manager or the Institutional Investor; and
- (i) arbitration and dispute resolution procedures.

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### **Payment of Contributions**

#### **Standard GEN. 10-13**

*made by NAMFISA under subsection 410(2) (bbb) of the  
Financial Institutions and Markets Act, 2021*

#### **PAYMENT OF CONTRIBUTIONS**

##### **1. Citation of Standard**

This Standard may be cited as Standard GEN. 10-13.

##### **2. Interpretation of Standard**

This Standard applies to all registered funds.

##### **3. Subscriptions**

- (1) The total amount of all subscriptions or contributions due to a registered fund by an employer, employee or member, as the case may be, must be paid in full to the registered fund by not later than seven (7) days after the end of each month in respect of which the contributions or subscriptions are payable.
  - (2) The amount of any subscriptions or contributions or any part thereof which remains unpaid after the seven day period referred to in sub-clause (1), together with interest payable thereon, if applicable, shall be a debt due to the registered fund, recoverable from the person liable for the payment, and the board of the fund may file with the clerk or registrar of a competent court a statement certified by it as correct stating the amount of unpaid subscriptions or contributions and any interest thereon, and thereupon such statement has all the effects of a civil judgment lawfully given in that court against the person in favour of the registered fund for a liquid debt in the amount specified in the statement and may be enforced as such.
  - (3) Notwithstanding clause (1), NAMFISA may direct the person liable for the unpaid amounts forthwith to make payment of such amounts to the registered fund, and the rules of the registered fund must state if any interest is payable on outstanding subscriptions or contributions and the manner of determining any such interest.
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**Information from List Applicants and Others on Listed Individuals,  
Listed Companies and Others**

**Standard GEN.S.10.14**

*made by NAMFISA under subsections 410(2)(c), 410(3)(s), 410(4)(b), and 410(5)(c) and  
sections 55, 91 and 180 of the Financial Institutions and Markets Act, 2021*

**INFORMATION FROM LIST APPLICANTS AND OTHERS ON LISTED INDIVIDUALS,  
LISTED COMPANIES AND OTHERS**

**1. Citation of Standard**

This Standard may be cited as Standard GEN. 10 -14.

**2. Interpretation of Standard**

This Standard applies to:

- (a) all list applicants, listed individuals and listed companies;
- (b) all exchanges, authorised users and authorised representatives referred to in subsection 95(1) of the Act; and
- (c) all managers, authorised representatives and designated representatives, referred to in subsection 182(1) of the Act.

**3. Information required for registration of listed individuals, listed companies and others**

- (1) Where a list of individuals is submitted to NAMFISA by a list applicant, in the case of each listed individual who has not yet been registered by NAMFISA, the list applicant must provide NAMFISA with the following:

- (a) full name
- (b) the address and contact details;
- (c) the financial services which the individual will be authorised to provide;
- (d) confirmation that the individual complies with section 55(3), 91(5) or 180(2) of the Act, as applicable; and
- (e) the registration fee required by NAMFISA.

- (2) Where a list of companies is submitted to NAMFISA by a list applicant, in the case of each listed company which has not yet been registered by NAMFISA, the list applicant must provide NAMFISA with the following:

- (a) full company name;
- (b) the company registration number;
- (c) the address of the principal office and contact details;
- (d) the address and contact details of the members of the board and principal officer;
- (e) the financial services which the company will be authorised to provide;

- (f) confirmation that the company has a code of conduct and applicable systems in place with respect to its authorised representatives or designated representatives, as applicable; and
- (g) the registration fee required by NAMFISA.
- (3) Where a list of employees who are its authorised representatives is submitted to an exchange by an authorised user that is a company, pursuant to subsection 95(1) of the Act, in the case of each authorised representative who has not yet been registered by NAMFISA, the authorised user must provide the exchange with the information and items referred to in sub- clause (5).
- (4) Where a list of employees who are its designated representatives is submitted to a manager by an authorised representative that is a company, pursuant to subsection 182(1) of the Act, in the case of each designated representative who has not yet been registered by NAMFISA, the authorised representative must provide the manager with the information and items referred to in sub-clause (5).
- (5) The information and items referred to in sub-clauses (3) and (4) are the following:
  - (a) full name;
  - (b) the address and contact details;
  - (c) the financial services which the individual will be authorised to provide; and
  - (d) confirmation that the individual complies with subsection 95(2) or 182(2) of the Act, as applicable; and
  - (e) any required fee.

#### **4. Code of conduct and systems**

- (1) Each list applicant must have a code of conduct and applicable systems in place to ensure that its listed individuals and listed companies comply, on an on-going basis, with the code of conduct, and in the case of listed individuals, with the requirements of subsection 55(3), 91(5) or 180(2) of the Act, as applicable.
- (2) Each authorised user and each authorised representative must have a code of conduct and applicable systems in place to ensure that its authorised representatives or designated representatives, as the case may be, comply, on an ongoing basis, with its code of conduct and with the requirements of subsection 95(2) or 182(2) of the Act, as applicable.

#### **5. Updating lists**

- (1) A list of individuals or a list of companies referred to in clause 3 shall be updated forthwith by the list applicant or by the authorised user or authorised representative concerned at any time that:
  - (a) an individual or company is added to the list; or
  - (b) a registered individual or registered company is deleted from the list.
- (2) In the event that sub-clause (1)(a) applies, the list applicant, authorised user or authorised representative, as applicable, must provide NAMFISA, the exchange or the manager, as applicable, with the information and fee referred to in clause 3 and confirm that the code of conduct and the systems referred to in sub-clause 4(1) or (2) are in place.
- (3) In the event that sub-clause (1)(b) applies, the list applicant, authorised user or authorised representative, as applicable, must provide NAMFISA, the exchange or the manager, as applicable, with the registration number assigned by NAMFISA to

the individual or company at the time of registration, a statement of the reasons for the removal of the individual or company from the list, and confirmation that the individual or company has been given those reasons and granted a reasonable opportunity to be heard.

- (4) An exchange and a manager must, upon receipt of the information and items referred to in sub-clause 3(5) 5(2) or 5(3) verify the information, and having done so, forward the information forthwith to NAMFISA, together with any required fee.

## **6. Other information**

- (1) NAMFISA may at any time, both before and after a listed individual or a listed company is registered, require the list applicant, listed individual or listed company to submit to NAMFISA any additional information that NAMFISA may require.
- (2) An exchange and an authorised user may at any time, both before and after an authorised representative or a designated representative is registered, require the authorised representative or designated representative, as applicable, to submit to the exchange or authorised user any additional information that the exchange or authorised user may require.
- (3) NAMFISA may at any time, both before and after an authorised representative or a designated representative is registered, require the exchange or authorised user, or the authorised representative or designated representative to submit to NAMFISA any additional information that NAMFISA may require.
- (4) A list applicant must inform NAMFISA forthwith in the event that with respect to a listed individual or listed company registered by NAMFISA:
  - (a) any of the circumstances referred to in subsections 56(1), 92(1) or 181(1), as applicable, exist with respect to the listed individual or listed company; or
  - (b) the listed individual or listed company is not in compliance with the code of conduct referred to in sub-clause 5(1).
- (5) An authorised user and an authorised representative must inform the exchange or the manager, as applicable, forthwith in the event that with respect to an authorised representative or designated representative registered by NAMFISA:
  - (a) any of the circumstances referred to in subsection 96(1) or 183(1), as applicable, exist with respect to the authorised representative or designated representative; or
  - (b) the authorised representative or designated representative is not in compliance with the code of conduct referred to in sub-clause 5(2).
- (6) An exchange and a manager must, upon receipt of any information referred to in sub-clause (5) verify the information, and having done so, forward the information forthwith to NAMFISA.

## **7. Manner of Submission**

- (1) A list applicant, an exchange or a manager must submit to NAMFISA the information required by this Standard electronically using the electronic system designated by NAMFISA.
  - (2) A list applicant, an exchange or a manager must submit to NAMFISA a signed hard copy of the information required by this Standard, if the electronic copy referred to in sub-clause (1) is not signed.
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**Imposition of Penalties on List Applicants and Others Pursuant to Sections 56(2), 92(2),  
96(6), 181(2) or 183(6)**

**Standard GEN. 10-16**

*made by NAMFISA under subsections 410(3) (u) 410(4)(c) and 410(5)(d) of the  
Financial Institutions and Markets Act, 2021*

**IMPOSTION OF PENALTIES ON LIST APPLICANTS AND OTHERS PURSUANT  
TO SUBSECTIONS 56(2), 92(2), 96(6), 181(2) OR 183(6)**

**1. Citation of Standard**

This Standard may be cited as Standard GEN. 10-16

**2. Interpretation of Standard**

This Standard applies to:

- (a) all list applicants, listed individuals and listed companies;
  - (b) all authorised users and authorised representatives referred to in subsection 95(1) of the Act;
- and
- (c) all authorised representatives and designated representatives referred to in subsection 182(1) of the Act.

**3. Penalties**

- (1) Where NAMFISA is satisfied that the circumstances described in section 56(1), 92(1) or 181(1) exist, NAMFISA may impose on the List Applicant a penalty:
  - (a) not exceeding 2 percent of its revenues earned from its business activity in its immediately preceding financial year; or
  - (b) suspending part or all of its business activity for which it is registered for a period not exceeding one month.
- (2) Where NAMFISA is satisfied that the circumstances described in subsections 96(1) and (6) exist, NAMFISA may impose on the authorised user or authorised representative, as applicable, a penalty:
  - (a) not exceeding 1 percent of its revenues earned from its business activity in its immediately preceding financial year; or
  - (b) suspending part or all of the business activity of the authorised user or authorised representative for a period of 3 months.
- (3) Where NAMFISA is satisfied that the circumstances described in subsections 183(1) and (6) exist, NAMFISA may impose on the authorised representative or designated representative, as applicable, a penalty:
  - (a) not exceeding 1 percent of its revenues earned from its business activity in its immediately preceding financial year; or
  - (b) suspending part or all of the business activity of the authorised representative or designated representative for a period of 3 months.

## Description of Plain Language

### Standard GEN. 10-17

*made by NAMFISA under subsections 410(3)(k) and 410(2) (bbb) of the  
Financial Institutions and Markets Act, 2021*

#### DESCRIPTION OF PLAIN LANGUAGE

**(1) Citation of Standard**

This Standard may be cited as Standard GEN. 10-17.

**(2) Interpretation of Standard**

This Standard applies:

- (a) to all financial institutions and financial intermediaries and to their boards, directors, principal officers, other officers, employees, trustees, custodians and agents, and
- (b) in respect of all documents presented to clients of financial institutions and intermediaries.

**(3) Compliance Requirements**

- (1) To comply with this Standard, a document must-
  - (a) be written for the clients, not for the financial institution or financial intermediary;
  - (b) be informative as possible;
  - (c) be written in a manner that clearly conveys the content;
  - (d) be written to meet NAMFISA's certification requirements on plain language
  - (e) avoid legal and technical terms or jargon unless these terms are plainly explained; and
  - (f) not use abbreviations without first defining or explaining the abbreviations.
- (2) To ensure that a document satisfies these requirements, an Investing institution all persons to whom this Standard applies must-
  - (a) ensure that the document complies with sub-clause (1);
  - (b) include a glossary of terms, if appropriate, where terms unique to a financial service or product are used;
  - (c) use client questions on documents; and
  - (d) review and omit unnecessary words, e.g., "due and payable".
- (3) In order to satisfy the requirements of this Standard, the following should be used in all documents:
  - (a) every day, ordinary words;
  - (b) short sentences and paragraphs;
  - (c) active voice rather than passive voice, unless necessary to convey a specific message;

- (d) the first person;
  - (f) a large enough readable font, i.e., 12-point typeface or more;
  - (g) direct verbs instead of hidden verbs, e.g., “please apply” instead of “please make an application”;
  - (h) “must” where a client is required to act;
  - (i) reduced use of abbreviations, and where possible provide full definitions within the context;
  - (j) avoidance of double negatives and exceptions to exceptions, e.g., “at least” instead of “no fewer than”;
  - (k) examples, lists, illustrations, and tables; and
  - (l) highlighting important content by bolding or underlining.
- (4) All persons to whom this Standard applies must be satisfied that, after reading the relevant document, a client:
- (a) has understood the content, by so acknowledging in writing without duress;
  - (b) is making an informed decision; and
  - (c) understands the rights and obligations set out in the document.

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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 (Act No. 2 of 2021)**

**THE FORM AND CONTENT OF ANY APPLICATION FOR APPROVAL OF A CHANGE OF NAME, USE OF ANOTHER NAME OR USE OF A SHORTENED FORM OR DERIVATIVE FORM OF A NAME MADE TO NAMFISA UNDER THIS ACT**

**NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY**

**Standard No. GEN.S.10.19**

*issued by NAMFISA under sections 391(4) and 410(9) of the  
Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following as defined in section 1 of the Act:
- (a) corporate body;
  - (b) principal officer; and
  - (c) NAMFISA.

**Application**

2. (1) An application for approval of a change of name, use of another name or use of a shortened form or derivative of a name must be -
- (a) made on the form set out in the Schedule attached to this Standard;
  - (b) signed by the principal officer or another duly authorised key responsible person;
  - (c) submitted to NAMFISA-
    - (i) electronically, through the electronic regulatory system (ERS); or
    - (ii) in hard copy addressed to the Registrar at NAMFISA using either the postal or physical address.
  - (d) together with supporting documents showing-
    - (i) proof of payment of the application fee;
    - (ii) a resolution made inclusive of reasons that supports the application; and
    - (iii) such other information and documents specified in the Schedule or which NAMFISA may, from time to time, require.
- (2) An application, not complete in all respects and not conforming to the instructions specified in the Schedule, shall be rejected.
- (3) Where an application is made for a change of name, and where the applicant is an entity, certified copies of the relevant documents of the applicant, evidencing the name change, must be submitted to NAMFISA within 30 calendar days after the change of name has been certified by the Business and Intellectual Property Authority.

**Application fee**

4. The non-refundable fee chargeable for the submission of the application, and the manner of payment, is stipulated in Standard No. GEN.S.10.23.

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**SUPPORTING SCHEDULE**

The following supporting schedule is attached to and forms part of this Standard:

**APPLICATION FOR APPROVAL OF A CHANGE OF NAME, USE OF ANOTHER NAME  
OR USE OF A SHORTENED FORM OR DERIVATIVE OF A NAME****SCHEDULE****APPLICATION FOR APPROVAL OF A CHANGE OF NAME, USE OF ANOTHER NAME  
OR USE OF A SHORTENED FORM OR DERIVATIVE OF A NAME**

To be completed by the principal officer or another duly authorised person

For NAMFISA Use Only: Fee Paid: N\$ .....



1. In terms of section 391(4) of the Act, I, the undersigned, being the principal officer or duly authorised person of _____, hereby apply for	
a change of name;	
use of another name; or	
use of a shortened form or derivative of a name	
2. Registered name:	
3. NAMFISA Licence Registration Number:	
4. Proposed name:	
5. Required supporting attachments	
resolution on the decision to make the application and reason/s for the proposed name;	
amended document/s of the applicant should be submitted afterwards in accordance with clause 2(3);	
original license or, if lost, a sworn declaration to that effect; and	
proof of payment of the non-refundable application fee.	
6. Additional file attachments	
By signing this document I guarantee that all the above information is true and accurate and can be relied on and that I will disclose all necessary information that may be required by NAMFISA. I also confirm that I have completed the form based on NAMFISA standards.	
SIGNED ON BEHALF OF THE APPLICANT:	
Name..... Capacity.....	
Signature:..... Date:.....	

## FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 (Act No. 2 of 2021)

### DEFINITION OF RELATED PARTY TRANSACTIONS AND IDENTIFYING THOSE THAT ARE PROHIBITED UNDER THE ACT/STANDARDS

#### Standard No. GEN.S.10.20

#### Definition of related party transactions and identifying those that are prohibited

*issued by NAMFISA under section 410(2)(o) of the Financial Institutions and Markets Act, 2021*

#### Definitions

1. (1) In this Standard -

- (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act, and the standards and other subordinate measures issued under the Act; and
- (b) words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following as defined in section 1 of the Act -
  - (i) affiliate;
  - (ii) associate;
  - (iii) director; and
  - (iv) entity.
- (2) For the purposes of this Standard, a party is related to another entity or person if the party is—
  - (a) an affiliate of the entity or an associate of the entity or person;
  - (b) in a joint venture with the entity or person;
  - (c) a member of the key senior management personnel of the entity or person; or
  - (d) considered to be controlled by the entity or person pursuant to section 3 of the Act.

### **Applicability**

2. This Standard applies to all directors of financial institutions and financial intermediaries registered under the Act.

### **Meaning of the term**

3. The term “related party transactions” is defined to mean transactions involving the transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

### **Prohibited related party transactions**

4. Conflict of interest would potentially arise from related party transactions, especially if the transaction is significant.

5. The level of significance may be determined, amongst other factors, by virtue of the-

- (1) reporting requirements to -
    - (a) NAMFISA;
    - (b) senior management; or
    - (c) shareholders; and the
  - 2. control in line with the shareholding agreement of the reporting entity.
  - 3. Related party transactions which are significant and in which any conflict of interest are not disclosed, are prohibited.
  - 4. When complying with clause 6, the directors of financial institutions and financial intermediaries registered under the Act must comply with the provisions articulated in the General Standards, Numbers 10.8 and 10.9.
-

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 (Act No. 2 of 2021)  
AND MICROLENDING ACT, (Act No. 7 of 2021)**

**FEES AND CHARGES**

**General Standard No: GEN.S.10.23**

*issued by NAMFISA under section 415 of the Financial Institutions and Markets Act, 2021  
and section 35 of the Microlending Act 2018, (Act No. 7 of 2018).*

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**1. Definitions**

(1) In this Standards:

- a. “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and “Microlending Act” means the Microlending Act 2018, (Act No. 7 of 2018)
- b. Words and phrases defined in the Act have the same meaning in this Standard.

**2. Applicability**

This Standard applies to all financial institutions and financial intermediaries registered under the Act (Act No 2 of 2021) and (Act No 7 of 2018).

**3. Citation of the standard**

This standard may be cited as Standard No. GEN.S.10.23 Fees and charges.

**4. Financial Institutions and Markets Act, 2021**

**a. Insurance Applications**

For the purpose of Chapter 2 of the Act, any application made under section 9 (1), 13 (1), 55(1), 55 (2), 55 (11), 57 (1), 59 (7) or 65 (1) of the Act, must be accompanied by a fee as determined under Schedule A.

**b. Financial Markets Application**

For the purpose of Chapter 3 of the Act, any application made under section 83 (1), 88 (1), 91 (1), 91(2), 91(3), 91(4), 95 (4), 97 (1), or 136 (1) of the Act, must be accompanied by a fee as determined under Schedule B.

**c. Applications: Collective Investment Schemes**

For the purpose of Chapter 4 of the Act, any application made under section 174 (1), 178 (1), 180(1), 180 (9), 182 (4) or 219 (1) of the Act, must be accompanied by a fee as determined under Schedule C.

**d. Applications: Retirement funds**

For the purpose of Chapter 5 of the Act, any application made under section 252 (1) or 258 (1) of the Act, must be accompanied by a fee as determined under Schedule D.

**e. Applications: Friendly Societies**

For the purpose of Chapter 6 of the Act, any application made under section 289 (1) or 294 (1) of the Act, must be accompanied by a fee as determined under Schedule E.

**f. Applications: Medical Aids Funds**

For the purpose of Chapter 7 of the Act, any application made under section 326 (1), 331 (1), 333 (1) 335(7), or 337 (1) of the Act, must be accompanied by a fee as determined under Schedule F.

**g. Applications: Fund and Society Administrators**

For the purpose of Chapter 8 of the Act, any application under section 366 (1) or 370 (1) of the Act, must be accompanied by a fee as determined under Schedule G.

**h. Applications: General Provisions**

For the purpose of Chapter 10 of the Act, any application under section 391 (4)) of the Act must be accompanied by a fee as determined under Schedule H.5.Microlending Act, 2018

**i. Microlending Applications**

For the purpose of the Microlending Act, an application in terms of section 5(3), 10(2), 18(3), 19(1), 20(2) and 21(2) must be accompanied by a fee as stipulated under Schedule I.

**5. Schedules**

	Ref to FIM /	Fee
Description	ML Act	N\$
<b>Chapter 2 – Insurance (Schedule-A)</b>		
Application for registration as an insurer or reinsurer	s9(2)(f)	16,900
Application for voluntary cancelation	s13(2)(d)	Nil
Application for variation to classes of business for which it was registered or conditions subject to which registration was granted	s13(2)(d)	1,000
Agents & brokers:		
Application for registration - insurance broker or a reinsurance broker or a corporate insurance or reinsurance broker	s57(2)(f)	2,500
Application for registration - corporate insurance agent	s55(2)	1,000
Application for registration - insurance agent	s55(2)	1,000
Application for cancellation	s65(2)(d)	Nil
Application for variation of registration	s65(2)(d)	250
Renewal fees - insurance broker or a reinsurance broker or a corporate insurance or reinsurance broker	s59(7)	625
Renewal fees - corporate insurance agent	s55(11)	250
Renewal fees - insurance agent	s55(11)	250
<b>Chapter 3 – Financial Markets (Schedule-B)</b>		
Application for registration - investment manager	s83(4)(g)	13,660
Application for registration - LISP	s83(4)(g)	13,660
Application for registration - Central Securities Depositories	s83(4)(g)	16,900
Application for registration - Securities Exchange	s83(4)(g)	16,900
Application for registration - securities dealer	s83(4)(g)	2,500
Application for registration - unlisted investment manager	s83(4)(g)	2,500
Application for registration - securities clearing house	s83(4)(g)	13,660

Application for registration - securities rating agency	s83(4)(g)	13,660
Application for registration - securities advisor	s83(4)(g)	2,500
Application for registration - as an authorised user, portfolio manager, authorised advisor or authorised representative of a registered exchange	s91(1)	2,500
Application for registration - registration of employees as portfolio managers by a registered investment manager or linked investment service provider	s91(2)	2,500
Application for registration - registration of employees as authorised advisors by a registered securities advisor	s91(3)	2,500
Application for registration - registration of employees as authorised representatives by a registered securities dealer	s91(4)	2,500
Application for registration - registration as authorised representative of an authorised user of a registered exchange	s95(2)(k)	2,500
Application for registration - registration as a participant in a registered securities depository	s97(1)	2,500
Application to be recognised as a self-regulatory organization	s136(2)(f)	2,500
Application for cancellation as a central securities depository, exchange, investment manager, linked investment service provider, securities clearing house, securities rating agency, securities advisor or securities dealer.	s88(2)(d)	Nil
Application for variation of registration as a central securities depository, exchange, investment manager, linked investment service provider, securities clearing house, securities rating agency, securities advisor or securities dealer.	s88(2)(d)	250
Renewal fees - securities dealer	s85(7)	625
Renewal fees - unlisted investment manager	s85(7)	625
Renewal fees - securities rating agency	s85(7)	3,415
Renewal fees - securities advisor	s85(7)	625
Chapter 4 – Collective Investment Schemes (Schedule-C)		
Application for registration - registration as the manager of a collective Investment scheme	s174(2)(f)	13,660
Application for cancellation	s178(2)(d)	Nil
Application for variation of registration	s178(2)(d)	1,000
Registration as authorised representative of manager	s180(1)	1,000
Renewal fee in respect of authorised representative of manager	s180(9)	250
Registration as designated representative of authorised representative	s182(2)(k)	1,000
Renewal fee in respect of designated representative of authorised representative	s182(9)	250
Application by the manager or operator of a foreign CIS to solicit investments in such scheme from members of the public in Namibia	s219(1)(c)	1,000
Application by the manager or operator of a foreign collective investment scheme for approval to solicit investments in Namibia	s410(5)(h)	1,000
Chapter 5 – Retirement Funds (Schedule-D)		
Application for registration as a fund	s252(2)(g)	390
Application for cancellation of registration	s258(2)(a)	Nil
Application for variation of the conditions subject to which registration was granted	s258(2)(a)	250
Chapter 6 – Friendly Societies (Schedule-E)		
Application for registration as a friendly society	s289(2)(f)	Nil

Application for cancellation of registration	s294(2)d)	Nil
Application for variation of the conditions subject to which that registration was granted	s294(2)d)	250
Chapter 7 – Medical Aid Funds (Schedule-F)		
Application for registration as a medical aid fund	s326(2)(f)	7,000
Application for registration – medical aid fund broker	s333(2)(f)	2 500
Application for cancellation of registration	s331(2)(d)	Nil
Application for variation of the conditions subject to which that registration was granted	s331(2)(d)	250
Annual renewal of registration as a medical aid fund broker	s335)7)	625
Application by medical aid fund broker for cancellation of registration	s337(2)(d)	Nil
Application by medical aid fund broker for variation of the conditions subject to which that registration was granted	s337(2)(d)	250
Chapter 8 – Fund and Society Administrators (Schedule-G)		
Application for registration as a fund administrator or society administrator	s366(2)(f)	5,000
Application for cancellation of registration	s370(2)(d)	Nil
Application for variation of the conditions subject to which that registration was granted.	s370(2)(d)	250

<b>Description</b>	<b>Ref to FIM / ML Act</b>	<b>Fee N\$</b>
Chapter 10 – General Provisions (Schedule-H) Application for approval of a change of name, use of another name or use of a shortened form or derivative of a name		s391(4) 75
Interest on overdue fees: Interest is payable at twenty (20) percent per annum from the due date until the date of payment the overdue amount.	s415(1)(d)	Refer to description column
Fee for requesting printed copies (per page, black & white)	s456(1)	2
Fee for requesting scanned copies	s456(1)	Nil
Microlending Act (Schedule-I)		
Application for Purchase, amalgamation or transfer of microlending business	s19(1)	1,000
Application to conduct any other business not related to the micro-lending business from the licensed premises or parts of the licensed premises	s20(2)	200
Application for additional microlending branches	s21(2)	200
Application for registration	s5(3)(c)	2,000
Application for annual renewal of registration	s(10)(2)	500
Application for approval of a change of name, use of another name or use of a shortened form or derivative of a name	s18(3)	75

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 (Act No. 2 of 2021)****APPLICATION FOR ANNUAL RENEWAL OF REGISTRATION MADE TO NAMFISA****UNDER THIS ACT****Standard No. GEN.S.10.25**

*issued by NAMFISA under sections 55(11)-(12), 59(7)-(8), 85(7)-(8), 180(9)-(10), 182(9)-(10), and 335(7)-(8), of the Financial Institutions and Markets Act, 2021*

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**Definitions**

1. (1) In this Standard,
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.
  - (b) “Direct Cost Recovery” means the direct cost for NAMFISA to provide the service, and is calculated based on the estimated time needed to perform a service. The cost of time is calculated based on the salary levels of the positions involved in performing the service.
  - (c) “Partial Cost Recovery” means fees are set at level lower than the direct cost to provide the service. This is done in order to set a fee at a level that does not act as a financial barrier to conducting business in the financial sector; and
  - (d) “No Cost Recovery” means no fee is charged even though there is a direct cost to NAMFISA for performing the service. This is followed where it is considered beneficial for NAMFISA not to do so. Such a fee charged for voluntary cancellation of registration may act as a disincentive for persons/entities to apply which in turn result in NAMFISA spending much resource in will deregistration.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following as defined in the Act:

**Application**

- (a) authorised representative;
  - (b) insurance intermediary;
  - (c) securities dealer;
  - (d) medical aid fund broker
  - (e) NAMFISA and
  - (f) financial service.
2. This Standard applies to any juristic or natural person who provides a financial service under the Act.

**Requirements for Renewal of Registration**

- (3) An application for renewal of an annual registration must be -
  - (a) made in the form of Annexure A to this Standard;
  - (b) duly signed by an authorised person;
  - (c) submitted to NAMFISA-

- (i) electronically, through the electronic regulatory system (ERS); or
  - (ii) in hard copy, addressed to the Chief Executive Officer at NAMFISA using either the postal or physical address;
- (d) submitted together with -
  - (i) supporting documents showing proof of payment for the application for renewal of an annual registration deposited into the bank account specified under Annexure B ; and
  - (ii) such other information that NAMFISA may, from time to time, require.
- (e) submitted not less than two months before the expiry date of the term of the existing registration.
- (4) In assessing the application for renewal of registration, NAMFISA shall also consider all the legislative requirements, findings from supervisory reports based on inspections conducted under section 418 of the Act, and the extent to which the applicant has addressed any finding of a contravention of or non-compliance with the Act made in the preceding periods.
- (5) An application for renewal of registration should not be granted if -
  - (i) it is incomplete in respect of the requirements specified in the Annexures and/or
  - (ii) the applicant under an administrative sanction has outstanding mitigating interventions already required under administrative sanctions.

#### **Terms and Condition of Payment of Renewal Fee**

- 3. The fee set out in General Standard on Fees and Charges-Gen.S. No 10.23 paid for a renewal of an annual registration is non-refundable.
- 4. No cash payment is acceptable and unless otherwise stated in a legislation, fees are payable into the bank account shown under Annexure 2 before NAMFISA renders the service for renewal.

#### **Interest Rate Determination**

- 5. The interest rate chargeable on outstanding renewal fee for annual registration is calculated using a 'partial cost recovery method' and not on 'no cost recovery approach' or 'direct cost recovery approach'.
  - 6. The rate that is determined at 20 per cent per annum in a regulation, (Gen.R.10.1) is chargeable from the due date until the date of payment of the amount overdue.
-



## SUPPORTING ANNEXURES

The following supporting annexures are attached to and form part of this Standard:

### ANNEXURE A: APPLICATION FOR RENEWAL OF AN ANNUAL REGISTRATION

### ANNEXURE B: BANKING DETAILS RENEWAL FEE PAYMENT FOR ANNUAL

## REGISTRATION

### ANNEXURE A

### APPLICATION FOR THE RENEWAL OF AN ANNUAL REGISTRATION

To be completed by the Principal Officer or another duly authorised representative of the applicant.

For NAMFISA Use Only: Renewal Fee Paid: N\$......

1. In terms of section 55(11)-(12), 59(7)-(8), 7-(8), 180(9)-(10), 19-(10), and 335(7)-(8) of the Act, I, the undersigned, being the Principal Officer or duly authorised representative of, hereby apply for an annual renewal of registration to NAMFISA. (Please tick a box applicable to your type of business operations).	
2. Full Registered Name:	
3. NAMFISA Registration Number:	
4. Contact Person:	
5. Designation of Contact Person:	
6. Postal Address:	
7. Telephone Number:	
8. E-mail Address:	
9. Name of Principal Officer:	
10. Telephone Number:	
11. E-mail Address:	
12. Required supporting attachments	
Proof of payment of the non-refundable application for renewal fee.	
13. Additional file attachments	

By signing this document I guarantee that all the above information is true and accurate and can be relied on and that I will disclose all necessary information that may be required by NAMFISA. I also confirm that I have completed the form in line with the requirements stated in the standard as issued.

SIGNED ON BEHALF OF THE APPLICANT:

Name: ..... Capacity:.....

Signature: ..... Date:.....

## ANNEXURE 2

### BANKING DETAILS: RENEWAL FEE PAYMENT FOR ANNUAL REGISTRATION

The renewal fee for an application must be paid into the bank account provided below.

Bank's Name: First National Bank  
 Account Name: NAMFISA  
 Account Number: 62062664141  
 Branch Code: 281872  
 Address: 209 Independence Avenue, Windhoek Namibia  
 Reference: Annual Registration Renewal-NAMFISA Registration Number

<b>NAMFISA Quarterly Supervisory Return</b>				
Note: It is important to ensure that the information inputted in this spreadsheet is correct for it to be accepted by the NAMFISA ERS				
Instructions				
Fill in the entity details below				
Amounts are in NS'000				
Fill in the worksheets by sequence to ensure that all the information is provided				
The greyed out cells are totals and will automatically calculate the totals for the cells with no fill				
Check the validation worksheet once all worksheets are complete to ensure that the information provided is correct				

NAMFISA ID				
Industry	UIM			
Quarter	Q2			
Year				
This work book consists of the following sheets				
QSRF 3.1.1	Additional Financial Information : Part 1 : Insurance			
QSRF 3.1.2	Additional Financial Information : Part 2 : Insurance			
QSRF 3.2.1	Additional Financial Information : Part 3 : Medical Aid Funds			
QSRF 3.2.2	Additional Financial Information : Part 4 : Medical Aid Funds			
QSRF 3.2.3	Additional Financial Information : Part 5: Medical Aid Funds			
QSRF 3.3.1	Additional Financial Information : Part 6 : Pension Funds			
QSRF 3.3.2	Additional Financial Information : Part 7 : Pension Funds, MAF & FS			
QSRF 3.4.1	Additional Financial Information : Part 8 : CIS & Capital Markets			
QSRF 3.4.2	Additional Financial Information : Part 9 : Capital Markets			
QSRF 3.4.3	Additional Financial Information : Part 10 : CIS & Capital Markets			
QSRF 3.4.4	Additional Financial Information : Part 11: CIS & Capital Markets			
QSRF 3.4.5	Additional Financial Information : Part 12 : CIS & Capital Markets			
QSRF 3.4.6	Additional Financial Information : Part 13 : Capital Markets			
Changes to file				
Tab	Change description	Reason for the change	Date	First affected release
All	Designing of the spreadsheet		1/4/2017	V 1.0.1

NAMFISA Quartely Supervisory Return				
Note: It is important to ensure that the information inputed in this spreadsheet is correct for it to be accepted by the NAMFISA ERS				
Instructions				

Fill in the entity details below				
Amounts are in N\$'000				
Fill in the worksheets by sequence to ensure that all the information is provided				
The greyed out cells are totals and will automatically calculate the totals for the cells with no fill				
Check the validation worksheet once all worksheets are complete to ensure that the information provided is correct				
NAMFISA ID				
Industry	UIM			
Quarter	H1			
Year				
This work book consists of the following sheets				
QSRF 4.1.0	Non Financial Information : Part 1 : Insurance			
QSRF 4.2.1	Non Financial Information : Part 2 : Pension Funds			
QSRF 4.2.2	Non Financial Information : Part 3 : Medical Aid Funds			
QSRF 4.2.3	Non Financial Information : Part 4 : Medical Aid Funds			
QSRF 4.3.0	Non Financial Information : Part 5 : Pension Funds			
QSRF 4.4.0	Non Financial Information : Part 6 : Governance			
QSRF 4.5.0	Non Financial Information : Part 7 : Micro Lending			
QSRF 4.6.0	Non Financial Information : Part 8 : CIS & Capital Markets			
QSRF 4.7.0	Non Financial Information : Part 9 : CIS			
QSRF 4.8.0	Non Financial Information : Part 10 : Capital Markets			
Changes to file				
Tab	Change description	Reason for the change	Date	First affected release
All	Designing of the spreadsheet		1/4/2017	V 1.0.1

<b>STATEMENT OF FINANCIAL POSITION</b>	
	<b>CURRENT</b>
	<b>YEAR</b>
	<b>N\$'000</b>
<b>ASSETS</b>	
Non-current assets	
Property plant and equipment	
Intangibles	
Loans	
Other assets	
Investments	
Deferred tax	
Current assets	
Cash and cash equivalents	
Investments	
Trade and other receivables	
Technical assets	
Reinsurers' share of unearned premiums	
Reinsurers' share of outstanding claims	
Reinsurers' share of claims incurred but not reported	
Commission receivable	
Premium debtors	
Subrogation Claims	
DAC	
<b>TOTAL ASSETS</b>	
<b>EQUITY AND LIABILITIES</b>	
<b>CAPITAL AND RESERVES</b>	
Ordinary Share Capital	
Preference share capital	
Share premium	
Retained earnings	
Other reserves	
Total capital and reserves	
<b>LIABILITIES</b>	
Interest bearing liabilities	
Trade and other payables	
Other liabilities	
Technical Liabilities	
Gross provision for unearned premiums	
Gross outstanding claims	

Gross claims incurred but not reported	
Commission Due	
Reinsurance creditors	
Total liabilities	
TOTAL EQUITY AND LIABILITIES	

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