



NAMIBIA FINANCIAL
INSTITUTIONS SUPERVISORY AUTHORITY

— Safeguarding the Nation's Wealth! —

NAMFISA CIRCULAR, 14 November 2002

EXPALANATORY MEMORANDUM

Long-Term Insurers and Pension Funds are required in terms of Regulations 15 (4) of Notice No.145 June 1998 and Regulation 28 (5) of Notice No. 143 of June 1994 respectively, to invest at least 35% of their assets in assets/securities classified as Namibian Assets.

This circular aims to articulate the position on Namibian Assets Status, the requirement and procedures to be followed for a company and the securities it issues to acquire such status. Certain securities are automatically classified as Namibian Assets for the purposes of the aforementioned regulations.

NAMIBIA ASSETS STATUS

The following securities/assets are considered Namibian Assets: The Republic of Namibia Government securities, securities issued by Namibian Parastatals, Local Authorities, Municipalities, Town Councils, securities of a local non-dual listed company listed on the NSX, deposits with Namibia registered deposit taking institutions and *any security approved by the Registrar* as a Namibian Asset.

Namibian Assets status is granted by the Registrar of Financial Institutions, on application and subject to certain criteria being met. For a company, that is dual listed on the NSX to obtain Namibian Assets status, it must meet the following criteria:

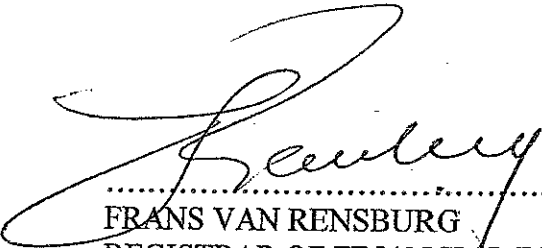
1. It must have *significant capital investment* in Namibia.
2. It must carry on substantial business operations in Namibia

3. It must employ Namibians, who are *part* of decision making management for the local operations.
4. The Company must have obtained the Namibian Assets status approval from the Registrar and be in possession of a certificate/letter of approval.

Dual listed securities of a Namibian Assets approved entity must be acquired through a local registered broker on the NSX to meet the requirements of Regulations 15 and 28.

The following documentation must be submitted with application for Namibian Asset status:

1. Certificate of Incorporation
2. Memorandum and articles of Association
3. Details of shareholders and directorship
4. Detailed description of company's business operation in Namibia



.....
FRANS VAN RENSBURG
REGISTRAR OF FINANCIAL INSTITUTIONS