

26 MARCH 2026

CIRCULAR : PF/CIR/01/2026

**TO : THE PRINCIPAL OFFICERS AND TRUSTEES OF ALL
REGISTERED PENSION FUND ORGANIZATIONS**

EFFECTIVE DATE : 26 MARCH 2026

**SUBJECT : FINANCIAL INSTITUTIONS AND MARKETS ACT (FIM ACT)
UPDATE**

1. INTRODUCTION

- 1.1. On 23 March 2026, NAMFISA convened an engagement with retirement fund industry participants, including fund members, officers and organized labour, to address key concerns regarding the Financial Institutions and Markets Act, Act No. 2 of 2021 (FIMA). This Circular aims to provide clarity to the pension funds industry participants on the inconsistencies between FIMA and the Income Tax Act, 1981 (Act No. 24 of 1981) ("Income Tax Act"), specifically as they relate to commutation rights upon retirement.

2. THE DEFINITION OF DEFINED CONTRIBUTION FUNDS UNDER FIMA

- 2.1. Paragraph (b) of the definition of defined contribution funds under FIMA will be stayed and shall not come into force upon FIMA's initial commencement.

- 2.2. The implication of staying paragraph (b) of the definition of Defined Contribution Funds under section 249 of FIMA is that, upon commencement of FIMA, the status quo with respect to commutation rights, as set out in registered fund rules and as permissible under the Income Tax Act, will be preserved. This position will remain in effect until FIMA and the Income Tax Act are appropriately aligned to resolve the inconsistencies between the two pieces of legislation.

The Registrar calls upon all Funds and stakeholders to extend their full cooperation and support throughout this process.

For further clarity on this notice, kindly contact the General Manager: Pension funds and Friendly societies at lindongo@namfisa.com.na or telephone number 061-290 5000.



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REGISTRAR OF PENSION FUNDS