



Republic of Namibia  
Annotated Statutes

## REGULATIONS

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REGULATIONS MADE IN TERMS OF

### **Unit Trust Control Act 54 of 1981**

section 42 read with sections 3(2)(b), 8, 9(1) and 20(2)(a)

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### **Regulations relating to Unit Trusts Scheme Capital Requirements**

Government Notice 256 of 2014

(GG 5637)

came into force on date of publication: 24 December 2014

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### **ARRANGEMENT OF REGULATIONS**

1. Definitions
  2. Capital requirement relating to unit trust schemes
  3. Management company to make investment in every unit portfolio
  4. Initial size of unit portfolio
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#### **Definitions**

1. In these regulations a word or an expression to which a meaning has been assigned in the Unit Trusts Control Act, 1981 (Act No. 54 of 1981) has that meaning.

#### **Capital requirement relating to unit trust schemes**

2. (1) A company registered as a management company under section 4 of the Act must have and must maintain a share capital, paid-up share capital and non-distributable reserves which together amount to an amount not less than N\$2 400 000 actually employed or immediately available for employment in its unit trust business.

**REGULATIONS**  
**Unit Trusts Control Act 54 of 1981**

**Regulations relating to Unit Trusts Scheme Capital Requirements**

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(2) A company or an institution, referred to in section 20(1) of the Act, that intends to become or act as a trustee under a unit trust scheme must maintain a paid-up capital and unimpaired reserves which together amount to an amount not less than N\$1 250 000.

(3) The paid-up capital and reserves, referred to in subregulation (1) and (2), which must be included in the amounts prescribed under those subregulations are -

- (a) permanent shareholder's equity, including issued and fully paid-up ordinary shares and perpetual non-cumulative preference shares;
- (b) disclosed reserves, being share premium and retained earnings; and
- (c) adjustment for impairment of capital consists of -
  - (i) intangible assets;
  - (ii) contingent liabilities; and
  - (iii) guarantee provided by a management company.

**Management company to make investment in every unit portfolio**

3. For the purposes of section 9(1) of the Act, a management company must of its own resources, have at all times -

- (a) invested in every unit portfolio 10 percent of the market value of the unit portfolio; or
- (b) invested in every unit portfolio N\$1 000 000.

**Initial size of unit portfolio**

4. For the purposes of section 8 of the Act, a unit trust portfolio formed pursuant to a unit trust scheme which contemplates the creation of unlimited number of units in such portfolio must comprise, as at the date on which the management company commences the selling of units to the public, an underlying securities to the market value of at least N\$500 000.

**Reporting to registrar**

5. The calculation of the capital position of a management company or trustee as contemplated in regulation 2(1) or (2) must be submitted to the registrar within 30 days after the end of 31 March, 30 June, 30 September and 31 December each year, in the form and manner determined by the registrar.