

The logo for NaSIA, with 'Na' in white on a blue square and 'SIA' in blue on a white background.

Namibia Savings & Investment Association

Newsletter

Issue 27, May 2023



Cover image:

© iStock

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
Godfrey Haixuna



The Non – Banking Sector’s Role in driving Digital Transformation

Dear members,

It is with great pleasure that we present our May 2023 newsletter.

The Namibian financial services industry is undergoing an unprecedented transformation driven by digital technologies. The last three years have taught us that financial institutions that learn from and evolve with emerging technologies are likely not only to survive, but also thrive during these uncertain times. The pandemic and resultant lockdowns did not only make remote interactions with clients and employees a sudden necessity, but it has also placed financial institutions on a path of digital transformation. To keep up with this fast-changing world, the Non-Banking Financial Sector “NBFS”, like any other sector, must keep pace with the rising expectations of information technology and digital transformation.

With a total asset size of N\$370,6 billion as at 31 December 2021, the NBFS is arguably one of the critical sectors that contributes significantly to the socio-economic development of the country. As other sectors forge ahead, the NBFS cannot afford to lag behind in realising the value that technological developments and upgrades bring about. Digital transformation allows Non-Banking Financial Institutions “NBFI” to not only respond to the changing demand for financial products and competition in financial services, but also promote access to financial products and services easily (particularly to the country’s underserved population) and ultimately contribute to the realisation of a digital economy.

The rise in tech-based financial solutions enterprises “FinTechs” has prompted regulators of the financial services sector to change their risk assessment tools and methodologies. Moreover, it has allowed for strengthened collaborations between regulators and the financial sector as a whole, in view of achieving the common objective of meeting the digital transformation needs of the industry, while also modernising our financial system, in support of the national push for digitization, in line with the 4IR aspirations of the Harambee Prosperity Plan II (HPP2). It is on that basis that NAMFISA launched its first-ever innovation hub (FinTech Square) on the 19th of August 2022. The hub connects the regulator with innovators and provides an opportunity for innovators to participate safely in the transformation of the financial services industry.

While technological innovations make financial services more diverse, competitive, and inclusive, we however, cannot ignore their implications on the financial services sector through

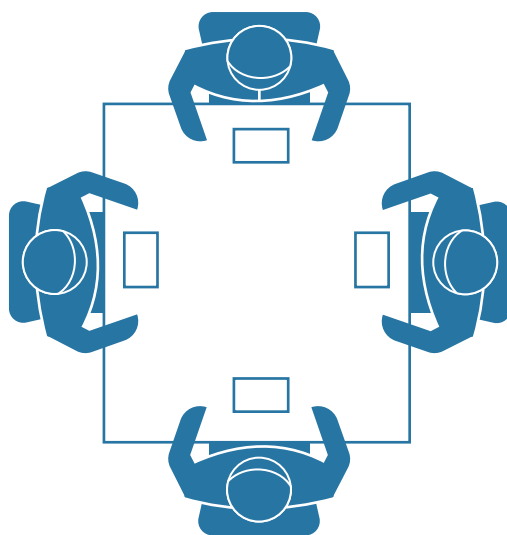
emerging risks and vulnerabilities. It goes without saying that building resilience and capabilities in cybersecurity requires collective effort and collaboration by all sector participants. On that basis, the financial services sector (including regulators and industry associations) launched the country's first ever Cyber Security Council on the 21st of November 2022. This has proven to be an important platform, through which the Banking and Non-Banking Financial Services industry engages in conversations and develops tactical strategies geared towards combating cyber fraud within the industry.

As you may all be aware, NaSIA (in the submission of 30 November 2022) highlighted a number of key concerns to the Ministry of Information and Communications Technology "MICT", as far as implementation of the Data Protection Bill is concerned. The Ministry is currently in the process of finalizing the bill for presentation to the Cabinet Committee on Legislation (CCL), after which it will be tabled in the National Assembly.

Finally, the Secretariat will continue to call for platforms to engage our members on issues facing industry, to see to it that all members are afforded their seat at the table fostering co-operation.

Happy reading.

1. Upcoming Meetings



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

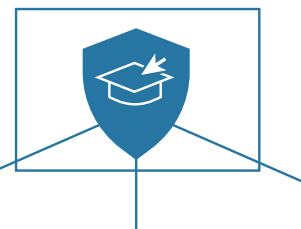
Month	Meeting Subject
9 May 2023	Market Conduct Committee
10 May 2023	Transformation Skills Development and Education Committee
11 May 2023	Research and Economic Savings Policy Development Committee
16 May 2023	Legal & Technical Committee
17 May 2023	Insurance Committee
23 May 2023	Investments Committee



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 May 2023

No	Course Name	Course Date	Due Date
1	Fundamentals of retirement funds and life insurance	2 May 2023	25 April 2023
2	Compliance - CISCA	3 May 2023	26 April 2023
3	The investment governance landscape	10 May 2023	3 May 2023
4	Responsible Investing	12 May 2023	5 May 2023
5	Fundamentals of pricing and unitisation	16 May 2023	12 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

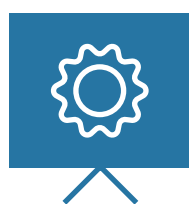


No	Course Name	Course Date	Time & Platform	Course Fees
1	The UCT Collective Investment Scheme (CIS) short course	9-11, 16-18, 23-25 May 2023	09h00-12h30 (Online)	R12,810 + VAT
		15-17, 22-24, 29-31 August 2023	09h00-12h30 (Online)	R12,810 + VAT
2	UCT Investment Management Administration & Client Servicing (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 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)	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 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	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

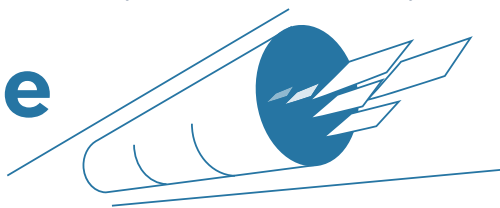


➤ **Submission done**

Stakeholder	Submission Dates	Matter	Committee
Payment Association of Namibia “PAN”	4 April 2023	Payroll Deduction Codes	Insurance Committee
Bankers Association of Namibia “BAN”	26 April 2023	Multiple Cessions of Life Policies: Uncertainty with Regards to the Splitting of Benefits	Insurance Committee



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 (This was delivered by Etienne Le Roux during April 2023).
- The value of financial advice and Investor protection (FIMA): The role of the advisor; risks of DIY investing; holistic financial advice as a concept (e.g. how life insurance, investments, medical aid and other products tie in together) (This will be delivered Mathys Du Preez during May 2023).

Please tune in to National radio for those inserts.

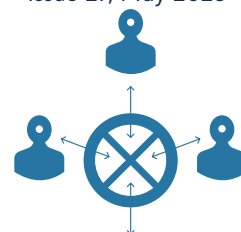
5.2 NaSIA is currently working on research papers, that seek to achieve the following objectives:

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. The Board endorsed (on 30 March 2023) the secretariat to go ahead and the Insurance committee is seized with the matter.

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. The paper will be soon be shared with all members and an industry meeting will be set up to allow industry to provide their input.

6. Stakeholder Engagements



Stakeholder	Date of Engagement	Key Outcomes
Ministry of Finance and Public Enterprises	4 April 2023	<p>ISSUES DISCUSSED:</p> <ul style="list-style-type: none">• NaSIA arranged for a meeting with Helvi Phillipus – Economic Advisor at the Ministry of Finance on the 14th of April 2023 with the view to understand how the MoF is progressing with the crafting of the National Sovereign Wealth Fund.• It was mentioned that the idea to establish a National Sovereign Wealth Fund was brought about by the High-level Panel on the Economy. After the idea got “political indorsement”, the authorities prepared a Policy Framework that details how the Sovereign Wealth Fund would look like. The framework was approved by Cabinet in 2021, which led to the launch of the Welwitschia Fund on the 12th of May 2022. The idea for the launch was to make a public declaration (in relation to the establishment of the fund). A Seed capital of N\$ 300 million was parked into the fund.• The Bank of Namibia “BoN” carried out background research as far back as 2008 and then again in 2018, thereby looking at the what the Sovereign Wealth Fund for Namibian could potentially look like. The BoN carried out a case study that looked at the Sovereign Wealth Funds of three countries - Pula Fund of Botswana, The Stabilization Fund of Peru, and the Norwegian Fund of Norway.• The MoF prepared a draft bill which contains the fund rules. The bill is currently being revised, and comments provided during the first round of consultations are also being incorporated. There are also a number of principles that still need to change e.g., There being a clear distance between the BoN and the fund as far as governance is concerned. The idea is to either have an independent board or public accountability board i.e., an additional layer that does not consist of people within the BoN (this could be professionals from the investment industry, civil society etc), to which to the BoN can account as far as the operational affairs of the fund is concerned.• The MoF anticipates that the incorporation of changes will be done by latest end of May 2023. By then, the MoF will have a revised bill that will be tabled before the Cabinet Committees before it goes to Parliament. The plan is to have it enacted into law during the 24/25 financial year.

Stakeholder	Date of Engagement	Key Outcomes
Bank of Namibia “BoN”	17 April 2023	<p>ISSUES DISCUSSED:</p> <ul style="list-style-type: none"> The Secretariat was tasked (by the Transformation, Skills Development and Education Committee) with finding out how far the Bank of Namibia (BoN) is, as far as reviewing the Financial Sector Strategy is concerned. BoN informed us that the activities of the Financial Services Sector Charter Council did not stop but were rather absorbed into a sub – committee within NaSIA, that now looks after the transformation and skills development needs of the industry. It was mentioned that work to finalize the new Financial Sector Strategy is currently ongoing. The new strategy will be served before council and then before the governance structures at the BoN. The sponsor is now the Minister of Finance (and no longer the Prime Minister). The BoN has set a target for launching new strategy (June 2023). The BoN is working hard to ensure that they meet the set target. The BoN also seeks to hold formal consultations during the course of the year. All relevant stakeholders will be invited to engage on the diagnostic report as well as on the draft Financial Sector Strategy. NaSIA committed to providing the BoN with definite timelines in terms of when their Transformation, Skills Development and Education Committee will convene and when they would be required to report to the main board, so that by the time the BoN pronounce themselves (on when they will hold formal consultations), they would have also factored in NaSIAs board meeting. It was mentioned that when the previous Financial Sector Strategy came to an end, the BoN collated all the evidence to support the monitoring and evaluation of that particular strategy. A close off report was also finalized and thereafter served before council. The industry presented a formal progress report on phase 1 and 2 of the strategy to the Finance Minister – lipumbu Shiimi (When he was still Governor of the BoN) and the Deputy Governor of the BoN – Mr Ebson Uanguta. An independent body was contracted to prepare a final report on the strategy. The report presented the findings of the score cards, as well as outcomes on phase two, detailing how the industry fared in terms of different pillars, as well as additional recommendations in terms of what industry should focus on.

Stakeholder	Date of Engagement	Key Outcomes
Namibia Investment Promotion and Development Board	27 April 2023	<p>ISSUES DISCUSSED:</p> <ul style="list-style-type: none"> Monthly NIPDB committee meeting was held on 27 April 2023. As part of its mandate, the committee discussed about the introduction of the golden visa program, as envisaged in the second Harambee Prosperity Plan (HPP II). The rationale for the golden visa program is to attract high-net individuals into the country. The committee further discussed that because Namibia is faced with challenges of poverty, inequality and unemployment, in order to effectively address this challenges the government has committed to private sector led growth and has embraced investment as an important part of the solution to these challenges.
Bank of Namibia “BoN”	28 April 2023	<ul style="list-style-type: none"> NaSIA arranged for a meeting with the Bank of Namibia on the 28th of April 2023 with the view to discuss the need to increase the prescribed asset class limits on foreign portfolio investments to 45%. BoN indicated that the prescribed limit of 5% was copied from South Africa. The Bank thereafter observed that the prescribed limit of 5% was not effectively utilized by industry as expected. The limit of 5% was later done away with, so as to allow professional capital allocators the flexibility to decide for themselves in which foreign (offshore) markets to deploy capital (as long as it is within the set limit). In 2021, the Bank observed that industry was still far from reaching the foreign limit. Given that the prescribed limit on foreign portfolio investments is combined, what appeared to be a breach was probably not treated as such by NAMFISA or industry in the past. NaSIA indicated that increasing the prescribed asset class limit on foreign portfolio investments to 45% would provide portfolio managers with a number of options. Optionality has value in portfolio construction – it allows portfolio managers to look at where the most attractive opportunities lie. If you can invest offshore, that gives you access to deeper capital markets and also potential for higher returns. It also allows asset managers to hedge against potential weakness in the currency which has an inherent inflation component.

Stakeholder	Date of Engagement	Key Outcomes
Bank of Namibia “BoN”	28 April 2023	<p>ISSUES DISCUSSED:</p> <ul style="list-style-type: none"> • The industry (specifically asset management) would welcome a decision to allow for flexibility in asset allocation, as that would allow asset managers to deploy assets into the most attractive risk-adjusted opportunities at any point in time. It would also enable them to counter some of the risks that may be introduced through high concentration in a very illiquid market. • Once Flexibility is allowed, it will not translate to all Namibian registered Asset Managers immediately deploying capital offshore. For example, there was no massive rush to invest offshore (immediately after the South African authorities increased the prescribed asset class limit on foreign portfolio investments by 10%). • NaSIA indicated that any increase granted (even if not 45%) would be a move in the right direction. If the initial recommendation is not taken on board, the authorities must at least consider increasing the prescribed limit by 5% for now and (as part of the review process, in few years’ time), re-visit the possibility of increasing it further to 45%.

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