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General Notice

NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY

No. 269

2026

STANDARDS UNDER THE FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021: FRIENDLY SOCIETIES

The standards, as set out in the Schedule, are published by the Namibia Financial Institutions Supervisory Authority (NAMFISA) under section 409 of the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021). The standards come into effect on the date of publication in the *Gazette*.

**NAMIBIA FINANCIAL INSTITUTIONS
SUPERVISORY AUTHORITY**

SCHEDULE**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021****FRIENDLY SOCIETIES****STATEMENT OF THE ASSETS OF A FRIENDLY SOCIETY****Standard No. FS.S.6.1**

issued by NAMFISA under section 410(7)(a) of the Financial Institutions and Markets Act, 2021

Definitions

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -

- (a) as defined in section 1 of the Act –
 - (i) friendly society;
 - (ii) Generally Accepted Accounting Practice;
 - (iii) International Auditing Standards; and
 - (iv) NAMFISA;
- (b) as defined in section 284 of the Act –
 - (i) assets;
 - (ii) board;
 - (iii) fair value; and
 - (iv) society.

Applicability

2. This Standard applies to all societies registered under the Act, and the board and principal officer of each society are responsible for ensuring that the statement of assets of the society meets the requirements of this Standard.

Statement of assets

3. Every society must annually prepare a statement of its assets as at the end of its financial year, and must deposit such statement with NAMFISA within three months from that financial year end.

4. The statement of assets of a society must comply with Generally Accepted Accounting Practice and International Auditing Standards.

5. (1) The inclusion of amounts produced from actuarial valuations and/or assessments in the statement of assets is subject to Standard No. FS.S.6.8 - The determination of the soundness of the financial position of a friendly society for the purposes of section 308(3), and to review by NAMFISA.

(2) No amounts made pursuant to actuarial or other methodology that represent future contributions by future members of the society, may be included in any statement of assets.

6. (1) All assets of the society in respect of its business related to its objects, as described in clause 16 of this Standard, must be included in the statement of assets.

(2) The values at which assets are to be included are their fair values as defined in section 284 of the Act.

(3) Where the fair values of the assets differ from their market value, their market values must also be reported.

(4) The statement of assets must, in the case of each such asset whose fair value differs from its market value, disclose whether the market value is readily ascertainable from publicly available data or has been determined in some other manner.

(5) Where the market value of an asset is readily ascertainable from public data, the source of the market value must also be reported with details as to the manner in which the market value has been determined at its source, together with a description of whether or not accrued investment income has been incorporated in the amount reported.

(6) Where the market value has been otherwise ascertained, the statement must describe the methodology for its determination in detail.

7. Any statement of assets required to be deposited must, unless otherwise approved by NAMFISA, report the assets in the format set out in the Schedule to this Standard.

8. (1) Where, in respect of any asset, any payment of interest, dividends, capital or other amount that is due to have been paid to the society has not been received, and more than two months have elapsed from the due date to the date as of which the statement is prepared, the asset must be included in the statement as a separate item and not included in any grouping or aggregation of assets, together with data showing the due date and the amount due.

(2) Details of the manner of determining the fair value and market value of the assets referred to in sub-clause (1) must be provided.

9. No expenses of administration, organisation or business extension, and no purchase price of a business (apart from the value of any property belonging thereto) or of goodwill or any item of a similar nature, must be included as an asset.

10. Full particulars of each asset must be furnished, provided that if compliance with the requirements of this clause by a particular society would result in an unduly voluminous statement, the society concerned may group various classes of assets together, or otherwise abridge the statement in such manner as NAMFISA may approve in writing.

11. Subject to clause 8, the statement of assets must, for each asset, include the amounts of investment income that have accrued to the date of the statement but which are not yet due to be paid.

12. The statement of assets must be accompanied by a declaration of the board of the society stating whether in their opinion the statement of assets has been drawn up in accordance with the requirements of the Act and this Standard.

13. The declaration of the board of the society pursuant to clause 12 must be by way of a resolution of the board which specifies the day on which it was made and be signed by the chairperson of the board.

14. The statement of assets of a society must include a statement by the auditor of the society to the effect that in his or her opinion, the statement of assets has been compiled in accordance with the requirements of the Act and this Standard.

15. NAMFISA will assess the adequacy and appropriateness of disclosures in the statement of assets and may request further information and additions to the statement if NAMFISA deems it appropriate.

16. Where the society conducts business other than that corresponding to its objects, it must maintain separate funds, accounts of revenues and expenses, assets and liabilities pertaining to the affairs corresponding to its objects.

SUPPORTING SCHEDULE

The following supporting schedule is attached to and forms part of this Standard:

Schedule: STATEMENT OF ASSETS

SCHEDULE (to Standard No. FS.S.6.1)**STATEMENT OF ASSETS**

Asset Group by Jurisdiction and by Currency within Jurisdiction	Cost Amount paid for investment	Fair Value as of date of statement	Investment Income Overdue > 60 days
Credit Balances: Bank Accounts and Deposits – list by account			
Credit Balances: Other Bank Instruments – list by instrument			
Government Bonds: – list in order of increasing term to maturity with key characteristics – issuer, coupon rate, if convertible etc.			
State-owned enterprise, local authority and regional council Bonds: – list in order of increasing term to maturity with key characteristics – issuer, coupon rate, if convertible etc.			
Corporate Bonds: – list in order of increasing term to maturity with key characteristics – issuer, coupon rate, if convertible etc.			
Foreign Bonds: – list in order of increasing term to maturity with key characteristics – issuer, coupon rate, if convertible etc.			
Property: – list by property disclosing ownership interest, location and proportion occupied by the society			
Shares: – group publicly traded and non- publicly traded separately, common and preferred separately, and within common group dividend-paying and non-dividend paying separately. Within all groupings list each holding separately disclosing issuer and number of shares held			
Other Claims:			
Other Assets:			
Mortgage Loans: - Residential–group loans to non-members and to members separately. Within each grouping list each loan separately in order of increasing term to maturity disclosing interest rate and term to maturity			
Mortgage Loans: – Commercial and Industrial – list each loan separately identifying property location, interest rate and term to maturity			
Investment Income Receivable and not overdue more than 60 days			
Members' Contributions Receivable – less than 60 days overdue			
Members' Contributions Receivable – more than 60 days overdue			
Office equipment and supplies			
Other			

General Interrogatory Regarding Statement of Assets

1. Have all assets reported in this statement been acquired in compliance with the Investment Policy adopted by the Society Board in accordance with the Society's Rules? If not, append an explanation.

2. Does the Society delegate investment decisions to an independent professional or are investment decisions taken by Society board? If the latter, append an explanation of the internal processes involved.

3. Has the Society's Investment Policy been reviewed by an independent professional within the last 3 years? If yes, disclose any significant changes that were effected as a result of that review. If not, append an explanation.
 4. Does the Society's Investment Policy contain descriptions of the rate of return objectives for the investment portfolio, the associated risk measures and controls? If not, append an explanation.
 5. Does the Society invest in derivative instruments for hedging or other purposes? If so, explain the activities and disclose all transactions during the year, ending with the date of the statement by appending same to this statement.
 6. Does the Society lend its securities? If so, append an explanation of the practice and disclose all transactions during the year ending with the date of the statement.
 7. Are any payments of investment income overdue more than six months? If any, append a list of the investments concerned and the amounts overdue to this statement, together with an explanation of the determination of those investments' fair value and of the Society's plan for securing its interests therein.
 8. What was the net internal rate of return on the investment portfolio in the year ending with the date of the statement and what were those rates of return in each of the immediately preceding two years?
 9. Does the statement of assets include any amounts determined by a valuator as outputs of an actuarial valuation or process? If so, append an explanation.
 10. Do all mortgage loans to members comply with section 306(2) of the Act? If not, append an explanation.
 11. Have the fair values of the Society's investments been determined by the Society Board? If so, has the board's methodology been reviewed by the Society's auditor and, if so, please append a description of any material findings of that review? If not, append an explanation of the source of the determinations and its methodology.
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FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**FRIENDLY SOCIETIES****STATEMENT OF THE LIABILITIES OF A FRIENDLY SOCIETY****Standard No. FS.S.6.2**

issued by NAMFISA under section 410(7)(b) of the Financial Institutions and Markets Act, 2021

Definitions

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation -

(a) as defined in section 1 of the Act –

- (i) friendly society;
- (ii) Generally Accepted Accounting Practice;
- (iii) International Auditing Standards; and
- (iv) NAMFISA;

(b) as defined in section 284 of the Act –

- (i) board;
- (ii) liabilities;
- (iii) fair value; and
- (iv) society.

2. This Standard applies to all societies registered under the Act and the board and principal officer of each society shall be responsible for ensuring that the statement of liabilities of the society meet the requirements of this Standard.

3. Every society must, at least annually, prepare a statement of its liabilities other than those requiring actuarial scrutiny, and every society must at least triennially prepare a statement of its liabilities inclusive of those liabilities requiring actuarial scrutiny in the format set out in the Schedule to this Standard.

4. The statement of liabilities of a society must comply with Generally Accepted Accounting Practice and International Auditing Standards.

5. (1) A society shall deposit its statement of liabilities within three months of the end of its financial year, except that where such statement includes liabilities requiring actuarial scrutiny, the society shall deposit its statement of liabilities within three months after the date of

completion of the valuation by the valuator of the liabilities requiring actuarial scrutiny, but in any case, not later than six months following the end of the financial year.

(2) A society whose liabilities include liabilities subject to actuarial scrutiny shall deposit a statement of its liabilities, including those liabilities subject to actuarial scrutiny, at the end of the financial year in which the Act comes into force, or at the end of the third financial year following the date on which the society's liabilities were last determined, whichever is later.

6. Where the statement of liabilities of a society includes liabilities subject to actuarial scrutiny, the actuarial processes that produce said liabilities shall conform to generally accepted actuarial practice, be based on data which is sufficient, complete and accurate, and shall comply with the requirements of Standard No. FS.S.6.8 - The determination of the soundness of the financial position of a friendly society for the purposes of section 308(3), except where otherwise allowed in writing by NAMFISA.

7. The statement of liabilities shall, subject to clauses 9 and 10, disclose in accordance with the Schedule to this Standard:

- (a) The liabilities for unmatured contracts in force that require actuarial scrutiny separately for each such line of business issued pursuant to the rules of the society;
- (b) The liabilities for unmatured contracts in force other than those requiring actuarial scrutiny separately for each such line of business issued pursuant to the rules of the society;
- (c) The liabilities for matured contracts and benefit claims that have been reported but have not been settled as of the date of the statement;
- (d) The liabilities for matured contracts and benefit claims that have been incurred but have not yet been reported as of the date of the statement;
- (e) The liabilities for accrued expenses separating between those due and unpaid and those not yet due, and further, between those allocated to administration and those allocated to investment operations;
- (f) The liabilities for accrued taxes, if any, separating between those due and unpaid and those not yet due;
- (g) The liabilities that have been determined by NAMFISA in respect of contingencies, business or provisions and that have not been determined by a valuator or otherwise;
- (h) Miscellaneous liabilities; and
- (i) Paid Up Share Capital, if any.

8. Notwithstanding anything contained in clauses 6 and 7, and subject to clause 11, a liability or contingent liability which is covered by reinsurance shall not be shown as a liability on the statement of liabilities if the reinsurance has been effected with:

- (a) a reinsurer authorised to carry on reinsurance business pursuant to Chapter 2 of the Act; or
- (b) another registered society.

9. The statement of liabilities of a society related to its insurance business shall report amounts (both amounts of insurance and the associated liabilities) determined on a net of reinsurance basis where such reinsurance has been ceded by the society to an insurer or reinsurer that has been registered by NAMFISA, and on a gross of reinsurance basis where such reinsurance has been ceded to an insurer or reinsurer that has not been registered by NAMFISA, and in both cases, the amounts and liabilities thereof, i.e. ceded and assumed, shall be separately disclosed in the statement of liabilities identifying the insurer or reinsurer as the case may be.

10. The statement of liabilities of a society related to its insurance business shall include amounts (both amounts of insurance and the associated liabilities) related to insurance assumed from insurers or from reinsurers disclosing those amounts assumed from insurers or reinsurers registered by NAMFISA separately from those assumed from insurers or reinsurers not registered by NAMFISA, and identifying each such insurer or reinsurer in each case.

11. If any of the liabilities or contingent liabilities of a society that are to be included in the statement of liabilities in accordance with clauses 7, 8, 9 and 10 are of indeterminate amount, and have not been valued by a valuator pursuant to section 304 of the Act, the society concerned shall in writing request NAMFISA to determine the basis upon which such liabilities must be valued, and any determination so made by NAMFISA shall be binding upon the society.

12. NAMFISA may recover from the society all expenses necessarily incurred in making a determination under clause 11.

13. The liabilities of a society shall be separately stated in respect of each object or kind of business for which a separate account is required by the rules of the society.

14. NAMFISA will assess the adequacy and appropriateness of disclosure in the statement of liabilities and may request further information and additions to the statement if NAMFISA deems it appropriate.

SUPPORTING SCHEDULE

The following supporting schedule is attached and forms part of this Standard:

Schedule: STATEMENT OF LIABILITIES

SCHEDULE (to Standard No. FS.S.6.2)**STATEMENT OF LIABILITIES**

Business Requiring Actuarial Scrutiny – Net of Reinsurance Ceded to Registered Insurance Entities– Report At Least Triennially Liabilities in Respect of Unmatured Contracts in Force		
Class of Business	Amount in Force	Liability
Life Insurance		
Annuity		
Accident and Sickness		
Other Health		
Other Line A		
Other Line B etc		
Reinsurance Details		
Ceded to Registered Entities		
Ceded to Unregistered Entities		
Assumed from Registered Entities		
Assumed from Unregistered Entities		
Other Liabilities – All Business Report Annually		
Classification of Liability	Amount	
Amounts Due in Respect of Reported Claims		
Amounts Due in Respect of Unreported Claims		
Reinsurance Details – Amounts Due in Respect of Reported Claims – As per item above.		
Classification of Liability	Amount	
Member Contributions Received but not yet Due		
Unearned Member Contributions – Note 1		
Accrued Expenses Due and Unpaid – Administrative		
Accrued Expenses Due and Unpaid – Investment		
Accrued Taxes Due and Unpaid		
Accrued Expenses – Administrative		
Accrued Expenses – Investment		
Accrued Taxes		
Provision for miscellaneous contingencies		
Other determinable liabilities not included elsewhere – Note 2		
Indeterminate Liabilities for which NAMFISA has determined the basis		
Dividends to Shareholders due and unpaid		
Accrued Dividends to Shareholders		
Paid-Up Capital		

Note 1. Where a member pays a yearly contribution on June 30 - as of December 31, one-half of that contribution has been 'earned' and one-half is 'not earned' and must be reported as a liability.

Note 2. Valuator's Certificate – to be included in any statement of liabilities which include liabilities in respect of business for which actuarial scrutiny is required.

I, _____, the undersigned, hereby certify that the liabilities of the _____

Friendly Society included in this statement for which actuarial scrutiny is required were determined by me on the basis of assumptions and methods which conform to generally accepted actuarial standards of practice using data which I believe to be sufficient, complete and accurate.

Signed at _____ on this ____ day of _____.

SIGNATURE OF VALUATOR**INTERROGATORY RE STATEMENT OF LIABILITIES**

1. Is the society a defendant in any legal action(s) as of the date of the statement of liabilities? If so, append an explanation of the action(s) and indicate what provision for liability has been included in the statement.

2. Are any tax filings of the society known to be under investigation? If so, append an explanation and indicate what provision for liability has been included in the statement.

3. Have the society's auditor and valuator engaged in consultations regarding matters pertaining to the determination of the society's accounts, data, investments or other subjects related to the determination of the society's liabilities? If so, disclose any issues of concern by either or both that were raised with board and the manner in which those issues have been addressed.

4. Are there any reported claims for which the society is holding a provision in the statement of liabilities that is materially less than the amount claimed? If so, append an explanation.

5. Does the society have contracts in force guaranteeing to pay death benefits? If so, what is the largest single amount of benefit that it has in force and what proportion of it has been ceded to a reinsurer?

6. Does the society have contracts in force guaranteeing to pay income benefits (life annuities)? If so, append a description of the provision for improvements in longevity that have been made in the determination of the liabilities.

7. Does the society monitor claims ratios for short-term lines of business (e.g., accident and health)? If so, append an explanation of the monitoring process and recent results.

8. Does the society monitor the adequacy of its claims reserves for short-term lines of business (e.g., health and short-term disability income)? If so, append an explanation of the monitoring process and recent results.

9. Have any of the expenses of the society not directly allocable to the operations of the businesses on which the statement of liabilities is based been included in the statement of liabilities? If so, append a description of the amounts involved and the methodology used to allocate and report them in this statement.

10. Does the total of the liabilities and paid-up capital reported in this statement, together with the most recent total of the liabilities in respect of business requiring actuarial scrutiny, if this statement does not include same, exceed the total of the assets of the society as reported in the statement of assets prepared as of the same date? If yes, append an explanation together with a summary of the steps to be taken to ensure the society's capacity to continue in operation.

Attestation by Principal Officer

I, _____, Principal Officer of _____
_____ Friendly Society do hereby attest
that the responses to the foregoing Interrogatory re the Statement of Liabilities are complete and
accurate.

Signed at

_____ on this ____ day of _____.

SIGNATURE OF PRINCIPAL OFFICER

FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**FRIENDLY SOCIETIES****MANAGEMENT AND GOVERNANCE OF A FRIENDLY SOCIETY****Standard No. FS.S.6.4**

issued by NAMFISA under section 410(7)(g) of the Financial Institutions and Markets Act, 2021

Definitions

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following-

- (a) as defined in section 1 of the Act –
 - (i) Companies Act;
 - (ii) friendly society;
 - (iii) NAMFISA; and
 - (iv) principal officer;
- (b) as defined in section 284 of the Act –
 - (i) board;
 - (ii) rules; and
 - (iii) society.

Applicability

2. This Standard applies to the board and principal officer of a friendly society.

Management and governance

3. The rules of a friendly society must provide for the constitution of a board, and the members of the society must, in accordance with the rules of the society, elect or appoint the members of the board who are fit and proper within the meaning of Standard No. GEN.S.10.2 – Fit and Proper Requirements.

4. The term of office of members of the board must not exceed a period of five years, but such members may be re-elected or re-appointed upon expiry of such term.

5. The board of a friendly society must have a minimum of three members and a maximum of seven members.

6. The board of a friendly society must appoint a principal officer, who is fit and proper within the meaning of Standard No. GEN.S.10.2 – Fit and Proper Requirements, in accordance with the rules of the society and subject to the provisions of the Act, and must notify NAMFISA within one month of such appointment.

7. The chairperson of the board of a friendly society must not be the principal officer of the society.

8. The members of the board must, in accordance with the rules of the society, appoint a chairperson from among their number.

9. The term of office of the chairperson must not exceed a period of three years, but a chairperson may be re-appointed for one additional term upon expiry of his or her first term of office.

10. The board of a friendly society is responsible for the sound and prudent management of the society.

11. The board must fully understand the risks associated with the society's activities, and the prudent management of those risks to ensure timely and open discussion and action regarding potential problems.

12. The board must have internal control systems and risk management strategies, to ensure that the society is able to meet its commitments to members and other applicable parties, in place.

13. At any meeting of the board of a friendly society, the chairperson must ask for a declaration of any conflict or potential conflict of interest on the part of any member of the board regarding any matter due for discussion during the meeting, and the chairperson and the other members of the board must decide on how to manage any such conflict of interest so declared.

14. The board of a friendly society must establish policies and procedures that ensure sound governance, legal and regulatory compliance and reporting including compliance with the anti-money laundering regime as contemplated in the Financial Intelligence Act, 2012 (Act No. 13 of 2012), and such policies and procedures must include, amongst others:

- (a) written policies that are consistent with the business of the society specifying the internal control systems and risk management strategies to be implemented within the society;
- (b) a formal charter that sets out the roles and responsibilities of the board and the individual members of the board;
- (c) a fit and proper policy that is consistent with Standard No. GEN.S.10.2 – Fit and Proper Requirements, which policy must apply to all board members, other officers, trustees, custodians, auditors and valuers of the friendly society;
- (d) a documented remuneration policy, which must outline the remuneration objectives and the structure of the remuneration arrangements for officers and employees of the society, including but not limited to, performance-based remuneration; and
- (e) a documented remuneration policy, which must outline the remuneration objectives and the structure of the remuneration arrangements for the members of the board of the society, including but not limited to, performance-based remuneration, and such policy must be adopted at the annual general meeting.

15. The board of a friendly society must cause to be kept in safe custody or a strong room at the principal office of the society or of a financial institution approved by the board, any mortgage bond, title deed or other security belonging to or held by the society except when held in the temporary custody of another person for or on behalf of the society.

16. The board of a friendly society must make such provisions as deemed desirable, with due regard to normal practice and recommended guidelines, pertaining to the retention of documents and for the safe custody of the books, records, documents and other effects of the society.

17. The board of a friendly society must be available to meet with NAMFISA on request.

18. In the case of a society with share capital that is incorporated under the Companies Act, its management and governance must comply with the governance provisions of the Companies Act, this Standard as well as the standard to be issued in terms of section 410(2)(n) of the Act.

FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**FRIENDLY SOCIETIES****REQUIREMENTS FOR THE ANNUAL REPORT OF A FRIENDLY SOCIETY****Standard No. FS.S.6.5**

issued by NAMFISA under section 410(7)(h) of the Financial Institutions and Markets Act, 2021

Definitions

1. (1) In this Standard –
 - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act; and
 - (b) “NAMFISA ERS” means the Electronic Regulatory System which facilitates communication between NAMFISA and financial institutions.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following –
 - (a) as defined in section 1 of the Act –
 - (i) auditor;
 - (ii) friendly society;
 - (iii) Generally Accepted Accounting Practice;
 - (iv) International Auditing Standards;
 - (v) principal officer; and
 - (vi) valuator; and
 - (b) as defined in section 284 of the Act –
 - (i) assets;
 - (ii) board;
 - (iii) fair value;
 - (iv) rules; and
 - (v) society.

Applicability

2. This Standard applies to every friendly society registered under the Act and to the board, principal officer, auditor and valuator, if any, of the friendly society.

Requirements for annual report

3. (1) Subject to clause 6(d), the information required under this Standard must be submitted electronically to NAMFISA on the NAMFISA ERS and in the form required by NAMFISA.

(2) Where necessary and when so directed by NAMFISA, specified information or documentation must be submitted to NAMFISA manually.

4. A friendly society must submit the required annual report within three months after the financial year end of the society.

5. Upon written application by a friendly society before the expiration of the period contemplated in clause 4, NAMFISA may grant the society an extension, to a maximum of six months for the submission of the required annual report.

6. Financial statements must accompany the annual report submitted by a friendly society and must be prepared in accordance with:

- (a) Generally Accepted Accounting Practice;
- (b) International Financial Reporting Standards;
- (c) International Auditing Standards; and
- (d) in the case of a friendly society with share capital that is incorporated under the Companies Act, the provisions of the Companies Act will apply specifying requirements relating to the form and content of a financial report.

7. Annual financial statements of a friendly society submitted to NAMFISA pursuant to this Standard, must be audited by the auditor appointed by the society.

8. Any certification of the financial soundness of a friendly society by the valuator appointed by the society must be submitted to NAMFISA at the same time as the information required to be provided to NAMFISA under this Standard, and any such certification must be in accordance with Standard No. FS.S.6.8 – The determination of the soundness of the financial position of a friendly society for the purposes of section 308(3), and with any applicable professional actuarial or valuation standards.

9. Notwithstanding the requirements of any of the accounting standards referred to in clause 6, the assets of each benefit fund of a friendly society must be measured at fair value, with changes in fair value recognised in the income statement.

10. The financial statements of a friendly society must include the following:

- (a) a statement of comprehensive income for the financial year that accurately represents the profit or loss of the society as well as each benefit fund kept for each object of the society determined in accordance with the rules of the society and the requirements of the Act;
- (b) a statement of financial position that accurately represents the financial position of the society as well as each benefit fund consistent with the rules of the society and the requirements of the Act; and
- (c) additional information in relation to the financial statements, which must either be attached to or submitted with the statement of comprehensive income and statement of financial position, including:

- (i) a report of the board;
- (ii) a report of the auditor; and
- (iii) a report of the valuator, if any.

11. The report by the auditor of the friendly society referred to in clause 10(c)(ii) must be in accordance with Generally Accepted Accounting Practice and International Auditing Standards.

12. There must be attached to the financial statements of a friendly society a declaration by the board, as contemplated in clause 10(c)(i), as to whether or not, in its opinion:

- (a) the financial statements are properly drawn up in accordance with the requirements of the Act and this Standard;
- (b) the statement of comprehensive income accurately represents the profits or losses determined in accordance with the Act and this Standard;
- (c) the statement of financial position accurately represents the financial position of the society consistent with the requirements of the Act and this Standard as at the end of the financial year of the society;
- (d) the distribution of the surplus, if any, of the benefit funds of the friendly society has been made in accordance with the rules of the society; and
- (e) any assets of the society have been applied or invested in contravention of the Act and any standards relating thereto.

13. The declaration of the board referred to in clause 12 must:

- (a) be made in accordance with a resolution of the board;
- (b) specify the day on which the resolution was made; and
- (c) be signed by at least two members of the board.

14. A copy of the management report findings by the auditors of the friendly society must be submitted to NAMFISA within three months of the friendly society's financial year-end.

FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**FRIENDLY SOCIETIES****REQUIREMENTS FOR THE RULES OF A FRIENDLY SOCIETY AND ANY
AMENDMENTS OF SUCH RULES****Standard No. FS.S.6.6**

issued by NAMFISA under section 410(7)(i) of the Financial Institutions and Markets Act, 2021

Definitions

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following –

- (a) as defined in section 1 of the Act –
 - (i) friendly society;
 - (ii) NAMFISA; and
 - (iii) principal officer;
- (b) as defined in section 284 of the Act –
 - (i) board;
 - (ii) member;
 - (iii) rules; and
 - (iv) society.

Applicability

2. This Standard applies to all friendly societies required to be registered under the Act and to their board and principal officer.

General Requirements for Rules

3. The rules of a friendly society must not be inconsistent with the Act and this Standard, must be in the official language of the Republic of Namibia and must provide for the following matters:

- (a) the full name of the friendly society, including a reference to any name changes that the society may have undergone;
- (b) the date of registration of the friendly society and the date of the first and subsequent financial year end;

- (c) the address of the principal office of the friendly society;
- (d) the objects of the friendly society;
- (e) a list of definitions, in alphabetical order, defining any terms which are frequently used in the rules and which bear special connotation;
- (f) the calculation and payment of contributions to the friendly society by members and the purpose for which they are to be applied;
- (g) the right of members to make voluntary contributions;
- (h) the various classes (if any) of members and the requirements for admission to membership and the circumstances under which membership is to cease;
- (i) the conditions under which any member or other person may become entitled to any benefit and the minimum and maximum amount of any such benefit;
- (j) the circumstances and the nature of any fines or forfeitures to be imposed on any member and the consequences of non- payment of any contribution or fine;
- (k) the appointment or election, removal from office, powers and method of determining any remuneration of the principal officer, board and other officers of the friendly society;
- (l) the investment powers of the friendly society;
- (m) whether, in terms of section 304(1) of the Act any part of the business of the society is subject to actuarial scrutiny, and if so, a description of that business;
- (n) where paragraph (m) applies, the appointment of a valuator of the society who is fit and proper within the meaning of Standard No. GEN.S.10.2 – Fit and Proper Requirements, and independent within the meaning of Standard No. GEN.S.10.8 - The independence of directors, members of a board, trustees, custodians, auditors and valutors and any other person required to be independent under the Act, and provisions regarding the investigation, valuation and report by the valuator provided for in section 304 of the Act;
- (o) the maintenance of accounts relating to any businesses described in paragraph (m) separately from accounts relating to any other business;
- (p) whether a separate account is to be kept in respect of any particular kind of business other than those separate accounts required by paragraph (o) and if so, a description of such business;
- (q) the opening of a bank account in the name of the friendly society for each account referred to in paragraphs (o) and (p);
- (r) the appointment of the auditor of the friendly society, if applicable;
- (s) the portion of contributions that are to be allocated towards the costs/expenses of managing the society, and if so, opening and maintenance of a separate account for such contributions and expenses;

- (t) if separate accounts are to be kept in respect of any particular kind of business, or in respect of costs/expenses of managing the society and contributions towards such expenses, the circumstances in which and conditions upon which amounts may be transferred from one such account to another;
- (u) the manner of determining profits and losses and of disposing of such profits or providing for such losses;
- (v) the manner in which contracts and other documents binding the society must be executed;
- (w) the manner of amending or rescinding any rules, and of making additional rules;
- (x) the manner in which any disputes between the friendly society and its members or former members, or between the friendly society and any other person whose claim is derived from a member or former member must be settled;
- (y) the safe custody of title deeds, securities, books, papers and other effects belonging to or held by the society;
- (z) subject to the provisions of the Act, the manner in which and the circumstances under which the society must be terminated or dissolved, with particular reference to –
 - (i) total and partial dissolution;
 - (ii) the appointment of a liquidator, to be approved by NAMFISA; and
 - (iii) how former members, whose membership ceased during at least the 12-month period immediately preceding the date of the termination or dissolution, must be taken into consideration;
 - (aa) the amalgamation of the friendly society with any other financial institution or financial intermediary;
 - (bb) the transfer of the business of the friendly society, or any part thereof to any financial institution or financial intermediary;
 - (cc) the appointment of a board to oversee the management of the friendly society and any committees;
 - (dd) the number of members forming a board and any committee referred to in paragraph (cc), and the appointment of alternate board members;
 - (ee) the frequency with which any board or committee referred to in paragraph (cc) must meet, which must be at least four times each year for the board and at least twice per year for any committee;
 - (ff) the manner of calling the annual general meeting and any special general meeting of members, if any such meetings are held, the quorum necessary for the transaction of business at such meetings, the manner of voting thereat and the requirement that annual general meetings be held within six months after the financial year-end of the society; and

- (gg) the manner in which unclaimed benefits shall be dealt with upon:
 - (aa) the death of a member;
 - (bb) the termination or dissolution of the friendly society; and
 - (cc) the withdrawal of a member from the friendly society.
- 4. The rules of a friendly society must state the right of:
 - (a) members to be provided, free of charge, with a copy of –
 - (i) the rules of the society upon becoming a member;
 - (ii) a copy of any amendment to, rescission of, or addition to the rules of the society the date of its implementation after commencement of the member's membership of the society;
 - (b) members, beneficiaries or persons authorised by a member or beneficiary, to inspect, free of charge, any of the documents referred to in paragraphs (a)(i) and (a)(ii), at the principal office of the friendly society and to make extracts therefrom; and
 - (c) members, beneficiaries or persons authorised by a member or beneficiary to be provided, at a charge that must not exceed the cost specified by NAMFISA from time to time, with a copy of:
 - (i) the rules of the society;
 - (ii) the most recent income statement and balance sheet of the society; and
 - (iii) either a full report or an abridged version of the most recent report by the valuator of the society prepared pursuant to section 304 of the Act, provided that upon request of members, electronic copies of any of the documents listed under paragraph (c) must be provided free of charge.

Transitional provision

5. A friendly society referred to in section 292 of the Act must amend its rules to comply with this Standard within 12 months of the date on which this Standard comes into effect.

Format and certification

6. The rules of a friendly society must comply with the following requirements as to format:
- (a) the rules must be printed in at least 1,5 spacing on A4 paper of at least 80 grams;
 - (b) the rules must be printed on one side of the paper only with a margin of at least 30mm on the left side of the paper;
 - (c) headings and subheadings must be printed in bold print;
 - (d) definitions must be printed in capital letters and used in that way throughout the text;
 - (e) the document must not contain any underlining; and

- (f) the document shall at the front contain a detailed table of contents, with references to the relevant page numbers.

7. The rules of a friendly society must be certified as follows on the first page or on the cover if the rules are in the form of a booklet: “Certified that these are the rules of the XYZ Friendly Society (*substitute “XYZ Friendly Society” with the full name of the society*) which will become effective on the date of registration of the society” or “on the specified date” in the case of a society referred to in clause 5.

Amended, rescinded and additional rules

8. The rules and any amended, rescinded or additional rule must be signed on the first page by the principal officer and either the chairperson of the board or any other member of the board.

9. Within one month from the date of the passing of a resolution for the amendment or rescission of any rule or for the adoption of any additional rule, but not later than one month prior to the implementation of any such amended, rescinded or additional rule, the principal officer of the society must submit to NAMFISA, together with the text of the amended, rescinded or additional rule, and in the manner prescribed by NAMFISA:

- (a) a copy of the resolution adopted by the friendly society with a certificate to the effect that the resolution has been adopted in accordance with the provisions of the rules of the society;
- (b) if the amended, rescinded or additional rule affects the financial condition of the society, a certificate by the valuator of the society as to the financial soundness of the amendment, rescission or addition; and
- (c) a statement explaining the reason for the amended, rescinded or additional rule.

10. The resolution and certificate referred to in clause 9(a) are not necessary in the case of a consolidation of the existing rules, but will apply in the case of a consolidation that contains amended, rescinded or additional rules.

11. In accordance with clause 4(a)(ii), the principal officer of the society must, within one month of its implementation, send to each member a copy of any amendments to, rescissions of or additions to the rules of the society.

FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**FRIENDLY SOCIETIES****THE DETERMINATION OF THE SOUNDNESS OF THE FINANCIAL POSITION OF A FRIENDLY SOCIETY FOR THE PURPOSES OF SECTION 308(3)****Standard No. FS.S.6.8**

issued by NAMFISA under sections 308(3) and 410(7)(m) of the Financial Institutions and Markets Act, 2021

Definitions

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following –

- (a) as defined in section 1 of the Act –
 - (i) friendly society;
 - (ii) NAMFISA; and
 - (iii) valuator;
- (b) as defined in section 284 of the Act –
 - (i) assets;
 - (ii) liabilities;
 - (iii) member;
 - (iv) rules; and
 - (v) society.

Applicability

2. This Standard applies to the board of a society, the valuator and the report referred to in sections 304 and 308 of the Act.

Financial soundness

3. A society will be considered to be in a financially sound position for the purposes of section 304(2) provided:

- (a) audited financial statements are prepared and they show that the society’s assets exceed its liabilities and there are no qualifications accompanying the auditor’s certification;

- (b) the valuator's report has been prepared in accordance with generally accepted actuarial practice and no amounts of benefits or contributions in respect of future members have been recognised;
- (c) the valuator's report shows that the assets of the funds held in respect of benefit liabilities for business subject to actuarial scrutiny exceed those liabilities as at the date of the report, and that a projection of those assets and liabilities on the valuation basis, and assuming no new members, shows that the projected assets exceed the projected liabilities at the end of each of the three succeeding financial years;
- (d) the valuator's report includes an analysis of the gains and losses of each of the benefit funds and, where there are losses, indicates the sources thereof and makes recommendations for increases in the relevant member contributions or reductions in benefits, as provided for by the rules of the society;
- (e) the valuator's report states what, if any, pending amendments to, rescissions of, or additions to the rules of the society have been taken into account and what, if any, their financial impact is expected to be, the necessary steps to be taken to ensure the continuing financial soundness of the society if their financial impact impairs the society's financial soundness; and
- (f) the valuator's report includes a certification free of any qualifications.

4. The valuator may rely on the immediately preceding report on the financial soundness of a society provided that in the event it was prepared by another valuator, the valuator includes a disclosure in the report to the effect that the reliance was made on the basis of a review of the report of the other valuator and that no questions or concerns arose, or, if there were any, they were brought to the attention of the other valuator and have been resolved.

Valuation report

5. The report required under sections 304(2) and 308(3) of the Act, must be certified by the valuator concerned and the certification must include:

- (a) the name and qualifications of the valuator;
- (b) the relationship of the valuator to the society;
- (c) an outline of the matters the valuator has considered in making the report;
- (d) a statement that the report is based on methods and assumptions that conform to generally accepted actuarial standards;
- (e) a statement that the report is based on data that the valuator considers to be accurate and complete;
- (f) the date by which contribution rates must next be reviewed if the report relates to rates of contribution; and
- (g) any additional information or qualification required in accordance with the professional code of conduct of the valuator.

6. The report of the valuator must include the following information in addition to that stipulated in clause 5:

-
- (a) the methods used and the assumptions made including, in the case of those assumptions having significant impacts on the results, a discussion of the basis for their selection or construction;
 - (b) a discussion on the reliance made on the work of others (auditor, previous valuator if applicable, investment advisor, administrator);
 - (c) a summary of the results of the valuation including, for each separate benefit fund, a balance sheet showing the assets and liabilities of the society;
 - (d) tabular distributions of the data used in the valuation in respect of membership and benefit amounts;
 - (e) in respect of the analysis of gains and losses by benefit fund, a discussion on their significance in terms of the adequacy/inadequacy of member contributions in relation to benefits; and
 - (f) a discussion on the appropriateness of the investment portfolio of the society in relation to the characteristics of the society as to its liabilities for fixed or variable benefits and its expected benefit and expense outflows, including asset-liability matching.
-

FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**FRIENDLY SOCIETIES****REQUIREMENTS FOR THE VOLUNTARY TERMINATION OR DISSOLUTION OF
A FRIENDLY SOCIETY PURSUANT TO SECTION 316 AND IN CIRCUMSTANCES
SPECIFIED IN ITS RULES****Standard No. FS.S.6.9**

issued by NAMFISA under section 410(7)(r) of the Financial Institutions and Markets Act, 2021

Definitions

1. (1) In this Standard-
 - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
 - (b) “Companies Act” means the Companies Act, 2004 (Act No. 28 of 2004);
 - (c) “final accounts” means the final revenues and expenses account and the final balance sheet; and
 - (d) “preliminary accounts” means the preliminary revenues and expenses account and the preliminary balance sheet.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -
 - (a) as defined in section 1 of the Act –
 - (i) friendly society;
 - (ii) NAMFISA;
 - (iii) principal officer; and
 - (iv) valuator;
 - (b) as defined in section 284 of the Act –
 - (i) assets;
 - (ii) board;
 - (iii) liabilities;
 - (iv) member;
 - (v) rules; and
 - (iv) society.

Applicability

2. This Standard applies to every friendly society registered under the Act and to the board and principal officer of such friendly society, and to a liquidator appointed under clause 11.

Requirements for voluntary dissolution

3. The rules of a friendly society must provide procedures for the voluntary dissolution of the friendly society.

4. Where the rules of a friendly society provide for the dissolution of the society upon:

- (a) the expiry of a certain period;
- (b) the occurrence of a certain event; or
- (c) a resolution by the members to that effect, the society must be dissolved and the assets of the society distributed in the manner provided by its rules, subject to the provisions of this Standard.

5. Subject to an evaluation of the particular circumstances and to the rules of the friendly society, NAMFISA must determine whether a friendly society meets the requirements for voluntary dissolution.

6. Following a decision by members pursuant to clause 4(c), the principal officer must, in consultation with NAMFISA, furnish every member with a memorandum containing the reason(s) for the proposed dissolution and with a resolution to that effect as contemplated in clause 4(c), and a ballot paper.

7. The memorandum and ballot paper referred to in clause 6 must be submitted to NAMFISA for approval before being sent to the members.

8. Every member must be requested to return the ballot paper, duly completed, before a specified date, which date must not be later than three months after the memorandum as contemplated in clause 6 is furnished to members.

9. If at least 75% of the members return their ballot papers duly completed and the majority is in favour of the dissolution of the friendly society, the board must ensure that the society is dissolved.

10. If two successive attempts to obtain a 75% return of ballot papers fail, the board must refer the matter to NAMFISA for guidance.

11. A liquidator from the list maintained by NAMFISA pursuant to clause 13 must be appointed for the society in the manner directed by its rules, or, if the rules do not contain directions as to such appointment, by the board or principal officer of the society, but such appointment is subject to the approval of NAMFISA, and the period of dissolution shall be deemed to commence as from the date of such approval.

12. A copy of the resolution by the members of the society approving the dissolution of the society and the remuneration of the liquidator shall be submitted to NAMFISA and kept with the records of the society.

13. NAMFISA may maintain a list of persons approved by NAMFISA to act as liquidators of friendly societies, the purpose of the list being to expedite the appointment of a liquidator by a society and the approval of such appointment by NAMFISA.

14. During the period of dissolution of the society, the provisions of the Act shall continue to apply to the society as if the liquidator is the board or principal officer of the society.

15. The liquidator must, as soon as possible but within three months from the date of the approval of his or her appointment, deposit with NAMFISA the preliminary accounts, signed and certified as correct by the liquidator and showing the assets and liabilities of the society as at the date of commencement of the dissolution and the manner in which it is proposed to realise the assets and to discharge the liabilities of the society, including any liabilities and contingent liabilities to or in respect of members.

16. The liquidator shall discharge from the assets of the friendly society all of the debts, liabilities and obligations of the society (including all expenses incurred in liquidating the society) or otherwise make adequate provision for payment and discharge thereof, including, if the liquidator considers it necessary, the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine.

17. NAMFISA may, at its discretion and at its own cost, direct the liquidator to submit a report on the preliminary accounts referred to in clause 15, drawn up by an independent valuator or other competent person nominated by NAMFISA.

18. The preliminary accounts and report (if any) referred to in clauses 15 and 17 must be open for inspection by members of the society and other interested persons for a period of one month at the office of NAMFISA and at the principal office of the society.

19. NAMFISA must direct the liquidator to publish a notice, at the cost of the society, in the Government Gazette and in a national and/or regional/local newspaper in the English language or, if NAMFISA deems it necessary in the circumstances, in any other language, circulating in the district in which the principal office of the society is situated stating the period during which and the places at which the preliminary accounts and report (if any) shall be open for inspection by members of the society and other interested persons, which period shall be one month as contemplated in clause 18.

20. The notice referred to in clause 19 must state that any member or other interested person who has any objection to the preliminary accounts and report (if any) may lodge their objections in writing with NAMFISA within a period stated in the notice, which period shall be one month calculated from the last day on which those documents are open for inspection.

21. The text of the notice referred to in clause 19 must be approved by NAMFISA prior to its publication.

22. If no objections are lodged with NAMFISA pursuant to clause 20, NAMFISA must direct the liquidator to complete the dissolution.

23. If objections are lodged with NAMFISA pursuant to clause 20, NAMFISA may, after considering the objections, direct the liquidator to amend the preliminary accounts or give such other directions relating to the dissolution as NAMFISA thinks fit, provided such directions are not inconsistent with the rules of the society or this Standard, and any such direction shall be binding upon the liquidator.

24. The liquidator must forthwith upon the receipt of any direction of NAMFISA pursuant to clause 23, send a copy of the direction to every member, shareholder (where applicable) and creditor of the society, and the liquidator or any person aggrieved by any such direction may apply by motion to the court within 28 days after receipt of the direction by the liquidator, for an order to set aside the direction, and the court may confirm, vary or set aside the direction or make such other order as the court thinks fit.

25. If NAMFISA is satisfied that its directions, in so far as they have not been varied or set aside by the court, have been given effect by the liquidator, NAMFISA must direct the liquidator to complete the dissolution.

26. Not later than one month after completion of the dissolution, the liquidator must lodge with NAMFISA the final accounts signed and certified as correct by the liquidator and showing the assets and liabilities of the society at the commencement of the dissolution and the manner in which the assets have been realised and the liabilities (including any liabilities and contingent liabilities to or in respect members), have been discharged.

27. The provisions of the Companies Act relating to a voluntary winding-up, in so far as they are applicable to a society and are not inconsistent with the provisions of the Act and this Standard, shall apply *mutatis mutandis* to the dissolution of a society in accordance with this Standard.

28. All claims against the society must be proved to the satisfaction of the liquidator, subject to a right to appeal to the court, and the liquidator may require any claim to be made on affidavit.

29. If satisfied that the accounts prepared by the liquidator in respect of the society are correct and that the dissolution has been completed, NAMFISA must cancel the registration of the society and thereupon the society must be deemed to be dissolved.

30. If a society has a share capital, the liability of a shareholder of the society in the event of dissolution of the society, must be:

- (a) limited to the amount (if any) unpaid on any share held by that shareholder; or
- (b) unlimited if so, provided by the rules of the society.

31. The provisions of this Standard shall not apply to a society if the dissolution of the society is a result of an amalgamation or transfer approved by NAMFISA pursuant to Part 8 of Chapter 10 of the Act.

32. In exercising its powers and functions under this Standard, NAMFISA may request any additional information not provided for in this Standard that NAMFISA considers necessary or desirable.

FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**FRIENDLY SOCIETIES****THE REQUIREMENTS WITH WHICH A FRIENDLY SOCIETY REFERRED TO IN SECTION 286(1) MUST COMPLY (EXEMPTED SOCIETIES)****Standard No. FS.S.6.10**

issued by NAMFISA under sections 286(1) and 410(7)(c) of the Financial Institutions and Markets Act, 2021

Definitions

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following as defined in section 284 of the Act –

- (a) society; and
- (b) NAMFISA.

Applicability

2. This Standard applies to all friendly societies referred to in section 286(1).

Requirements

3. Any society to which Regulation FS.R.6.1 – The amount which the aggregate value of the income of a society must not exceed in order for Chapter 6 not to apply to such society, pursuant to section 286(1), applies, must submit to NAMFISA –

- (a) upon its establishment:
 - (i) the address of its principal office;
 - (ii) the name and contact details of its principal officer; and
 - (iii) the names and contact details of the persons managing the business of the society, if different from the principal officer;

and

- (b) within one month or such other period determined by NAMFISA by written notice, after the end of each calendar quarter, a statement of financial position, a statement of comprehensive income and a statement of cash flows of the society in the form determined by NAMFISA.
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FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**FRIENDLY SOCIETIES****MINIMUM NUMBER OF MEMBERS OF A FRIENDLY SOCIETY****Standard No. FS.S.6.11**

issued by NAMFISA under Section 410(7)(f) of the Financial Institutions and Markets Act, 2021

Definitions

1. In this Standard –
 - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act; and
 - (b) words and phrases defined in the Act bear the meanings ascribed to them by the Act.

Applicability

2. This Standard applies to all friendly societies registered under the Act.

Minimum number of members

3. The minimum number of members a friendly society must have is seven persons who are either corporate bodies or natural persons who have attained the age of majority, and who are actively contributing to the society.
-

FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**FRIENDLY SOCIETIES****THE VALUATION AND REPORT OF THE VALUATOR OF A FRIENDLY SOCIETY
REFERRED TO IN SECTION 304****Standard No. FS.S.6.12**

issued by NAMFISA under sections 304 and 410(7)(k) of the Financial Institutions and Markets Act, 2021

Definitions

1. (1) In this Standard –
 - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
 - (b) “auditor” means the person appointed in terms of section 302 of the Act;
 - (c) “IBNR” in relation to claims against a friendly society means Incurred But Not Reported;
 - (d) “ICAN” means Institute of Chartered Accountants of Namibia;
 - (e) “IFRS” means International Financial Reporting Standards;
 - (f) “principal officer” means the person appointed in terms of section 296 of the Act;
 - (g) “SMEs” means Small to Medium Enterprises; and
 - (h) “valuator” means a person appointed in terms of section 303 of the Act.

(2) Words and phrases defined in the Act bear the meanings ascribed to them by the Act, unless the context indicates otherwise.

Applicability

2. This Standard applies to all friendly societies registered under the Act which, under their rules, are subject to actuarial scrutiny.

Valuation report

3. The valuator must adhere to the following reporting requirements when compiling the report contemplated in section 304 of the Act –

- (a) the report must specify the friendly society to which it relates, that it is for the purposes of section 304 of the Act and must include:
 - (i) a description of the methodologies and processes used by the friendly society to monitor and assess its assets and liabilities on an ongoing basis, including the sources of data and information used in such monitoring;

- (ii) a statement of the assets and liabilities of the friendly society as at the end of the preceding financial year that includes, where applicable, claims IBNR as well as future member claims liabilities;
 - (iii) a description of the benefits of each benefit category contemplated in section 285 of the Act provided by the friendly society to its members;
 - (iv) An analysis of the current membership profile in relation to each benefit category contemplated in section 285 of the Act including the age, marital status and number of dependants of the member;
 - (v) assumptions used in calculating the liabilities of the friendly society, as well as how each of the assumptions was derived;
 - (vi) details of any proposed benefit changes being considered by the friendly society as at the end of the preceding financial year, specifying the reasons for such changes and the implications of such for the liabilities of the friendly society;
 - (vii) material risks that may affect the liabilities of the friendly society as identified by the valuator;
 - (viii) the name and contact details of the appointed valuator; and
 - (ix) details of any advice given by the valuator to the friendly society concerning the liabilities of the friendly society during the period covered in the report; and
- (b) The report must use the IFRS for SMEs as adopted and applied by ICAN to the extent that they are applicable.

4. The principal officer of the friendly society must sign the report before it is submitted to NAMFISA in order to indicate that he or she knows and understands the contents of the report.

5. The valuator's report must be accompanied by a certificate by the board and principal officer certifying that to the best of their knowledge the information furnished to the valuator for the purposes of the report was correct and complete in every material respect.

6. The valuator must consider which aspects are material to the interpretation of the IBNR valuation and future member claims liabilities and disclose these aspects in his/her report.

7. (1) Where appropriate, given the nature of the benefits provided by the friendly society, the valuator must perform a sensitivity analysis to indicate to the friendly society the possible variations in the IBNR provision and future member claims liabilities should actual experience turn out different to the original assumptions.

(2) The sensitivity analysis referred to in sub-clause (1) must be done by identifying the likelihood or probability that the IBNR and future member claims liabilities will be sufficient and by explaining the reasons why, or the events that could occur to cause the IBNR to be insufficient.

(3) By changing the IBNR assumptions, parameters and/or the IBNR method of calculation itself, the valuator can ascertain the sensitivity of the IBNR provision.

8. The valuator must express an opinion on the financial soundness of the friendly society.
 9. The valuator's report is required to be presented at least every three years.
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FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**FRIENDLY SOCIETIES****THE PERCENTAGE OF THE FAIR VALUE OF PROPERTY REFERRED
TO IN SECTION 306(2) OF THE ACT****Standard No. FS.S.6.13**

issued by NAMFISA under sections 306(2) and 410(7)(l) of the Financial Institutions and Markets Act, 2021

Definitions

1. In this Standard -
 - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act; and
 - (b) words and phrases defined in the Act bear the meanings ascribed to them by the Act.

Applicability

2. This Standard applies to all friendly societies registered under the Act.

Fair value of property

A friendly society may grant loans secured by first mortgages of immovable property to any of its members in terms of section 306(2) of the Act only to the extent to which the amount of such loan, expressed as a percentage of the fair value of the property, does not exceed 75%.

FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**FRIENDLY SOCIETIES****THE BOOKS OF ACCOUNT AND RECORDS THAT MUST BE KEPT AND
MAINTAINED WITH RESPECT TO THE MONEY AND ASSETS
BELONGING TO A FRIENDLY SOCIETY****Standard No. FS.S.6.14**

issued by NAMFISA under section 410(7)(p) of the Financial Institutions and Markets Act, 2021

Definitions

1. (1) In this Standard -
 - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
 - (b) “auditor” means the person appointed in terms of section 302 of the Act; and
 - (c) “ICAN” means the Institute of Chartered Accountants of Namibia.
- (2) Words and phrases defined in the Act bear the meanings ascribed to them by the Act, including, but not limited the following –
 - (a) assets;
 - (b) auditor;
 - (c) corporate body;
 - (d) fair value;
 - (e) society;
 - (f) Generally Accepted Accounting Practice;
 - (g) member;
 - (h) principal officer; and
 - (i) standard.

Applicability

2. This Standard applies to all friendly societies registered under the Act.

Books of account and records to be kept

3. The following books of account and records must be kept by a friendly society with respect to the moneys and assets belonging to the society in accordance with the Generally Accepted Accounting Practice as adopted and applied by ICAN –

-
- (a) A record of all payments received from members of the friendly society which include the name and identity number, or registration number if the member is a corporate body or other juristic person, of the member and the physical address and telephone number of the member;
 - (b) A record of all payments received from persons other than members of the friendly society, the reason for such payment and the name, address and telephone number of the payer;
 - (c) A record of the type, extent and nature of investments currently held by the friendly society (e.g., moneys in hand, loans granted to members of the society in terms of section 306(2) of the Act, foreign bonds or shares in companies) and which indicates any changes made by the society to its investments within the month in question;
 - (d) An asset register of all assets currently held by the friendly society reflecting –
 - (i) the type of asset held e.g., movable or immovable property, office furniture, computer hardware; and
 - (ii) relevant details of the asset sufficient for the auditor to be able to identify it;
 - (e) If a friendly society provides more than one category of benefit to its members, then the records of such benefits must be kept separately in respect of each benefit category;
 - (f) A monthly record of all the sales and purchases of goods and services by the friendly society specifying the nature of the goods and the amounts of money spent or obtained from such sales and purchases if applicable; and
 - (g) Records of all correspondence with NAMFISA concerning the assets of the friendly society.
-

FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021
FRIENDLY SOCIETIES

THE PERSONS WHO MAY KEEP IN THE NAME OF A FRIENDLY SOCIETY
THE MONEY AND ASSETS OF A FRIENDLY SOCIETY

Standard No. FS.S.6.15

issued by NAMFISA under section 410(7)(q) of the Financial Institutions and Markets Act, 2021

Definitions

1. (1) In this Standard “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.

(2) Words and phrases defined in the Act bear the meanings ascribed to them by the Act, including, but not limited the following –

- (a) assets;
- (b) officer of friendly society;
- (c) principal officer; and
- (d) society.

Applicability

2. This Standard applies to all friendly societies registered under the Act.

Persons

3. The principal officer, or other officer of a friendly society who sits on the board of the friendly society and who is responsible for finance and investment as contemplated in the definition of “officer” in section 1 of the Act, may keep, in the name of the friendly society, the money and assets of a friendly society.

4. The principal officer, or other officer referred to in clause 3 above, must meet the requirements of “Fit and Proper” as per Standard No. GEN.S.10.2 – Fit and Proper Requirements.

FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

FRIENDLY SOCIETIES

THE PERIOD AFTER WHICH PAYMENT OF CONTRIBUTIONS TO A FRIENDLY SOCIETY BECOME DUE

Standard No. FS.S.6.16

issued by NAMFISA under sections 301(2) and 410(7)(t) of the Financial Institutions and Markets Act, 2021

Definitions

1. (1) In this Standard –
 - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
 - (b) “contribution delinquency” means a state in which contributions to a friendly society, that are required to be paid to the society according to its rules or under the Act by a member and/or an employer that is a contributory to, or participatory in, the society as of any date or during any period of time, have not been paid within the period or periods of time following their due dates of payment as required by the rules of the society or the Act; and
 - (c) “contribution deficiency” as at any date means the amount by which the contributions required to be paid to the society according to its rules or under the Act by a member and/or an employer that is a contributory to, or participatory in, a society, exceed the amounts actually paid.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following-
 - (a) “board” as defined in section 1 of the Act;
 - (b) as defined in section 284 of the Act –
 - (i) society;
 - (ii) friendly society; and
 - (iii) member.

Applicability

2. This Standard applies to all friendly societies registered under the Act.

Period after which contributions are due

3. Any contribution to a friendly society, whether a contribution which, under the rules of the society, must be deducted from the member’s remuneration, any contribution for which the employer is liable under those rules, any contribution for the payment of which the member of the society is responsible personally, or any contribution to be paid on a member’s behalf –

- (a) must be deposited directly into the society's bank account with a banking institution not more than seven calendar days after the end of the month for which such contribution is payable; or
- (b) must be forwarded directly to the society in such a manner that the society receives the contribution not more than seven days after the end of the month.

4. The board of a society must deposit or cause to be deposited into the bank account of the society any contribution forwarded to and received by the society in the circumstances described in clause 3(b), on the first business day following the day of receipt.

5. The board of a friendly society must notify active members of the society and NAMFISA of a contribution delinquency or of a contribution deficiency within one month after the period referred to in clause 3.

FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**FRIENDLY SOCIETIES****MANNER AND FORM OF APPLICATION FOR REGISTRATION OF A FRIENDLY SOCIETY****Standard No. FS.S.6.17**

issued by NAMFISA under sections 289(2)(a), 289(2)(c) and 410(7)(t) of the Financial Institutions and Markets Act, 2021

Definitions

1. (1) In this Standard –
 - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
 - (b) “key person” means any person responsible for managing or overseeing, either alone or together with another responsible person, the activities of a financial institution or financial intermediary relating to the rendering of financial services, and includes those individuals or other entities holding more than 20% of the financial institution or financial intermediary’s voting rights; and
 - (c) “NAMFISA ERS” means the Electronic Regulatory System that facilitates communication between NAMFISA and financial institutions or financial intermediaries.
- (2) Words and phrases defined in the Act have the same meaning in this Standard unless the context indicates otherwise, including without limitation, the following-
 - (a) as defined in section 1 of the Act –
 - (i) auditor;
 - (ii) NAMFISA;
 - (iii) principal officer; and
 - (iv) valuator;
 - (b) as defined in section 284 of the Act –
 - (i) board;
 - (ii) friendly society;
 - (iii) rules;
 - (iv) society administrator; and
 - (v) sponsor.

Applicability

2. This Standard applies to all friendly societies and to their boards, principal officers, sponsors and society administrators.

Requirements for application of registration

3. An application for registration of a friendly society must consist of a duly completed application form, in the form of the Schedule to this Standard, duly signed by the board in the case of an existing society, or by the interim board in the case of any other society.

4. In addition to the application form referred to in clause 3, an application for registration must be accompanied by-

- (a) one original set and one copy of the rules of the society duly certified by the chairperson of the board/interim board as well as an additional board member as being the rules which will become effective on the date of registration of the society or the date of commencement of operations of the society, whichever is later;
- (b) an original certificate by a valuator as to the financial soundness of the rules, which certificate must state the name, physical address, certified professional qualifications and experience of the valuator, including certified copies of the valuator's qualifications and his/her curriculum vitae;
- (c) a copy of a document (for example a copy of the resolution of the directors of the sponsor) to indicate the authority in terms of which the society is established;
- (d) proof of payment of the required registration/application fee;
- (e) the documents referred to in section B of the Schedule to this Standard;
- (f) the relevant completed parts and other information required pursuant to Standard No. GEN.S.10.2 – Fit and Proper Requirements, and Standard No. GEN.S.10.8 - The independence of directors, members of a board, trustees, custodians, auditors and valutors and any other person required to be independent under the Act; and
- (g) any other document and information that may be requested by NAMFISA as provided for in the Act.

5. (1) An application not complete in all respects and not conforming to the instructions specified in the Schedule may be rejected on the basis of being non-compliant with this Standard.

(2) In instances where the application is deemed incomplete, NAMFISA must give the applicant the opportunity to provide the required information to complete the application. The required information must be provided within the period of seven days, or such other period stipulated or agreed to by NAMFISA, failing which the application shall be rejected.

6. Nothing shall prevent NAMFISA from seeking further or additional information or documents as may be reasonably necessary for processing of the application for registration.

7. The applicant or its duly authorised representative may, if so required, be called to appear before NAMFISA for a personal representation in connection with the application.

Submission

8. (1) An application for registration must be submitted to NAMFISA electronically on the NAMFISA ERS.

(2) Where necessary and when so directed by NAMFISA, the applicant must submit specified documentation manually to NAMFISA.

SUPPORTING SCHEDULE

The following supporting schedule is attached to and forms part of this Standard:

Schedule: APPLICATION FOR REGISTRATION AS A FRIENDLY SOCIETY

SCHEDULE (to Standard FS.S.6.17)**APPLICATION FOR REGISTRATION AS A FRIENDLY SOCIETY**

In terms of section 289 of the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)

Section A. General Information

1. I, _____ (full name of authorised representative of society) hereby apply for the registration of _____ as a friendly society.

2. It is intended that -

(a) The Principal Officer will be:

(full names)

(b) The ID/Passport number of the Principal Officer:

(c) The physical address of the Principal Officer:

(d) The contact details of the Principal Officer:

(e) The principal office of the society:

(full physical address)

(f) The postal address of the society:

(g) The name and contact details of the proposed society administrator (if applicable):

(h) The name and contact details of the proposed auditor (if applicable):

Name of professional regulatory body: _____

Membership Number. _____

(i) The name and contact details of the proposed/appointed valuator (if applicable):

Section B. Attachments

Kindly confirm the attachment of documents by marking the appropriate box with an "X".

		Attached	Comment
PROPOSED SOCIETY INFORMATION			
(a)	One original set and one copy of the proposed rules of the society;		
(b)	The date on which the society will come into operation;		
(c)	Full details of those who will be participating employers of the society (if applicable);		
(d)	Number of members who will immediately join the society upon registration;		
(e)	Code of conduct for the members of the Board of Trustees;		
INTERIM BOARD OF TRUSTEES INFORMATION			
(f)	Two copies of the Interim Board of Trustees resolution for the establishment of the society;		
(g)	Full details of the proposed interim trustees;		
(h)	Completed disclosure of interest report by the proposed interim trustees;		
(i)	Relevant completed parts and other information required pursuant to Standard No. GEN.S.10.2 - Fit and Proper Requirements, form for each trustee;		
PRINCIPAL OFFICER INFORMATION			
(j)	The proposed interim Board of Trustees resolution approving the appointment of the principal officer;		
(k)	Proof of Namibian citizenship or permanent residence of principal officer;		
(l)	Relevant completed parts and other information required pursuant to Standard No. GEN.S.10.2 - Fit and Proper Requirements;		
THIRD PARTY INFORMATION			
(m)	A copy of the Valuator's Certificate of financial soundness of the rules;		
(n)	Copy of the proposed administration agreement between the society and the administrator (if applicable);		
(o)	Copy of any other agreements between the society and any other party (benefit consultant, valuator, auditor, investment manager) (if applicable); and		
REGULATORY REQUIREMENTS			
(p)	Proof of payment of the prescribed application fee in terms of Standard No. GEN.S.10.23 - Fees.		

SIGNATURES OF BOARD / INTERIM BOARD

By signing the document, we confirm that all the information contained in this application is true and correct and can be relied upon and we have disclosed all necessary material information that may be required by NAMFISA.

Name of board member/interim board member	Signature	Date

FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**FRIENDLY SOCIETIES****FORM OF CERTIFICATE OF REGISTRATION FOR A FRIENDLY SOCIETY****Standard No. FS.S.6.18**

issued by NAMFISA under sections 291(3) and 410(7)(t) of the Financial Institutions and Markets Act, 2021

Definitions

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the term “friendly society” as defined in section 284 of the Act.

Applicability

2. This Standard applies to all friendly societies registered under the Act.

Form of certificate of registration

3. Upon registration of an applicant as a friendly society, NAMFISA must issue to the society a certificate of registration in the form of the Annexure to this Standard.

ANNEXURE (to Standard No. FS.S.6.18)

Registration No

CERTIFICATE OF REGISTRATION

FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 (ACT NO. 2 OF 2021)

REGISTRATION AS A FRIENDLY SOCIETY

This is to certify that

_____ (*insert name*)

with principal office at _____ (*insert address of principal office*),

has been duly registered in terms of section 291(1) of the Financial Institutions and Markets Act, 2021,

and may operate from Namibia.

CHIEF EXECUTIVE OFFICER

DATE OF REGISTRATION

FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**FRIENDLY SOCIETIES****MANNER AND FORM OF APPLICATION BY A REGISTERED SOCIETY FOR
CANCELLATION OF REGISTRATION OR VARIATION OF THE CONDITIONS
SUBJECT TO WHICH REGISTRATION WAS GRANTED****Standard No. FS.S.6.19**

issued by NAMFISA under section 410(7)(t), read with section 294(2), of the Financial Institutions and Markets Act, 2021

Definitions

1. (1) In this Standard –
 - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act; and
 - (b) “NAMFISA ERS” means the Electronic Regulatory System which facilitates communication between NAMFISA and financial institutions and financial intermediaries.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:
 - (a) as defined in section 1 of the Act –
 - (i) auditor;
 - (ii) NAMFISA;
 - (iii) principal officer;
 - (iv) society; and
 - (v) valuator;
 - (b) as defined in section 284 of the Act –
 - (i) board;
 - (ii) friendly society; and
 - (iii) member.

Applicability

2. This Standard applies to all registered societies (hereinafter referred to as “applicants”) applying for cancellation of registration or for the variation of the conditions subject to which registration was granted pursuant to section 291 of the Act.

Requirements for application of cancellation or variation of conditions for registration

3. An application for cancellation of registration or variation of the conditions for registration pursuant to section 291 of the Act must be submitted to NAMFISA in accordance with this Standard.

4. Pursuant to section 294(2) of the Act, an applicant that intends to apply for the cancellation of its registration granted pursuant to section 291, or variation of the conditions subject to which the registration was granted must –

- (a) apply to NAMFISA, in writing, in accordance with the form set out in Schedule 1, Form A, titled Application Letter;
- (b) complete the form and furnish particulars as set out in Schedule 2, Form B, titled Application for Cancellation/Variation of Registration granted pursuant to section 291 of the Act;
- (c) file with NAMFISA, a copy of the notice published in terms of section 294(3) of the Act;
- (d) provide a copy of the resolution on the decision to cancel its registration or vary the conditions subject to which it was registered pursuant to section 291 of the Act;
- (e) provide proof of payment of the prescribed application fee (if any); and
- (f) provide any other information and documents that NAMFISA may, from time to time, reasonably require.

5. The applicant, its principal officer or a duly authorised person may, if so required, be called to appear before NAMFISA for a personal representation in connection with an application.

Notice

6. The applicant must, before filing the notice in the newspapers in terms of section 294(3) of the Act and clause 4(c), notify NAMFISA of the proposed intention to cancel the registration or to vary the conditions for which it was registered.

7. The applicant may, after NAMFISA has considered all objections received due to the published notice referred to in section 294(3) of the Act and clause 4(c), lodge an application with NAMFISA.

General requirements

8. An applicant must further specify the measures that the applicant shall take to discharge all its obligations, including contractual obligations and service provider agreements, and meet all of its liabilities.

9. No registered society shall voluntarily wind-up or cease to carry on the business of a society without the prior written approval of NAMFISA.

10. An application not complete in all respects and not conforming to the instructions specified in Schedule 2 and this Standard may be rejected on the basis of non-compliance with this Standard.

11. In instances where the application is deemed incomplete, NAMFISA must give the applicant the opportunity to provide the required information to complete the application. The required information must be provided within the period of seven days, or such other period stipulated or agreed to by NAMFISA, failing which the application shall be rejected.

Application fee

12. If applicable, an application must be accompanied by the required non-refundable fee as stipulated in terms of Standard GEN.S.10.23 - Fees.

Submission

13. (1) An application for cancellation of registration or for variation of the conditions subject to which it was registered must be signed by the principal officer of the registered society or a duly authorised representative of the applicant, and submitted electronically to NAMFISA, together with supporting documents, on the NAMFISA ERS.

(2) Where necessary and when so directed by NAMFISA, the applicant must submit specified documentation manually to NAMFISA.

Effect of cancellation of registration

14. On and from the date of cancellation of the registration, the society shall cease to act as a society.

SUPPORTING SCHEDULES

The following supporting schedules are attached to and form part of this Standard:

Schedule 1: FORM A - APPLICATION LETTER BY REGISTERED SOCIETY FOR CANCELLATION OF REGISTRATION OR VARIATION OF CONDITIONS GRANTED PURSUANT TO SECTION 291 OF THE ACT

Schedule 2: FORM B - APPLICATION FOR CANCELLATION VARIATION OF REGISTRATION GRANTED PURSUANT TO SECTION 291 OF THE ACT

SCHEDULE 1 (to Standard No. FS.S.6.19)**FORM A - APPLICATION LETTER BY REGISTERED SOCIETY FOR
CANCELLATION OF REGISTRATION/ VARIATION OF CONDITIONS GRANTED
PURSUANT TO SECTION 291 OF THE ACT**

In terms of section 294(2) of the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021) (“the Act”) –

1. I, _____, the undersigned, being the principal officer or duly authorised person of _____ duly empowered thereto, hereby apply for -

the voluntary cancellation of registration of the said registered society, in terms of section 294(2) of the Act; or

the variation of conditions subject to which the society was registered pursuant to section 291 of the Act;

2. I submit with this application all the required documents as per Standard FS.S.6.19; and

3. If applicable, the proof of payment of the application fee as prescribed in Standard GEN.S.10.23 – Fees, is enclosed with the application.

SIGNATURE OF PRINCIPAL OFFICER OR DULY AUTHORISED PERSON

Full names: _____

Capacity: _____

Date: _____

SCHEDULE 2 (to Standard No. FS.S.6.19)**FORM B - APPLICATION FOR CANCELLATION/VARIATION OF REGISTRATION
GRANTED PURSUANT TO SECTION 291 OF THE ACT****Application for** – (*indicate the type of application*)**Cancellation****Variation****1. FRIENDLY SOCIETY**

Full Name (of society):

NAMFISA registration number:

2. CONTACT DETAILS

Physical address:

Postal address:

Telephone number (w):

Facsimile number:

E-mail address:

3. DETAILS OF PRINCIPAL OFFICER

First Names:

Surname:

ID/Passport No:

Nationality:

Physical address:

Postal Address:

Telephone number (w):

E-mail address:

4. DETAILS OF BOARD OF TRUSTEES

Name	Nationality	Elected/Appointed

Name of the Board Chairperson:

Board committees	Name of Chairperson(s) of committee(s)

5. DETAILS OF AUDITOR

.....

Name of auditing firm:

Name of professional regulatory body:

Membership number:

6. NAME OF VALUATOR

.....

7. NAME OF ADMINISTRATOR

.....

8. BOARD RESOLUTION

8.1 Date when the special resolution was passed

8.2 Effective date of cancellation or variation

8.3 Furnish full reason(s) why the special resolution in question 8.1 was passed:

.....

9. CANCELLATION/VARIATION SPECIFIC INFORMATION

9.1 Is the society cancelling its registration, or varying its conditions for registration?

Cancellation	
Variation	

9.2 In case of variation of conditions for registration, please indicate the conditions for which variation is sought below.

.....

9.3 Does the society have any liabilities at the time of cancelling/variation conditions of registration?

Yes	
No	

9.4 If the answer is yes, kindly furnish full details of the arrangements that the society has made to meet all its liabilities.

9.5 Did the society inform its Statutory Auditor and Statutory Valuator of this notification?

Yes	
No	

9.6 If the answer is no, kindly explain why.

10. LIQUIDATOR’S DETAILS (IF APPLICABLE)

Full name(s) of liquidator

Identity number of liquidator

Appointed date of liquidator

Completion date of liquidation

Total assets at the date the liquidator is appointed

Total liabilities at the date the liquidator is appointed

Total assets on the final date of liquidation

Total liabilities on the final date of liquidation

Total liquidator’s fee (amount and percentage)

11. ATTACHMENTS REQUIRED

- Letter requesting for cancellation/variation of conditions to NAMFISA
- Original certificate of registration (declaration under oath where original lost)
- Proof of settlement of liabilities
- A certificate by the Auditor and Valuator respectively stating that the society has no liabilities (where there are liabilities, furnish further details as would be directed by NAMFISA)
- Copy of Board resolution for voluntary cancellation or variation decision
- Bank letter confirming the closure of the bank account(s), three months after cancellation, if applicable
- Resolution for change of objectives (if applicable)
- Proof of communication in relation to 9.5

Proof of communication to members

Proof of payment of the prescribed application fee (if applicable)

SIGNATURE OF PRINCIPAL OFFICER OR DULY AUTHORISED PERSON

By signing the document, I confirm that all the information contained in this application is true and correct and can be relied upon and I have disclosed all necessary material information that may be required by NAMFISA.

Full name: _____

Capacity: _____

Signature: _____

Date: _____

FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**FRIENDLY SOCIETIES GOVERNANCE****Standard No. FS.S.6.20**

issued by NAMFISA under sections 301(1)(l), 410(2)(n) and 410(7)(t) of the Financial Institutions and Markets Act, 2021

Definitions

1. (1) In this Standard –
 - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
 - (b) “chairperson” means a trustee elected or designated by trustees as the chairperson of the board of trustees in terms of the rules of the society;
 - (c) “conflict of interest” means a situation which a trustee, key person, auditor, valuator, society administrator or any other service provider encounters, while rendering a financial service to the society or its members, if that situation –
 - (i) impairs the objectivity of the trustee, key person, auditor, valuator, society administrator or any other service providers in any aspect while serving on the board or rendering a financial service to the society or the members of the society; or
 - (ii) prevents the trustee, key person, auditor, valuator, society administrator or any other service provider from serving on the board or rendering a financial service to the society or its members in an unbiased and fair manner or from acting in the best interest of the society or the members of the society; and
 - (d) “independent trustee” means a trustee that meets the requirements of standard GEN.S.10.8 - The independence of directors, members of a board, trustees, custodians, auditors and valuers and any other person required to be independent under the Act.
- (2) Words and phrases defined in the Act, have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:
 - (a) as defined in section 1 of the Act –
 - (i) actuary;
 - (ii) affiliate;
 - (iii) associate;
 - (iv) auditor;
 - (v) NAMFISA;

- (vi) officer;
 - (vii) principal officer; and
 - (viii) valuator;
- (b) as defined in section 284 of the Act –
- (i) board of trustees or board;
 - (ii) friendly society or society;
 - (iii) society administrator;
 - (iv) member; and
 - (v) sponsor.

Applicability

2. This Standard applies to all friendly societies registered under the Act.

3. This Standard applies only to the extent that the subject matter dealt with in this Standard is not dealt with specifically in the Act or regulations made by the Minister or standards issued by NAMFISA.

PART 1: GOVERNANCE BY THE BOARD

Board's ethical leadership responsibility

4. The board must –
- (a) provide effective leadership based on an ethical foundation characterised by the ethical values of responsibility, accountability, fairness and transparency;
 - (b) ensure that the responsibilities of the board are consistent with the overriding objectives of the society in accordance with section 285 of the Act;
 - (c) retain ultimate responsibility for the performance, conduct and governance of the society, even though certain functions are delegated or outsourced to external service providers and the board may not abdicate from any of its functions and responsibilities;
 - (d) be responsible for developing the society's ethical standards and such standards must inform all society practices, procedures, policies and conduct;
 - (e) consider the effect of its decisions on all key stakeholders, the most notable being the members of the society; and
 - (f) ensure that the society's ethics performance is assessed, monitored, reported and disclosed in the society's annual financial statements.

Board composition

5. Subject to the provisions of the Act, every board must consider whether its size, diversity and demographics make it effective and diverse.

6. Diversity of the board includes, but is not limited to, academic qualifications, technical expertise, relevant industry knowledge, experience, age, race and gender.

7. Notwithstanding the appointing authority or body, the board -

- (a) owes a primary duty of care to the society and is not specifically accountable to or required to disclose any information to the appointing authority or body through whom they were appointed or elected as trustees; and
- (b) must be sensitive to managing the diversity of the board effectively to ensure that any tension, fears, disagreements, influence, affiliations, special interest, or any other consideration do not hinder decision-making and ensure that these aspects are addressed in the code of conduct of the board.

8. The board of trustees must collectively have the necessary qualifications, knowledge, skills and expertise among them to oversee all the functions performed by the society, and to monitor delegates and service providers to whom such functions have been delegated, and to provide effective oversight and leadership direction of the society's business to ensure it is conducted in a sound and prudent manner and for this purpose –

- (a) the board must collectively and individually have, and continue to maintain, including through training, the necessary skills, knowledge and understanding of the society's business to be able to fulfil their roles; and
- (b) while certain areas of expertise may lie in some, but not all members, the collective board must have an adequate spread and level of relevant competencies and understanding as appropriate to the society's business and the fulfilment of the board's duties in accordance with section 301 of the Act.

9. The board of trustees must have a full reporting structure, which includes the chairperson, principal officer and such other trustees as deemed appropriate.

Board chairperson

10. The chairperson of the board must –

- (a) proactively and impartially lead the board, without bias in favour of any person, the administrator or any other service provider;
- (b) proactively raise issues of concern on behalf of the board or the society with any person, the administrator or any other service provider; and
- (c) ensure that the performance of the board as a whole, board committees and the principal officer is reviewed and evaluated on a regular basis, and must manage the performance of the board.

Orientation and training of trustees

11. New trustees must, at the expense of the society, receive training on both the legislative, regulatory and governance principles in order to equip them to effectively carry out their functions as trustees.

12. The board must seek to enhance its knowledge, where relevant, via appropriate training programmes that meet the specific needs of both the society and the individual trustees, as may be identified during the annual individual performance evaluation so as to enable the trustees to make the maximum contribution possible.

13. Trustees must receive regular briefings on matters relevant to the business of the society, changes in risks and laws applicable to the business of the society, including accounting standards and policies and the environment in which it operates.

Independence and conflicts of interest

14. A member of the board, principal officer, employee or any other officers, auditor, valuator, administrator and any other service providers must report to the board any conflict of interest encountered during the performance of their duties.

15. There must be a clear identification and separation of operational and oversight responsibilities in the governance of the society, and the segregation of duties must reflect the nature and extent of the governance risks faced by the society.

16. The board must –

- (a) demonstrate their independence in the way they exercise any discretion;
- (b) always consider what is in the best interest of the society;
- (c) ensure that appropriate controls exist to-
 - (i) promote the independence and impartiality of the board;
 - (ii) ensure that confidential and privileged information in the possession or under the control of the society is protected and must only disclose such information as permitted in terms of the law or with the express consent of the relevant person; and
 - (iii) prevent the improper use of privileged or confidential information; and
- (d) ensure that the administrators or any other service provider do not unduly influence the management of the society.

Delegation of authority

17. The board must not abdicate their responsibility over, including in respect of, delegated functions.

18. Committees of the board may be established to exercise a specific oversight responsibility or to carry out, where the rules of the society permit it, any board-delegated responsibility.

19. The terms of reference of a committee of the board must, as a minimum, cover:

- (a) composition of the committee;
- (b) objectives, purpose and functions;
- (c) delegated authorities, including the extent of power to make decisions or recommendations or both;
- (d) tenure; and
- (e) reporting mechanism to the board.

20. Every member of a committee must be suitably skilled and experienced to serve on such committee.

21. Each committee must be required to advise the board on risks relating to the functions to be performed by that committee, and the processes or controls necessary to mitigate such risk.

Filling of vacancies on the board

22. The board must fill vacancies, inclusive of interim vacancies, in the manner prescribed by the rules of the society, within a reasonable time from when the vacancy arose, pursuant to section 299 of the Act.

Tenure of office

23. To ensure independence and reduce the risk of familiarity, no trustee may serve for more than three consecutive terms, and the tenure for one term may not exceed a period of three years.

24. (1) To ensure independence and reduce the risk of familiarity in respect of the auditor of the society, the auditor must be appointed for a fixed period and –

- (a) the auditor may not serve for more than six consecutive years; and
- (b) the auditor must comply with the partner rotation requirements prescribed by the Code of Ethics issued by the International Ethics Standards Board for Accountants.

(2) After serving as the auditor for the maximum period of six consecutive years, a minimum period of at least three years must lapse before the same auditor may be appointed again.

25. (1) To ensure independence and reduce the risk of familiarity in respect of the valuator of the society, the valuator must be appointed for fixed period and a valuator may not serve for more than nine consecutive years.

(2) After serving as the valuator of the society for the maximum period of nine consecutive years, a minimum period of at least three years must lapse before the same valuator may be appointed again.

Rotation

26. The board must establish an arrangement for periodic, staggered rotation of trustees and chairs of committees or tenure limits to serve on a committee by introducing members with new expertise and perspectives while retaining valuable knowledge, skills and experience and maintaining continuity in order to avoid undue concentration of power and promote fresh perspectives.

Internal audit

27. The board must consider whether the structure and operations of the society would benefit from the introduction of an internal audit function.

28. Where the board decides to introduce an internal audit function, the board must ensure that –

- (a) there is an effective risk based internal audit function;

- (b) in the event that the internal audit function is outsourced, the board is ultimately responsible to oversee, manage, inform and take accountability for the effective functioning of the outsourced internal audit function;
- (c) the board is ultimately responsible for the appointment and performance assessment of the head of internal audit;
- (d) internal audit must pursue a risk-based approach to planning, as opposed to a compliance based approach that is limited to evaluation of adherence to procedures; and
- (e) internal controls must be established not only over financial matters, but also operational, compliance and sustainability matters in order to manage risks facing the society.

Performance evaluation of board

29. The board must, at least annually, review its own performance to ascertain whether board members collectively and individually remain effective in discharging the respective roles and responsibilities assigned to them and identify opportunities to improve the performance of the board as a whole.

30. The board must implement appropriate measures to address any identified inadequacies, including any training programs for board members.

31. Subject to the Act, the board must ensure that –

- (a) an evaluation of the board, its committees and individual trustees is performed annually against the board's determined role, functions, duties and performance criteria, as well as those for members of the board committees;
- (b) the past performance of a trustee must be taken into account when trustees are nominated for re-appointment or re-election;
- (c) evaluations must be conducted by the chairperson who must ensure that trustees know that they will be subject to evaluation, that they understand the criteria to be used for evaluation and that they understand the evaluation procedures that will be followed;
- (d) the evaluation of the chairperson's performance must be led by at least two trustees designated by the board, and who may not include the principal officer; and
- (e) the chairperson of the board or a committee appointed by the board, must evaluate the performance of the principal officer at least annually.

PART 2: GOVERNANCE OF THE OPERATIONS OF THE SOCIETY

Role of the board in setting the society strategy

32. The board is responsible for the determination and approval of the long-term and short-term strategies of the society and monitor implementation therewith by management or the service provider to whom services have been outsourced, if any.

33. Before approving the strategy, the board must ensure that the strategy is aligned with the Act and any relevant legislation, the purpose or object of the society, the value drivers of the society's business and the legitimate interests and expectations of the society's stakeholders, especially the beneficiaries of the society.

34. The board must identify key performance and risk areas as well as the associated performance and risk indicators and measures and this would include areas such as finance, ethics, conduct, compliance and sustainability.

Internal controls

35. The board must ensure that there are adequate internal controls in place to ensure that all persons and entities with operational and oversight responsibilities act in accordance with the objectives set out in rules of the society, the Act and any other applicable law.

36. Internal controls must cover all basic organisational and administrative procedures, and depending upon the scale and complexity of the society, the internal controls must include performance assessment, compensation mechanisms, information systems and processes and risk and compliance management procedures.

37. Appropriate policies guiding governance and operations must be adopted and implemented by the board.

38. The oversight responsibility of the board requires that there must be –

- (a) regular assessments of the performance of the persons and entities involved in the operations of the society in terms of service level agreements, mandates, and performance contracts;
- (b) regular reviews of services and fees and all costs associated with the operations of the society in order to ensure that they are appropriate;
- (c) a regular review of the information processes, operational software systems, and accounting and financial reporting systems involved in the operations of the society;
- (d) the monitoring and resolution of actual, potential or perceived conflicts of interest amongst those involved in the operation of the society;
- (e) the protection of confidential information of the society; and
- (f) regular reviews of compliance with regulatory and statutory requirements of the society.

Expert advice

39. Where a board lacks sufficient expertise to make a fully informed decision and fulfil its responsibilities, it may seek expert advice.

40. The board must satisfy itself that any expert advice obtained is independently given, and where any person provides expert advice in respect of any person, the administrator or any other service provider, the board must satisfy itself that such advice is not compromised by the relationship of that person or his or her firm to any person, the administrator or any other service provider as the case may be.

41. The board must assess and satisfy itself that any expert advice received is of quality, must verify that all its staff and service providers have adequate qualifications and experience, and the board is not obliged to accept any advice but must consider the appropriateness of such advice.

Risk Management

42. Subject to the Act-

- (a) the board may assign oversight of the society's risk management function to an appropriate board committee;
- (b) the board must ensure that the frameworks and processes in place to assist in anticipating these risks have the following characteristics –
 - (i) insight - the ability to identify the cause of the risk, where there are multiple causes or root causes that are not immediately obvious;
 - (ii) information - comprehensive information about all aspects of risks and risk sources, especially of financial risks;
 - (iii) incentives - the ability to separate risk origination and risk ownership ensuring proper due diligence and accountability;
 - (iv) instinct - the ability to avoid 'following the herd' when there are systemic and pervasive risks;
 - (v) independence - the ability to view the society independently from its environment; and
 - (vi) interconnectivity - the ability to identify and understand how risks are related, especially when their relatedness might exacerbate the risk.

43. The board must have in place a risk management policy which must be reviewed regularly, but at least every two years, and must include –

- (a) the identification of risks facing the society;
- (b) the assessment of the likelihood of each such risk on the society;
- (c) the assessment of the impact of each such risk on the society;
- (d) the process or controls necessary to reduce the impact of such risks;
- (e) the monitoring of the risk process or controls to ensure that they are appropriate; and
- (f) the communication to the beneficiaries and the stakeholders of the society's risk management policy, including the identification of the key risks and the processes or controls in place to manage them.

44. The board must ensure that the society considers and implements appropriate risk responses.

5. The society must identify and consider different ways that it can respond to the risks identified during the risk assessment process and these responses must be noted in a risk register.

46. The society must be able to demonstrate that the risk management process provides for the identification and exploitation of opportunities to improve its performance.

47. The risks to be identified must not be limited to those which have a financial consequence, but must include risks which relate to the governance of the society, and which may jeopardise the governance structure.

48. The society is not expected to micro-manage the functions delegated to service providers, but those functions must, when delegated, contain sufficient detail to ensure that the service provider understands what is expected by the board and provide for reasonable right of recourse in the event that there is any breach of the delegated functions by the service provider.

49. The board must receive assurance regarding the effectiveness of the risk management process, for outsourced or delegated functions.

50. The board must ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.

Society expenses

51. The board must perform regular review of services, against set performance standards and fees and all costs associated with the operation of the society in order to ensure that they are appropriate.

52. The board must ensure that the costs and expenses of the society are managed efficiently.

PART 3: MANAGEMENT OF STAKEHOLDER RELATIONSHIPS

Society information and access to society information

53. Subject to the Act, the board must ensure that –
- (a) trustees have unfettered access to all relevant information relating to the society to enable them to make informed decisions;
 - (b) all society information is confidential and must not be released to any person unless such person has a lawful right to such information;
 - (c) society information such as its membership and investments belong to the society and the board must ensure that where this information is held by a service provider, the service provider will preserve its confidentiality and return the information to the society when the relationship with the service provider is terminated;
 - (d) the board is the ultimate custodian of the corporate reputation and stakeholder relationships and the board must take account of and respond to the legitimate interests and expectations of stakeholders linked to the society in its decision-making;
 - (e) stakeholder interests and expectations, even if not considered warranted or legitimate, must be dealt with and not ignored; and
 - (f) all communication from members, beneficiaries and other stakeholders must be responded to promptly by or on behalf of the board and with thoroughness.

Information technology governance

54. The society must understand the strategic importance of information technology and manage the associated risks, benefits and constraints and the responsibility for the information technology function must be assumed by the board.

55. Information technology must be aligned with the performance and sustainability objectives of the society.

56. The board must ensure that information and information technology assets are managed effectively.

57. Where the administrative function of information technology is outsourced to a service provider, the board must obtain assurances and satisfy itself that the information technology risks are managed effectively by the service provider in accordance with best practice principles of information technology governance and risk management.

58. The risk or audit function must consider information technology risk as a crucial element of the effective oversight of risk management of the society.

59. In understanding and measuring information technology risks, the risk or audit function must understand the society's overall exposure to information technology risk from a strategic and business perspective, including the areas of the business that are most dependent on information technology for effective and continual operation.

Reporting

60. Reporting channels between all the persons and entities involved in the governance of the society must be established in order to ensure the effective and timely transmission of relevant and accurate information.

Disclosure

61. The board must disclose relevant information to all relevant persons notably members and beneficiaries, sponsors, supervisory authorities, auditors and valuers in a clear, accurate and timely manner, including any ruling made against the society by the appeal body, or financial services adjudicator, court rulings against the society, regulatory issues raised by NAMFISA and all deviations from society rules.

Prohibition of certain transactions

62. The following transactions are prohibited:

- (a) financial donations by the society administrator or sponsor of a society to the society; and
- (b) subsidisation of the expenses of the society by the society administrator or sponsor of the society, except for financial donations made or subsidisation of expenditure related to the society's incorporation or registration.

Non-compliance

63. NAMFISA may take appropriate enforcement actions in terms of Part 6 of Chapter 10 of the Act for non-compliance with this Standard.
