

GOVERNMENT NOTICE

MINISTRY OF FINANCE

No.

2018

**REGULATION MADE IN TERMS OF THE FINANCIAL INSTITUTIONS AND MARKETS
ACT, 2018**

The Minister of Finance has, under subsection 465(8) of the Financial Institutions and Markets Act, 2018 (Act No. • of 2018), made the regulations set out in the Schedule.

MINISTER OF FINANCE

WINDHOEK

2018

SCHEDULE

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

DRAFT REGULATION

THE RATE OF INTEREST PAYABLE ON CONTRIBUTIONS NOT TRANSMITTED OR RECEIVED, AND ON THE VALUE OF A BENEFIT OR RIGHT TO A BENEFIT NOT TRANSFERRED, BEFORE THE EXPIRATION OF THE APPLICABLE PERIOD, PURSUANT TO SECTION 270(9)

MINISTRY OF FINANCE

Regulation No: RF.R.5.7

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

The rate of interest payable on contributions not transmitted or received, and on the value of a benefit or right to a benefit not transferred, before the expiration of the applicable period, pursuant to section 270(9)

Regulation No. RF.R.5.7

issued by the Minister of Finance under section 465(8)(g) of the Financial Institutions and Markets Act, 2018

Definitions

1. (1) In this Regulation—
 - (a) “Act” means the Financial Institutions and Markets Act, 2018 [Act No. • of 2018], and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
 - (b) “Prescribed Period” means the period of time commencing on the date on which a retirement fund has received a valid request in writing in the form of Schedule 1 to this Regulation from a former member to transfer the value of his or her retirement benefit or right to a retirement benefit accrued to the date on which the former member ceased being a member of the retirement fund, and ending on the date 60 days following the date of receipt of that request or such longer period as NAMFISA may determine;
 - (c) “former member” means a person who has ceased to be a member of a retirement fund for any reason other than the occurrence of an event referred to in Part 7 of Chapter 10 of the Act or section 278 of the Act and has been admitted as a member of another retirement fund;
 - (d) “Prescribed Rate” means the rate of interest determined in accordance with clause 4 of this Regulation; and

- (e) “Transfer Value” means the value of a former member’s accrued retirement benefit, or of the right to such accrued retirement benefit, as determined according to the rules of the fund and all applicable standards and regulations.
- (2) Words and phrases defined in the Act have the same meaning in this Regulation, unless the context indicates otherwise, including, without limitation, the following:
 - (a) as defined in section 1 of the Act—
 - (i) NAMFISA;
 - (ii) principal officer;
 - (b) as defined in section 249 of the Act—
 - (i) board of trustees;
 - (ii) fund;
 - (iii) member; and
 - (iv) retirement fund.

Application

- 2. This Regulation applies to—
 - (a) boards of trustees of retirement funds; and
 - (b) the principal officers of retirement funds.

Rate of interest

- 3. Where the transfer of a former member’s Transfer Value has not been completed within the Prescribed Period, the retirement fund must credit the Transfer Value with interest at the Prescribed Rate for each day following the expiration of the Prescribed Period up to the date on which the transfer is completed.
- 4. The Prescribed Rate is the greater of—
 - (a) the average of the rates of interest, expressed as effective annual rates, paid on securities of the Government of Namibia that mature in no less than 30 days and no more than 60 days from their issue, that are available for purchase on or after the expiration of the Prescribed Period and prior to the date on which the transfer is completed;

- (b) the average of the rates of interest, expressed as effective annual rates, paid on deposit certificates issued by the four largest banks in Namibia, measured by total assets as reported to the Bank of Namibia that mature in no less than 30 days and no more than 60 days from their issue, that are available for purchase on or after the expiration of the Prescribed Period and prior to the date on which the transfer is made; and
 - (c) the rate or rates of interest, expressed as an effective annual rate or rates, applicable to transfer values accrued but not yet settled according to the rules of the retirement fund.
5. Interest shall be credited for the precise number of days between the expiration of the Prescribed Period and the date the transfer is completed according to the customary method of compound interest for applying effective annual rates to such determinations and a year shall be taken as consisting of 365.25 days.

SUPPORTING SCHEDULE

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

Schedule 1: Form prescribed for a former member of a retirement fund applying to the fund for the transfer of the value of their retirement benefit accrued as a member of that fund

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SCHEDULE 1

Form prescribed for a former member of a retirement fund applying to the fund for the transfer of the value of their retirement benefit accrued as a member of that fund

I, the undersigned, hereby apply to the _____ Retirement Fund to transfer the value of my retirement benefit accrued to the date shown below.

Applicant Name: _____

Applicant Retirement Fund Certificate or Membership Number _____

Date Applicant Became a Member _____

Date Applicant Ceased Membership _____

Applicant Address _____

Applicant Telephone _____

Applicant E-Mail _____

Name of Applicant's Beneficiary _____

Address of Applicant's Beneficiary _____

To Which Fund Transfer is To Be Made _____

Name of Contact Person _____

Telephone of Contact Person _____

Proportion of Transfer Value

To be paid to Applicant in Cash _____%

I understand that the transfer of the value of my retirement benefit may not be made unless this form has been duly completed, signed and witnessed and received by the _____ Retirement Fund and that the 60 day transfer period specified in section 270(6) of the Act will not commence until the _____ Retirement Fund has received this form duly completed, signed and witnessed, and that, further, the value of my retirement benefit will be credited with such rate of interest as specified by the rules of the _____ Retirement Fund during the period prior to the expiration of the aforesaid 60 day period and that the rate of interest applicable following the expiration of the 60 day period will be determined according to Regulation R.F.R.5.7. I also understand that the proper completion of this form and its receipt by the _____ Retirement Fund may not be sufficient in and of itself to permit the complete and accurate determination of the dollar amount of the value of my retirement benefit.

Signed _____

Witness _____

Date _____

Place _____

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