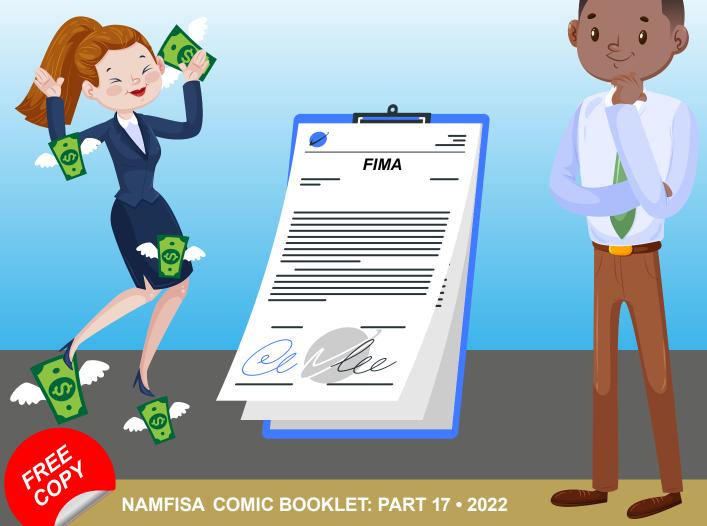




WHAT ARE THE FINA? BENEFITS OF FINA?

## FINANCIAL INSTITUTIONS AND MARKETS ACT (FIMA)



## NAMFISA COMIC BOOKLET: PART 17 • 2022

## MISSION

Our mission is to regulate and supervise financial institutions and financial intermediaries to foster a stable, fair non- banking financial sector and to promote consumer protection and provide 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

## **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.

## SERVICE EXCELLENCE

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

## INTEGRITY

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

## ACCOUNTABILITY

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

## AGILITY

- 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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## DISTRIBUTION

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## 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

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What is the need for FIMA?

R

# OK STORE

Yes, in fact I heard more about it. FIMA was promulgated on 1 October 2021, right? It's an Act of Parliament.

It's a law that will govern the non-banking financial sector that is regulated and supervised by NAMFISA Some laws governing non-banking financial service sectors are outdated. As such, there is a need to reform the legislation to consolidate and harmonize them.

It matters because it will address deficiencies identified in the current legislation.

And importantly, FIMA introduces legislation to protect consumers of financial services.

Interesting! What deficiencies are there in the current legislative framework? For me, all is well.

Things aren't done the same way as they were 50 years ago. Over the past 50 years, different approaches to supervision have evolved. One of the deficiencies is the lack of an adequate consumer protection framework in the outdated legislation. This can lead to consumer exploitation by financial service providers.

Why should a single deficiency lead to change of laws, Loide?

It's not the only deficiency, but also lack of powers to enforce fair treatment of consumers and to ensure financial inclusion.

NAMFISA



Did you know that FIMA strengthens consumers protection of financial services while at the same time maintaining confidence in the financial system?

Yes, Selma, also the regulatory measures are fragmented, inconsistent and increases the cost of regulation. Thanks, my ladies. It was a mouthful. Now I have learned something today! Now let's celebrate our re-union.

> There is a saying that goes like, engage with knowledgeable to be knowledgeable.









#### **BENEFITS OF FIMA**

- FIMA holds regulated entities and key individuals accountable and regulates their behavior.
- FIMA expects financial institutions and financial intermediaries to uphold the highest standards of business conduct.
- FIMA will address questionable market conduct or unfavorable practices that have been a problem in the past.
- FIMA empowers NAMFISA to raise public awareness about financial services.
- FIMA imposes an obligation to ensure that communications between service providers and consumers are written in plain language.

These initiatives will protect the interests of consumers of financial services.

Loide! Listen to the radio. The topic of FIMA is on the radio.

#### FIMA provides for the regulation and supervision of:

- Insurance companies, agents and brokers
- Financial Markets
- Collective Investment Schemes
- Retirement Funds, Beneficiary Funds and Administrators
- Medical Aid Funds
- Friendly Societies
- Funds and Society Administrators
- · Property held and trust
- General matters across all financial institutions

David, I was listening to the radio about the topic of FIMA, but missed the NAMFISA involvement with the act.

6 NAMFISA

Now, Selma, I'll be able to tell you something about FIMA. In accordance with the NAMFISA Act, the Authority is responsible for supervising and enforcing compliance with FIMA in respect of all financial institutions that are under its supervision.

## WHAT HAVE YOU LEARNED?

- FIMA stands for Financial Institutions and Markets Act 2021 (Act No. 2 of 2021)
- FIMA governs the non-banking financial services sector that is regulated by NAMFISA
- Some laws governing non-banking financial service sectors are outdated
- FIMA will reform the legislation to consolidate and harmonize the laws regulating the non-banking financial institutions
- FIMA addresses deficiencies identified in the current legislation, such as:
  - lack of adequate consumer protection framework.
  - lack of powers to enforce fair treatment of consumers
  - powers to ensure financial inclusion
  - · maintain confidence in the financial system
  - public awareness on financial services
  - encourages innovation and entrepreneurship and financial stability.

NAMFISA is in charge of overseeing and enforcing adherence to FIMA.

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