

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

NaSIA

Namibia Savings & Investment Association

A modern building with a prominent copper-clad section and large glass windows. The building is set against a clear blue sky. In the foreground, there are some trees and a metal railing. Overlaid on the bottom half of the image is a stylized line graph with orange and blue lines.

Newsletter

Issue 31, September 2023

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Editorial from the Secretariat

Written by: **Memory Tjivikua**



Rising interest rates & inflation

Dear Members

Welcome to our September 2023 newsletter!

There were speculative signs earlier this year that global inflation might come down and economic growth might become steady. However, it is no longer the case as inflation remains stubbornly high and due to the recent financial sector turmoil. Even though inflation has declined because of central banks raising interest rates and food and energy prices have declined as well, underlying price pressures are proving persistent due to tight labor markets in many economies.

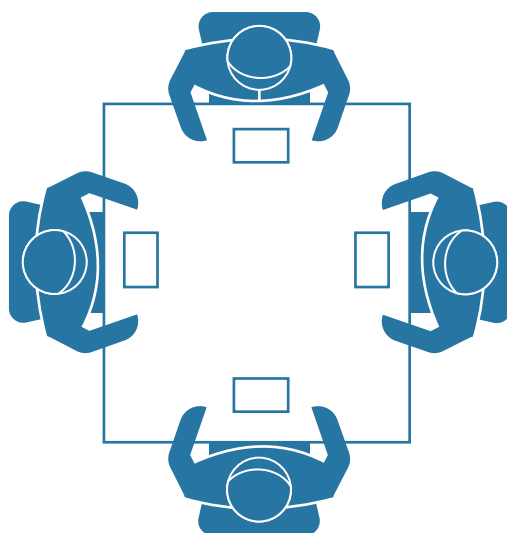
The ramifications of the rapid increase in policy rates became visible as banking sector vulnerabilities have come into prominence and fears of contagion have grown across the broader financial sector, including nonbank financial sector. Despite this, the leaders of major central banks in the world have recently stated that although inflation is moderating, they expect to continue increasing interest rates for as long as inflation is still substantially above their target rates (which are around 2 percent).

Over the past two decades, Namibia's inflation has been a roller coaster, with lower-income households being disproportionately affected by increased food, housing, and transportation costs. Reduced purchasing power, decreased competitiveness of exports and increased uncertainty for businesses, savers, and investors are just a few of the negative effects of high inflation. The Bank of Namibia has put into effect monetary policy measures such as adjusting interest rates and tightening liquidity. The Bank of Namibia adjusts its monetary policy decisions in efforts to keep inflation within a target range of 3-6%. However, such efforts must be weighed against the need to promote and support economic development and growth.

The widely held view among economists is that higher interest rates lead to lower inflation due to the theoretical inverse relationship between interest rates and inflation. However, having observed the Bank of Namibia consistently increasing interest rates to combat inflation, this approach does not seem to be effective. Higher rates will not restore supply and demand to equilibrium, a prerequisite for price stability, simply because the recent rise in inflation is not due to excess liquidity but is rather imported. Rising interest rates are not solving the issue and could possibly lead the country into a recession. The cost-of-living crisis might worsen, which will deepen inequality in Namibia. Cuts in savings and investments will take a further dip, and the unemployment problem will grow further.

On the bright side, our inflation fell to 4.5% in July 2023. This is a 0.8% decrease from the previous month and it's the lowest it has been since March 2022. Our inflation may not be as low as we would like it to be but it's finally within the 3-6% target after being above 6% for 11 months consecutively. Further, in July 2023 the SARB decided to keep their repo rate at its current level of 8.25% per year after also experiencing a decrease in their inflation rate. Their inflation rate fell to 4.7% in July 2023 from 5.4% of the previous month. It is also the first time in a long period of time (over 13 months) that their inflation rate fell within the target rate. The BoN has also followed suit to keep the repo rate at 7.75%.

1. Upcoming Meetings



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

Month	Meeting Subject
14 Sept 2023	Research and Economic Savings Policy Development Committee
19 Sept 2023	Market Conduct Committee
19 Sept 2023	Legal and 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 September 2023

No	Course Name	Course Date	Due Date
1	Investment management business overview	5 Sept 2023	30 August 2023
2	Investment products and structures	7 Sept 2023	1 Sept 2023
3	Derivatives	13 Sept 2023	7 Sept 2023
4	Responsible investing	15 Sept 2023	9 Sept 2023
5	The investments governance landscape	19 Sept 2023	13 Sept 2023
6	Investment performance overview	21 Sept 2023	15 Sept 2023
7	Compliance - CISCA	27 Sept 2023	21 Sept 2023
8	Investment management fees and costs in the context of retirement funds	29 Sept 2023	25 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

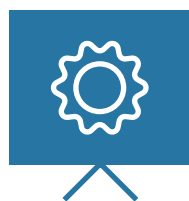


No	Course Name	Course Date	Time & Platform	Course Fees
1	The UCT Collective Investment Scheme (CIS) short course	11 - 17 Oct 2023	08h30-16h30 (Face to Face)	R19,750 + VAT

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	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)	November	NUST - WHK Others TBC	08h30 - 13h00 14h00 - 16h30	N\$ 2 648 members N\$ 3 997 non-members
Annual Reporting – regulatory under FIMA	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.

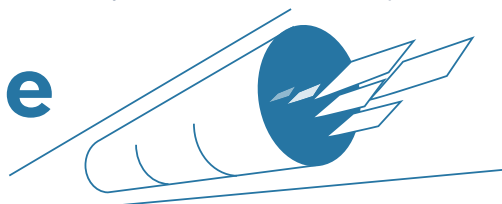
Course	Month	Venue	Time	Price Inc VAT
RFIN Rudiments	On request	FUND Premises/ Organized	TBC	N\$ 10 000 members N\$ 15 000 non-members
RFIN Supreme	On request	FUND Premises/ Organized	TBC	N\$ 10 000 members N\$ 15 000 non-members
RFIN Tailored	On request	FUND Premises/ Organized	TBC	N\$ 15 000 members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



> Submissions done:

Stakeholder	Month	Matter	Committee
Ministry of Industrialisation and Trade	11 Aug 2023	Stakeholder Consultations on the Namibia Investment Promotion and Facilitation Bill (NIPFB)	NaSIA Industry

5. In The Pipeline

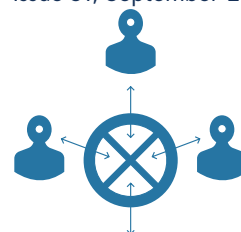


NaSIA is currently working on research papers that seek to achieve the following objectives:

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
Ministry of Information and Communications Technology (MICT)	7 August 2023	<p>The Ministry of Information and Communication Technology held public consultations on the Data Protection Bill at the Khomas Regional Council. The purpose of the consultations was to gauge public opinion and provide feedback on the bill before it is presented to the Cabinet Committee on Legislations ('CCL') between September and November 2023. A number of issues were covered throughout the consultation, including, but not limited to:</p> <ul style="list-style-type: none">• The Definition of Personal data and Sensitive Data• Obligations of Data Controllers and Processors• The control of transborder data flows• Data Breaches• Fees
Ministry of Finance and Public Enterprises, National Planning Commission	7 August 2023	<p>Mid – Term Budget Review Consultations</p> <ul style="list-style-type: none">• The Mid-Term Budget review was organized by civil society and the Institute for Public Policy Research (IPPR).• Event was attended by the Minister of Finance (and other technical experts from MoF) and the Director of National Planning Commission.• Minister reiterated his commitment to conduct public consultations on the budget. <p>Key takeaways:</p> <ul style="list-style-type: none">• Slow progress made on curtailing the public service wage bill.• Slow progress made on the overhauling of PSEMAS.• Ministry of Finance and Public Enterprises is in the process of finalising the ownership policy that (one finalized) will see the reform of SOEs. The ownership policy will clearly articulate government's position on which assets to own 100%, which assets to dispose, which assets to list on the NSX etc.

Stakeholder	Date of Engagement	Key Outcomes
Ministry of Finance and Public Enterprises, National Planning Commission	7 August 2023	<ul style="list-style-type: none"> Going forward, the ministry is open to have a separate session with NaSIA and its members, on condition that more people attend and critically engage the minister. The minister would not like to come to an event where 1 or 2 people ask questions and then the session is over.
Ministry of Information and Communications Technology (MICT)	22-23 August 2023	<p>National Validation Workshop on the Data Protection Bill</p> <ul style="list-style-type: none"> The Ministry of Information and Communication Technology conducted a two-day validation workshop at the Nampower Convention Centre on the Data Protection Bill. The purpose of the workshop was to deliberate on the inputs and feedback received from stakeholders, which have been gathered through extensive consultations nationwide. During the workshop, Linda Lipinge, the Director of ICT for Development, emphasised that once the bill becomes law, it will effectively address potential breaches of data resulting from the collection, processing, transmission, storage, and utilisation of personal data. Furthermore, she highlighted that following the successful validation process, the bill will proceed to the Cabinet Committee on Legislation for review before being presented in the parliament.

Stakeholder	Date of Engagement	Key Outcomes
Bank of Namibia	31 August 2023	<p>Payroll Deduction Codes:</p> <ul style="list-style-type: none"> The Payment Systems Management Act (Act No. 14 of 2023) was Gazetted on 28 July 2023 and became effective on 8 August 2023. Section 20 (3) of the Payment System Management Act (Act No. 14 of 2023), states that “Except for statutory deductions and such other prescribed requirements as may be prescribed by the Minister with the concurrence of the Bank, all other forms of preferential treatment in the national payment system are prohibited”. NaSIA therefore arranged for a meeting with the BoN, to understand: <ul style="list-style-type: none"> What it means for current payroll deductions; and If payroll deductions should cease immediately or be phased out over time. The BoN indicated that the section has bearing on the Minister of Finance decision i.e final position/way forward on Payroll Deductions will be given by the Minister of Finance. Industry may, therefore, still secure payments via payroll deductions until such time that the Finance Minister pronounces himself on this matter. The Ministry of Finance and Public Enterprises in collaboration with the Namibia Financial Institutions Supervisory Authority (NAMFISA) and Bank of Namibia is undertaking a review on the practice of the Government Payroll Deduction Management System (PDMS). The review is aimed at conducting an assessment into whether the PDMS is still relevant and serving the purpose for which it was initially intended. The provision was included in the Act in light of this review exercise. The exercise is, however, not yet finalized. The Ministry of Finance and Public Enterprises is also busy putting together a position paper on the subject matter. Once finalized, The MoF will hold formal stakeholder consultations, where industry will be afforded an opportunity to provide input into the paper. The consultations are envisaged to take place towards the end of this year.

Stakeholder	Date of Engagement	Key Outcomes
Bank of Namibia	31 August 2023	<p>NaSIAs Input into the Payment System Management Bill (Submitted to BoN on 31 August 2021):</p> <ul style="list-style-type: none"> • The legislative review process for the Payment System Management Act commenced in 2017. The BoN engaged extensively with relevant stakeholders during 2021 as well as 2022. They have since reviewed and updated the provisions of the bill, to align with some of the input that was given at the time. • The BoN intended to respond to all comments/ input provided during 2021 and 2022. However, the occurrence of important national activities such as the mutual evaluation assessment (carried out year), led to the promulgation process being fast tracked. This has also made it difficult for the BoN to provide timely feedback to the comments given during the 2021/2022 stakeholder engagement process. The BoN will, however, still respond to those comments. They have also kept a working document, that contains all comments (consolidated), and further shows how the BoN has addressed/is addressing each one of those comments.

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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