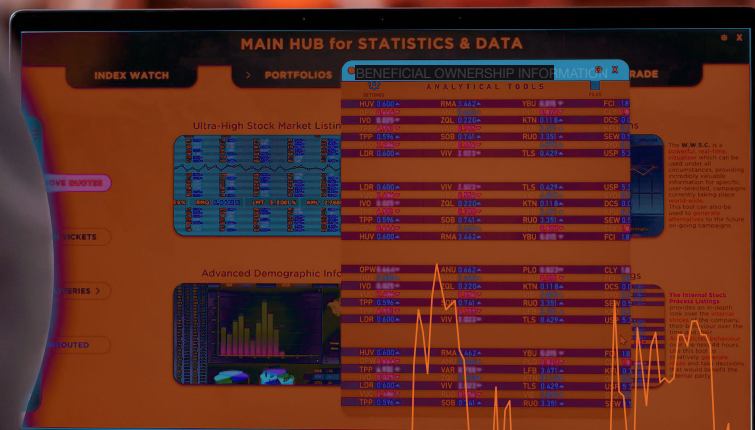


NaSIA

Namibia Savings & Investment Association

Newsletter

Issue 37, May 2024



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Editorial from the Secretariat

Written by: **Hileni Ashipala**



Urgent need to update ultimate beneficial ownership information

Dear members,

Namibia faces the risk of being blacklisted if legal entities do not comply with BIPA's (and the Financial Intelligence Centre's) call for the submission of beneficial ownership information. I equate the concept of beneficial ownership to the commercial law rule of stripping the corporate veil of a legal entity to come to a truth about a particular thing. The beneficial ownership information as it is currently being requested, may certainly reveal a particular level of ownership, but what of the aspect of control? Are we expecting that statutes and regulations will continue to change to allow for further dissection of ownership and control of legal entities in the fight against the laundering of money and proliferation of terrorist activities?

The International Monetary Fund (IMF) published a paper on their website titled "Practical Implementation of Beneficial Ownership Requirements" on 7 October 2022 (R Berkhout and F Fernando), which is an extract from the book titled *Unmasking Control: A Guide to Beneficial Ownership Transparency*. This paper addresses some of the issues being experienced right now in Namibia in relation to the practical implementation of the beneficial ownership requirements. Some of the challenges identified in that paper include accessing beneficial ownership information of foreign legal entities, the complex ownership and control structures of some legal entities as well as undisclosed agent arrangements. Despite the challenges identified, the paper suggests that Countries adapt a risk-based approach so that the information that would constitute beneficial ownership information would be based on the risk that a particular ownership arrangement poses, summarized as:

"Following a risk based approach, simple corporate structures or corporate structures that a country has identified as low risk would not require more detailed verification checks, aside from ensuring that the documents presented are authentic and up to date. More complex legal structures and those identified as high risk (even if they are simple structures on the face of it, such as shell companies) could require more sources for verifying the information presented, including a greater focus on documents establishing the beneficial owners' status (for example, shareholder documents, other agreements providing natural persons with control over the legal arrangement). A more detailed verification would require different lines of inquiry, possible cross referencing of data with other databases and competent authorities, and a comprehensive understanding of the legal structure and the reasons as to why the structure has been set up."

Some of the administrative challenges being experienced right now may be mere teething issues and with time, we may expect that with the wave of digital transformation happening now in different institutions, BIPA will eventually have a smoother administrative process for the purpose of submitting beneficial ownership information. Furthermore, if BIPA also adapts a refined risk-based approach as suggested by the IMF, the administrative challenges being experienced right now may lessen or be more tailor-fit for specific entities depending on the risk profile of the ownership of a legal entity.

We therefore urge our members to bear and comply with the requirements of BIPA and other regulators so as to ride this grey-listing wave as a united front committed to a transparent and accountable non-banking financial sector. With the rising interest of green energy production in Namibia, the non-banking sector has to continue showing that the industry is an accountable and trustworthy source, vessel or partner in the coming projects which are committed to enhancing our mining and economic sectors with transparent systems.

On 15 April 2024, the secretariat received a courtesy visit from the Director of the Financial Intelligence Centre, Mr. Bryan Eiseb, and two of his team members Ms. Zenobia Barry (Deputy Director: Legal, Policy and Enforcement) and Mr. Kristian Hamutenya (Deputy Director: Compliance, Supervision and Strategic Analysis). In our commitment to ensure and enhance compliance with anti-money laundering mechanisms and mechanisms against the proliferation of terrorist activities, we have formally requested that NaSIA be considered for membership on the Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation Council (“AML Council”), as provided for in Section 17 of the Financial Intelligence Act (Act 13 of 2012). This will ensure that the non-banking sector is adequately represented, as the banking sector is represented by Bankers Association of Namibia (BAN) on the AML Council. We look forward to a favorable response in this regard.

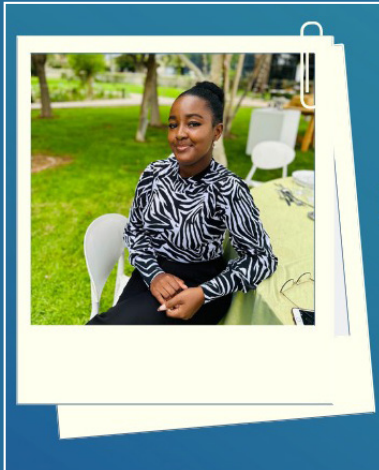
In other news, we have just completed the second round of committee meetings where all the committees met the quorums, we thank our members for the continued commitment.

NaSIA also grew its membership with Pyxis Investment Management joining as a non-voting member from 1st April 2024. We extend a warm welcome to Pyxis.

Finally, NAMFISA has published another draft of the Outsourcing Standard (GEN 10.10) which is currently open for commenting, and the secretariat is in the process of collating the comments as they come. Industry meetings have also been set up to discuss the collated comments. We trust that we will be submitting these comments timeously (on 20 May 2024) without requesting for extensions.

Happy reading!

Introducing our intern



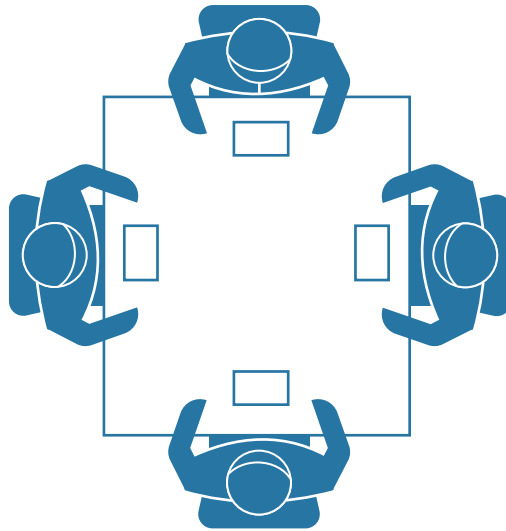
Sharon Kamberipa *Welcome to the Team*

She holds a Bachelors Degree of Economics from the Namibian University of Science a Technology (NUST). She is a dedicated individual with a solid grasp in the regulatory aspects of financial Institutions in the non-banking sector gained from a fruitful 6-month internship at NAMFISA.

As someone eager to learn and grow within the financial sector of Namibia, She is enthusiastic about the opportunity to be part of NaSIA's team to further gain experience, skills and broaden her knowledge within the Savings and Investment Sector.

Sharon will be with the Secretariat for 3 Months, until the 31 July 2024.

1. Upcoming Committee Meetings



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

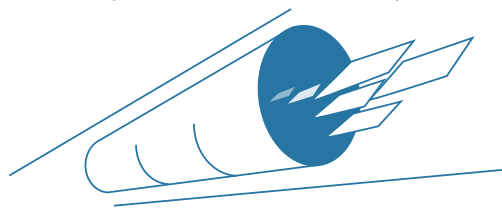
Month	Meeting Subject
2 July 2024	Transformation, Skills Development and Education Committee
4 July 2024	Research and Economic Savings Policy Development Committee
9 July 2024	Market Conduct Committee
11 July 2024	Investments Committee
16 July 2024	Insurance Committee
18 July 2024	Legal and Technical Committee



2. Submissions done:

Stakeholder	Dates of Submission	Matter	Committee
Financial Intelligence Centre "FIC"	26 April 2024	Request for NaSIA Membership to the Anti-Money Laundering and Combating the Financing of Terrorism and Council.	NaSIA Industry

3. In The Pipeline



NaSIA Career Friday – The NaSIA “Career Fridays” kicked off on the 5th of April 2024 with a guest lecture by Mr. Eino Emvula, Managing Director (Africa- ex South Africa) at Ninety One. Mr. Emvula offered a practical guest lecture on Risk and Return, covering aspects of calculating (and practically interpreting) returns for a single asset, as well as for a portfolio (both in absolute and relative terms), risk (by looking at the standard deviation and coefficient of variation) in a portfolio and what that means when analyzing the performance of a portfolio. The students (from the UNAM School of Accounting) got an opportunity to engage Mr. Emvula and expressed their appreciation for this rare opportunity to understand the world of investments.



The forthcoming engagements with the students will proceed according to the schedule outlined below. These topics were specifically selected due to students’ struggles in understanding them and their significance in the industry.

Topic	Responsible member	Dates
Mathematics for Financial Managers <ul style="list-style-type: none"> • Ordinary annuity and annuity due • Retirement planning 	Old Mutual Namibia	To be announced.
Valuations <ul style="list-style-type: none"> • Models for valuating shares • Dividends growth valuation model • Earnings valuation • Valuation of debt and other financial assets 	Allan Gray Namibia	To be announced.

Networking Series –NaSIA is excited to announce the launch of industry networking platforms, a new initiative approved by the Board of Directors on November 30, 2023. These events are designed to facilitate knowledge exchange and professional networking among young professionals and established industry leaders. By offering a combination of formal talks and informal networking opportunities, NaSIA aims to strengthen its role as a leading industry body actively addressing key issues in the sector. The inaugural event is planned for 26 June 2024.

Research on Infrastructure Investment in Namibia –This study, led by the Research and Investments Committee, focuses on identifying the best strategies for structuring infrastructure projects in Namibia to attract pension fund money. It involves analyzing global best practices and pinpointing deficiencies in the existing framework (including the private-public partnership act), with the goal of developing a strategy that is specifically tailored to the Namibian context.

4. Financial Literacy Campaign 2024

TribeFire Studios

NaSIA is delighted to continue updating our members on the progress of Phase II of our Financial Literacy Campaign, in collaboration with TribeFire Studios. As of April, the campaign has maintained a strong momentum with the latest informative session held on April 16, 2024. This session featured Etienne le Roux from Allan Gray, who discussed “Investment Goals,” including strategies for saving for retirement, education, and emergency funds. Like previous sessions, this too was recorded and is available for viewing on NaSIA and 99FM’s social media platforms. Below is a snapshot of the February 2024 and March 2024 Campaign Reports:



will cover “The Value of Financial Advice and Investor Protection,” focusing on critical aspects governed by the Financial Institutions Markets Act (FIMA). TribeFire Studios continues to track audience reach and engagement, using feedback and questions from these sessions to tailor future topics and further enhance the public’s financial literacy. This dynamic initiative is proving instrumental in empowering Namibians with essential financial knowledge and skills.

Name of expert:	Date/Timeline:	Topic	Status
Ndapwa Kwedhi	6 Feb 2024 at 18h15	Savings and Investments	Completed
Ralf Duvel	12 Mar 2024 at 18h15	CIS/ Unit Trusts	Completed
Etienne le Roux	16 Apr 2024 at 18h15	Investment goals: e.g. how to save for retirement, education and emergency funds	Completed
Mathys Du Preez	21 May 2024 at 18h15	The value of financial advice + Investor protection: FIMA	Upcoming
Almarie Bartsch	11 Jun 2024 at 18h15	Estate Planning	Upcoming
Vacant	9 Jul 2024 at 18h15	July	Upcoming

5. New NaSIA Member: Pyxis Investment Management Namibia


We are excited to welcome Pyxis Investment Management Namibia as a new member of NaSIA, effective 1 April 2024. Pyxis is a Namibian wholly owned boutique multi asset investment manager. We look forward to their contribution in building a sustainable savings and investments sector that meets the needs of all Namibians.



6. Stakeholder Engagements

Stakeholder	Date of Engagement	Key Outcomes
Institute of Chartered Accountants of Namibia (ICAN), Public Accountants and Auditors Board (PAAB), Namibia Financial Institutions Supervisory Authority (NAMFISA)	11 April 2024	<p>IFRS 17 WORKING GROUP MEETING:</p> <ul style="list-style-type: none"> The Meeting was intended to facilitate a collaborative effort in making sure that both the industry, auditors and the regulator assist each other to tackle the complexities of IFRS 17, exchange knowledge, and collectively develop best practice and strategies to navigate through the IFRS S 17 transition period. The IFRS 17 Working Group is closely collaborating with NAMFISA to establish appropriate procedures to be applied across the industry, related to the calculation of levies for registered entities. This is especially given that the NAMFISA levy Gazette (dated 10 October 2017) states that “within 12 months after the end of the long-term insurer’s financial year the auditor of the long-term insurer must confirm to the Authority the amount of gross written premiums by long-term insurance brokers which are included in the gross written premiums as reflected in its audited annual financial statements”. The word ‘confirm’, creates ambiguity, because confirmation from auditors can come in various ways i.e an entire audit or an Agreed Upon Procedure “AUP” (though an AUP doesn’t provide any sort of assurance). NAMFISA indicated that they will continue to levy entities on the basis of Gross Written Premium (GWP). Since the GWP number will no longer be visible on the financial statements, NAMFISA will require separate assurance, in the form of an agreed-upon procedure, from the company’s auditors to assure them of the accuracy and completeness of the GWP number required for levying entities. During a preparedness exercise conducted by NAMFISA, some insurers expressed reluctance to be scoped for IFRS 17 reporting, citing concerns around adding risk transfer elements to their contracts. Instead, these insurers proposed using IFRS 9 principles for reporting on such contracts. NAMFISA aims to design a framework that accommodates these nuances, while ensuring comprehensive coverage in reporting.

Stakeholder	Date of Engagement	Key Outcomes
National Planning Commission (NPC)	12 April 2024	NDP 6 KHOMAS REGION CONSULTATIONS: <ul style="list-style-type: none"> Cabinet approved the development of NDP6, which will span from FY 2025/2026 - 2030/31, to allow for the completion of HPPII implementation period. The focus for FY 2023/24 to 2024/25 is therefore on HPPII programs/projects and NDP5 ongoing projects. NDP6 formulation process was launched in June 2023 NDP6 is the final “leg” in the journey towards realizing Vision 2030. The first NDP 6 conference is envisaged to take place in May 2024. The Second NDP 6 conference is envisaged to take place in September 2024. NDP 5 only met 58% of its targets.
Government Institutions Pension Fund (GIPF)	12 April 2024	GIPF RESPONSIBLE INVESTMENT SYMPOSIUM <ul style="list-style-type: none"> NaSIA was invited to attend the Government Institutions Pension Fund (GIPF) Responsible Investment Symposium (RIS), held on April 11-12, 2024, in Windhoek. This pivotal event brought together over 200 participants, including more than twenty speakers from Namibia and internationally, with representatives from the UK, USA, South Africa, and Senegal. Discussions focused on the integration and impact of Responsible Investment and Environmental, Social, and Governance (ESG) strategies within the fund’s operations and across the broader investment landscape. The symposium emphasized the critical role of leadership in promoting sustainable and actionable investment strategies, highlighting GIPF’s commitment as the 1000th signatory of the United Nations Principles for Responsible Investing (UNPRI). It also underscored the necessity for all GIPF partners to incorporate similar ESG principles in their investment decisions to align with member-centric business objectives. This approach is expected to enhance economic prosperity in Namibia and guarantee robust returns for all GIPF members, reinforcing the importance of responsible investments in shaping a sustainable future.

Stakeholder	Date of Engagement	Key Outcomes
Financial Intelligence Centre (FIC)	15 April 2024	<p>COURTESY VISIT FROM THE FINANCIAL INTELLIGENCE CENTRE (FIC):</p> <ul style="list-style-type: none"> NASIA received a courtesy visit from the leadership of the FIC comprised of the Director of the Financial Intelligence Centre Byan Eiseb together with his team, Mr. Kristian Hamutenya - Deputy Director: Compliance Supervision and Strategic Analysis) and Ms. Zenobia Barry – Deputy Director: Deputy Director: Legal, Policy and Enforcement). Prior to engaging with NaSIA, the FIC has visited several key stakeholders, with the aim of fostering sound stakeholder relations. NaSIA expressed its desire to form part of the AML Council. Section 17 of the Financial Intelligence Act (Act 13 of 2012) provides for the establishment of the Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation Council (“AML Council”). The AML Council is an important body that serves to advise the Minister on policies and measures to combat money laundering and financing terrorism or proliferation activities and NaSIA membership would ensure that the Council has a balanced view with the private sector representation. 

Stakeholder	Date of Engagement	Key Outcomes
NIPDB Partnership Forum	18 April 2024	<p>NIPDB PARTNERSHIP FORUM</p> <ul style="list-style-type: none"> The NIPDB hosted over 100 stakeholders to explore opportunities for multi-stakeholder collaboration across our diverse priority sectors. The CEO of NaSIA attended the event. Partnership opportunities centered around areas such as Events & Investment Promotion, Micro, Small and Medium Enterprises Development, Technical Collaboration and Policy Development and Youth and Skills Development. NaSIA sees value on the “Technical Collaboration and Policy Development” aspect. NaSIA’s membership to the NIPDB Investment Policy Working Committee serves as a great platform to add value. For more information, you can access the partnership website here https://nipdb.com/partnership/
NAMIBIA INSTITUTE OF CORPORATE	19 April 2024	<p>NICG BREAKFAST FORUM</p> <ul style="list-style-type: none"> The CEO of NaSIA was invited to attend the NICG Forum on 19 April 2024. Keynote speaker (Governance specialist Carolynn Chalmers) focused on issues of board dynamics, ethics, conflict of interest, corporate scandals. The keynote speaker also used the opportunity to discuss issues of sustainability and sustainability frameworks.

Stakeholder	Date of Engagement	Key Outcomes
Secretariat Institutions (Bank of Namibia (BoN), NAMFISA and Ministry of Finance and Public Enterprise)	19 April 2024	<p>FEEDBACK MEETING: NASIAs INPUT INTO THE DRAFT NAMIBIA FINANCIAL SECTOR TRANSFORMATION STRATEGY (NFSTS):</p> <ul style="list-style-type: none"> The meeting was arranged to provide NaSIA with feedback on its input/comments relating to the NFSTS 2024-2034 (submitted on 31 January 2024). BoN, NAMFISA, Ministry of Industrialisation and Trade and MoF are co-ordinating the drafting of the NFSTS. They have re-drafted the NFSTS (based on comments received from various stakeholders). They have also favourably considered most of NaSIAs comments, whereas others were explained or clarified. The second version/redrafted strategy will be shared with NaSIA within the next two weeks. The Secretariat institutions also indicated that the new draft NFSTS will be taken through the relevant financial sector structures. These includes the Financial Inclusion Advisory Body (FIAB), made up of key stakeholders in the financial sector, as well as the Financial Inclusion Council (FIC), chaired by the Minister of Finance. Once approved by these structures, the draft NFSTS will thereafter be taken to Cabinet for endorsement. The plan is to still have the NFSTS launched during the first half of this year.
Namibia Investment Promotion and Development Board (NIPDB)	25 April 2024	<p>NIPDB INVESTMENT POLICY WORKING COMMITTEE</p> <ul style="list-style-type: none"> The CEO and one of the Senior Policy Analysts attended recurring NIPDB Investment Policy Working Committee The committee received updates on the status of various laws such as the Investment Promotion and Facilitation Bill, The New Equitable Economic Empowerment Bill, Special Economic Zones, and Immigration laws, to mention but a few. Detailed presentation can be shared upon request.

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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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