



Namibia Savings & Investment Association

Newsletter

Issue 26, April 2023



Cover image:

© Katie-moum/Unsplash

Copyright © 2023 NaSIA. All rights reserved.

This publication is not intended to be used as the basis for trading in the shares of any company or for undertaking any other complex or significant financial transaction without consulting appropriate professional advisers. No part of this publication may be copied or redistributed in any form without the prior written consent of NaSIA.

Editorial from the Secretariat

Written by
Meameno Johannes



Youth Unemployment in Namibia: How the Non-Banking Financial Sector can join the fight

Dear Members

Unemployment rate in Namibia has been unexceptionally high, particularly among young graduates. According to the 2018 Labour Force Survey, Namibia's unemployment rate stood at 33.4% with a youth unemployment rate of 46.1%. This number has since grown, given the shocks that have shaken the global economy in the past 5 years. The COVID-19 pandemic led to unprecedented disruptions in supply, demand, and productivity, which have had catastrophic health, social, and economic implications across the globe. During this time, economies experienced a period of high retrenchments and business failure due to the disruptions caused by Covid-19. Moreover, the interruption of trade in the Black Sea region due to the Russian-Ukraine war has disrupted global food, fertiliser, and energy supplies, which has resulted in global price hikes, of which Namibia was not spared, given that we are a net importing country.

The continuous increase in youth unemployment rate has long been seen as a national disaster due to the rampant nature of youth's restlessness, poverty, and inequality. If the rate of unemployment among the youths is not investigated, social problems such as crime, insecurity and lawlessness are inevitable. President Hage Geingob, in the last State of Nation Address (SONA) held in March of 2023, spoke on the issue of unemployment and made a U-turn on his earlier call to the Public Service Commission (PSC) to cut the wage bill, by saying that to respond to the challenges of unemployment, the Namibian Correctional Services (NCS), the Namibian Police (Nampol) and the Namibian Defence Force (NDF) will increase the number of intakes in 2023 by 300, 1000 and 1500, respectively. The President also indicated that an amount of N\$200 million will be allocated to the Education Ministry for the recruitment of new teachers.

In view of the current economic realities around the world, and in particular Namibia, it is apparent that government alone will not be able to combat the continuous astronomical increase in the rate of unemployment among the Namibian youth. It is therefore, advisable and expedient for stakeholders in the private sector to massively compliment the efforts of the government in the creation of jobs. Although it is not the government's duty to create employment for all, it is their duty to create a conducive environment to enable the private sector to create jobs. The Namibian government has worked on several initiatives to create a conducive environment for Small and Medium Enterprises (SMEs) by, inter alia, delegating to the Bank of Namibia and the Ministry of Finance and Public Enterprises, to relaunch the SME Economic Recovery Loan

Scheme with a share capital of N\$500 million. In addition, in the National budget tabled on the 22nd February 2023, the Minister of Finance and Public Enterprises announced that the corporate tax rate will be lowered to 30 percent by FY26 which is a step towards easing the tax burden on enterprises.

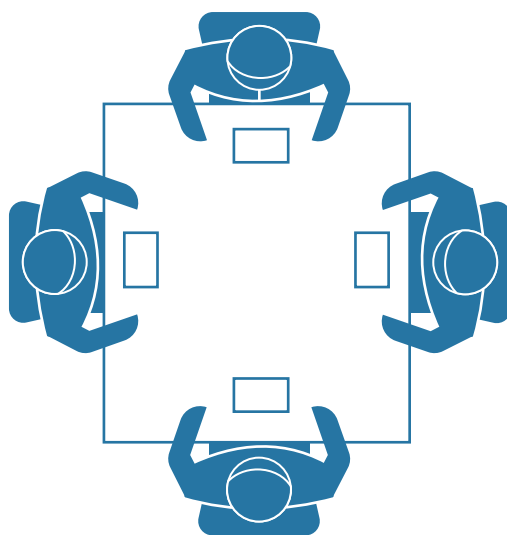
Namibia's financial and banking sector is relatively well developed and sophisticated. It is dominated by the Non-Banking Financial Institutions (NBFI) with assets worth a nominal value of over NAD350 billion as of December 2022. The Namibia Savings and Investment Association (NaSIA) represents the majority of the asset managers, unit trust companies and long-term insurance companies that make up the NBFI in Namibia. As an industry body, NaSIA has been proactively taking steps to partner with government on issues that affect the industry. The proposed NaSIA Enterprise and Supplier Development fund (NESDF) is an initiative that was proposed to its Board to be set up in order to support the SMEs which are linked to NaSIA members supply chain, however, for all Namibian SMEs to be empowered, it was advised that it should not be limited to enterprises within the members supply chain. Through this fund, NaSIA will be able to play a supportive role to sustainable job creation and value addition which will be a step in complimenting the efforts of government. The proposed Fund is intended to assist SMEs with some of their main challenges which is access to finance & access to markets. It is proposed that the Fund be capitalized through contributions by NaSIA members and the benevolence of the individuals who - and institutions which ascribe to the national objectives that are stipulated in VISION 2030 and the NEEEF. Although much attention has not been given to this proposal, it would be worthwhile to relook into this. Increase in the rate of unemployment among the Namibian youths has continued unabated and it is our duty as an industry to play our part in enhancing the society.

The NASIA Academy is another proposal that was presented to the Board that would play a role in ensuring that there is a perfect and efficient match between the jobs provided in the industry and the available skills. The NaSIA academy could play a role in alleviating the spate of youth unemployment by providing training to unemployed graduates, financially supporting training programs and participating in planning for skills acquisition amongst graduates. The Outsourcing standard talks about prohibiting the outsourcing of principal business functions. This is an opportunity for Industry to make sure that when the time come, there are individuals that will be able and capable to take up these roles.

The task to get rid of youth unemployment in the country is a herculean one. Government alone cannot create employment opportunities for all the unemployed youths. One of the solutions to this menace is for the government to collaborate with the private sector while simultaneously creating an enabling environment for job creation by concerned stakeholders. It will be extremely difficult for government to develop long-term solutions to youth unemployment without partnership with the private sector. The government can leverage on the willingness of some private partners by supporting initiatives such as the proposed NASIA Academy to support the creation of sustainable jobs necessary for contributing to economic growth.

“No society can surely be flourishing and happy, of which the far greater part of the members is miserable.” Adam Smith

1. Upcoming Meetings



Please take note
of the following meeting dates!

Month	Meeting Subject
9 May 2023	NaSIA Market Conduct Committee Meeting
10 May	NaSIA Transformation Skills Development and Education Committee Meeting
11 May	Research and Economic Savings Policy Development Committee Meeting
16 May	NaSIA Legal & Technical Committee Meeting
17 May	NaSIA Insurance Committee Meeting
23 May	NaSIA Investments Committee Meeting



ASISA

ACADEMY

2 Hour Online Investments Sprints



NaSIA, in collaboration with the ASISA Academy now offers live online 2-hour Sprint workshops on various topics relevant for individuals employed in financial services. Sprints are hosted by ASISA's team of expert presenters using online video meeting software.

Since April 2020, more than 200 people have participated in the ASISA Academy's online Investment Sprints which offer a wide variety of bite-size chunks of learning on specific investment topics and give you a taste for what is on offer on their longer courses.

Fees: Subject to a minimum of 6 participants in a Sprint, the fees are R715 + VAT per delegate per Sprint. NaSIA members qualify for an additional R100 discount per individual.

Special Discount: A discounted fee of R615 + VAT per person is available should your organisation enrol at least 5 staff in 3 or more different Sprints. NaSIA members qualify for an additional R100 discount per individual.

Bulk discounts are available for companies that purchase 15 Sprints or more.

ASISA have scheduled to run the following Sprints in April, May, and July 2023

No	Course Name	Course Date	Due Date
1	Investment management Ethics	5 April 2023	31 March 2023
2	Investment Management Business Overview	11 April 2023	6 April 2023
3	Introduction to the SA savings and investment sector	14 April 2023	7 April 2023
4	Responsible Investing	12 May 2023	5 May 2023
5	Derivatives	25 May 2023	19 May 2023

ASISA can also deliver in-house any of the Sprints listed in the brochure, or a completely different bespoke Sprint, for your organisation at a discounted fee if you have at least 6 staff who want to run.

To download a brochure with more detailed information, [click here](#).

Should you require more information or wish to enrol for a course, please follow this link to the ASISA Academy website: [Investment Sprints \(asisa.org.za\)](https://asisa.org.za)

Going Forward

The Secretariat will send out these Sprints as they come out monthly. We encourage all companies to enroll their employees for these courses. In addition to the discount offered to our members, investing into employee training and development will pay off for your business in the long run.

2. Short Courses

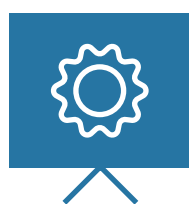


No	Course Name	Course Date	Time & Platform	Course Fees
1	The UCT Collective Investment Scheme (CIS) short course	9-11, 16-18, 23-25 May 2023	09h00-12h30 (Online)	R12,810 + VAT
		15-17, 22-24, 29-31 August 2023	09h00-12h30 (Online)	R12,810 + VAT
2	UCT Investment Management Administration & Client Servicing (IMACS) short course	15-17, 22-24, 29-31 August 2023	09h00 – 12h30 (Online)	R12,810 + VAT
3	UCT Life Insurance Claims Assessors short course	24 - 28 July 2023 14 - 18 August 2023	20 face to face full-day sessions	R 27 950 + VAT
4	Equity Analyst Short Course	11, 13, 14, 17, 20, 21, 24, 26 April and; 2, 3 May 2023	09h00 – 12h00 (Online)	R12,810 + VAT

IMACS Sprints combination

- In 2022, ASISA introduced a new flexible way to complete the UCT IMACS Short Course by participating in 12 of their existing 2-hour Investment Sprints within a 2-year period.
- Each Sprint fee is R760 + VAT (Full fee for 12 Sprints is R9,120 + VAT).
- The fee for the online assessment once all 12 Sprints are completed is R500 + VAT.
- For more information on this please view the UCT IMACS Short Course brochure.

To download a brochure with detailed course content and delivery approaches, [click here](#)



3. RFIN Trustee Training Dates

> RFIN - Rudiments

Training on the fundamental elements that a trustee needs before taking on advanced training targets are new trustees, new PO's aspiring trustees, refreshers for long serving trustees in anticipation of FIMA, etc.

Course	Month	Venue	Time	Price Inc VAT
Pension Fund Investment Management (FIMA)	June November	NUST - WHK Others TBC	08h30 - 12h00	N\$1,847 members N\$2,479 non-members
Member Engagements and Communication	June November	NUST - WHK Others TBC	08h30 - 12h00	N\$1,847 members N\$2,479 non-members
Budget for Pension Funds	June November	NUST - WHK Others TBC	08h30 - 12h00	N\$1,847 members N\$2,479 non-members
Pension Fund Annual Report	June November	NUST - WHK Others TBC	08h30 - 12h00	N\$1,847 members N\$2,479 non-members
Governance of Pension Fund: Trustee and PO roles and duties	June November	NUST - WHK Others TBC	08h30 - 12h00	N\$1,847 members N\$2,479 non-members
ESG Investments (Basics)	June November	NUST - WHK Others TBC	08h30 - 12h00	N\$1,847 members N\$2,479 non-members
Pension Fund Risk Register	June November	NUST - WHK Others TBC	08h30 - 12h00	N\$1,847 members N\$2,479 non-members

> RFIN – Supreme

Equipping Trustees to handle FIMA (Formulated on NAMFISA/FIMA: Requirements/obligation/Guidelines). Training on the In-Depth knowledge on the elements that a trustee needs in preparation for FIMA: targets are new and long serving trustees, new and long serving PO's, aspiring trustees etc. Follows on from RFIN Rudiments Training.

Course	Month	Venue	Time	Price Inc VAT
Pension Fund Investment Management (FIMA)	June November	NUST - WHK Others TBC	08h30 - 13h00 14h00 - 16h30	N\$ 2 648 members N\$ 3 997 non-members
Annual Reporting – regulatory under FIMA	June November	NUST - WHK Others TBC	08h30 - 13h00 14h00 - 16h30	N\$ 2 648 members N\$ 3 997 non-members
FIMA overview (changes to Pension Fund Act vs FIMA, Chapters & Regulations [main points], Legal Requirements, fund regulation)	November	NUST - WHK Others TBC	08h30 - 13h00 14h00 - 16h30	N\$ 2 648 members N\$ 3 997 non-members
Responsibilities, Obligations and Liabilities of Trustees and PO under FIMA	March June November	NUST - WHK Others TBC	08h30 - 13h00 14h00 - 16h30	N\$ 2 648 members N\$ 3 997 non-members



> **RFIN - Bespoke Training 2023**

Fund specific training. The fund will indicate what their training needs are picking from the RFIN Rudiments, Supreme or Tailored. Minimum 10 -20 maximum people per training, thus allowing for prospective trustees, company committee members and any others allowed by Board to also attend in aid of Retirement literacy.

Course	Month	Venue	Time	Price Inc VAT
RFIN Rudiments	On request	FUND Premises/ Organized	TBC	N\$ 10 000 members N\$ 15 000 non-members
RFIN Supreme	On request	FUND Premises/ Organized	TBC	N\$ 10 000 members N\$ 15 000 non-members
RFIN Tailored	On request	FUND Premises/ Organized	TBC	N\$ 10 000 members N\$ 20 000 non-members



> **Publications**

No new publications

4.Submissions

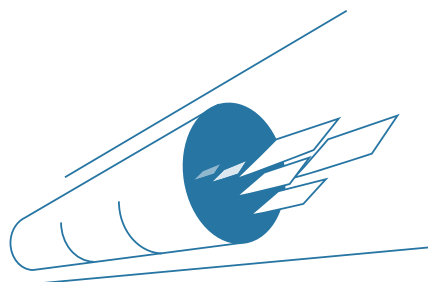


➤ **Submission done**

Stakeholder	Submission Dates	Matter	Committee
NAMFISA	31 March 2023	Official Submission by NaSIA on the Critical Rejected comments	NaSIA Industry
NAMFISA	31 March 2023	Official Submission by NaSIA on the Recently Gazetted FIMA Standards	NaSIA Industry



5. In The Pipeline



5.1 Financial Literacy radio recordings: This matter emanated from the NaSIA Board Strategic Session (held on the 31st of March 2022), where the NaSIA board stressed the need to educate the public as far as managing money is concerned. To this end, a financial literacy campaign was launched with NBC National Radio. The secretariat has identified the following topics to qualify for live interviews:

Definition and importance of investing/investments: What is investments; the difference between saving and investing; why one should save/invest (This was delivered in February 2023).

Unit Trusts/CISs: What is a unit trust; CIS managers; Is it an appropriate investment tool for most investors (This was delivered in March 2023); and

Investment goals: e.g., how to save for retirement, education, and emergency funds: The importance of goals; factors to consider; sticking to your plan (to be delivered by Etienne Le Roux during April 2023).

Please tune in to National radio for those inserts.

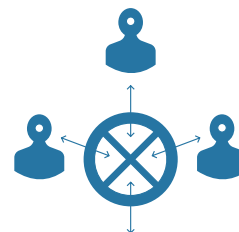
5.2 NaSIA is currently working on research papers, that seek to achieve the following objectives:

a) NaSIA paper on sustainable investment - Developing a NaSIA Environmental, Social, and Governance (ESG) disclosure framework for asset managers with an ESG focus. The framework is therefore designed to serve as a guide for asset managers to communicate information about their consideration of ESG in their investment strategy. This paper is a long-term project of the Investment Committee and will likely be on the agenda for the whole of 2023.

b) Contribution of the Insurance and Asset management Industry to the state revenue – Provide NAMRA with a comprehensive picture of how the Namibian Insurance and Asset Management Industry operates, as well as its contribution to State Revenue, with the view to strengthen NaSIA's position when engaging the tax authority. The research emanated from a request by NAMRA following a courtesy visit by NaSIA held on 11 November 2022.

c) NAMFISA levies on Authorised Financial Service Providers - The current NAMFISA levy structure presents a challenge to the industry (specifically investment management) in that it requires unit trusts to pay double levies on the basis of their AUM. The paper aims to request clarity from NAMFISA on the rationale for requiring Investment Managers to include the AUM of Unit Trusts in their AUM for the purposes of levies computation, especially considering that the same assets would have already been levied at the unit trust level.

6. Stakeholder Engagements



Stakeholder	Date of Engagement	Key Outcomes
Namibia Institute of Corporate Governance “NICG”	1 March 2023	<p>ISSUES DISCUSSED:</p> <ul style="list-style-type: none"> NaSIA previously held a discussion with the Namibian Stock Exchange (NSX) on the role of stock exchanges in steering ESG disclosures. At that meeting, the NSX indicated that they can only issue prescriptive guidelines to a few locally listed companies. If the process is made very cumbersome, it scares away more companies to come and list. NaSIA therefore, arranged for another meeting with the Namibia Institute of Corporate Governance (NICG) on the 1st of March to discuss to the manner in which the two institutions can collaborate on in this specific area as the NICG is active not only on corporate governance but also on ESG. It was mentioned that the issue of ESG is one of those that is broad and still new. In Namibia, there is currently an understanding on what it means, but not how to go about adopting it. Consequently, pushing for ESG is another focal point that various stakeholders ought to carefully consider. It was mentioned that the topic ties very well into the conference that the Namibia Institute of Corporate Governance is hosting. It will be of great value for NaSIAs Investment Committee members to attend the conference as it will cover a wide range of topics including: <ul style="list-style-type: none"> Governance of natural resources and how the same resources are used to impact society, issues around governance ethics, transparency, whistleblowing etc. The NICG will also introduce the Governance Excellence Awards (The criteria that informs the basis on which these awards will be granted will also emanate from the discussions at the conference). Just energy transition – Whether Namibia can move away from its traditional energy sources i.e., is it realistic to move to Green Hydrogen

Stakeholder	Date of Engagement	Key Outcomes
Namibia Institute of Corporate Governance “NICG”	1 March 2023	<p>ISSUES DISCUSSED:</p> <ul style="list-style-type: none"> • Management of state asset – whether state assets are being managed properly; • Ethics and transparency – The environment being created to see to it that resources are being properly managed and distributed. • The pillars of ESG with a closing discussion on the way forward i.e., do we need an ESG reporting guideline, what should we do with the codes that already exist, should we even be applying them etc. • A fireplace conversation will also be arranged after the conference, where industry experts will sit together, to discuss how certain governance principles should be applied, whether governance should be legislated and how local entities can be empowered to report on ESG. This session will also look at how all the brilliant ideas can be translated into implementable plan of action. • The NICG is not just hoping to host a conference where people can meet and have good conversations, but they also want to hold people accountable.
Namibia Investment Promotion and Development Board and relevant stakeholders	02 March 2023	<ul style="list-style-type: none"> • The NIPDB hosted a Business Support Organisations “BSOs” stakeholder engagement session on the 02nd of March 2023. • The event served as a platform through which BSOs and sponsors can be enlightened about the various initiatives in the country and how resources can be more efficiently mobilised through collaboration in order to unlock access to finance, market, capacitation, and information by MSMEs.
BON Cyber Security Council	13 March 2023	<ul style="list-style-type: none"> • The first Cyber Security Council meeting was held virtually. It is trite that cyber risks can result in financial losses for financial institutions. • The rationale for the Council is to introduce contingencies that will ensure business continuity in instances of cyber-attacks. It was noted by the council that cyber risks requires close collaboration, coordination, and sharing experience of industry. This is thought to improve the overall cyber resilience of a national financial system. • The council further resolved to build a good information and intelligence sharing network. This is intended to improve threat detection capabilities. Furthermore, a national Computer Security Incident Response Team (“CSIRT”) will be established after the passing of the Cyber Security Bill.

Stakeholder	Date of Engagement	Key Outcomes
NIPDB Workshop on BITs and Commercial Dispute Resolution Mechanisms	16 March 2023	<p>ISSUES DISCUSSED:</p> <ul style="list-style-type: none"> • NIPB held a workshop on Bilateral Investment Treaties (BITs) and commercial dispute resolution mechanisms. The workshop was conducted by various international experts on the subject who discussed the following: • BITs serve an important purpose. Research shows that the most common hypothesis advanced to assess the economic effect of BITs is based on a double assumption: (1) BITs encourage capital flows to recipient countries and (2) that such capital flows yield economic benefits for home and host societies. • The workshop considered the possible impact of existing BITs on both the Namibian state and investors into new sectors such as green hydrogen, renewable energy as well as oil and gas. • Lastly, the workshop considered various perspectives on BITs and dispute resolution and engaging in discourse thereon.

NaSIA

Namibia Savings & Investment Association

Namibia Savings and Investment Association (“NaSIA”) is incorporated as a not-for profit company and represents the interest of its members; financial institutions such as unit trusts companies, investment managers and long-term insurers. NaSIA’s strategic purpose and mandate is to continue to strengthen relationships with key stakeholders and to remain a trusted partner to these stakeholders in the financial services industry. NaSIA has been tasked with ensuring that as a collective the industry remains relevant and sustainable.

[Please Subscribe to our Newsletter](#)

Namibia Savings and Investment Association
P.O. Box 253
Windhoek
Namibia