



# GOVERNMENT GAZETTE

## OF THE

# REPUBLIC OF NAMIBIA

N\$95.20

WINDHOEK - 30 April 2026

No. 8909

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## General Notice

### NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY

No. 273

2026

#### STANDARDS UNDER THE FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021: RETIREMENT FUNDS

The standards, as set out in the Schedule, are published by the Namibia Financial Institutions Supervisory Authority (NAMFISA) under section 409 of the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021). The standards come into effect on the date of publication in the *Gazette*.

**NAMIBIA FINANCIAL INSTITUTIONS  
SUPERVISORY AUTHORITY**

**SCHEDULE****FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****RETIREMENT FUNDS****THE DEFINITION OF “ACTUARIAL SURPLUS”****Standard No. R.F.S.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 it must be read with 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;
    - (iii) disability;
    - (iv) member induced termination of membership;
    - (v) employer induced termination of membership;
    - (vi) liquidation or dissolution of a fund; and
    - (vii) 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; and
  - (c) “actuarial surplus” or “actuarial deficit” means the result calculated in accordance with clause 4.

**Applicability**

3. This Standard applies to funds which are defined benefit funds.

**Calculation of actuarial surplus or actuarial deficit**

4. Actuarial surplus or actuarial 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 actuarial surplus if C is more than zero; or
- an actuarial deficit if C is less than zero.

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**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. R.F.S.5.2**

issued by NAMFISA under sections 410(6)(h) and 410(6)(o) 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 must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “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;
  - (c) “funding ratio” means the actuarial value of the assets to the total liabilities, expressed as a percentage;
  - (d) “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 fund holds an insurance policy;
  - (e) “report by a valuator” means a written report, prepared and signed by a valuator, valuing the assets of the fund and determining the technical provisions of the fund, and on the financial soundness requirement of the fund since the last actuarial valuation;
  - (f) “technical provisions” mean –
    - (i) the systematic determination of accrued liabilities for retirement and other benefits, as well as any reserves;
    - (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 No. R.F.S.5.5 – The determination of the soundness of the financial position of a fund for the purposes of section 272(3),

all so as to ensure the ongoing solvency of the fund and the fulfilment of members’ reasonable benefit expectations;

- (g) “total liabilities” means the sum of the “technical provisions” and any other liabilities of the fund; and
  - (h) “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;
    - (ix) nominee; and
  - (c) as defined in Standard R.F.S.5.1 – The definition of “Actuarial surplus” –
    - (i) actuarial deficit; and
    - (ii) actuarial surplus.

### **Applicability**

2. This Standard applies to every 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 sections 268 and/or 272(3) of the Act, the valuator of such a fund and any independent valuator appointed by NAMFISA pursuant to section 272(5) of the Act.

### **Requirements for an investigation and report**

3. The report by a valuator of a fund must be made in accordance with clauses 4, 5 and 6 as applicable.

**Statutory actuarial valuation report pursuant to section 268(1)(b) of the Act**

4. In the case of a fund that is a defined benefit fund, the report by a valuator must 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) 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 fund broken down into asset classes in accordance with the Regulation(s) with respect to investments of 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, etc.;
  - (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 determination of any other liabilities of the fund that are not technical provisions, and an explanation of what the liabilities represent and how their value was arrived at;
- (p) 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;
- (q) an analysis of the change in actuarial surplus or deficit as defined in Standard No. R.F.S.5.1 – The definition of “Actuarial Surplus”;
- (r) recommendations for financing any actuarial deficit or the utilization of actuarial surplus, if applicable;
- (s) recommendations on the future contribution rates, indicating the circumstances under which contribution rates are expected to remain constant, increase or decrease;
- (t) 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;
- (u) the valuator must provide a certification of the adequacy of matching of assets with liabilities of the fund; and
- (v) a certification of the suitability of the investment strategy.

**Statutory actuarial valuation report pursuant to section 268(1)(a) of the Act**

**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 insurance 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 fund by asset class in accordance with any Regulation(s) with respect to the investments of a fund;
- (i) the determination of the technical provisions;
- (j) a determination of any other liabilities of the fund that are not technical provisions, and an explanation of what the liabilities represent and how their value was arrived at;
- (k) 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, etc.;
- (l) 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;
- (m) 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;
- (n) a description and justification of the valuation method and assumptions used to determine the technical provisions; and
- (o) the valuator must provide a certification of the matching of assets to liabilities.

#### **Special actuarial valuation report pursuant to section 272(3) of the Act**

6. A report referred to in section 272(3) of the Act must, in addition to the requirements of clause 4 or 5 as applicable, include an assessment of the impact of any amended, rescinded or additional rule on the soundness of the financial position of the fund.

#### **Certification**

7. A report referred to in clauses 4, 5 or 6 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 (to Standard R.F.S.5.2)

#### FORM OF VALUATOR'S CERTIFICATION OF THE DETERMINATION OF TECHNICAL PROVISIONS AND FUNDING RATIO

*Name of 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. R.F.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 R.F.S.5.5

Technical Provisions	[N\$ amount]
Reserves	[N\$ amount]
Other liabilities	[N\$ amount]
[Actuarial] value of assets	[N\$ amount]
Surplus / Deficit	
Funding ratio	%

SIGNATURE

DATE

FULL NAME IN PRINT

QUALIFICATIONS

ADDRESS

NAME OF EMPLOYER OF  
VALUATOR (If applicable)

**SCHEDULE 2**

(to Standard No. RF.S.5.2)

**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 – The determination of the soundness of the financial position of a fund for the purposes of section 272(3); 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)

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**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. RFS.5.3**

issued by NAMFISA under section 410(6)(j) 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 must be read with 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 funds registered under the Act.

**Minimum information**

3. Where applicable, a 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, full names 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 No. RF.S.5.9 – Provision for compulsory beneficiary nomination forms to be completed by members of a fund for the purpose of enabling a member to designate a nominee(s) to receive benefits from such fund upon death of such member, 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 persons whom are next of kin to the member;
- (k) any other information that the 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.

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**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 it must be read with 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 funds registered under the Act and to its boards, principal officers and fund administrators.

### **Requirements for rules**

3. The rules of a 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 6, it must provide for the following matters:

- (a) the full name of the fund, including a reference to any name changes that the fund may have undergone;
- (b) the dates of the first and subsequent financial year ends;
- (c) the address of the principal office of the fund;
- (d) the objects of the 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 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 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 fund, if any;
- (g) the calculation and payment of contributions to the 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 conditions under which any member or other person may become entitled to any retirement benefit and the nature and extent of any such retirement benefit;
- (j) a specific description of participation in the fund differentiating among 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 subparagraph (i); and
- (iii) persons not referred to in paragraphs (i) or (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 – Fit and Proper Requirements;
- (l) the appointment, by the board of trustees, of a principal officer who is fit and proper to hold such office in accordance with the requirements of Standard No. GEN.S.10.2 – Fit and Proper Requirements;
- (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 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 – Fit and Proper Requirements, and independent within the meaning of Standard No. GEN.S.10.8 – The independence of directors, members of a board, trustees, custodians, auditors and valuers and any other person required to be independent under the Act, and provisions regarding the annual or triennial investigation, valuation and report if the fund is subject to the provisions of sections 267 and 268 of the Act;
- (s) the appointment of the auditor of the fund;
- (t) the manner in which contracts and other documents binding the 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 fund and its members or between the fund and any other person whose claim is derived from the rules must be settled;
- (w) the safe custody of title deeds or any other securities belonging to or held by the fund;

- (x) subject to the 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;
    - (iii) any transfers of participating employers to any other 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 fund with any other financial institution or financial intermediary;
  - (z) the transfer of the business of the fund, or any part thereof, to any other financial institution or financial intermediary;
  - (aa) 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 fund;
    - (iii) the withdrawal of a member from the fund; and
    - (iv) the inability of the fund to locate the member, a dependant or other person entitled to such benefits;
  - (bb) the opening of a bank account in the name of the fund;
  - (cc) the policy of insurance effected to indemnify the 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
  - (dd) such other matters as NAMFISA may require.
- 4.** (1) The rules of a 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 authorised by a member, beneficiary or nominee, to inspect, free of charge, any of the documents referred to in paragraphs (a)(i) and (a)(ii), at the principal office of the fund and to make extracts therefrom; and
  - (c) members, beneficiaries, nominees or persons authorised 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 paragraph (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 (1)(b) and (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. All funds referred to in sections 255 and 256 of the Act must amend its rules to comply with this Standard within 12 months of the date on which this Standard comes into effect.
6. The rules of a 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 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 or Beneficiary Fund (*substitute “XYZ 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 5.
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; and
  - (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.

**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 –
    - (aa) the funding and solvency position of the fund; and
    - (bb) 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 it must be read with 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 12, 13 and 14;
  - (e) “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;
  - (f) “funding ratio” means the actuarial value of the assets to the total liabilities, expressed as a percentage;
  - (g) “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 fund holds an insurance policy;
  - (h) “report by a valuator” means a written report, prepared and signed by a valuator, valuing the assets of the fund and determining the technical provisions of the fund, and on the financial soundness requirement of the fund since the last actuarial valuation;
  - (i) “solvency” means a funding ratio of at least 100%;
  - (j) “technical provisions” means –
    - (i) the systematic determination of accrued liabilities for retirement and other benefits, as well as reserves;
    - (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,

all so as to ensure the ongoing solvency of the fund and the fulfilment of members' reasonable benefit expectations; and

- (k) "total liabilities" means the sum of the "technical provisions" plus any other 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:
  - (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;
  - (viii) retirement benefits; and
  - (ix) sponsor.

### **Applicability**

2. This Standard shall apply to all funds registered under the Act.

3. This Standard is not exhaustive and must 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**

4. A fund meets the financial soundness requirement if the –

- (a) funding ratio is at least 100%; and
- (b) rates of contributions to the fund are such that the condition in paragraph (a) can be expected to be met for the period for which the contribution schedule is in force.

**5.** 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.

**6.** 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.

**7.** To determine whether the 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 annual intervals; or
- (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.

**8.** The report by a valuator must be submitted to NAMFISA within six months of the financial year end of the fund.

**9.** In determining whether the fund meets the financial soundness requirement, the assets of the 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.

**10.** In determining whether the fund meets the financial soundness requirement, the total liabilities of the fund are:

- (a) the technical provisions; and
- (b) any other liabilities.

**11.** 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).

**12.** The assets and total liabilities of the fund shall be valued by reference to the same date.

**13.** In the case of a defined contribution fund, the actuarial value of the assets shall be the fair value of assets.

**14.** 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.

**15.** 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 fund are the aggregate of the technical provisions of all the individual members of the fund.

**16.** In determining the technical provisions of a 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 accrued benefits funding method) as stipulated in the board's statement of financial soundness principles, using prudent assumptions.

**17.** 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 for which the technical provisions are required and as stipulated in the board's statement of financial soundness principles.

**18.** In adopting the projected unit credit method or the projected accrued benefits funding method, the board of the fund must 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 fund;
- (c) the total liabilities in respect of all members of the fund;
- (d) the current and future demographics of the 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.

**19.** 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.

**20.** Any change in the method or assumptions used in determining the technical provisions of the fund must be justified by a change in legal, demographic or economic circumstances.

**21.** 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), or the relevant party liable for making payment to the fund, to make a payment into the fund within a period not in excess of three 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 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 years.

**22.** A copy of the rehabilitation plan referred to in clause 21(b) must be submitted to NAMFISA within a period of three months from the date of notification referred to in clause 21.

**23.** The rehabilitation plan must:

- (a) state the timeframe within which the funding ratio of the fund will be restored to 100%, which timeframe is subject to clause 21(b);
- (b) state whether the underfunding of the 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 the Schedule attached to this Standard.

**24.** 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 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.

**25.** 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.

**26.** A rehabilitation plan may be reviewed, and if necessary revised, where the board considers it appropriate.

**27.** 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.

**28.** 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 SCHEDULE**

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

Schedule:        **FORM OF VALUATOR’S CERTIFICATION OF REHABILITATION PLAN**

#### **SCHEDULE**

(to Standard No. RF.S.5.5)

#### **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

NAME OF VALUATOR’S EMPLOYER  
(if applicable)

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**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

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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 must be read with 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;
- (vi) valuator;

(b) as defined in section 249 of the Act –

- (i) board;
- (ii) employer;
- (iii) fund;
- (iv) member;
- (v) rules; and
- (vi) sponsor.

## **Applicability**

2. This Standard applies to every fund registered under the Act, to the board and principal officer of such fund and to a liquidator appointed under clause 5.

## **Requirements for the voluntary dissolution of a fund**

3. The rules of a fund must provide procedures for the voluntary dissolution of the fund.

4. A 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 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 funds, but notwithstanding that a person has been approved for the list, the appointment of the person as liquidator for a particular 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 three months 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 fund and the public for a period of one month at the office of NAMFISA, the office of the employer if applicable, and at the principal office 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 one month 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 one month, 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), sponsor (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 45 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 one month 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 clauses 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.** (1) 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.

(2) 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.

(3) The person referred to in sub-clause (2) 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.

(4) Effective on the date on which an exemption under clause 25(b) is granted, the person referred to in sub-clause (2) must at least every three months, submit a written report to NAMFISA containing the following information:

- (a) the method used to calculate benefits;
- (b) communications to members and beneficiaries;
- (c) any outstanding tax issues;
- (d) the death and any other termination of membership of any member subsequent to the date on which the exemption was granted;
- (e) the manner in which objections to the benefit calculations were resolved;
- (f) payments of benefits; and
- (g) 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 fund has no remaining members, assets or liabilities must be submitted to NAMFISA by the liquidator within one month 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 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 six months, new financial statements must be prepared and submitted to NAMFISA.

**35.** Where the period referred to in clause 34 is less than six 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 six months, no further financial statements need be submitted.

**37.** Where the financial period of a 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 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 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 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 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.

## **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

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- 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**  
(to Standard No. R.F.S.5.6)

**FORM A**

**PRELIMINARY/FINAL DISSOLUTION ACCOUNTS pursuant to clause 9 and clause 21 of Standard No. R.F.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 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)

Date \_\_\_\_\_

**FORM B**  
**PRELIMINARY/FINAL DISSOLUTION ACCOUNTS pursuant to clause 9 and clause 21 of Standard No. RFS.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

.....  
 .....  
 ..... ..... \_\_\_\_\_



<p><b>FORM D</b></p> <p><b>PRELIMINARY/FINAL DISSOLUTION ACCOUNTS pursuant to clause 9 and clause 21 of Standard No. RFS.5.6. made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)</b></p>
---

..... (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)

Date \_\_\_\_\_

**SCHEDULE 2**  
(to Standard No. RF.S.5.6)

<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 ( <i>domiculum citandi et executandi</i> ) 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 fund or other financial institution? Describe		
A copy of my Curriculum Vitae in relation to 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		

<b>FORM B</b>			
<b>APPLICATION BY THE BOARD OF A FUND FOR THE APPROVAL OF THE APPOINTMENT OF A LIQUIDATOR</b>			
<b>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)</b>			
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:			
		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?		
<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>			
<b>SIGNATURE OF CHAIR-PERSON</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.	I have not been involved in the management, administration, valuation or auditing of the abovementioned Fund/ participating employer, except for the following (where applicable): ..... .....			
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 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;			
4.	I will discharge my duty to the best of my ability and act in the best interest of members of the Fund / participating employer;			
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 confirm that the abovementioned information is true, correct and complete and further undertake to inform NAMFISA about any important changes to the above information. ..... .....				
LIQUIDATOR AS APPLICANT		FULL NAMES IN BLOCK LETTERS		
DATE				
<b>FORM D</b>				
<b>APPLICATION FOR AN EXEMPTION</b>				
<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")</b>				
Name of Fund:				
Fund Registration Number:				
Name of participating employer (where applicable):				
Reference number of participating employer (where applicable):				
Rule Reference number:				
		<b>Yes/No</b>	<b>Comments</b>	<b>Amount, if any (applicable to questions 5-13)</b>
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 ( <i>domiculum citandi et executandi</i> ) 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>				
<b>SIGNATURE OF CHAIRPERSON</b>		<b>SIGNATURE OF BOARDMEMBER</b>		

<b>FULL NAMES IN BLOCK LETTERS</b>		<b>FULL NAMES IN BLOCK LETTERS</b>	
<b>DATE</b>		<b>DATE</b>	

<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> 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”)	
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 confirm 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 customised 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> 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”)	
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 confirm that the abovementioned is true and correct.		
<b>SIGNATURE OF APPROVED LIQUIDATOR</b>		<b>FULL NAMES IN BLOCK LETTERS</b>
<b>DATE</b>		

<b>FORM G</b>		
<b>DECLARATION BY THE LIQUIDATOR - APPLICATION FOR PARTIAL EXEMPTION FROM SUBMITTING FINAL ACCOUNTS</b>		
<b>pursuant to clause 25(a) and clause 43 of Standard No. R.F.S.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:		
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. R.F.S.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: ..... ..... .....	
I hereby declare that the abovementioned is true and correct.		
<b>SIGNATURE OF APPROVED LIQUIDATOR</b>		<b>FULL NAMES IN BLOCK LETTERS</b>
<b>DATE</b>		

<b>FORM I</b>		
<b>APPLICATION FOR CANCELLATION OF REGISTRATION OR CONFIRMATION OF THE COMPLETION OF THE PARTIAL DISSOLUTION OF THE FUND</b>		
<b>pursuant to clauses 24 and 47 of Standard No. R.F.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:		
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. R.F.S.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>		

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**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

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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 must be read with 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 12 and 13 or clause 14, 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;

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 fund registered under the Act.

### **Minimum benefits**

3. Every 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 a 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. (1) Subject to sub-clause (2), 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.

- (2) 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 fund that is a defined benefit fund, commencing with the first valuation following the commencement date, must cause to be determined and may grant to retired members a retirement benefit 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. (1) 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 –

- (a) 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;
- (b) DB represents benefits allocated by the board, at their discretion, for the benefit of the member and actuarial surplus apportionment;
- (c) AC represents additional contributions paid voluntarily by the member or by the employer on the member's behalf;
- (d) IC represents investment income and capital gains, as determined by the board; and

- (e) 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.

(2) The expenses referred to in sub-clause (1)(e) include direct costs of establishing and operating the fund and any administrative, insurance, risk benefit insurance 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. R.F.S.5.5 – The determination of the soundness of the financial position of a fund for purposes of section 272(3), 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 must establish and implement a policy with regard to increases to be granted to retired 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, but subject to the affordability of the fund, 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, subject to the affordability of the fund.

**16.** The policy referred to in clause 15 must be communicated to retired 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. RFS.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 it must be read with 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 funds registered under the Act.

**Beneficiary nomination forms**

3. For the purposes of section 276 of the Act, every fund must, for completion by members, send to all its members, at least once every year –

- (a) a Beneficiary Nomination Form, in the form of, or in a similar form as that contained in Schedule 1 attached hereto and forming part hereof, indicating as applicable, a designated dependant or dependants, and a nominee or nominees to receive benefits from the fund upon the death of the member; and

- (b) a No Change to Beneficiary Nomination Form, in the form of, or in a similar form as that of Schedule 2 attached hereto and forming part hereof, indicating that no changes are made to the latest existing beneficiary nomination form completed by the member.

4. The Beneficiary Nomination Form or No Change to 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.

5. The board of the 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 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.

### **SUPPORTING SCHEDULES**

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

Schedule 1: BENEFICIARY NOMINATION FORM

Schedule 2: NO CHANGE TO BENEFICIARY NOMINATION FORM

**SCHEDULE 1**  
(to Standard No. RF.S.5.9)

**BENEFICIARY NOMINATION FORM**

**Please print all details**

<b>Employer</b>		<b>Cost Centre</b>	
<b>Member Name</b>		<b>Ref No</b>	
<b>Tel No (home)</b>		<b>Fax No</b>	
<b>Tel No (work)</b>		<b>Email</b>	

I, (full names) ..... hereby wish to nominate the undermentioned person(s) to receive the 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

(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 18 and unmarried: or a stepchild, under the age of 18 and unmarried, who, in the opinion of the Trustees, was substantially dependant 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 dependant on the member.

<b>Member Name:</b>						<b>Ref No</b>			
<b>(C)</b> 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

<b>(D)</b> 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 dependants 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 dependants:

- 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); and
- A person for whom the member would have become legally liable for maintenance had the member not died (e.g., an unborn child).

All dependants 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 dependants and/or nominees and information provided by the employer/dependants/nominees.

**WE URGE YOU TO UPDATE YOUR BENEFICIARY FORM ON A REGULAR BASIS PARTICULARLY AS AND WHEN YOUR CIRCUMSTANCES CHANGE.**

**SCHEDULE 2 (to Standard No. RF.S.5.9)**

**NO CHANGE TO BENEFICIARY NOMINATION FORM**

<b>Employer</b>		<b>Cost Centre</b>	
<b>Member Name</b>		<b>Ref No</b>	
<b>Tel No (home)</b>		<b>Fax No</b>	
<b>Tel No (work)</b>		<b>Email</b>	

I, (full names) ..... hereby confirm that no changes are made to my last (existing) Beneficiary Nomination Form.

<b>Member Signature</b>	
<b>Date</b>	
<b>Witness Name</b>	
<b>Witness Signature</b>	
<b>Date</b>	

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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 it must be read with 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**

2. A 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 consecutive years, the total assets of the 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 secured or guaranteed by one or more registered insurers; and
- (d) no reserves other than an expense reserve required by the terms of the 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.

**3.** 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 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 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.

**4.** Once an exemption has been granted, the exemption will remain in effect unless it is revoked in writing by NAMFISA.

**5.** The board of a fund that has obtained an exemption must notify NAMFISA in writing without delay with full particulars, if at any time:

- (a) the 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 fund, or any other person acting in an advisory capacity to the fund, is no longer of the opinion that all of the conditions of clause 2 are being complied with; or
- (c) the fund submits to NAMFISA an amendment of any rule which, once effective, would cause the fund no longer to qualify for the exemption.

**6.** On receipt of the notification referred to in clause 5, NAMFISA may revoke the exemption.

**7.** As a consequence of the revocation of an exemption by NAMFISA –

- (a) the fund must within three months from the date of the revocation of the exemption by NAMFISA, appoint a valuator pursuant to section 267 of the Act; and
- (b) the fund must submit a valuation and report pursuant to section 268(4) of the Act as at the date of the fund's first financial year end following the revocation of the exemption.

**8.** Where a 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**

**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 sections 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 it must be read with 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) “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 fund; or
    - (ii) a retirement income provider;
  - (d) “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;
  - (e) “life insurer” means an insurer registered under the Act to undertake life insurance business;
  - (f) “retirement fund account” means an account held by a defined contribution fund or a retirement income provider for a former member of a defined contribution fund and which account holds any amount in respect of retirement;
  - (g) “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; and
  - (h) “retirement income provider” means a registered insurer or other registered retirement 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) NAMFISA;
  - (ii) retirement fund;
- (b) “insurer” as defined in section 4 of the Act;
- (c) “life insurance business” as defined in section 8 of the Act;
- (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 funds;
  - (b) 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 funds upon the retirement of members or inactive members;
  - (c) members of the board of funds; and
  - (d) service providers to funds and retirement income providers to the extent that their responsibilities involve communications with:
    - (i) boards and principal officers of, or other service providers to, funds;
    - (ii) retirement income providers; and
    - (iii) active members, inactive members and retired members having funds held or invested by funds or 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 fund, or of the 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; and
  - (vi) internal communications involving the boards of funds and their administrators, advisors and service providers or the responsible management of retirement income providers;
- (d) classify information pertaining to the fund, or to the accounts or funds held or invested for active members, inactive members or retired members by 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 fund in accordance with the rules of the fund, there is a regularly scheduled, detailed flow of information between the fund administrator and all employers or sponsors contributing to the 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 fund must:
- (a) provide for periodic circulation of information to members, inactive members, deferred members and retired members, and if applicable, to the currently contributing employer(s) and, if applicable, to the sponsor(s) of the 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 fund, its functioning and capabilities, together with the various roles and responsibilities of the board, the administration of the 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 fund must:
- (a) comply with the requirements of clause 4 of this Standard; and
  - (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 funds and retirement income providers**

6. A communications strategy for a fund or 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 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 funds or 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 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 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, 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. RFS.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 it must be read with 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; and
  - (c) “NAMFISA ERS” means the Electronic Regulatory System which facilitates communication between NAMFISA and financial institutions 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 –
  - (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) funds;
  - (b) members of the boards of trustees of funds;
  - (c) principal officers of funds; and
  - (d) service providers for funds to the extent that their responsibilities require them to support principal officers and boards of funds in regard to matters that are disclosed in the annual report of the fund to NAMFISA, and in the preparation of the report.

**Requirements applicable generally**

3. (1) The annual report of a fund to NAMFISA must be in the form of the Schedule to this Standard and must be prepared within six months after the end of the fund's financial year, and must at a minimum –

- (a) be prepared by or under the supervision of the board of the fund;
- (b) 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);
  - (vi) 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;

- (vii) 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);
- (viii) 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));
- (ix) a summary of key risks facing the fund, and the risk mitigation actions taken or considered by the board; and
- (x) a list of all service level agreements with service providers and details of their review periods.

(2) The management report findings by the auditors of the fund must be submitted separately to NAMFISA within three months of the fund's financial year-end.

#### **Requirements applicable to defined contribution funds**

4. 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 amounts comprising their members' individual accounts to separate investment portfolios; and
  - (c) report the gross and net annual rates of return on the fund's investments (or on each separate investment portfolio available for members to allocate their contributions and amounts) for the current year and prior four years (five years in total).

#### **Requirements applicable to defined benefit funds**

5. 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 four years (five 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.

**Submission**

6. (1) The information required by this Standard must be submitted electronically to NAMFISA on the NAMFISA ERS.

(2) Where necessary and when so directed by NAMFISA, specified information or documentation must be submitted to NAMFISA manually.

**SUPPORTING SCHEDULE**

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

Schedule: FORM OF ANNUAL REPORT OF FUND

**SCHEDULE**

(to Standard No. R.F.S.5.15)

**FORM OF ANNUAL REPORT OF FUND**

Board Activities –	
1. Report on board meetings held during the year, e.g., dates, quorum and number of members present.	
2. Report on any changes in the board membership during the year with comments as to nature of change, e.g., resignation, disqualification etc.	
3. Report on typical board meeting agenda items, e.g., approval of previous minutes, receipt and discussion of reports, interviews of service provider etc.	
4. Report on any approved changes in board or administrative practices or procedures.	
5. Briefly describe all policies of the fund that have been documented and approved by the board (continued below) during the year under review.	
6. Report on any approvals of new, or material amendments to, documented policies, e.g., investment policy, funding policy, risk management policy, administrative policy.	
7. Provide a summary of any amendments to the fund rules during the year.	
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.	
9. Provide a summary of the key financial data of the fund (all items to be reported <u>for both the current and prior year</u> )	
Current Year	Prior Year
<u>Balance Sheet</u>	
Assets	
Liabilities	
Surplus	
<u>Income and Expenses</u>	
Contributions	
Investment Income	
Administrative Expense	
Investment Expense	
Benefits	
Net Income	
<u>Rate of Return on Investments</u>	
Gross ROI	
Net ROI	

10. Briefly summarise the fund's membership	
Current Year	Prior Year
Members	
Male Female	
Average Age	
Retired Members	
Male Female	
Average Age	
Deferred Members	
Male Female	
Average Age	
11. Summarise the Main Administrative Activities of the Fund During the Year (see note 1)	
12. Describe all Special Events That Occurred During the Year (see note 2)	
13. 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)	
Gross ROI	Net ROI
CY	
CY- 1	
CY- 2	
CY- 3	
CY- 4	
14. 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 AUTHORISED UNDER  
SECTION 270(8) TO SUCH CATEGORIES OF PERSONS WITH RESPECT TO SUCH  
COMPLIANCE**

**Standard No. RFS.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 it must be read with 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 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 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 contributing to the fund;
- (d) NAMFISA; and
- (e) any other party who may have a similar interest.

**3.** The report must be prepared in accordance with the format specified in the Schedule 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 one month 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).

**6.** Any employer contributing 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.

### SUPPORTING SCHEDULE

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

Schedule: REPORT TO CATEGORIES OF PERSONS HAVING AN INTEREST IN THE COMPLIANCE OF A FUND WITH SECTION 270 OF THE ACT

**SCHEDULE** (to Standard No. RF.S.5.17)

#### REPORT TO CATEGORIES OF PERSONS HAVING AN INTEREST IN THE COMPLIANCE OF A FUND WITH SECTION 270 OF THE ACT

*(Figures are for illustration purposes only.)*

To the Board of XYZ 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.			
<b>Signature of the Principal Officer/Authorised person</b>			
<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 actual amounts of salaries paid or hours credited in the month:			
Salaries -	254,800.00	247,300.00	251,400.00
or Hours -			
or Other -			
Member Contributions Payable according to formula per fund rules:			
% of salaries	5.5%	5.5%	5.5%
or \$ per hour worked			
or Other			
Member Contributions Payable for the month = Base*Formula=(a)	14,014.00	13,601.50	13,827.00
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)	17,836.00	17,311.00	17,598.00
Member Contributions Received in the month for Current Service by fund's depositories	14,952.00	14,217.00	13,827.00
Member Contributions Received in the month for current service paid directly to the fund	0	0	0
Member Contributions Received in some other manner	0	0	0
Employer Contributions Received by way of Utilisation of Surplus	0	0	0
Total Member Contributions Received=(c)	14,592.00	14,217.00	13,827.00
Total Member Contributions Payable (from above)=(a)	14,014.00	13,601.50	13,827.00
Excess of Member Contributions Received over Member Contributions Payable=(c)-(a)	578.00	615.50	0

Employer Contributions Received in the month for Current Service by fund's depositories	18,361.00	17,542.00	18,014.00
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)	18,361.00	17,542.00	18,014.00
Total Employer Contributions Payable (from above)=(b)	17,836.00	17,311.00	17,598.00
Excess of Employer Contributions Received over Employer Contributions Payable=(d)-(b)	525.00	231.00	416.00
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 member 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 section 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.

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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021  
RETIREMENT FUNDS**

**MATTERS TO BE INCLUDED IN AN INVESTMENT POLICY STATEMENT**

**STANDARD NO. RE.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 must be read with 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 characterisation of the fund’s tolerance for aggregate investment risk referred to in paragraph (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); and
- (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 characterisation 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 investment funds managed by a fund investment advisor that is a registered financial institution or registered financial intermediary or to investment 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 investment 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-investment 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's management will provide active members with comprehensive statements of their account activity, investment 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 the Schedule 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 fund.

#### **SUPPORTING SCHEDULE**

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

Schedule: SAMPLE SUMMARY OF A STATEMENT OF INVESTMENT POLICY OF A FUND

**SCHEDULE**

(to Standard No. R.F.S.5.18)

**SAMPLE SUMMARY OF A STATEMENT OF INVESTMENT POLICY OF A FUND**

<b>Display of the Asset Allocation Structure of the Investment Policy All Allocations and Limits Expressed as % of the Total Portfolio</b>				
<b>Asset Class</b>	<b>Rate of Return Objective</b>	<b>Target Allocation to the Class</b>	<b>Acceptable Range of Allocation to the Class</b>	<b>Limit on Exposure to a Single Asset Within the Class</b>
Government Securities <=5 years to maturity				
Government 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				

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**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 it must be read with 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 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 fund must provide a description of the 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 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 fund must provide an annual report that complies with Standard No. R.F.S.5.15 – Requirements for the annual report of a fund.

5. In accordance with clause 2(b), a 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 residential 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;

- (iii) the maximum amount available for withdrawal in the year following the year of the statement; and
  - (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) report the net annual rates of return on the fund (or for each separate investment fund available for members to allocate their contributions and amounts) and the investment expense percentage (including a breakdown of the different types of investment expenses) for the current year and prior four years (five years in total); and
  - (h) projections of potential retirement benefits under different investment scenarios, which projections shall be based on three year or five year historic returns of the member's current investment portfolios and then projecting end values using the same historic returns as well as scenarios with returns at respectively 80% and 120% of the historic returns.
7. The benefit statement of a defined benefit fund must –
- (a) include the 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) include the 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;
  - (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, disclose –
    - (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; and
- (f) in the case of a defined benefit fund, in respect of an active member or a deferred member, disclose –
  - (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 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. R.F.S.5.18 – Matters to be included in an Investment Policy Statement;
  - (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 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 - 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, and

RF.S.5.17 - 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 authorised under section 270(8) to such categories of persons with respect to such compliance;

- (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 guarantee 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. RF.S.5.20 – Matters to be included in a code of conduct to be adopted by the fund;
- (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 fund directly or contingently.

### **SUPPORTING SCHEDULES**

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

Schedule 1: BENEFIT STATEMENT FOR A DEFINED CONTRIBUTION FUND

Schedule 2: BENEFIT STATEMENT FOR A DEFINED BENEFIT FUND

**SCHEDULE 1**  
(to Standard No. RF.S.5.19)  
**BENEFIT STATEMENT FOR A DEFINED CONTRIBUTION FUND**

Name and ID (if applicable)					
Date of Birth					
Gender					
Marital status					
Current residential address					
Email address					
Status – Active Member (AM), Deferred Member (DM) or Retired Member (RM)					
Date became AM or DM or RM					
Beneficiary of record					
IF APPLICABLE Elected Allocations of Active Member Contributions to Specific Investment Funds (describe fund and indicate % allocation): Fund A Fund B Fund C IF NOT APPLICABLE DO NOT INCLUDE	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 fund's investment policy.					
Investment Rates of Return – most recent five years					
	Current Year (CY)	CY-1	CY-2	CY-3	CY-4
Return on Investment (ROI)					
Investment Expense (IE) % -see below					

Determine as  $IE\% = 2 * (\text{Total Investment Expenses}) / [\text{Fund at beginning of year} + \text{Fund at end of year}] * 100$

Example: Investment expense rate (IER) =  $(2(2800) / (105500 + 117500)) * 100 = 2.51\%$

**SCHEDULE 2**  
(to Standard No. RF.S.5.19)

**BENEFIT STATEMENT FOR A DEFINED BENEFIT FUND**

Name and ID (if applicable)	
Date of Birth	
Gender	
Marital status	
Current residential address	
Email address	
Status – Active Member (AM), Deferred Member (DM) or Retired Member (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.	

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**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. R.F.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 must be read with 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.

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**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

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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 must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “transferor fund” means the fund from which accrued benefits and corresponding assets and liabilities are transferred to another fund pursuant to the rules of the transferor fund;
  - (c) “transferee fund” means the fund to which accrued benefits and corresponding assets and liabilities are transferred from another fund pursuant to the rules of the transferee fund;
  - (d) “transfer agreement” means an agreement between two 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; or
  - (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 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 be 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 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.

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**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 it must be read with 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 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 where 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 paragraphs (a) to (f).

### **Reasonable fees for copies**

3. (1) A 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; or
  - (b) have been specifically requested by a member.
- (2) 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 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 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 3(2)(a) applies be provided in paper format, the 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 clause 2 applies be provided in paper format, and the document has been received by the fund in a bound format, extends beyond five 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 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 fund must be approved by the board, and must be limited to a cost recovery basis.

(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 fund must arrange for a summary of the provisions of this Standard to be prepared and distributed to each member of the fund free of charge.

### **Other relevant Standards**

7. This Standard must be read in conjunction with the provisions of Standard No. R.F.S.5.13 - 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.

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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021  
RETIREMENT FUNDS**

**MANNER AND FORM OF APPLICATION FOR REGISTRATION OF A FUND  
Standard No. RFS.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 –
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “key person” means any person responsible for managing or overseeing, either alone or together with another responsible person, the activities of a financial institution or financial intermediary relating to the rendering of the financial services, and includes those individuals or other entities holding more than 20% of the financial institution or financial intermediary’s voting rights; and
  - (c) “NAMFISA ERS” means the Electronic Regulatory System which facilitates communication between NAMFISA and financial institutions or 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-
  - (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 the Schedule 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 B of the Schedule to this Standard;
- (f) the relevant completed parts and other information required pursuant to Standards Nos. GEN.S.10.2 - Fit and Proper Requirements, and GEN.S.10.8 - The independence of directors, members of a board, trustees, custodians, auditors and valuers and any other person required to be independent under the Act; and
- (g) any other document and/or information that may be requested by NAMFISA as provided for in the Act.

5. (1) An application not complete in all respects and not conforming to the instructions specified in the Schedule may be rejected on the basis of being non-compliant with this Standard.

(2) In instances where the application is deemed incomplete, NAMFISA must give the applicant the opportunity to provide the required information to complete the application. The required information must be provided within the period of seven days, or such other period stipulated or agreed to by NAMFISA, failing which the application shall be rejected.

6. Nothing shall prevent NAMFISA from seeking further or additional information or documents as may be reasonably necessary for processing of the application for registration.

7. 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**

8. (1) An application for 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 SCHEDULE**

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

Schedule: APPLICATION FOR REGISTRATION AS A FUND

**SCHEDULE**  
(to Standard No. RF.S.5.24)

**APPLICATION FOR THE REGISTRATION OF 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 authorised representative of fund)  
hereby apply for the registration of

\_\_\_\_\_ as a retirement/beneficiary fund (delete whichever is not applicable).

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 fund:

\_\_\_\_\_

(full physical address)

(f) The postal address of the fund:

\_\_\_\_\_

(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:

\_\_\_\_\_

(h) The name and contact details of the proposed auditor:

\_\_\_\_\_

Name of professional regulatory body: \_\_\_\_\_

Membership No.: \_\_\_\_\_

- (i) The name and contact details of the proposed/appointed valuator:

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<b>Section B. Attachments</b>
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**Kindly confirm the attachment of documents by marking the appropriate box with an “X”.**

		YES	NO
(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;		
(f)	A copy of the Interim Board/Board of Trustees’ resolution for the establishment of the fund;		
(g)	Full details of the proposed trustees;		
(h)	Completed disclosure of interest report by the proposed trustees;		
(i)	The proposed Board of Trustees’ resolution approving the appointment of the principal officer;		
(j)	A copy of the Valuator’s Certificate of financial soundness of the rules;		
(k)	Copy of the proposed administration agreement between the fund and the administrator (if applicable);		
(l)	Copy of any other agreements between the fund and any other party (benefit consultant, valuator, auditor, investment manager) (if applicable);		
(m)	the relevant completed parts and other information required pursuant to Standard No. GEN.S.10.2 - Fit and Proper Requirements; and		
(n)	Proof of payment of the prescribed application fee in terms of Standard No. GEN.S.10.23 - Fees.		

**SIGNATURES OF BOARD / INTERIM BOARD**

By signing the document, we confirm that all the information contained in this application is true and correct and can be relied upon and we have disclosed all necessary material information that may be required by NAMFISA.

Name of board member/interim board member	Signature	Date

**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

**Definitions**

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with 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 (to Standard No. RF.S.5.25)

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 –**

\_\_\_\_\_ (insert name)

with principal office at \_\_\_\_\_ (insert address of principal office),

**has been duly registered in terms of section 254(1) of the Financial Institutions and Markets Act, 2021,**

and may operate from Namibia.

\_\_\_\_\_  
**CHIEF EXECUTIVE OFFICER**

\_\_\_\_\_  
**DATE OF REGISTRATION**

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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**  
**RETIREMENT FUNDS**

**GOVERNANCE**

**Standard No. RF.S.5.26**

issued by NAMFISA under sections 410(6)(aa) and 265(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 it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “chairperson” means a trustee elected or designated by trustees as the chairperson of the board of trustees in terms of the rules of the fund;
  - (c) “conflict of interest” means a situation which a trustee key person, auditor, valuator, fund administrator or any other service provider encounters, while rendering a financial service to the fund or its members, if that situation –
    - (i) impairs the objectivity of the trustee, key person, auditor, valuator, fund administrator or any other service provider in any aspect while serving on the board or rendering a service to the fund or the members of the fund; or
    - (ii) prevents the trustee, key person, auditor, valuator, fund administrator or any other service provider from serving on the board or rendering a service to the fund or its members in an unbiased and fair manner or from acting in the best interest of the fund or the members of the fund;
  - (d) “independent trustee” means a trustee that meets the requirements of Standard No. GEN.S.10.8 - The independence of directors, members of a board, trustees, custodians, auditors and valuers and any other person required to be independent under the Act; and
  - (e) “insured fund” means a fund which operates exclusively by means of policies of insurance issued by a person lawfully carrying on insurance business within the meaning 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 249 of the Act –
    - (i) board;

- (ii) defined contribution fund;
- (iii) employer;
- (iv) fund;
- (v) fund administrator;
- (vi) member;
- (vii) retirement benefits; and
- (viii) sponsor.

### **Applicability**

2. This Standard applies to all funds registered in terms of Chapter 5 of the Act.

3. This Standard applies only to the extent that the subject matter dealt with in this Standard is not dealt with specifically in the Act or regulations made by the Minister or standards issued by NAMFISA.

## **PART 1: GOVERNANCE BY THE BOARD**

### **Board's ethical leadership responsibility**

4. The board must –
- (a) provide effective leadership based on an ethical foundation characterised by the ethical values of responsibility, accountability, fairness and transparency;
  - (b) ensure that the responsibilities of the board are consistent with the overriding objectives of the fund;
  - (c) retain ultimate responsibility for the performance, conduct and governance of the fund, even though certain functions are delegated or outsourced to external service providers and the board may not abdicate from any of its functions and responsibilities;
  - (d) be responsible for developing the fund's ethical standards and such standards must inform all fund practices, procedures, policies and conduct;
  - (e) consider the effect of its decisions on all key stakeholders, the most notable being the members of the fund; and
  - (f) ensure that the fund's ethics performance is assessed, monitored, reported and disclosed in the fund's annual financial statements.

### **Board composition**

5. Subject to the provisions of the Act, every board must consider whether its size, diversity and demographics make it effective and diverse.

6. Diversity of the board includes, but is not limited to, academic qualifications, technical expertise, relevant industry knowledge, experience, age, race and gender.

7. Notwithstanding the appointing authority or body, the board:
  - (a) owes a primary duty of care to the fund and is not specifically accountable to, or required to, disclose any information to the appointing authority or body through whom they were appointed or elected as trustees; and
  - (b) must be sensitive in managing the diversity of the board effectively to ensure that any tension, fears, disagreements, influence, affiliations, special interest or any other consideration do not hinder decision-making and should ensure that these aspects are addressed in the code of conduct of the board.

8. The board must, collectively, have the necessary qualifications, knowledge, skills and expertise to oversee all functions performed by the board, and to the monitor delegates and service providers to whom such functions have been delegated, and to provide effective oversight and leadership direction of the fund's business to ensure it is conducted in a sound and prudent manner and for this purpose –

- (a) the board must collectively and individually have and continue to maintain, including through training, the necessary skills, knowledge and understanding of the fund's business to be able to fulfil their roles; and
- (b) while certain areas of expertise may lie in some, but not all, members, the collective board must have an adequate spread and level of relevant competencies and understanding as appropriate to the fund's business and the fulfilment of the board's duties in accordance with section 265 of the Act.

9. The board must have a reporting structure, which includes the chairperson and such other board members as deemed appropriate.

#### **Board chairperson**

10. The chairperson of the board must –
  - (a) proactively and impartially lead the board, without bias in favour of the sponsor, the employer or any service provider;
  - (b) proactively raise issues of concerns on behalf of the board with the sponsor, the employer, the administrator, other service providers or any other person; and
  - (c) ensure that the performance of the board as a whole, board committees and the principal officer is reviewed and evaluated on a regular basis, and must manage the performance of members of the board.

#### **Orientation and training of trustees**

11. New trustees must, at the expense of the fund, receive training on both the legislative, regulatory and governance principles in order to equip them to effectively carry out their functions as trustees.

12. The board must seek to enhance its knowledge, where relevant, via appropriate training and training programmes that meet the specific needs of both the fund and the individual trustees, as may be identified during the annual individual performance evaluation so as to enable trustees to make the maximum contribution possible.

**13.** Trustees must receive regular briefings on matters relevant to the business of the fund, changes in risks and laws applicable to the business of the fund, including accounting standards and policies, and the environment in which it operates.

### **Independence and conflicts of interest**

**14.** A member of the board, principal officer, employee or any other officers, auditor, valuator, administrator and any other service providers must report to the board any conflict of interest encountered during the performance of their duties.

**15.** There must be a clear identification and separation of operational and oversight responsibilities in the governance of the fund, and the segregation of duties must reflect the nature and extent of the governance risks faced by the fund.

**16.** The board must –

- (a) demonstrate their independence in the way they exercise any discretion;
- (b) always consider what is in the best interest of the fund;
- (c) ensure that appropriate controls exist to –
  - (i) promote the independence and impartiality of the board;
  - (ii) ensure that confidential or privileged information in the possession or under the control of the fund is protected and must only disclose such information as permitted in terms of the law or with the express consent of the relevant person; and
  - (iii) prevent the improper use of privileged or confidential information; and
- (d) ensure that the administrators or any other service provider do not unduly influence the management of the fund.

### **Delegation of authority**

**17.** The board must not abdicate their responsibility over, including in respect of, delegated functions.

**18.** Committees of the board may be established to exercise a specific oversight responsibility or to carry out, where the rules of the fund permit it, any board-delegated responsibility.

**19.** The terms of reference of a committee of the board must, as a minimum, cover –

- (a) composition of the committee;
- (b) objectives, purpose and functions;
- (c) delegated authorities, including the extent of power to make decisions or recommendations or both;
- (d) tenure; and
- (e) reporting mechanism to the board.

20. Every member of a committee must, as far as is reasonably possible, be suitably skilled and experienced to serve on such committee.

21. Each committee must be required to advise the board on risks relating to the functions to be performed by that committee, and the processes or controls necessary to mitigate that risk.

#### **Filling of vacancies on the board**

22. The board must fill vacancies, inclusive of interim vacancies, in the manner prescribed by the rules of the fund within a reasonable time from when the vacancy arose, pursuant to section 263 of the Act.

#### **Tenure of office**

23. (1) To ensure independence and reduce the risk of familiarity, no trustee may serve for more than three consecutive terms, and the tenure for one term may not exceed a period of three years.

(2) After serving the maximum of three consecutive terms, a minimum period of at least three years must lapse before the same person may be appointed or elected as trustee again.

24. (1) To ensure independence and reduce the risk of familiarity in respect of the auditor of the fund, the auditor must be appointed for a fixed period and –

- (a) the auditor may not serve for more than six consecutive years; and
- (b) the auditor must comply with the partner rotation requirements prescribed by the Code of Ethics issued by the International Ethics Standards Board for Accountants.

(2) After serving as the auditor for the maximum period of six consecutive years, a minimum period of at least three years must lapse before the same auditor may be appointed again.

25. (1) To ensure independence and reduce the risk of familiarity in respect of the valuator of the fund, the valuator must be appointed for fixed period and –

- (a) a valuator for a defined benefit fund may not serve for more than six consecutive years; and
- (b) a valuator for a defined contribution fund may not serve for more than nine consecutive years.

(2) After serving as the valuator of the fund for the maximum period of either six or nine consecutive years pursuant to sub-clause (1), a minimum period of at least three years must lapse before the same valuator may be appointed again.

#### **Rotation**

26. The board must establish an arrangement for periodic, staggered rotation of trustees and chairs of committees or tenure limits to serve on a committee by introducing members with new expertise and perspectives while retaining valuable knowledge, skills and experience and maintaining continuity in order to avoid undue concentration of power and promote fresh perspectives.

#### **Internal audit**

27. The board must consider whether the structure and operations of the fund would benefit from the introduction of an internal audit function.

- 28.** Where the board decides to introduce an internal audit function, the board must ensure that –
- (a) there is an effective risk based internal audit function;
  - (b) in the event that the internal audit function is outsourced, the board is ultimately responsible to oversee, manage, inform and take accountability for the effective functioning of the outsourced internal audit function;
  - (c) the board is ultimately responsible for the appointment and performance assessment of the head of internal audit;
  - (d) internal audit must pursue a risk based approach to planning as opposed to a compliance based approach that is limited to evaluation of adherence to procedures; and
  - (e) internal controls must be established not only over financial matters, but also operational, compliance and sustainability matters in order to prevent, eliminate or manage risks faced by the fund.

### **Performance evaluation of board**

**29.** The board must, at least annually, review its own performance to ascertain whether board members collectively and individually remain effective in discharging the respective roles and responsibilities assigned to them and identify opportunities to improve the performance of the board as a whole.

**30.** The board must implement appropriate measures to address any identified inadequacies, including any training programs for board members.

**31.** Subject to the Act, the board must ensure that –

- (a) the evaluation of the board, its committees and individual trustees is performed annually against the board's determined roles, functions, duties and performance criteria, as well as those for members of board committees;
- (b) the past performance as a trustee must be taken into account when trustees are nominated for re-appointment or re-election;
- (c) evaluations must be conducted by the chairperson who must ensure that trustees know that they will be subject to evaluation, that they understand the criteria used for evaluation and that they understand the evaluation procedures that will be followed;
- (d) the evaluation of the chairperson's performance must be led by at least two trustees designated by the board and who may not include the principal officer; and
- (e) the chairperson of the board, or a committee appointed by the board, must evaluate the performance of the principal officer at least annually.

## **PART 2: GOVERNANCE OF THE OPERATIONS OF THE FUND**

### **Role of the board in setting the fund strategy**

**32.** The board must be responsible for the determination and approval of the long-term and short-term strategies of the fund and monitor implementation therewith by management or the service provider to whom services have been outsourced, if any.

33. Before approving the strategy, the board must ensure that the strategy is aligned with the Act and any relevant legislation, the purpose or object of the fund, the value drivers of the fund's business and the legitimate interests and expectations of the fund's stakeholders, especially the members or beneficiaries of the fund.

34. The board must identify key performance and risk areas as well as the associated performance and risk indicators and measures, and this would include areas such as finance, ethics, conduct, compliance and sustainability.

### **Internal controls**

35. The board must ensure that there are adequate internal controls in place to ensure that all persons and entities with operational and oversight responsibilities act in accordance with the objectives set out in rules of the fund, the Act and any other applicable law.

36. Internal controls must cover all basic organisational and administrative procedures, and depending upon the scale and complexity of the fund, the internal controls must include performance assessment, compensation mechanisms, information systems and processes, risk and compliance management procedures.

37. Appropriate policies guiding the governance and operations must be adopted and implemented by the board.

38. The oversight responsibilities of the board requires that there must be –

- (a) a regular assessment of the performance of the persons and entities involved in the operations of the fund in terms of service level agreements, mandates, and performance contracts;
- (b) a regular review of services and fees and all costs associated with the operations of the fund in order to ensure that they are appropriate;
- (c) a regular review of the information processes, operational software systems, and accounting and financial reporting systems involved in the operation of the fund;
- (d) the monitoring and resolution of actual, potential or perceived conflict of interest amongst those involved in the operation of the fund;
- (e) the protection of confidential information of the fund; and
- (f) regular review of compliance with regulatory and statutory requirements of the fund.

### **Expert advice**

39. Where the board lacks sufficient expertise to make fully informed decision and to fulfil its responsibilities, it may seek expert advice.

40. The board must satisfy itself that any expert advice obtained is independently given and where the professional gives expert advice in respect of a service provider or the employer or sponsor to the fund then the board must satisfy itself that such advice is not compromised by the relationship of that professional or his or her firm to that service provider or the employer or sponsor as the case may be.

41. The board must assess and satisfy itself that any expert advice received is of quality, it must verify that all its professional staff and external service providers have adequate qualifications and experience, and the board is not obliged to accept the advice but must consider the appropriateness of such advice.

**Risk management**

- 42.** Subject to the Act –
- (a) the board may delegate oversight of the fund’s risk management function to an appropriate board committee;
  - (b) the board must ensure that the frameworks and processes in place to assist in anticipating these risks have the following characteristics –
    - (i) insight - the ability to identify the cause of the risk, where there are multiple causes or root causes that are not immediately obvious;
    - (ii) information - comprehensive information about all aspects of risks and risk sources, especially of financial risks;
    - (iii) incentives - the ability to separate risk origination and risk ownership ensuring proper due diligence and accountability;
    - (iv) instinct - the ability to avoid following the herd when there are systemic and pervasive risks;
    - (v) independence - the ability to view the fund independently from its environment; and
    - (vi) interconnectivity - the ability to identify and understand how risks are related, especially when their relatedness might exacerbate the risk.
- 43.** The board must have in place a risk management policy which must be reviewed regularly, but at least every two years, and must include –
- (a) the identification of risks facing the fund;
  - (b) the assessment of the likelihood of each such risk on the fund;
  - (c) the assessment of the impact of each such risk to the fund;
  - (d) the process or controls necessary to reduce the impact of key risks;
  - (e) the monitoring of the risk process or controls to ensure that they are appropriate; and
  - (f) the communication to the members and the stakeholders of the fund’s risk management policy, including the identification of the key risks and the processes or controls in place to prevent, eliminate or manage them.
- 44.** The board must ensure that the fund considers and implements appropriate risk responses.
- 45.** The fund must identify and consider different ways that it can respond to the risks identified during the risk assessment process and these responses must be noted in a risk register.
- 46.** The fund must be able to demonstrate that the risk management process provides for the identification and exploitation of opportunities to improve its performance.

47. The risks to be identified must not be limited to those which have a financial consequence, but must include risks which relate to the governance of the fund, and which may jeopardise the governance structure.

48. The fund is not expected to micro-manage the functions delegated to service providers, but those functions must, when delegated, contain sufficient detail to ensure that the service provider understands what is expected by the board and provide for reasonable right of recourse in the event that there is any breach of the delegated functions by the service provider.

49. The board must receive assurance regarding the effectiveness of the risk management process, for outsourced or delegated function.

50. The board must ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.

### **Fund expenses**

51. The board must perform regular review of services, against set performance standards, and fees and all costs associated with the operation of the fund in order to ensure that they are appropriate.

52. The board must ensure that the costs and expenses of the fund are managed efficiently.

### **Individual investment choice**

53. Subject to the Act, where the fund offers its members more than one investment choice-

- (a) the board must ensure that the investment portfolios from which members may make their selection are appropriate for the profile of the fund membership and strategy, and available investment options must be reviewed regularly for appropriateness in relation to the membership profile of the fund and strategy;
- (b) the board must ensure that the Act, the rules of the fund and any applicable legislation is adhered to in respect of transfers of members benefits and the board must exercise special care in relation to transfers to ensure that the rights and interests of members are protected;
- (c) the details of the investment options in respect of which members may make an election must detail the severity of any inherent or associated risk and the performance benchmarks, as well as the underlying type of investments;
- (d) members must be reminded periodically of the need to review the investment choices made by them;
- (e) in a defined contribution fund with individual investment choice, the board must make it clear that the members bear the investment risk;
- (f) where appropriate, the board must ensure that basic information is provided by the fund to the members to ensure that the members understand the investments and operations of the fund; and
- (g) in a defined contribution fund, the board must ensure that –

- (i) suitable investment choices are offered to members (including a suitable default investment option);
- (ii) the performance of the investment options are monitored;
- (iii) costs charged to members are optimised and disclosed in their disaggregated form; and
- (iv) members are provided with projections on expected benefits.

**54.** In making investment decisions, the board must give appropriate consideration to any factor which may materially affect the sustainable long-term performance of the fund's assets.

### **Insured funds**

**55.** Subject to the Act, where the assets of the fund consist exclusively or in part of insurance policies –

- (a) the board must ensure that the terms and conditions of the fund insurance policy issued by an insurer to the fund are reasonable and consistent with the provisions of the fund rules and the Act;
- (b) the board must ensure that the charges levied by the fund's insurer from time to time are reasonable in respect of the investment of the fund; and
- (c) the board must ensure that member's benefits are protected as envisaged in the Act.

## **PART 3 : MANAGEMENT OF STAKEHOLDER RELATIONSHIPS**

### **Fund information and access to fund information**

**56.** Subject to the Act, the board must ensure that –

- (a) trustees have unfettered access to all relevant information relating to the fund to enable them to make informed decisions;
- (b) all fund information is confidential and must not be released to any person unless such person has a lawful right thereto;
- (c) fund information such as its membership record and investment belongs to the fund, and the board must ensure that where this information is held by a service provider, the service provider will preserve its confidentiality and return the information to the fund when the relationship with the service provider is terminated;
- (d) the board is the ultimate custodian of the corporate reputation and stakeholder relationships and the board must take account of and respond to the legitimate interests and expectations of stakeholders in its decision-making;
- (e) stakeholder interests and expectations, even if not considered warranted or legitimate, must be dealt with and not ignored; and
- (f) all communication with members, beneficiaries and other stakeholders must be responded to promptly by or on behalf of the board and with thoroughness.

**Information technology governance**

57. The fund must understand the strategic importance of information technology and manage the associated risks, benefits and constraints and the responsibility for the information technology function must be assumed by the board.

58. Information technology must be aligned with the performance and sustainability objectives of the fund.

59. The board must ensure that information and information technology assets are managed effectively.

60. Where the administrative function of information technology is outsourced to service provider, the board must obtain the necessary assurances and satisfy itself that the information technology risks are managed effectively by the service provider in accordance with best practice principles of information technology governance and risk management.

61. The risk or audit function must consider information technology risk as a crucial element of the effective oversight of the risk management of the fund.

62. In understanding and measuring information technology risks, the risk or audit function must understand the fund's overall exposure to information technology risk from a strategic and business perspective, including the areas of the business that are most dependent on information technology for effective and continual operation.

**Employer and sponsor**

63. The board must be independent and maintain their independence in their relationship with the employer or a sponsor in matters pertaining to the governance of the fund.

**Reporting**

64. Reporting channels between all the persons and entities involved in the governance of the fund must be established in order to ensure the effective and timely transmission of relevant and accurate information.

**Disclosure**

65. The board must disclose relevant information to all relevant persons notably members and beneficiaries, employer, sponsor, supervisory authorities, auditors and valuator in a clear, accurate and timely manner, including any ruling made against the fund by the appeal body, court and any regulatory issues raised by NAMFISA and all deviations from fund rules.

**Prohibition of certain transactions**

66. The following transactions are prohibited:

- (a) financial donations by the fund administrator or sponsor of a fund to the fund; and
- (b) subsidisation of the expenses of the fund by the fund administrator or sponsor of the fund,

except for financial donations made or subsidisation of expenditure related to the fund's incorporation or registration.

**Non-compliance**

**67.** NAMFISA may take appropriate enforcement action in terms of Part 6 of Chapter 10 of the Act for non-compliance with this Standard.

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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021  
RETIREMENT FUNDS**

**MANNER AND FORM OF APPLICATION, BY A REGISTERED FUND, FOR  
CANCELLATION OF REGISTRATION OR VARIATION OF THE CONDITIONS  
SUBJECT TO WHICH REGISTRATION WAS GRANTED**

**Standard No. R.F.S.5.27**

issued by NAMFISA under section 410(2)(c), read with section 258(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 it must be read with 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) auditor;
    - (ii) NAMFISA;
    - (iii) principal officer;
    - (iv) retirement fund;
    - (v) valuator;
  - (b) as defined in section 249 of the Act –
    - (i) board;
    - (ii) fund; and
    - (iii) member.

**Applicability**

2. This Standard applies to all registered funds (hereinafter referred to as “applicants”) applying for cancellation of registration or for the variation of the conditions subject to which registration was granted, pursuant to section 258 of the Act.

**Requirements for application of cancellation or variation of conditions for registration**

3. An application for cancellation of registration or variation of the conditions for registration pursuant to section 258 of the Act must be submitted to NAMFISA in accordance with this Standard.

4. Pursuant to section 258(2) of the Act, an applicant that intends to apply for the cancellation of its registration granted pursuant to section 254, or variation of the conditions subject to which the 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 cancellation/variation of registration granted pursuant to section 254 of the Act;
- (c) file with NAMFISA, a copy of the notice published in terms of section 258(3) of the Act;
- (d) provide a copy of the resolution on the decision to cancel its registration or vary the conditions subject to which it was registered pursuant to section 254 of the Act;
- (e) provide proof of payment of the prescribed application fee (if any); 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 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 in terms of section 258(3) of the Act and clause 4(c), notify NAMFISA of the proposed intention to cancel the registration or to vary the conditions for which it was registered.

7. The applicant may, after NAMFISA has considered all objections received due to the published notice referred to in section 258(3) of the Act and clause 4(c), lodge an application with NAMFISA.

**General requirements**

8. An applicant must further specify the measures that the applicant shall take to discharge all its obligations, including contractual obligations and broker- and service provider agreements, and meet all of its liabilities.

9. No registered fund shall voluntarily wind-up or cease to carry on the business of a fund without the prior written approval of NAMFISA.

10. 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.

**11.** In instances where the application is deemed incomplete, NAMFISA must give the applicant the opportunity to provide the required information to complete the application. The required information must be provided within the period of seven days, or such other period stipulated or agreed to by NAMFISA, failing which the application shall be rejected.

#### **Application fee**

**12.** If applicable, an application must be accompanied by the required non-refundable fee as stipulated in terms of Standard GEN.S.10.23 – Fees.

#### **Submission**

**13.** (1) An application for cancellation of registration or for variation of the conditions subject to which it was registered must be signed by the principal officer of the registered fund or a duly authorised representative of the applicant, and submitted electronically to NAMFISA, together with supporting documents, on the NAMFISA ERS.

(2) Where necessary and when so directed by NAMFISA, the applicant must submit specified documentation to NAMFISA manually.

#### **Effect of cancellation of registration**

**14.** On and from the date of cancellation of the registration, the fund shall cease to act as a fund.

### **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 CANCELLATION OF REGISTRATION OR VARIATION OF CONDITIONS OF REGISTRATION OF A FUND

**SCHEDULE 1**  
(to Standard No. RF.S.27)

**FORM A - APPLICATION LETTER**

**APPLICATION BY REGISTERED FUND FOR CANCELLATION OF REGISTRATION/  
VARIATION OF CONDITIONS GRANTED PURSUANT TO SECTION 254 OF THE ACT**

In terms of section 258(2) of the Financial Institutions and Markets Act, 2021 (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 fund, in terms of section 258(2) of the Act; or  
the variation of conditions subject to which the fund was registered pursuant to section 254 of the Act;
2. I submit with this application all the required documents as per Standard RF.S.5.27; and
3. If applicable, the proof of payment of the application fee as prescribed in Standard GEN.S.10.23 – Fees, is enclosed with the application.

\_\_\_\_\_  
**SIGNATURE OF PRINCIPAL OFFICER OR DULY AUTHORISED PERSON**

Full names: \_\_\_\_\_

Date: \_\_\_\_\_

Capacity: \_\_\_\_\_

**SCHEDULE 2**  
(to Standard No. RF.S.5.27)

**FORM B - APPLICATION FOR CANCELLATION/VARIATION OF REGISTRATION  
GRANTED PURSUANT TO SECTION 254 OF THE ACT**

**Application for** – *(indicate the type of application)*

**Cancellation**

**Variation**

**1. RETIREMENT / BEBECIARY FUND**

Full Name (of fund): .....

NAMFISA Registration Number: .....

**2. CONTACT DETAILS**

Physical address: .....

Postal address: .....

Tel. Work: .....

Fax No: .....

Email: .....

### 3. DETAILS OF PRINCIPAL OFFICER

First Names: .....

Surname: .....

ID/Passport No: .....

Nationality: .....

Physical address: .....

Postal Address: .....

Tel. Work: .....

Email address: .....

### 4. DETAILS OF BOARD OF TRUSTEES

Name	Nationality	Elected/Appointed

Name of the Board Chairperson: .....

Board committees	Name of Chairperson(s) of committee(s)

### 5. NAME OF AUDITOR

.....

Name of professional regulatory body: .....

Membership No.: .....

### 6. NAME OF VALUATOR

.....

**7. NAME OF ADMINISTRATOR**

.....

**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/VARIATION SPECIFIC INFORMATION**

9.1 Is the fund cancelling its registration, or varying its conditions for registration?

Cancellation	
Variation	

9.2 In case of variation of conditions for registration, please indicate the conditions for which variation is sought below.

.....  
 .....

9.3 Does the fund have any liabilities at the time of cancelling/variation?

Yes	
No	

9.4 If the answer is yes, kindly furnish full details of the arrangements that the fund has made to meet all its liabilities.

.....  
 .....

9.5 Did the fund inform its Auditor and 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 Liquidation .....

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 .....

Total liquidator's fee (amount and percentage) .....

## **11. ATTACHMENTS REQUIRED**

Letter requesting for cancellation/variation of conditions to NAMFISA  
 Original certificate of registration (declaration under Oath where original lost)  
 Proof of settlement of liabilities  
 A certificate by the Auditor and Valuator respectively stating that the fund has no liabilities (where there is liability, furnish further details as would be directed by NAMFISA)  
 Copy of Board resolution for voluntary cancellation or variation decision  
 Bank letter confirming the closure of the bank account(s), three months after cancellation, if applicable  
 Resolution for change of objectives (if applicable)  
 Proof of communication in relation to 9.5  
 Proof of communication to members  
 If applicable, proof of payment of the prescribed application fee

### **SIGNATURE OF PRINCIPAL OFFICER OR DULY AUTHORISED PERSON**

By signing the document, I confirm that all the information contained in this application is true and correct and can be relied upon and I have disclosed all necessary material information that may be required by NAMFISA.

Full Name: \_\_\_\_\_

Capacity: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_