

GOVERNMENT NOTICE

RETIREMENT FUNDS

NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY

No. X

2021

STANDARDS MADE UNDER THE FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

The Namibia Financial Institutions Supervisory Authority has under section 410(6) of the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), made the Standards set out in the Schedule.

Gersom Katjimune
Chairperson

Windhoek,

2021

DRAFT STANDARD

CATEGORIES OF PERSONS HAVING AN INTEREST IN THE COMPLIANCE OF A FUND WITH THE PROVISIONS OF SECTION 270(7) AND THE REPORTS THAT MUST BE SUBMITTED BY THE PRINCIPAL OFFICER OR A PERSON AUTHORIZED UNDER SECTION 270(8) TO SUCH CATEGORIES OF PERSONS WITH RESPECT TO SUCH COMPLIANCE

NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY

Standard No: RF.S.5.17

FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 [Act No. 2 of 2021]

Categories of persons having an interest in the compliance of a fund with the provisions of section 270(7) and the reports that must be submitted by the principal officer or a person authorized under section 270(8) to such categories of persons with respect to such compliance

Standard No. RF.S.5.17

issued by NAMFISA under sections 270(7) and 410(6)(k) of the Financial Institutions and Markets Act, 2021

Definitions

1. (1) In this Standard—
 - (a) “Act” means the *Financial Institutions and Markets Act, 2021* [Act No. 2 of 2021], and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
 - (b) “authorised person” means a person, other than the principal officer of a retirement fund, authorised by the board of the fund pursuant to section 270(8); and
 - (c) “deferred member” means an active member who has not yet retired but has left the service of the employer concerned prior to the retirement date, as defined in the rules of the fund, leaving in the fund the rights of the member to such benefits as may be payable according to those rules.
- (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) financial institution;
 - (ii) NAMFISA; and
 - (iii) principal officer;
 - (b) as defined in section 249 of the Act—
 - (i) active member;

- (ii) board;
- (iii) employer;
- (iv) fund
- (v) member;
- (vi) retired member;
- (vii) retirement fund; and
- (viii) sponsor.

Requirements for the report

2. The principal officer of a retirement fund or an authorised person must provide a report with respect to the compliance of the fund with the provisions of section 270 to the following persons who have a continuing and material interest in the compliance of the fund with the provisions of that section:
 - (a) active members;
 - (b) members of the board of the fund;
 - (c) employers contributory to the fund;
 - (d) the auditor of the fund;
 - (e) the valuator of the fund, if applicable;
 - (f) NAMFISA;
 - (g) any other party who may have a similar interest.
3. The report must be prepared in accordance with the format specified in Schedule 1 to this Standard and shall be provided to the persons referred to in clause 2 in electronic format free of charge, but a paper copy may be provided upon payment of such fee as the fund may charge from time to time, subject to the waiver of the fee in the case of members of the board of the fund.
4. The report must be prepared as at the end of each calendar quarter and be provided to the persons referred to in clause 2 within 30 calendar days of that date.
5. (1) Upon this Standard coming into force, the principal officer of a fund or the authorised person must notify active members, retired members and deferred

members of the fund of the process followed by the fund to ensure compliance of the fund with section 270.

- (2) The notification referred to in sub-clause (1) must state that the members referred to in that sub-clause may request electronic copies of the most recent report and that these will be provided free of charge.
 - (3) Following the date on which this Standard comes into force, new members of the fund must be notified as provided in sub-clauses (1) and (2).
6. Any employer contributory to a fund and any financial institution receiving contributions on behalf of the fund for deposit in the accounts of the fund must provide the principal officer of the fund or the authorised person with all data necessary for the preparation of the report and must do so in a timely manner having regard for the requirement of this Standard with respect to the date of issue of the report.
7. The report must be addressed to the board of the fund, and copied to the other persons referred to in clause 2, and certified by the principal officer of the fund or the authorised person as being complete and accurate in all material respects to the best of his or her knowledge and belief.

SCHEDULE 1

Report to categories of persons having an interest in the compliance of a retirement fund with section 270 of the Act

<p>To the Board of XYZ Retirement Fund:</p> <p>This is the report required to be provided to persons having an interest in the compliance of the fund with section 270 of the Act.</p> <p>To the best of my knowledge and belief, this report is complete and accurate in all material respects.</p>			
<p>_____ Signature of the Principal Officer/Authorised person</p>			
Quarter: e.g. 2 nd of 2021	Month of April	Month of May	Month of June
Required Contributions for Current Service:			
Contribution Base per Employer records as <u>actual amounts of salaries paid or hours credited</u> in the month:			
Salaries –	254800	247300	251400
or Hours -			
or Other -			
Employee Contributions Payable according to Formula per fund rules:			
_% of salaries	5.5%	5.5%	5.5%
or \$ per hour worked			
or Other			
Employee Contributions Payable for the month = Base*Formula=(a)	14014	13601.50	13827
Employer Contributions Payable according to Formula per fund rules			
_% of salaries	7.0%	7.0%	7.0%
or \$ per hour worked			
or Other			
Employer Contributions Payable for the month = Base*Formula=(b)	17836	17311	17598
Employee Contributions Received in the month for Current Service by fund's depositories	14952	14217	13827
Employee Contributions Received in the month for current service paid directly to the fund	0	0	0

Employee Contributions Received in some other manner	0	0	0
Employer Contributions Received by way of Utilisation of Surplus	0	0	0
Total Employee Contributions Received=(c)	14592	14217	13827
Total Employee Contributions Payable (from above)=(a)	14014	13601.50	13827
Excess of Employee Contributions Received over Employee Contributions Payable=(c)-(a)	578	615.50	0
Employer Contributions Received in the month for Current Service by fund's depositories	18361	17542	18014
Employer Contributions Received in the month for current service paid directly to the fund	0	0	0
Employer Contributions Received in some other manner	0	0	0
Employer Contributions Received by way of Utilisation of Surplus	0	0	0
Total Employer Contributions Received=(d)	18361	17542	18014
Total Employer Contributions Payable (from above)=(b)	17836	17311	17598
Excess of Employer Contributions Received over Employer Contributions Payable=(d)-(b)	525	231	416
Contributions for Special Payments by Employer/Sponsor (N/A for Defined Contribution Funds)			
Employer Special Payments Payable per most recent report of fund's valuator=(e)	N/A	N/A	N/A
Employer Special Payments received in the month by fund's depositories			
Employer Special Payments in the month paid directly to the fund			
Employer Special Payments Received in some other manner			
Total Special Payments Received in the month=(f)			

Excess of Special Payments Received in the month over Special Payments Payable=(f)-(e)	N/A	N/A	N/A

Notes:

1. The above presumes that the base for determining current service contributions payable (i.e. salaries, hours worked or other) is the same for both the employee required contributions and those required of the employer.
2. The report could readily be expanded to require the detail of dates of receipt of contributions throughout the reporting period, e.g. by week. This would enable the identification of lags in depositing employee contributions beyond the permitted 7 day delay of subsection 270(3).
3. The contributions reported as received in the month whether by a depository or by the fund should exclude contributions received in the first 7 days of the month that relate to service of the preceding month and include contributions received in the first 7 days of the next following month that relate to service of the current month.

DRAFT