





NAMFISA COMIC BOOKLET: PART 11 | 2021

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Mission

To effectively regulate and supervise financial institutions and to give sound advice to the Minister of Finance.

Vision

To have a safe, stable and fair financial system contributing to the economic development of Namibia in which consumers are protected.

Values

WE ARE COMMITTED TO TEAMWORK

- · We create a conducive and enabling work environment
- We have a shared urgency to achieve our vision
- We support each other, treat each other with respect and are collectively responsible for our actions

WE ARE PASSIONATE ABOUT SERVICE

- We provide quality service
- We provide our service on time
- · We are courteous, professional and respectful

WE ACT WITH INTEGRITY

- · We act with honesty, fairness and transparency
- We treat information confidentially
- We act independently and consistently

WE DRIVE PERFORMANCE EXCELLENCE

- We commit to regulatory and supervisory excellence
- We commit to operational excellence
- We commit to the highest standards of performance

WE ARE ACCOUNTABLE

- We are accountable to our customers and stakeholders
- · We are prudent in the management of our resources
- We take accountability for our decisions

WE ARE AGILE

- · We commit to being adaptable to our changing environment
- · We commit to embrace change whilst maintaining regulatory certainty
- · We commit to creating innovative solutions

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Editorial Team:

Victoria Muranda Uaatjo Kaurimuje Joanette Eises

Layout: Ogilvy Namibia

Copywriting:

Ogilvy Namibia

Distribution:

All distribution enquiries should be directed to the NAMFISA Consumer Complaints and Education Department at the contact details listed below.

Contributions:

Contributions to this booklet are welcome. The Editor reserves the right to edit submissions. Send contributions to the Editor at info@namfisa.com.na.

Contact Details:

+264 61 290 5000 Toll free: 0800 290 500 (Office hours) consumer@namfisa.com.na www.educates.namfisa.com.na www.facebook.com/namfisa PO Box 21250, Windhoek, Namibia Lower Ground Floor, 51-55 Werner List Street, Gutenberg Plaza, Windhoek











Well you're at the right office. A Friendly Society is an association of persons established or a business carried on to provide financial relief or benefits to its members and their beneficiaries upon the occurrence of an event specified in its rules (constitution).





The benefits that may be provided by a Friendly Society to its members includes amongst many others:

-Insurance against the birth of a child of a member, death of a member, or a period of confined mourning by a member, -Insurance against fire in respect of implements of trade of a member, -Termination of service benefits; and

-Training and education benefits for members or their children.



be covered by a friendly society?



Not at all, I have just mentioned a few. It's up to the members to decide what benefits they want to draw from the society as provided within the object of the Friendly Society Act.



Thank you officer. In our friendly society we want to lend this money amongst ourselves or to other family members and friends, to generate more interest.



Can a person or member withdraw part or full of their contributions to a Friendly Society once made?

A member of a Friendly Society may not withdraw part or full contributions to the Friendly Society at any time. Further, an association or business is not a Friendly Society if the scheme is non-contributory and if the benefits constitutes repayable loans.





If the aim is to lend money and make profit thereof, then such business would not be in accordance with the Friendly Societies Act, 1956 (Act No. 25 of 1956) and thus would not be a Friendly Society. Friendly Societies are established to provide benefits to the members as stipulated in its rules in line with the Friendly Societies Act.

> Ooh! Ok. Could you then kindly advise us if we want to grow the funds we pulled together as friends.



Well. an institution that lends money to members of the public would instead be subject to the provisions of the Microlending Act, 2018 (Act No. 7 of 2018), and therefore you will require different information on registering as a microlender. Since lending money in general required a registration, it is illegal. Therefore, I urge the public to formalise their good initiative by inquiring right procedures from NAMFISA, to avoid being on the wrong side of the law.



I see. We're just here to find out about how best to set up our Friendly Society. It is actually a very good initiative for economic growth and self-empowerment, but the initiative needs to be formalised. A Friendly Society is established in accordance with the objectives set out in the Friendly Societies Act.

Are there any legal implications involved for individuals operating unregistered Friendly Societies?



Yes, there are. Operating an unregistered friendly society is indeed a criminal offence. Therefore, any person who induces or attempts to induce any person to become a member of or to contribute to a society that is not registered shall be guilty of an offence and liable on conviction to a fine as prescribed by the Act.

> It is the duty of the members of a society to ensure that such a society is registered with NAMFISA and that it is managed by fit and proper individuals. A person must insist on viewing a copy of the registration of a Friendly Society prior to joining and making contributions. A Friendly Society is an organisation that belongs to its members. Members thus have an obligation to ensure that friendly society's operations are in line with all the provisions of the Act and that the society rules are adhered to.

Who must ensure that a Friendly Society is registered with NAMFISA?





JENNY'S

PLACE

NAMFISA supervises the friendly societies industry to ensure that the regulated entities are financially sound so as to protect the interest of the members. This also includes consumer protection. So if a member is unable to resolve disputes with the management of a friendly society, such a member may lodge a complaint with NAMFISA. Hence it is important for you as a member, to ensure that your Friendly Society is registered with NAMFISA. If you need more clarity, don't hesitate to contact NAMFISA at our toll free number 0800 290 500 or to log on NAMFISA website: www.namfisa.com.na

Thank you once again officer. Now we will go back to the team and tell them to do the right thing.

Jenny, I'm here. Traffic and the rain, eish!

The information we got from NAMFISA is very clear. We need to formally register our Friendly Society to be on the right side of the law.

Are we all here? Where is Dineo? I see it is very clear. Dennis won't get the chance to run away with our money. We also found out that a Friendly Society is required by the Act to comply and adhere to a set of governing rules which include processes to be followed at annual and special general meetings of members, voting processes as well as the approval of annual financial statements and management committee decisions.



A Friendly Society is an association of persons established or a business carried on to provide financial relief (or benefits) to its members upon the occurrence of an event specified in its rules.

WHAT HAVE YOU LEARNED?

A Friendly Society should be established in accordance with the objectives set out in the Friendly Societies Act.

The members of a Friendly Society pay contributions to the Friendly Society and in return entitled to benefits on occurrence of a specified event.

Friendly societies are not commercial entities.

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Friendly Societies may provide benefits:

- For relief or maintenance during minority, old age, widowhood, sickness or other infirmity of whatever nature, of members or their spouses or children or other dependents
- The granting of annuities or endowments to members or their nominees
- Insurance against the birth of a child of a member, death of a members, a period of confined mourning by a member,
- Insurance against fire in respect of implements of trade of a member
- Termination of service benefits
- For relief or maintenance of a member when unemployed (other than in consequence of industrial action)
- Training and education benefits for members or their children
- Other business as determined by the Minister of Finance in the Government Gazette

Operating an unregistered Friendly Society is a criminal offence.

The entity would be operating in contravention of the law and would be subject to applicable legal consequences.

8 Any person who induces or attempts to induce anyone to become a member of or to contribute to a society that is not registered shall be guilty of an offence and liable, on conviction, to a fine as prescribed by the Act.

FOOD FOR THOUGHT

Friendly Societies need to register with the Namibia Financial Institutions Supervisory Authority (**NAMFISA**). Should you be operating a business or institution that collects contributions from members in return for a benefit and you are unsure whether your entity should be registered or not, please contact **NAMFISA** for further information and advice.

Should you belong to or know of an entity that collects contributions for the purpose of providing financial benefits, kindly contact **NAMFISA** to confirm whether such entity is registered and to ensure that the operations of such entity are regulated in order to ensure that your investments or contributions are safeguarded.

For more information, please contact **NAMFISA** at telephone number **061 290 5000**, **NAMFISA toll-free 0800 290 500** or visit the **NAMFISA website**: <u>www.namfisa.com.na</u>

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