

**GOVERNMENT NOTICE**

**FRIENDLY SOCIETIES**

NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY

**No. X**

**2018**

**STANDARDS MADE UNDER THE FINANCIAL INSTITUTIONS AND MARKETS  
ACT, 2018**

The Namibia Financial Institutions Supervisory Authority has under section 410 of the Financial Institutions and Markets Act, 2018 (Act No. X of 2018), made the standards set out in the Schedule.

**Gersom Katjimune  
Chairperson**

**Windhoek,**

**2018**

FINANCIAL INSTITUTIONS AND MARKETS ACT, 2018 [Act No. • of  
2018]

DRAFT STANDARD

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STATEMENT OF THE ASSETS OF A FRIENDLY SOCIETY

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NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY

**Standard No: FS.S.6.1**

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2018 [Act No. • of 2018]****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, 2018*

**Definitions**

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2018, and includes 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;
    - (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 shall be responsible for ensuring that the statement of assets of the society meets the requirements of this Standard.

### **Statement of assets**

3. Every society shall annually prepare a statement of its assets as at the end of its financial year, and shall deposit such statement with NAMFISA within 90 days 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. The inclusion of amounts produced from actuarial valuations and/or assessments in the statement of assets is subject to Standard FS.S.6.8 and to review by NAMFISA *post facto*. 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. All assets of the society in respect of its business related to its objects, as described in clause 16 of this Standard, shall be included in the statement of assets. The values at which assets are to be included are their fair values as defined in section 284 of the Act. Where their fair values differ from their market value, their market values shall also be reported. The statement of assets shall, 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. Where the market value of an asset is readily ascertainable from public data, the source of the market value shall 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. Where the market value has been otherwise ascertained, the statement shall describe the methodology for its determination in detail.
7. Any statement of assets required to be deposited shall, unless otherwise approved by NAMFISA, report the assets in the format set out in the Schedule to this Standard.
8. 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 60 days have elapsed from the due date to the date as of which the statement is prepared, the asset shall 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. Details of the manner of determining the fair value and market value of such assets shall be provided.

9. No expenses of administration, organization 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, shall be included as an asset.
10. Full particulars of each asset shall 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 shall, 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 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.

**Schedule of the Statement of Assets**

<b>Asset Group by Jurisdiction and by Currency within Jurisdiction</b>	<b>Cost Amount paid for investment</b>	<b>Fair Value As of date of statement</b>	<b>Investment Income Overdue &gt; 60 days</b>
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, please 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, please 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 180 days? 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, please append an explanation.
10. Do all mortgage loans to members comply with section 306(2) of the Act? If not, please 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.