



Namibia Savings & Investment Association

Newsletter

Issue 30, August 2023

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Editorial from the Membership

Expert Perspective

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Artificial intelligence transforms financial planning and management

Dear members,

It is with great pleasure that we present to you our August 2023 newsletter!

When it comes to financial planning and management, artificial intelligence (AI) is rapidly becoming one of the most important tools at our disposal. In a world where market conditions can change rapidly and unexpectedly, being able to rely on AI to help us make informed decisions about our finances can be the difference between success and failure.

So, what exactly is artificial intelligence, and how will it impact our finances in the years to come? In this article, I take a look at what AI is, how it's being used in the world of finance today, and what the experts think it will be like going forward?

What is Artificial Intelligence?

In short, artificial intelligence is the ability of computers to perform tasks that would normally require human intelligence, such as understanding natural language and recognizing patterns.

How is AI being used in finance today?

When it comes to finance, artificial intelligence can be used in a number of different ways. For example, AI can be used to help identify trends in the markets, make predictions about future market movements, and even provide recommendations on where to invest your money.

At present, AI is being used in several different ways to improve the efficiency and effectiveness of financial services. Amongst the improvements is the ability to better detect and prevent fraud. AI can help financial institutions to identify fraudulent activity more quickly and accurately. This can help to protect customers from loss and save businesses money.

It can also help us to improve our customer service, as we are now able to create a more personalised, efficient and custom-made journey.

It's important to reflect on the role that AI plays in our lives - especially when it comes to our finances. Since the early days of computing, AI has been developed and refined to help

automate routine tasks with Robotics Process Automation. In recent years, AI has become more sophisticated and is now being used in a variety of industries to assist with tasks that are typically seen as more complex or difficult for humans to do.

Simply put, AI can help us make better financial decisions. For example, AI can be used to analyse large data sets to identify patterns and trends that we may not be able to see ourselves. This information can then be used to make more informed decisions about investing, spending, and saving.

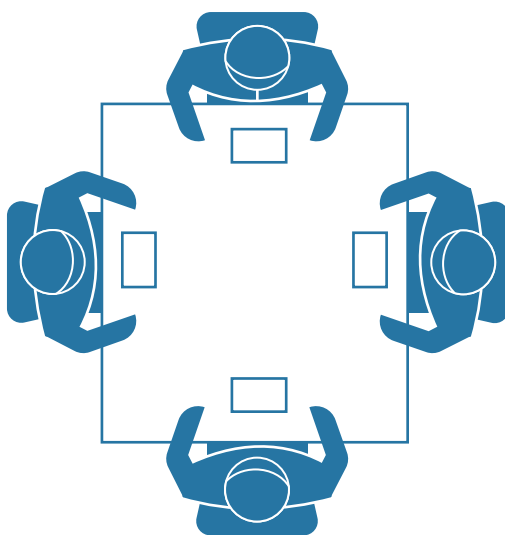
AI can also be used to provide tailored financial advice that is specific to our individual needs and circumstances. This is because AI can take into account a range of personal data points - such as our income, expenditure, debts, assets and goals - to provide us with personalised recommendations.

What's more, AI can help us to automate and stay on top of our money without having to put in a lot of time and effort. For example, AI-powered software can be used to track our spending, monitor our bank balances and alert us to any unusual activity. AI can also be used to help us stay disciplined with our budgets by sending us reminders and notifications when we are close to overspending.

It's important to remember that AI is still in its infancy stage and there is still a lot of development needed, but with refinement and growth, this is an area worth exploring and investing in.

Best Regards for the Month of August.

1. Upcoming Meetings



Please take note
of the following committee meeting dates
(third round):

Month	Meeting Subject
5 Sept 2023	Market Conduct Committee
6 Sept 2023	Transformation Skills Development and Education Committee
7 Sept 2023	Research and Economic Savings Policy Development Committee
19 Sept 2023	Legal & Technical Committee
20 Sept 2023	Insurance Committee
21 Sept 2023	Investments Committee



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 August and September 2023

No	Course Name	Course Date	Due Date
1	Compliance - Prudential Investment Guidelines	2 August 2023	27 July 2023
2	Fundamentals of Pricing and Unitization	10 August 2023	4 August 2023
3	Investment management ethics	16 August 2023	9 August 2023
4	Introduction to the SA savings and investment sector	18 August 2023	11 August 2023
5	Investment management business overview	5 Sept 2023	30 August 2023
6	Investment products and structures	7 Sept 2023	1 Sept 2023
7	Derivatives	13 Sept 2023	7 Sept 2023
8	Responsible investing	15 Sept 2023	9 Sept 2023

9	The investments governance landscape	19 Sept 2023	13 Sept 2023
10	Investment performance overview	21 Sept 2023	15 Sept 2023
11	Compliance - CISCA	27 Sept 2023	21 Sept 2023
12	Investment management fees and costs in the context of retirement funds	29 Sept 2023	25 Sept 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://www.asisa.org.za/investment-sprints)

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

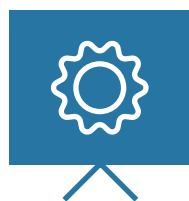


No	Course Name	Course Date	Time & Platform	Course Fees
1	The UCT Collective Investment Scheme (CIS) short course	15-17, 22-24, 29-31 August 2023	09h00-12h30 (Online)	R12,810 + VAT
			09h00-12h30 (Online)	R12,810 + VAT
2	UCT Investment Management Administration & Client Servicing (IMACS) short course	15-17, 22-24, 29-31 August 2023	09h00 – 12h30 (Online)	R12,810 + VAT
3	UCT Life Insurance Claims Assessors short course	14 - 18 August 2023 11 - 15 Sept 2023 16 - 20 Oct 2023	20 face to face full-day sessions	R 39 350 + 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)	November	NUST - WHK Others TBC	08h30 - 12h00	N\$1,847 members N\$2,479 non-members
Member Engagements and Communication	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	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	November	NUST - WHK Others TBC	08h30 - 12h00	N\$1,847 members N\$2,479 non-members
ESG Investments (Basics)	November	NUST - WHK Others TBC	08h30 - 12h00	N\$1,847 members N\$2,479 non-members
Pension Fund Risk Register	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 needed by trustees 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	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.

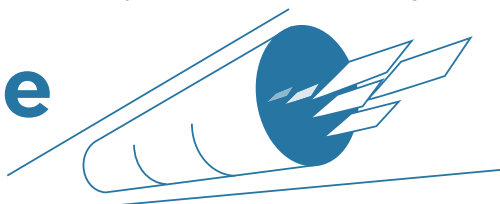
Course	Month	Venue	Time	Price Inc VAT
RFIN Rudiments	On request	FUND Premises/ Organized	TBC	N\$ 10 000 members N\$ 15 000 non-members
RFIN Supreme	On request	FUND Premises/ Organized	TBC	N\$ 10 000 members N\$ 15 000 non-members
RFIN Tailored	On request	FUND Premises/ Organized	TBC	N\$ 15 000 members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



> **Submissions done:**

No submission was done during the month July.

5. In The Pipeline



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

a) ESG and Sustainable Investment - The topic of ESG is widely gaining momentum and different global bodies such as the European Financial Reporting Advisory Group (EFRAG), The Global Reporting Initiative (GRI), The International Sustainability Standards Board (ISSB), The United Nations Development Program, are at the forefront of developing standards and frameworks in an attempt to enable businesses and organizations report (in a transparent manner) their impact in countries and societies in which they operate. On 26 June 2023, the ISSB launched IFRS S1 and IFRS S2, all aimed at standardising and harmonising ESG reporting and disclosure across various jurisdictions. Quite frankly, most of these standards are being pushed by the “global north” onto the “global south”, and not much consideration has been made to unpack them in the context of country specific circumstances and capital markets. As a proactive industry body, NaSIA embarked on this journey with various stakeholders (such as the NSX) with the ultimate goal of coming up with (albeit voluntary) two frameworks, (1) for companies (whether listed or not) that want to enhance their disclosure in order to attract ESG focused investors, (2) for asset owners (and indirectly asset managers) that want to incorporate ESG considerations in their investment strategy or portfolio construction. These engagements are on-going and will take time to finalize, given the ever-changing ESG landscape. This is a long-term project for the NaSIA Investment Committee and will likely be on the agenda through to 2024.

b) Contribution of the Life Insurance and Asset Management Industry to State Revenue – To provide NAMRA with a comprehensive picture of how the Namibian Insurance and Asset Management industries operate as well as their contribution to state revenue. The research emanated from a request by NAMRA following a courtesy visit by NaSIA held on 11 November 2022. The aim of which is to fortify and maintain a positive stakeholder relationship with the tax authority. The Board endorsed the research on 30 March 2023. The research is currently falling under the auspices of the NaSIA Insurance Committee, which is busy reviewing and offering feedback on the secretariat’s first draft. The secretariat hopes to have an engagement with NAMRA in Q4.

6. Stakeholder Engagements



Stakeholder	Date of Engagement	Key Outcomes
Bank of Namibia “BoN”	4 July 2023	<p>ISSUES DISCUSSED:</p> <p>Financial Sector Strategy and Charter</p> <ul style="list-style-type: none"> NaSIA arranged for a meeting with the Bank of Namibia “BoN”, to understand how the Central Bank is progressing with re-launching the Financial Sector strategy, and what that would mean for industry (NBFIs) in regard to re-launching the Financial Sector Charter. The BoN expected the new Financial Sector Strategy to be finalized last year. The task of preparing the initial draft was outsourced to a SADC sponsored consultant. This has led to there being significant delays in the process of finalizing the new Financial Sector Strategy. The BoN is busy effecting the final changes to the new draft Financial Sector Strategy. This exercise is expected to be concluded within the course of 2023. The BoN has identified various pillars, that they would want the Financial Sector Strategy to contain. These include issues of Skills Development, localisation, and ownership etc. The strategy will have to go through all the necessary phases, and the industry will also be afforded an opportunity to provide input into the draft Financial Sector Strategy. Given that the Financial Sector Charter has now come to an end (in 2019), industry seeks to understand where the gaps lie (within the transformation pillars of the charter), to ascertain whether the score cards set out in the initial charter need to be re-aligned, and to determine what the relevant weighting for each pillar should be. Industry also seeks to ensure that the principles (which the new charter would constitute), are aligned with the ideals of the Bank of Namibia (which is championing the Financial Sector Strategy), and more importantly, with the transformation legislation i.e. Namibian Economic Equitable Empowerment Bill “NEEEB”. That can only happen if industry is on the same page with the bank as the regulator, and the policy makers, in terms of what they would like to see in NEEEB.

Stakeholder	Date of Engagement	Key Outcomes
		<p>ISSUES DISCUSSED:</p> <ul style="list-style-type: none"> • The challenge is that the uncertainty around the implementation of NEEEB puts the industry in a difficult situation. Drafting the new Financial Sector Charter would necessitate commitment of industry's effort, time, and resources. Moreover, something else (beyond industry's control) might arise within the course of drafting the new charter, which might not align with findings and ideals of the regulators and policy makers. • Given that the BoN intends to finalize the new Financial Sector strategy within the course of this year, the industry will seek to align its review of the charter around the same time, and continue engaging with the BoN, to provide input into the overall strategy, regardless of whether NEEEB will be enacted soon or in the near future. • NaSIA advised the BoN to familiarize itself with the Financial Sector Charter report, and also use that as input into their new Financial Sector Strategy. It would help if the BoN looks at work that has already been done, as opposed to starting from scratch, especially when considering the Namibian Financial Sector. • The BoN will revert once they have reviewed the Financial Sector Charter report, on a potential date for engagement with NaSIA.

Stakeholder	Date of Engagement	Key Outcomes
Business and Intellectual Property Authority “BIPA”	18 July 2023	<p>ISSUES DISCUSSED:</p> <p>The Secretariat attended the Business and Intellectual Property Authority (‘BIPA’) regional stakeholder Consultations on the Corporate Law Reform in Namibia held on 18 July 2023. The reform aims to replace the archaic laws governing companies and close corporations. During the consultation, no draft bills were presented by BIPA, however, the consultation was theme driven. In total, 12 various themes have been discussed. BIPA highlighted its willingness to ensure that the reform considers the views of all stakeholders, given that the proposed reform affects not only the administration and registration of business entities, but also other issues concerning companies and close corporations. Below are some of the crucial changes that the suggested reform will bring about, among others:</p> <ul style="list-style-type: none"> • Decriminalisation of company law (administrative penalties will be introduced). • Introduction of an independent Company Tribunal that will ensure cost effective and expeditious resolution of disputes. • Introduction of an Ad hoc Panel of Experts on mergers, takeovers & offers that will oversee mergers and acquisitions in Namibia. • Doing away with close corporations and changing them into Closely Held Company (‘CHC’)- Various new rules are being introduced with regards to CHCs. • Abandonment of the capital maintenance rule and replacing it with a solvency and liquidity test for distributions. • Doing away with par value shares. • Introduction of the business rescue process replacing the judicial management process currently in the Companies Act, 2004 (Act No. 28 of 2004). • Partial codification of corporate governance principles as far as the duties of directors are concerned.

Stakeholder	Date of Engagement	Key Outcomes
Business and Intellectual Property Authority “BIPA”	18 July 2023	<p>In a nutshell, according to BIPA, the following principles below are guiding the reform:</p> <ul style="list-style-type: none"> • Foster transparency and install a culture of sound corporate governance in businesses • Including codification of directors’ duties and directors’ liability standards. • Inspire entrepreneurship through simplified and modernised formation of business entities. • Including the automation of the whole company registration process. • Reduce the costs associated with forming and maintaining a company through the transformation of current paper-based to digital processes, thereby ensuring its sustainability. • Promote/support the use and application of new technologies to ease interaction with BIPA, in order to improve the ease of doing business. • Encourage investment and innovation through an effective and predictable regulatory business environment. • Promote the efficiency of companies and management thereof. • Including the enactment of original board powers and extension of board powers to raising of equity. • Ensure alignment and harmonization with best practice jurisdictions internationally.

Stakeholder	Date of Engagement	Key Outcomes
Bankers Association of Namibia “BAN”	27 July 2023	<p>ISSUES DISCUSSED:</p> <ul style="list-style-type: none"> • Multiple Cessions, an industry rule requiring all Long-Term Insurers to create systems or platforms which accommodate Multiple Cessions on a client’s life insurance policy, became effective on 1 January 2022. • Long-Term Insurers were further required to ensure that their systems are integrated with the Banking Institutions’ systems to ensure effective implementation. • The actual implementation of Multiple Cessions of Life Policies has brought about uncertainty across the Insurance Industry, in so far as treating death, rider and related benefits. This is mainly because insurers are not usually clear on what information banks would require in an event that splitting takes place. • To that end, NaSIA and BAN (having also deliberated on the matter), deemed it necessary to arrange for a Joint Information Sharing Session on Multiple Cession of Life Policies (Splitting of Benefits). • During the session, NaSIA members (Insurers) presented to the banks, the various benefits that qualify to be included in a cession i.e Death, Disability, Functional Impairment, Physical Impairment etc, and those that do not qualify to be included in a cession i.e Cash Back, Hospital, Tombstone etc. • Insurers also presented to the banks the difference between Stand Alone and Accelerator benefits (and how each of these benefits work and how they would impact a cession), as well as additional guidance in terms of how banks should go about registering a cession i.e. what information to include, the amount to be ceded per benefit etc. The aim is to ensure that both insurers and banks fully understand what information to request or provide, in an event that splitting takes place. • This engagement was fruitful as it provided our members and banks an opportunity to iron out misunderstandings and other issues, so as to allow the smooth implementation of this directive, ultimately avoiding over insurance and leading to savings on the part of the consumers.

Stakeholder	Date of Engagement	Key Outcomes
Namibian Stock Exchange “NSX”	28 July 2023	<p>ISSUES DISCUSSED:</p> <p>NaSIA had meeting with the Namibia Stock Exchange and the Namibia Institute of Corporate Governance (‘NICG’) to discuss matters relating to coming up with a sustainability reporting framework for Namibia and the criteria used to list green bonds. This is at the back of the newly released International Sustainability Standards Board (‘ISSB’) sustainability disclosure standards (IFRS S1 and IFRS S2). The following outcome points for the meeting should be noted:</p> <ul style="list-style-type: none"> • The NSX has indicated that it does not intend to enforce IFRS S1 and IFRS S2 because of their prescriptive nature (it should be done on a voluntary basis). Although the NSX has acknowledged the need for certain industries to incorporate these principles in order to attract financing. • The NSX has advised that NaSIA comes up with five principle-based framework on sustainability reporting that makes sense for the Namibian market. This standard must be tailor made to fit the Namibian ecosystem. Furthermore, the IFRS S1, IFRS S2, and the UNPD Principles on Sustainability disclosures should be used as only an external benchmark for producing the framework. 

Stakeholder	Date of Engagement	Key Outcomes
Ministry of Finance “MoF”	31 July 2023	<p>ISSUES DISCUSSED:</p> <ul style="list-style-type: none"> NaSIA held an initial engagement with Helvi Phillipus – Economic Advisor at the Ministry of Finance on the 14th of April 2023. At the time, Helvi indicated that the Sovereign Wealth Fund Draft Bill was being revised, and comments provided during the first round of consultations were still being incorporated. Several principles also needed to be revised. NaSIA therefore arranged for another follow up meeting on the 31st of July 2023, with the view to understand how the MoF is progressing with crafting the Sovereign Wealth Fund “SWF” Draft Bill. Helvi indicated that the MoF is now finalising inputs into the Sovereign Wealth Fund Draft bill from various stakeholders, after which the approval processes will commence i.e Approval by Cabinet Committee on Treasury “CCT”, Cabinet Committee on Legislation “CCL”, and Cabinet itself. The aim is to have the bill tabled before Parliament during FY2024/25. She further presented the following principles, upon which the current bill is premised: Institutional Framework – Background research was initially carried out by the Bank of Namibia “BoN” in 2008 and 2018. The Bank sought to understand how the Sovereign Wealth Fund for Namibia could potentially look like. The “Pula Fund” of Botswana, the “Fiscal Stabilization Fund” of Peru, and the Norwegian Fund were used as benchmarks. The BoN tried to find a formula that makes sense for Namibia, given its unique circumstances. Some suggestions given by various stakeholders include (amongst others), ensuring that the fund has some degree of operational independence to fulfil its objectives for existence. The idea is to have an independent board i.e., a layer that does not only consist of representatives from the BoN. This may include professionals from the Investment Industry, Civil Society etc., to whom the BoN can account, in regard to the operational affairs of the fund. These provisions are now contained in the current draft bill.

Stakeholder	Date of Engagement	Key Outcomes
Ministry of Finance “MoF”	31 July 2023	<ul style="list-style-type: none"> • Governance – The Ministry of Finance is the custodian of the Fund, and the Minister of Finance will act as the Trustee of the Fund. The Bank of Namibia is the primary Asset Manager of the fund and is granted the opportunity to appoint other Fund Managers. • Legal Identity - The MoF seeks to ensure that the SWF for Namibia has a distinct Governance structure that is enshrined in law. • Transitional Arrangements – The fund size is one of the few things that the MoF has not yet considered. The MoF is leaning more towards defining the size of the fund, because the Board of Directors and members of the Investment Committee would have to be remunerated. If the fund is not of a significant size, the costs might become an issue. • Objectives of the Fund – Given that Namibia is a country endowed with natural resources, the MoF wants to ensure that the Non – Renewable Resources that the current generation is extracting from the ground will be of benefit to the future generation. The fund will therefore consist of two accounts: The Stabilisation Account and the Intergenerational Account. • The meeting was well attended and NaSIA members provided some valuable input. The bill was also shared with the entire membership based to solicit input, with a deadline of 31 August.

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.

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