NaSIA

Newsletter

Issue 57, March 2026

Editorial by NaSIA Secretariat

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Regulatory Uncertainty Leading to Non-Compliance?

Dear Members,

The recent circular issued by the regulator addressing insurable interest and over-insurance concerning funeral policies has created significant challenges for compliance officers and professionals within the insurance industry. While the circular is a timely reminder of insurers' obligation to act in good faith and adhere to sound insurance practices as mandated by the Long-Term Insurance (LTI) Act, it raises critical questions regarding the legal authority underpinning its requirements.

The circular not only introduces new definitions specific to its content but also mandates revisions of internal policies, procedures, and system controls across the industry. Furthermore, it requires insurers to obtain formal confirmation from their boards of directors affirming the implementation of the prescribed measures, including training, monitoring, and testing. This confirmation must be submitted to the Registrar (regulator) by May 29, 2026. Such stringent requirements have understandably triggered concerns regarding potential non-compliance penalties outlined in the LTI Act, placing added pressure on organisations to ensure adherence.

A pivotal issue lies in the absence of a clear legislative foundation for the circular. It does not reference specific authorising sections within either the NAMFISA Act No. 3 of 2001 or the LTI Act, raising questions about the extent of the regulator's authority to impose binding regulatory requirements through circulars. Circulars traditionally serve to communicate important information from regulators to the industry; however, the lack of legislative authority to implement new compliance mandates through circulars underscores the uncertainty faced by insurers.

Looking ahead, the Financial Institutions and Market Act (FIMA) is set to transform the regulatory landscape within the non-bank financial sector by granting the regulator the power to issue standards for various aspects of the industry. FIMA stipulates that industry consultation is required before any such standards are enacted, ensuring that practitioners are well-informed and prepared for impending changes. While FIMA is not yet operational, the current circular issued without consultation creates uncertainty and undermines the requisite clarity essential for effective regulatory compliance.

In the financial sector, regulatory compliance necessitates a high degree of legal certainty. The principles of legality and the rule of law dictate that administrative bodies can only act within the powers conferred upon them by law, whether through constitutional provisions or specific statutes. Actions taken beyond these powers may be deemed *ultra vires* and subject to judicial review. However, distinguishing between administrative actions and contractual obligations among state entities can complicate the application of the *ultra vires* doctrine.

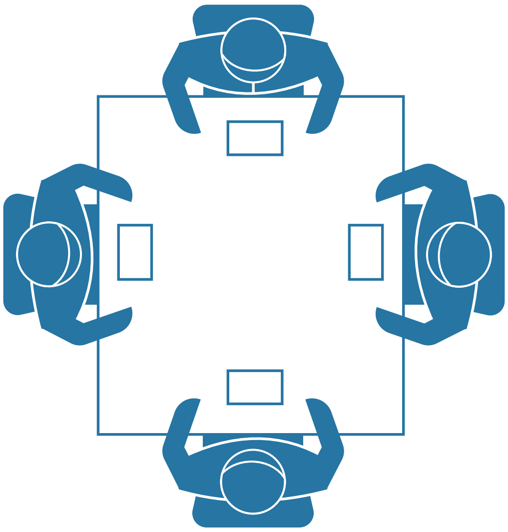
The case of Open Learning Group Namibia Finance CC v. Permanent Secretary, Ministry of Finance & 3 Others (2006) serves as a foundational legal precedent regarding the limits of state power over private financial service providers in Namibia. It established that NAMFISA and the Ministry of Finance cannot arbitrarily revoke financial facilities without due process and adequate legal justification. This case serves as a frequent reference point in case law regarding the reviewability of governmental and administrative actions, particularly those impacting financial services entities. It emphasises the importance of due process, highlighting the necessity for consultation and transparency in regulatory changes.

The current circular accentuates the pressing need for effective industry consultations, which are essential for ensuring legal certainty and regulatory compliance. As the Insurance Committee and the Legal and Technical Committee prepare for their upcoming meetings in April, it is imperative that committee members actively engage in discussions regarding these significant issues. By sharing perspectives and collective insights, the industry can work toward establishing sustainable solutions that contribute to robust regulation and effective risk management.

In conclusion, fostering an environment of collaboration and transparency is vital to navigate the complexities of regulatory compliance. Engaging in informed dialogue will not only enhance regulatory clarity but will also promote the effective regulation necessary to safeguard the interests of all stakeholders within the sector.

Happy reading

1. Upcoming Committee Meetings



Please take note of the dates for the upcoming Committee meetings:

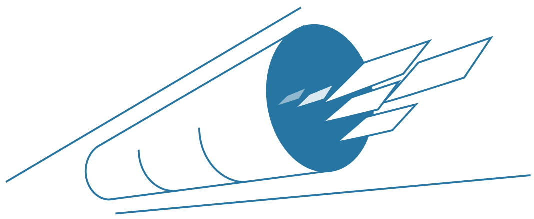
Month	Meeting Subject
8 April 2026	Market Conduct Committee
9 April 2026	Transformation, Skills Development & Education Committee
14 April 2026	Legal & Technical Committee
15 April 2026	Insurance Committee
23 April 2026	Investment, Policy Advisory and Research Committee

2. Submission done:

Stakeholder	Dates of Submission	Matter	Committee
NAMFISA	12 March 2026	Follow up on various industry submissions	NaSIA Industry
Bankers Association of Namibia (BAN)	16 March 2026	Account Verification System	NaSIA Industry

3.In The Pipeline

The Secretariat has initiated research studies focused on long-term sector development and policy reform in key strategic areas. These will be shared with the relevant Technical Committees for discussion in due course.

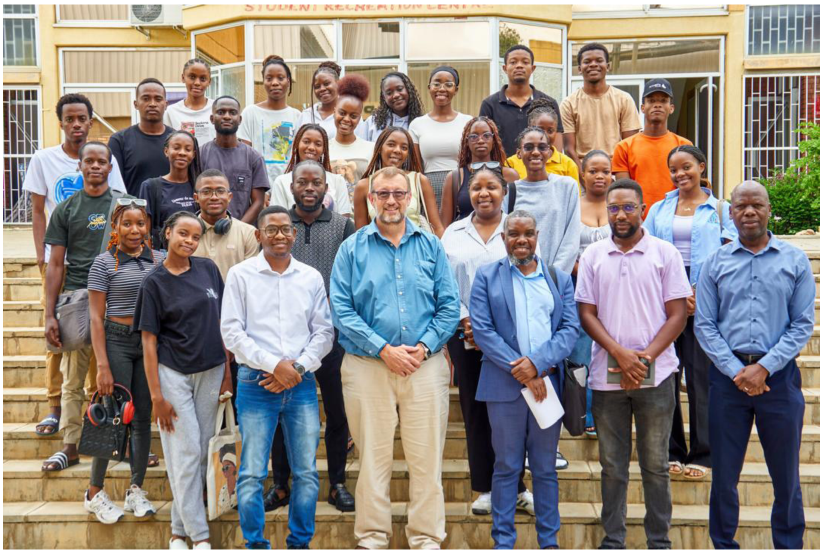


4. NaSIA Career Fridays

The first Career Fridays session of the year kicked off on 27 March 2026 featuring an enlightening guest lecture by Mr. Mathys du Preez, General Manager: Legal and Compliance at Sanlam Allianz Namibia. His presentation on Mathematics of Retirement provided students with understanding of basic principles and financial mathematics required to convert the client's retirement income need into a targeted capital amount at retirement and how the annual (monthly) savings that would be required to meet this capital goal is determined.

Career Fridays is a collaborative initiative between NaSIA - Namibia Savings, Insurance & Investments Association and the University of Namibia (UNAM) School of Accounting, aimed at helping bridge the gap between academic learning and industry practice and connecting students with industry professionals.

Students from University of Namibia (UNAM) School of Accounting had the opportunity to engage with Mr. Mathys du Preez and expressed their appreciation for the session, which deepened their understanding of financial principles and their relevance in professional practice.



5. Stakeholder Engagements

Stakeholder	Date of Engagement	Key Outcomes
Asset Owners, Asset Managers, Regulators, Development Financial Institutions (DFIs)	4 - 6 March 2026	**Namibia Institutional Investment Forum (NaIIF)** This year's NaIIF was held under the theme Mobilising Institutional Capital for Sustainable Growth and Regional Impact. The NaIIF is a forum that brings together Asset Owners, Asset Managers, Regulators, Development Financial Institutions (DFIs) with the aim of strengthening professional relationships, building partnerships, and promoting open dialogue beyond the conference room. NaSIA CEO Mr. Josphat Mwatotele delivered a presentation on Localisation: Benefits, Challenges & Opportunities for the Non-Banking Financial Sector.
NAMFISA, Industry Stakeholders	12 February 2026	**NAMFISA Capital Markets Industry Meeting** NAMFISA hosted a capital markets industry meeting on 19 March 2026 under theme Inclusive Capital Formation, through Crowdfunding in Namibia. The meeting brought together industry participants to reflect on developments related to crowdfunding. The engagement was opened with remarks by Mr. Immanuel Hawanga, General Manager Capital Markets at NAMFISA followed by regulatory and industry updates delivered by Ms. Marlene Alfredo, Senior Financial Analyst at NAMFISA. A discussion on crowdfunding followed, moderated by Mr. Pandeni Iyambo with the following industry experts sharing key insights: Mr. Jesaya Hano Oshike, Mr. Ventumbauvi Mungunda, Ms. Linda McLeod and Ms. Christina von Doderer. The meeting concluded with closing remarks from Mr. Edision Katjipuka, Manager Capital Markets at NAMFISA, highlighting the importance of continued dialogue amongst industry participants as the sector continues to evolve.

Stakeholder	Date of Engagement	Key Outcomes
Bank of Namibia (BoN)	13 March 2026	**Financial Sector Transformation Strategy Consultative Meeting** NaSIA participated in the Namibia Financial Sector Transformation Strategy validation workshop, which formed an important part of the process leading to the implementation of the NFSTS 2025–2035. The engagement brought together key stakeholders to review the strategy, strengthen alignment on priorities and action plans, and discuss the roles and responsibilities required for effective implementation. The workshop marked an important step in advancing a more inclusive, resilient, and future-ready financial sector for Namibia.
NPF working group	Multiple engagements	**Sustainable Finance Alliance Dialogue** NaSIA continued its engagement on the proposed National Pension Fund (NPF) through discussions with industry stakeholders aimed at strengthening understanding of the proposal and identifying key issues for further consideration. The engagement provided an important platform to exchange views on the potential implications of the NPF for workers, employers, retirement funds, and the broader financial sector. These discussions form part of ongoing efforts to ensure that industry input is well coordinated, evidence-based, and constructively contributes to the national policy process.
BoN, RMB and industry stakeholders.	27 March 2026	**Sustainable Finance Alliance Dialogue** The BoN in collaboration with Rand Marchant Bank (RMB) convened a sustainability alliance dialogue on the 27th of March 2026 under theme “Uniting Industry Efforts for a Greener, More Inclusive Future.” The Namibia Sustainable Finance Alliance is a voluntary platform established to convene Regulators, Financial Institutions, Industry Bodies, policy makers and other stakeholders to unpack climate finance, identify practical investment pathways and accelerate Namibia’s preparedness for a more climate-exposed global economy. The sustainable finance alliance aims to: • Create a platform for alignment in an area where no single institution can move the market on its own. • Deepen the quality of the conversation around sustainable finance • Move Namibia from broad support for sustainable finance towards implementation

Stakeholder	Date of Engagement	Key Outcomes
		The events curtain raiser featured a welcoming address by Ms Teresa Louw, Chief Risk Officer at FirstRand Namibia, followed by keynote address delivered by Ms Leonie Dunn, Chairperson of the Namibia Sustainable Finance Alliance and Deputy Governor of the Bank of Namibia. This was further enriched by an insightful panel discussion featuring Mr. Erich Gariseb, General Manager: Insurance and Medical Aid Funds at NAMFISA, Mr. Joachim Komeheke: Sustainable Finance and ESG Analyst at Capricorn Group, Mr. Immanuel Kadhila, General Manager: Investments at Government Institutions Pension Fund (GIPF, and Mr. Petrus Muteyauli: Deputy Director: Multilateral Environmental Agreements at Ministry of Environment Forestry and Tourism and Technical Advisor at the Environmental Investment Fund.
NAMFISA	31 March 2026	**CEO Stakeholder Engagement** NAMFISA CEO invited industry CEOs to a stakeholder engagement session on 31 March 2026, as part of NAMFISA's stakeholder engagement strategy. The CEO provided an update on the following: • Registrar's performance – Authority met 75% of its strategic performance measures • Head office building- Envisaged to be completed during the first quarter of 2027 • Update on FIMA – Gazetting of FIMA and its subordinate legislation is envisaged to be finalised by Mid-April 2026. The date on which NAMFISA together with the Ministry of Finance will launch FIMA to the public will be communicated soon. • The CEO concluded that the Non-Bank Financial Industry (NBFI) remains financially sound and stable and does not pose risk to the financial system as the Authority diligently delivered on its mandate.

NaSIA

NaSIA is incorporated as a not-for profit company and represents the interest of its members; financial institutions such as Investment Managers, Collective Investment Scheme (CIS) management companies, Linked Investment Service Providers (LISPs), Short and Long-term Insurers, as well as other industry support service providers. 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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