
ADMINISTRATIVE SANCTION // KOBO CASH LOAN CC

1. On 29 March 2022, NAMFISA imposed an administrative sanction in terms of section 56 of the Financial Intelligence Act, 2012 (Act No. 13 of 2012) (“FIA”) on Kobo Cash Loan CC (“Kobo”) a registered Microlender in terms of section 5 of the Microlending Act, 2018 (Act No. 7 of 2018).
2. Kobo is an Accountable Institution (“AI”) in terms of Schedule 1 of the FIA, and it is obliged in terms of section 39 of the FIA to put measures in place to effectively manage and mitigate the risks of Money Laundering (“ML”), Terrorist Financing (“TF”) and Proliferation Financing (“PF”) in accordance with the FIA, the Prevention and Combating of Terrorist and Proliferation Activities Act, 2014 (Act No. 4 of 2014)(“PACOTCAA”) and subordinate instruments.
3. Section 56(14) of the FIA requires that, administrative sanctions imposed must be made public, unless the Chief Executive Officer of NAMFISA is of the opinion that there are exceptional circumstances that warrant preservation of confidentiality.
4. Having considered the available facts and information the Chief Executive Officer of NAMFISA hereby publishes the below administrative sanction imposed on Kobo.

Administrative Sanction:

- 4.1. In terms of Section 56(3)(a) of FIA, NAMFISA imposed a Caution on Kobo not to repeat the conduct that led to the following non-compliance:

- a) Inadequate Customer Due Diligence (“CDD”) controls, constituting non-compliance with sections 21 and 23 of the FIA and Regulations 13 and 14 (read with Regulation 6) of the regulations under the FIA. In this regard, Kobo failed to-
- i. treat the non-face to face contact with the client as posing high risks of Money Laundering (ML) / Terrorist Financing (TF) / Proliferation Funding (PF) in order to apply enhanced measures, which include applying strict identification and verification of the client;
 - ii. verify the applicant’s banking details at the application stage before the account is debited; and
 - iii. take reasonable steps to ensure the existence of and establish the identity of the client in the process of ascertaining information in terms of the regulations under the FIA about the client without making (face-to-face) contact with such client.
- b) Kobo further failed to identify ML/TF/PF risks that may arise from new business processes, including new delivery systems and the use of new or developing technologies as required in terms of Regulation 24 of the regulations under the FIA.

Should there be need for more information or clarification, kindly contact Mr. Vilho Nkandi at telephone (061) 2905223 or via e-mail at vnkandi@namfisa.com.na.

Yours faithfully,

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Kenneth S. Matomola
Chief Executive Officer