

FINANCIAL INSTITUTIONS AND MARKETS ACT, 2015 [Act No. • of 2015]

**REQUIREMENTS FOR THE RULES OF A FRIENDLY SOCIETY AND ANY
AMENDMENTS OF SUCH RULES**

Standard No. FS.S.6.6

*made by NAMFISA under section 382(7)(i) of the Financial Institutions and Markets
Act, 2015*

1. (1) In this Standard
 - (a) “Act” means the *Financial Institutions and Markets Act, 2015* [Act No. • of 2015], and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
 - (b) “Committee of management” means the committee of management of a friendly society elected or appointed pursuant to clause 3 of standards FS.S.6.4;
- (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
 - (b) as defined in section 276 of the Act:
 - (i) member;
 - (ii) rules; and
 - (iii) society.

General Requirements for Rules

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

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, committee of management and other officers of the friendly society;
 - (l) the investment powers of the friendly society;
 - (m) whether, in terms of section 291(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.9.2 and independent within the meaning of Standard No. GEN.S.9.8, and provisions regarding the investigation, valuation and report by the valuator provided for in section 291 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 (p) 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 committee of members to oversee the management of the friendly society and any subcommittees;
 - (dd) the number of members forming a committee and any subcommittee referred to in paragraph (cc), and the appointment of alternate committee members;
 - (ee) the frequency with which any committee or subcommittee referred to in paragraph (cc) must meet, which must be at least four times each year for the committee of management and at least twice per year for any subcommittee;
 - (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;
 - (gg) the manner in which unclaimed benefits shall be dealt with upon:
 - (i) the death of a member;
 - (ii) the termination or dissolution of the friendly society; and
 - (iii) the withdrawal of a member from the friendly society; and
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 (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 N\$• 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 291 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.

Transition provision

5. A friendly society referred to in section 284 of the Act must amend its rules to comply with this Standard within six 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 30 mm 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 committee of management or any other member of the committee of management.
9. Within 30 calendar days 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 30 calendar days 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.