

# NaSIA

Namibia Savings & Investment Association

# Newsletter

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# Editorial from the Secretariat

Written by: **Meameno Johannes**



## The National Pension Fund in Namibia—A Pathway to Financial Security and Economic Stability

Namibia is at a pivotal point with the proposed introduction of a National Pension Fund (NPF), aimed at enhancing financial security for its aging population. The country currently lacks a universal pension system, with existing provisions only reaching a limited portion of the workforce. This gap has prompted a need for a comprehensive solution that the NPF seeks to provide by offering a defined benefit scheme based on an individual's earnings history and service length.

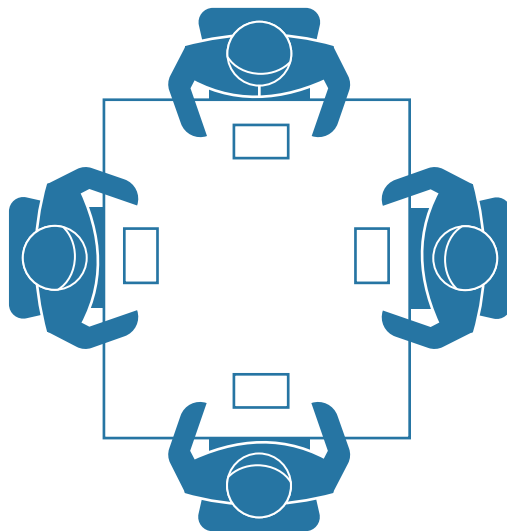
The NPF stands to bring several transformative benefits to Namibia's social security landscape. It promises inclusivity by mandating participation from all employed individuals and offering voluntary contributions for the self-employed and informal sectors, potentially bridging the significant coverage gap in the current system. Moreover, by ensuring a reliable retirement income, the NPF seeks to substantially reduce old-age poverty, adhering to international standards and meeting the obligations set forth in Namibia's constitution. This not only supports retirees but also contributes to the broader economic stability by responsibly managing and growing the pension assets.

However, the realization of these benefits is contingent upon overcoming several substantial challenges. Effective financial management is paramount; the fund's sustainability and the security of retirees' income depend on prudent investment and administration. The integration of the NPF with existing pension schemes requires careful coordination to ensure comprehensive coverage without duplicative benefits. Moreover, building and maintaining public trust through transparent operations and clear communication will be crucial for the NPF's widespread acceptance and success.

Recent actuarial studies and policy proposals suggest a solid foundation for the NPF, with recommendations advocating for a phased implementation. This approach would involve initially rolling out limited benefits to allow for the collection and analysis of empirical data on the scheme's performance, which could inform future expansions in scope and coverage. Complementary measures, such as enhancing Universal Social Grants, are also recommended to provide immediate support to the elderly, ensuring a seamless transition as the NPF develops.

In conclusion, the NPF represents a significant stride toward a more inclusive and economically secure future for all Namibians. As the country moves forward with implementing the NPF, it must navigate the complexities of such a large-scale reform with strategic planning and robust management to ensure that the fund not only addresses current needs but is also sustainable for generations to come. This initiative is more than a financial mechanism—it is a critical step towards realizing the social security goals articulated in Namibia's Constitution and aligning domestic policies with international labour standards.

## 1. Upcoming Committee Meetings



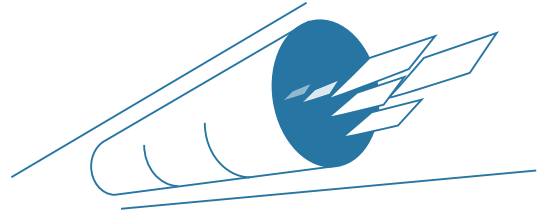
The upcoming committee meeting dates will be announced in due course.



## 2. Submissions done:

Stakeholder	Dates of Submission	Matter	Committee
Financial Intelligence Centre “FIC”	18 September 2024	Submission of comments on the draft guidance on sanction screening effectiveness: Based on thematic review of the effectiveness of customer and transaction screening systems.	NaSIA Industry
NAMFISA	16 October 2024	Submission of Comments on FIMA Standard NO. CIS.S.4.8	NaSIA Industry

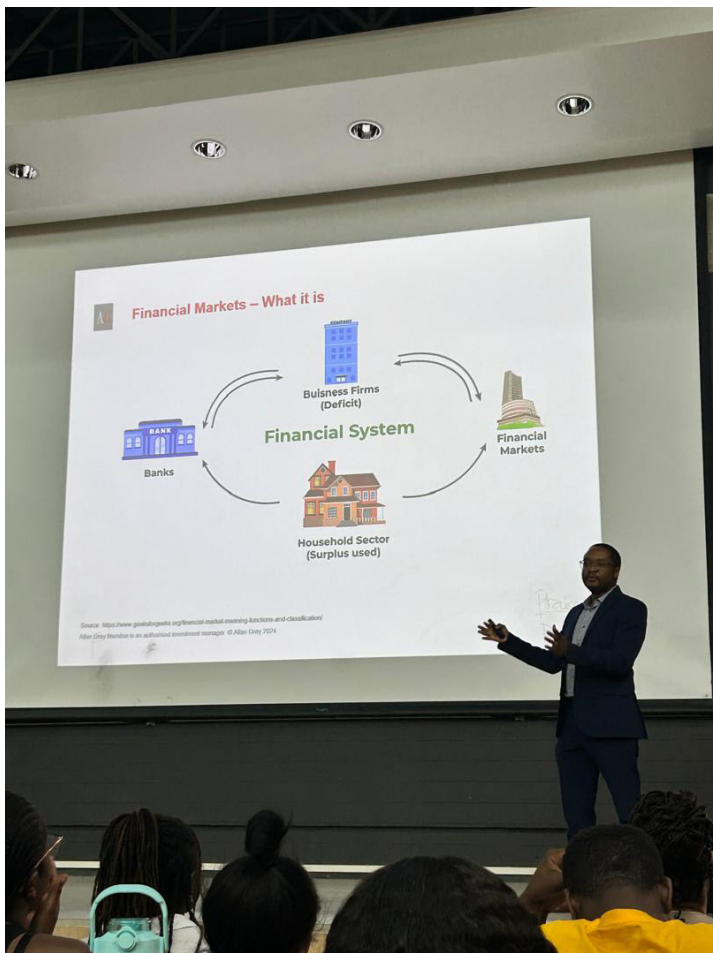
## 3. In The Pipeline



**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 analysing 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.

**NASIA Career Friday** - The second session of the “NaSIA Career Fridays” series featured Mr. Tuyeni Akwenye from Allan Gray Namibia, who delivered a guest lecture on 10 September 2024. Mr. Akwenye’s lecture focused on business finance: Sources and raising, covering the classification of financial markets and the different types of financial instruments. The students from UNAM (School of Accounting) got an opportunity to engage Mr. Ankwenye and expressed satisfaction with the opportunity to understand the dynamics of financial markets.

We will keep our members informed about our forthcoming plans and new initiatives as we continue our commitment to creating a platform for students to see theory (taught in classroom) come to life and have a better outlook in terms of career options . Your continued support is greatly valued.



## 4. National Pension Fund

The NaSIA Board has set up a working group to drive consultations on the National Pension Fund.

The committee consists of the following industry experts:

1. **Andri Ntema** (Chair) – IJG Prescient
2. **Eino Emvula** – Ninety-One Namibia
3. **Birte Schneider** – Allan Gray Namibia
4. **Martin Shaanika** – Namforce Life Insurance
5. **Petty Olivier** – Old Mutual Namibia
6. **Relf Lumely** – Capricorn Asset Management
7. **Emda Fourie** – Momentum Metropolitan
8. **Yamillah Katjiurua** – Ashburton Investments

## 5. NASIA Strategic Plan for 2024 – 2027

The NaSIA Board has approved the strategic plan for 2024 – 2027

The strategy focuses on the following five key areas:

Key Focus Areas/Themes	Key Objectives
1. Collaboration & Stakeholder Engagement	<ul style="list-style-type: none"> <li>Build, maintain and strengthen relationships with key stakeholders.</li> <li>Increase collaboration and member participation in industry initiatives.</li> <li>Raise NaSIA's public visibility &amp; brand profile</li> </ul>
2. Research & Policy Advocacy	<ul style="list-style-type: none"> <li>Strengthen NaSIA's research capabilities and output.</li> <li>Build industry consensus on key policy and legislative reforms through industry-wide consultations and research.</li> </ul>
3. Financial Sector Transformation	<ul style="list-style-type: none"> <li>Create a robust and competitive financial services ecosystem.</li> <li>Relaunch the Financial Services Charter (NFSC) in support of local transformation objectives</li> </ul>
4. Coordination & Information Sharing	<ul style="list-style-type: none"> <li>Create an effective platform for the coordination of industry initiatives.</li> <li>Increase member communication and information sharing.</li> </ul>
5. Member Support Services	<ul style="list-style-type: none"> <li>Create value added services for NaSIA members to enhance institutional relevance.</li> <li>Increase and maintain effectiveness of NaSIA operations with transparency at the core.</li> </ul>

## 6. Stakeholder Engagements

Stakeholder	Date of Engagement	Key Outcomes
Bank of Namibia (BoN)	11 Sept 2024	<ul style="list-style-type: none"> <li>Bank of Namibia invited NaSIA to consultative meeting on the emerging business layout for commercial data submission and they indicated at the meeting that in terms of the Credit Bureau Regulations, all entities that have credit products (credit market), both bank and non-banking entities, are supposed to be submitting credit performance data to the two registered credit bureaus in Namibia as per regulation 16, however not all entities are complying with this regulation.</li> <li>They have also indicated that entities that provide pension-backed loans are also supposed to be submitting these data.</li> <li>They further indicated that since there is no standardised format for the submission of these data, they are working on a template that they will circulate once it is completed. There are no timelines set yet for when to expect this template.</li> <li>Finally, they will be setting up the Credit Information Committee which will serve the purpose of dealing with operational issues around data exchange. Since all entities cannot be individually represented on the said Committee, they will require industry representation. When they are ready, they will reach out to NaSIA for a nomination for a representative for the Committee. In turn, we will reach out the members to nominate a person who can represent the non-bank credit entities on the Committee.</li> <li>Bank of Namibia does not want the industry to be surprised when they start enforcing compliance with this regulation. We will alert the members when there is more information in this regard.</li> </ul>
FLI	8 Oct 2024	<ul style="list-style-type: none"> <li>NaSIA was pleased to attend the Financial Literacy Initiative's 2024 Annual General Meeting held on October 8th, where FLIs platform supporters gathered with a united commitment to advancing financial literacy across Namibia. The AGM served as a powerful reminder of the collective goal to empower every Namibian with the essential knowledge and skills for sound financial decision-making.</li> </ul>

## 6. Stakeholder Engagements continue..

Stakeholder	Date of Engagement	Key Outcomes
FLI	8 Oct 2024	<ul style="list-style-type: none"> <li>During the session, the FLI team presented key updates on several impactful initiatives, including the Personal and Business Financial Education Programs, MSME support efforts, and extensive media outreach. Together, these initiatives reached over 200,000 individuals nationwide, underscoring FLI's broad reach and impact.</li> <li>In addition, financial updates highlighted FLI's robust fiscal health, showing a surplus of N\$ 439,312 for the fiscal year. This outcome reflects FLI's dedication to efficient resource management and sustainability.</li> <li>As the FLI family moves forward, members are encouraged to continue providing feedback on these initiatives to strengthen FLI's strategies and maximize its impact. Together, we are building a financially inclusive Namibia, where every citizen has the opportunity to thrive.</li> </ul>
BoN, NAMFISA	10 Oct 2024	<ul style="list-style-type: none"> <li>NaSIA was invited to form part of the Namibia Sustainability Alliance.</li> <li>The initiative is driven by BoN and NAMIFSA to develop an overall framework and country strategy on sustainability for the financial services industry - both for the Banking and Non-Banking financial services.</li> </ul> <p><b>The objectives of the Alliance are:</b></p> <ul style="list-style-type: none"> <li><b>Promote Sustainable Finance:</b> Facilitate the integration of sustainability principles in the financial sector by developing green finance products, ESG investment strategies, and frameworks that encourage sustainable business practices.</li> <li><b>Knowledge Sharing and Capacity Building:</b> Provide a platform for knowledge exchange, research collaboration, and capacity building on sustainability issues that affect the financial sector.</li> <li><b>Standardised Reporting:</b> Create a common understanding of sustainable finance through shared taxonomies, standardised reporting frameworks, and collaborative best practices.</li> <li><b>Support National Climate Goals:</b> Contribute to Namibia's commitment to mitigating climate change, promoting renewable energy, and achieving net-zero emissions by 2050 by advocating for the mobilisation of financial resources towards climate adaptation and resilience in support of the just transition.</li> </ul>



## 6. Stakeholder Engagements continue..

Stakeholder	Date of Engagement	Key Outcomes
BoN, NAMFISA)	10 Oct 2024	<ul style="list-style-type: none"> <li>• <b>Foster Collaboration:</b> Strengthen partnerships across the financial sector, government, civil society, and academia to accelerate a just transition to a green and sustainable economy, ensuring inclusivity and equity for all stakeholders.</li> <li>• Discussions are still at initial stages and there will be ongoing consultations.</li> <li>• Terms of Reference for the Namibian Sustainable Finance Alliance were drafted and shared with NaSIA.</li> </ul>
NSX (CSD Resource Team) and other industry stakeholders	25 Oct 2024	<ul style="list-style-type: none"> <li>• The CSD resource team hosted a CSD Project Update Meeting on 25 October 2024. The meeting also presented market participants with the opportunity to meet the CSD Subject Matter Expert – Mr. Hendri van der Loo, who was recently engaged by the NSX to aid in implementing the CSD Project, as well as Mr. Dale Connock, a representative of the CSD Technical Vendor, Securities and Trading Technology (Pty) Ltd (STT).</li> </ul> <p><b>Key Outcomes:</b></p> <ul style="list-style-type: none"> <li>• The CSD resource will establish the following committees within the market, each with defined roles to support the project’s successful implementation:</li> <li>• <b>Market Advisory Committee</b> – This committee will be accountable to the CSD Board, and it will operate at strategic level. The following additional technical committees will also be established: <ul style="list-style-type: none"> <li>i. <b>Market Operations Working Committee</b> – This will comprise of the following 4 sub-committees: <ul style="list-style-type: none"> <li>• Master Static Data sub-Committee</li> <li>• Trade Settlement sub-Committee</li> <li>• Corporate Action sub-committee</li> <li>• Payments sub-Committee</li> </ul> </li> <li>ii. <b>Market Issuers Committees</b></li> <li>iii. <b>Market Legal, Risk &amp; Compliance Committee</b></li> </ul> </li> </ul>

## 6. Stakeholder Engagements continue..

Stakeholder	Date of Engagement	Key Outcomes
NSX (CSD Resource Team) and other industry stakeholders	25 Oct 2024	<ul style="list-style-type: none"> <li>Meetings will be held weekly via Ms Teams, but not all committees will meet every week.</li> <li>The CSD resource will produce a draft document that will be worked through, section by section at the different committees.</li> <li>The CSD resource will also design a ‘minimum viable solution’ for phase 1. The idea is to have a solution in place in the interim, whilst work on CSD continues. A “minimum viable solution” will have enough features and security to be usable by early adopters who can then provide feedback for future market development.</li> <li>Timelines have not yet been set as there are still some solutions and requirement specifications that need to be finalized (e.g. approval of the NISS license). The CSD resource will also develop a project calendar for CSD in-house developments. This will be shared with market participants.</li> </ul>

# 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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