

**GOVERNMENT NOTICE**

**RETIREMENT FUNDS**

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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THE CONDITIONS ON WHICH A DEFINED CONTRIBUTION FUND MAY BE  
EXEMPTED FROM THE REQUIREMENT OF REGULAR INVESTIGATIONS  
BY A VALUATOR

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NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY

**Standard No: RF.S.5.10**

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2018 [Act No. • of 2018]****The conditions on which a defined contribution fund may be exempted from the requirement of regular investigations by a valuator****Standard No. RF.S.5.10**

*issued by NAMFISA under section 410(6)(i) 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) board;
    - (ii) retirement fund;
  - (b) registered insurer, as defined in section 4 of the Act;
  - (c) as defined in section 249 of the Act-
    - (i) defined contribution fund; and
    - (ii) member.

**Requirements for exemption**

2. A retirement fund which is a defined contribution fund may, pursuant to section 268(7) of the Act, apply for an exemption from the requirement to have regular investigations by a valuator if:

- (a) for a period of at least three (3) consecutive years, the total assets of the retirement fund are equal to or exceed the total of the members' individual accounts, the expense reserve, and any undistributed investment returns;
  - (b) any benefit on retirement is fully secured through the purchase of an annuity policy from a registered insurer;
  - (c) any benefit payable to a member in addition to, in lieu of, or in excess of the value of the member's individual account is fully insured by one or more registered insurers; and
  - (d) no reserves other than an expense reserve required by the terms of the retirement fund and of which any excess assets is required to be fully distributed among the members at least annually, and undistributed investment returns which is required to be fully distributed among members at least annually, are held or are required to be held, either by NAMFISA or by generally acceptable actuarial practice.
3. An application for exemption pursuant to section 268(7) of the Act must be made to NAMFISA and must be accompanied by the following documents:
  - (a) a statement of compliance with the conditions set out in clause 2, duly signed by two members of the board of the retirement fund, together with a certified copy of the resolution of the board and other supporting documents;
  - (b) a statement duly signed by a valuator certifying that the retirement fund meets the conditions required by clause 2, including the opinion of the valuator with respect to any of those conditions, as at the date from which the exemption is required, which date must coincide with the fund's financial year end; and
  - (c) if it is a practice of the fund to project benefits, a statement duly signed by a valuator certifying that the assumptions that will be used to project the benefits that the fund will pay to a member at normal retirement date, are appropriate.
4. Once an exemption has been granted, the exemption will remain in effect unless it is revoked in writing by NAMFISA.
5. The board of a retirement fund that has obtained an exemption must notify NAMFISA in writing without delay with full particulars, if at any time:
  - (a) the retirement fund fails to comply with any of the conditions set out in clause 2;

- (b) the board, principal officer, chairperson, valuator, auditor or administrator of the retirement fund, or any other person acting in an advisory capacity to the retirement fund, is no longer of the opinion that all of the conditions of clause 2 are being complied with; or
  - (c) the retirement fund submits to NAMFISA an amendment of any rule which, once effective, would cause the retirement fund no longer to qualify for the exemption.
- 6. On receipt of the notification referred to in clause 5, NAMFISA may revoke the exemption.
- 7. As a consequence of the revocation of an exemption by NAMFISA-
  - (a) the retirement fund must within 90 days from the date of the revocation of the exemption by NAMFISA, appoint a valuator pursuant to section 267 of the Act; and
  - (b) the retirement fund must submit a valuation and report pursuant to section 268(4) of the Act as at the date of the retirement fund's first financial year end following the revocation of the exemption.
- 8. Where a retirement fund is exempt from valuation as at the date of publication of this Standard, such exemption will remain in force for a period of 12 months from that date, following which an application for exemption must be made pursuant to section 268(7) of the Act and this Standard.