Breakdown - Industry Comments

Chapter.3 – Financial Markets

Company Name:	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution :	Accepted (Comments):	Rejected (Comments):
FINANCIAL MARKETS STANDARD 3.1					
Matters to be included in its listing requirements					
Firstrand Limited	1(2)(c)	Central securities depository should be (i) and not (d).	Correct numbering	Accepted.	
PSG Wealth Management (Namibia) (Pty) Ltd and PSG Financial Planning (Namibia) (Pty) Ltd	3(1)(g)	Replace with “an” not “and”	Grammatical errors.	Accepted.	
	6(1)	Spacing “ Companies Act”	Correct formatting.	Accepted.	
Standard Bank Namibia	3(1) (h)	Kindly clarify which entity is accountable for keeping records and reporting of beneficial ownership information Is the beneficial owner information at natural and/or juristic person? What is the disclosure requirements for Global		Clarified. The onus of disclosing beneficial ownership is on the issuer of securities and not the custodian/nominee. Companies Act, 28 of 2004	

		Custodian Banks and entities who operates Nominee entities?		Register of members Section 112 (1) stipulates that: "every company must, in the official language, keep a register of its members, and must, in that register, enter- a. the names and addresses of the members and, in the case of a company having a share capital, a statement of the shares issued to each member, distinguishing each share by its number, if any, and by its class or kind, and of the amount paid or agreed to be considered as paid on the shares of each member; and b. in respect of each member- (i) the date on which his or her name was entered in the register as a member; and (ii) the date on which he or she ceased to be a member". It should be noted here that the requirement for members to be	

				entered, includes both natural persons and other corporate entities who are beneficial owners in a company. The corporate beneficial owners' information is collected at incorporation. The shareholders, directors, auditors, company secretary information is collected at incorporation, and should be readily available in terms of the different provisions of applicable laws. As for uncertificated or dematerialisation securities, the registrations required as discussed above is achieved through the operations of sub-registers maintained by participants of a Central Securities Depository ("CSD"). Section 98(1) of the Companies Act, defines "sub-register" as the record of uncertificated securities administered and maintained by a participant, which forms part of the relevant	

				company's register of members as referred to in the Act. The Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021) The matters of beneficial interest and beneficial ownership are adequately provided for operationalisation in terms of the Financial Institutions and Markets Act, 2021. A central securities depository is defined in FIMA to mean a public company through which participants provide for the holding in custody and administration of securities or an interest in securities to facilitate the evidencing of ownership and the transferring of such securities or interests. Section 126 deals with Depository Rules, and provides under subparagraph (k) that the Depository Rules must provide for (i) the duty of a client to disclose to a participant, and the duty of a participant to disclose	

				to a central securities depository, information about a beneficial, limited or other interest in securities deposited by a client with a participant or by a participant with a central securities depository; and (ii) the manner, form and frequency of the disclosure referred to in subparagraph (i). The systems of the CSD should therefore, be so designed as to enable the CSD to achieve the objectives of facilitating the evidencing of ownership and the transferring of such securities or interests in securities deposited with the participants, and ultimately, the CSD.	
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution :**	**Accepted (Comments):**	**Rejected (Comments):**
FINANCIAL MARKETS STANDARD 3.2					
Annual report of a self-regulatory organization					

Firstrand Limited	3(1)	There seems to be missing information from this clause as it speaks to the information that must be contained but no further information as the next clause starts with 4(1).	Correct numbering and delete duplications	Accepted.	
	4(1)	The next section after 4(1) starts again with clause 4(1) and the first sentence is a duplication. Perhaps 3(1) continues with (a) to (h) and the first sentence 4(1) should be deleted.	Correct numbering and delete duplications	Accepted.	
	5(1)	Clause 5(1) is also duplicated with the first instance falling in between clause 4(1)(c) to 4(1)(d).	Correct numbering and delete duplications	Accepted.	
NASIA	1	Many important definitions from section 78 of the Act are missing.	Include references to definitions for “authorized user”, “participant” and “self-regulating organization”	Accepted.	

NSX	4(1)(e)	Reference is made to paragraph 4.(1)(e) of the Standard which requires that the annual report of the exchange or central securities depository be submitted to NAMFISA within 90 days of the end of financial year. The year-end of the NSX and CSD is December. Experience and practice have shown that the auditor's report on financial statements is only finalized and signed towards the end of April, approximately 120 days after the end of the financial year. This is due to: a. the auditors audit timeline; and b. thereafter scheduling of audit committee and Board meetings to approve the audited financials. We are aware that Section 145 of FIMA provides for the 90-day period.	We propose that the 90-day period be deleted in substitution for 120 days in both: 1. this Standard; and 2. section 145 of FIMA.		Declined. This does not seem to be an industry-wide concern, but rather to the NSX mainly. The holding of Board Meetings is an internal arrangement that should be designed with compliance in mind. In today's digital-age, accounts are maintained in balance, almost on a daily basis. This could be a matter of planning, and not legislation per say.

	4 5 5(1)	Formatting Notes: a. There is a duplication of paragraphs 4 as it appears twice in the document b. There is a duplication of paragraphs 5 as it appears twice in the document. c. Paragraph 5(1) refers to the CSD when the context indicates that it should refer to the registered exchange.	Format the provisions of the Standards as proposed.	Accepted.	
Old Mutual		All these Standards are titled "Annual report of Self-Regulatory Organization"	Correct titles of the Standards	Accepted.	
PSG Wealth Management (Namibia) (Pty) Ltd and PSG Financial Planning (Namibia) (Pty) Ltd	1(1)(h)	"f" should read "of"	Grammatical errors.	Accepted.	
	1(1)(i)	Spacing " Companies Act"	Grammatical errors.	Accepted.	
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution :**	**Accepted (Comments):**	**Rejected (Comments):**
FINANCIAL MARKETS STANDARD 3.3					

Matters to be included in a report referred to in section 108, and the manner and timing of such report					
Firstrand Limited	Standard Heading	The heading of this standard to be corrected. Non gazetted version heading: MATTERS TO BE INCLUDED IN A REPORT REFERRED TO IN S113 OF THE ACT AND THE MANNER AND TIMING OF SUCH REPORT	Correct heading of standard.	Accepted.	
	3(1)	Clause 3(1) refers to clause 1, however it is not clear because clause 1 refers to definitions, so under which clause is the report that is referred to?	NAMFISA to clarify what report must be made and correct reference.	Partially accepted, clause 1 has been incorrectly reference and should refer to clause 2. Also we must add "to" *before every person.*	
	4(1)	Clause 4(1) refers to the report referred to in clause 2, however clause 2 refers to the applicability of the standard.	Correct reference.	Accepted, substitute clause 2 with clause 3.	
NASIA	General Comment	The title of the standard refers to "annual report" of a self-regulating organization, but clearly the content deals with certain ad-hoc reports. The standard further relies on section 86 of the Act for authority to make the standard, whilst	Correct the title of the standard as well as to correct section of the Act which gives the authority to make this standard.	Accepted- the title of the Standard has changed to "Reporting transactions in listed securities pursuant to section 113". Section 113 is the correct empowering provision.	

		section 86 of the Act does not in fact contain such authority. We interpret this standard to apply to investment managers as they fall under the definition of a regulated person. Therefore, practically, this means that when an investment manager does a book-over between clients, there is a change in the beneficial ownership and a report will be lodged. Will all listed NSX trades, such as listed bonds, be considered "trades on a regulated/registered exchange"?	We recommend that all listed NSX trades reported to the NSX should be regarded as trades via a registered exchange. Only trades concluded that are not reported or recorded on the NSX be regarded as trades outside an exchange.	Yes, the Standard applies to all persons, including a regulated person, an investment manager. The Standard applies to "any transaction in listed securities resulting in a change of control of beneficial ownership of those securities and concluded by that person outside a registered exchange". An Investment manager should for Price Discovery Purposes, conclude all transactions on an exchange not outside the exchange. "Book-Overs"are perfomed by Authorised Users of the exchange in accordance with the Rules related to book-overs. Agree that "all listed NSX trades reported to the NSX should be regarded as trades via a registered exchange. Only trades concluded that are not reported or recorded on the NSX be regarded as trades outside an exchange".	

	Clause 2	Clarity is sought on when this Standard actually applies and to which transactions. This section appears to be capturing a mirror provision in the SA Financial Markets Act which relates to off market trades and changes in beneficial ownership. As a starting point, these are the only trades that may happen OUTSIDE of the exchange and by a specific subset of clients. The relevant sections from the SA Financial Markets Act are copied below: 24. Buying and selling listed securities A person may only carry on the business of buying or selling listed securities if that person – (a) is an authorized user and acts in compliance with the relevant exchange rules; (b) effects such buying or selling through an authorised user in compliance with the relevant exchange rules; (c) is not an authorised user, but is a financial institution transacting as principal with another financial institution also	We strongly recommend that this be considered in answering the questions as it relates to clarity and applicability.		Declined. The Standard applies to "any transaction in listed securities resulting in a change of control of beneficial ownership of those securities and concluded by that person outside a registered exchange". Investment Managers do the Buying and Selling of listed securities through Authorised Users. It should remain like that. While there are instances where listed securities may be transacted outside of any exchange (beneficiary(ies), legatee(s), nominees and assignee(s)) under a Will for example, or where large positions need to be disinvested without upsetting the market in false reading as a "dumping" transaction, or for purposes mentioned, in the SA Financial Markets Act, we believe the Standard still achieves the intended purpose.

		transacting as principal, subject to section 25; or (d) is a person who, subject to any condition that the Authority may prescribe, buys or sells listed securities in order to – (i) give effect to a reconstruction of a company or group of companies by the issue or reallocation of shares, or a takeover by one company of another or an amalgamation of two or more companies; or (ii) effect a change in the control over management or the business of a company. 25. Reporting of transactions in listed securities (1) Any transaction in listed securities resulting in a change of beneficial ownership of those securities that is concluded outside of an exchange by – (a) a financial institution referred to in section 24(c); or (b) a person referred to in section 24(d), must be reported by that financial institution or person, as the case may be, to the Authority. (2) The Authority may prescribe			

		standards in respect of reports referred to in subsection (1) specifying— (a) the information required in respect of any transaction; and b) the manner in and time within which reports are to be rendered (3) (a) The Authority must disclose information about a transaction reported in terms of subsection (1) to the exchange on which the securities are listed. (b) The Authority may disclose information about a transaction reported in terms of subsection (1) to the public, if the Authority is satisfied that such disclosure will enhance the objects of this Act referred to in section 2 or regulatory effectiveness and transparency.			
	3(2)	What does electronically in writing mean?	We suggest the word "in writing" be deleted.	Accepted.	
	4(1)(f)(g)	It may also be impractical for the investment manager to know about the previous ownership at other managers,	We recommend changing "control" to "ownership" as this section is about a		To be considered- Ownership and control are distinct requirements and according to our interpretation their proposed

		We also fail to see how prior ownership of the security is relevant and what purpose this serves at all to gather the information.	change in beneficial ownership. So it may be worthwhile limiting this to ownership in the knowledge of the investment manager during the course of the mandate under management.		amendment is impractical and bordering uncompetitive. "Control of" deleted after beneficial ownership in both 4(1)(f) and (g).
NSX		Standard FM.S.3.3 read together with Section 113 of FIMA deals with the Annual report of a self-regulatory organization and requires that every person that concludes a transaction in listed securities outside a registered exchange which results in a change of control of beneficial ownership of those securities must report that transaction to NAMFISA and NSX. We understand that the Standard aims to deal with the matter regarding "beneficial ownership". However, the rationale for	The Standard be amended to provide for a general requirement by all listed entities to disclose beneficial ownership in their respective registers without the requirement to make out the report to NAMFISA and NSX as currently contemplated. This would then deal with the aims of the Standard in dealing		As indicated above, there are instances where listed securities may be transacted outside of any exchange (beneficiary(ies), legatee(s), nominees and assignee(s)) under a Will for example, or where large positions need to be disinvested without upsetting the market in false reading as a "dumping" exercise. The Issuer of the security will not know that the security has passed-hands as a result of a Will or a bilateral transaction between two parties who are under no obligation to report such a transaction (a gift, an inheritance, bilateral transaction).

		making out such a report to NAMFISA and NSX is not understood, because the relevant listed entity is required to maintain a shareholders register in accordance with Sections 112 and 113 of the Companies Act, 2004, which register provides sufficient evidence of matters that are directed or authorized to be entered therein (Section 116 of the Companies Act).	with the matter regarding "beneficial own		The Standard intends to make provision for transactions as above, to be brought to the attention of the issuer through the exchange on which such securities are and NAMFISA.
Old Mutual		All these Standards are titled "Annual report of Self-Regulatory Organization"	Correct titles of the Standards	Accepted.	
PSG Wealth Management (Namibia) (Pty) Ltd and PSG Financial Planning (Namibia) (Pty) Ltd	1(1)(h)	Should read "of"	Grammatical errors. Indent "h"	Accepted.	
	2	Missing word "to", the whole sentence should be reworked as it makes no sense.	Grammatical errors.	Accepted.	
Standard Bank Namibia	3	Kindly advise who the accountable institution to report off market transactions is.	The traders are the accountable institution envisioned.		Clarified. The phrase "Accountable institutions" is contained in the Financial

					Intelligence Act in description of certain institutions. The Standard applies to all persons whether "accountable institutions" or not. The Standard places the responsibility to report on the transacting parties. From the wording, they both must report (one as the Transferror) and the other as the (transferee).
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution :**	**Accepted (Comments):**	**Rejected (Comments):**
FINANCIAL MARKETS STANDARD 3.4					
Information about an issuer and securities being issued to clients or potential clients of a regulated person when the securities are being sold by the regulated person;					
Firstrand Limited	4(1)	The heading of this standard to be corrected. Non gazetted version heading: INFORMATION ABOUT AN ISSUER AND SECURITIES BEING ISSUED TO CLIENTS OR POTENTIAL CLIENTS OF A REGULATED PERSON WHEN THE SECURITIES ARE BEING SOLD	Correct heading of standard.	Accepted.	

		BY OR THROUGH THAT REGULATED PERSON			
	3(2)(e)	Clause 3(2)(e) – if the interpretation is correct that this Standard would apply to a securities advisor, then it would not make sense that such advisor discloses information prescribed in clauses (d) to (f).	NAMFISA to clarify / confirm to whom this standard is applicable to. Furthermore, if this is applicable to a securities advisor, to reconsider the information in clauses (e) to (h).	Accepted. The Standard applies to every regulated person to the extent that securities are sold by, or through the services of that regulated person, and to the Issuer of such securities. NB: Consideration should be given to the removal of the requirements in 3(2)(e…h). Market Makers may not know the fees of other professional involved in bringing the issuance to market (lawyers, Business Strategic Advisors, Financial Advisors, Accountants…), and may be unfair to expect them to furnish such information required in (e) and (f).	

				Section 109 of the Companies Act deals with matters that issuers must diosclose in respect to offer of shares for sale to public. Further, the Listing Requirements of the Exchange should specify the requirements with which issuers of listed securities and of securities which are intended to be listed, must comply (FIMA section 106(1)(b). (5) The listing requirements of a registered exchange and any other conditions of listing are binding on an issuer and an authorised user and on any person who controls an issuer or an authorised user that is a company, and on their directors, officers, employees and agents (FIMA section 106(5).	
	3(3)	Clause 3(3) speaks to a report that must be submitted to NAMFISA. No previous mention is	Clarify what report is required and amend paragraph and	Clarified.	

		made to the report, furthermore, the whole paragraph does not read well as a submission must be made to NAMFISA AND the registration exchange however is followed by "if" certain scenarios.	submission method and requirements.	The report referred to under clause 3(3) should contain all the information required under clause 3(1) and 3(2). The report is the document that the regulated person in question will achieve clause 3 (1). The "if"relates to the submission method as the case may be at submission. It is self-explanatory!	
IJG Group of Companies	2(1)	Clarity is required to whom this standard applies? It would seem that this standard would apply to certain regulated persons rather that to "every regulated person"			Declined. The term "to the extent" should remain. It is to the extent that a regulated person is affected by the matters concerned that determines whether the Standards applies or not. The Standard applies to Regulated Persons and Issuers. The Regulated Person must provide information about an issuer and securities being issued to clients or potential clients of that Regulated Person when the securities are being sold by or through that Regulated Person.

					Yes, it applies to certain regulated persons who will become subject to the matters contained (issuance of securities being sold by, or through them).
	3(1)	Unclear to whom this information should be provided?		Clarified. As per clause 3(3) this report must be submitted in writing to NAMFISA.	
NASIA	General comment	The title of the standard refers to the "annual report" of a self-regulating organization, but clearly the content deals with different specialised reports. The standard also relies on section 86 of the Act for authority to make the standard, whilst section 86 of the Act does not in fact contain such authority.	Correct title of standard as well as to correct section of Act which gives the authority to make this standard.	Accepted- the title of the Standard should read "Information of an Issuer and Securities being Issued" and not "Annual Report of an SRO". Correct empowering provision is section 410(4)(r).	

	2(1)	The alternate interpretation is that this does not apply to investment managers but rather applies to issuers of securities who are undertaking an IPO. Please confirm which of these is correct. In either or both of the scenarios, the wording of the application of the Standard will have to be reconsidered. Given the wording, "securities are sold by or through the services of that regulated person and to the issuer of those securities." We believe that the IPO scenario is the likely intention.	For example, if this applies to a specific subset of regulated persons, a new definition should be inserted ONLY for the purposes of the Standard, e.g. "XYZ means, only for the purposes of this Standard a listed company, a broker, and an ABC." We strongly recommend amending the wording of the applicability of the standard.	Clarified. Please note that this Standard is not limited to undertakings of IPOs as clause 2 expressly states that this Standards applies to all instances were securities are sold by or through a regulated person and issuer of securities. Meaning applicability is whether or not securities being issued to clients or potential clients of a Regulated Person are being sold by or through that Regulated Person.	
		Additionally, clarity is sought on whether or not the Standard is meant to apply to the trade of bonds off market or OTC? It is common industry practice that bonds are traded outside of the exchange. If the intention is to capture the bond market,	We strongly recommend that further engagement on this point be had as it would fundamentally alter the current practice in the industry. We urge the regulator to clarify		No, the matter of Book-Overs or Off-Market Trades is captured eslewhere. F.M.S. 3.3. The Standard applies to "any transaction in listed securities resulting in a change of control of beneficial ownership of those securities and concluded by that

			the wording as well as the intention.		person outside a registered exchange". An Investment manager should for Price Discovery Purposes, conclude all transactions on an exchange not outside the exchange. "Book-Overs"are perfomed by Authorosd Users of the exchange in accordance with the Rules related to book-overs.
	3(1)	Clarify in the drafting to whom the information must be provided.		Clarified. As per clause 3(3) this report must be submitted in writing to NAMFISA.	

NSX	2	The exchange and the CSD are included in the ambit of "regulated person". Would the extent to which securities are sold by or through our services deem the Standard applicable to the exchange and the CSD? Given the context of the Standard and information required in so far as issuers are concerned, we are of the view that the Standard does not apply to the exchange nor the CSD. The information required seems more relevant to the Sponsors of issuers. Even if the Standard were applicable to the exchange and the CSD, the information required would be beyond our scope. Please confirm for the avoidance of doubt			It is our considered view that neither the exchange nor the CSD sells any securities as a regular feature of their business. The exchange merely provides a platform for Buyers and Sellers to interact, while the CSD merely provides a Holding System for securities traded on the exchange. The Exchange has an obligation to ensure that the Issuer complies with this Standard if the Issuer intends to eventually list on the Exchange. The information required should not be beyond the scope of the Exchange or CSD, as the required information is similar to the information / disclosure requirements in section 109 of the Companies Act, dealing with matters that issuers must disclose in respect to offer of shares for sale to public, and should be required by the Exchange in assessment of Listing Approval.
Old Mutual		All these Standards are titled "Annual report of Self-Regulatory Organization"	Correct titles of the Standards	Accepted.	

PSG Wealth Management (Namibia) (Pty) Ltd and PSG Financial Planning (Namibia) (Pty) Ltd	3(1)(a)	"and" should be removed.	Grammatical errors.	Accepted.	
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution :**	**Accepted (Comments):**	**Rejected (Comments):**
FINANCIAL MARKETS STANDARD 3.5					
Demutualization of a Self-Regulatory Organization					
NSX	4(2)(b)	Whilst we understand the principal reason for a valuation report, it must be understood that such will be a costly exercise. To curb any unnecessary costs, it would be important to specify the valuation methodology NAMFISA requires because a valuation "based on any internationally accepted method of valuation undertaken by a valuator" is vague. The funds available to the	We propose that the valuation methodology be based on, for example, a Price-to-Earnings Ratio (PE Ratio) using the Johannesburg Stock Exchange's PE Ratio as a benchmark. That Ratio would then be applied to the Net Asset Value or Earnings of the NSX. We propose that the		Declined. Being prescriptive on the methodology is contrary to our move towards risk-based supervision. Further, this Standard must be read together with the Valuators Standard. A Valuation is not an unnecessary cost. It should be viewed as a very necessary cost as it provides a price reference point for the uninformed would-be-clients of the current stock brokers when they "off-load" part of

		NSX should not be outweighed for this service.	valuation be prepared by an independent valuator who would then prepare fair and reasonable statements in accordance with Schedule 5 of the NSX Listings Requirements. Furthermore, to expect that the brokers will only sell their Member Rights (i.e. future shares) at the valuation amount would be unreasonable as ultimately, the market would dictate the price at which the shares would be sold.		their shareholding (Rights) in the Exchange. This matter has been extensively provided attention, and the Exchange must, in the Public Interest, do an Evaluation of the Exchange prior to Demutualisation. The JSE and the NSX are two different entities. It is not clear why the NSX would propose a valuation of the NSX to be based on the JSE PE Ratio. Potential buyers will be buying NSX securities, NOT JSE securities. "*Furthermore, to expect that the brokers will only sell their Member Rights (i.e. future shares) at the valuation amount would be unreasonable as ultimately, the market would dictate the price at which the shares would be sold*". This is a rather concerning statement from the NSX. The Market in this instance will comprise of the Seller (the current stock brokers) and the Buyers (the General Public who will have not have information as to the value of the Exchange).

					The Valuation should be a representation of the Fair Value of the Exchange, and the Regulatory Arm of the Exchange is to ensure that trading takes place at Fair Value or as close as possible to Fair Value.
	4(2)(g)	With the demutualization, the idea is to convert the Guarantee Fund to an independent fund to maintain investor protection. As such, it is not understood why the Fund should have a shareholding in the demutualized entity. Assuming the requirement was implemented, in practice it would pose a challenge because the shares held by the Fund could never be sold or alternatively lose value.	This provision should be deleted. Focus should be placed on the continuation of the Guarantee Fund on a best practice basis to independently maintain investor protection.	Requirement for Guranatee Fund to hold share in the demutualized exchange has been removed. The Gurantee Fund is a separate fund maintained, for investor protection purposes, by the Stock Exchange in terms of Section 30 of the Stock Exchanges Control Act, (Act 1 of 1985), as amended. As the NSX and its Board exercise control over this Guarantee Fund it is required to consolidate the activities of the Guarantee Fund into the Group financial statements in terms of International Financial Reporting Standards. Every stockbroker is obliged to contribute to this fund to cover liabilities that may arise out of	

				the buying and selling of securities but have no rights to any assets of the guarantee fund.	
	6	3. Reference is made to paragraph 6. of the Standard in terms of which provision is generally made that no person may hold more than 10% of the voting shares of the exchange without the prior approval of NAMFISA. How would this requirement tie in with that of the Guarantee Fund being required to hold at least 10% shares in the exchange as contemplated in paragraph 4. (2)(g) of the Standard? In other words, the Standard contemplates that the Guarantee Fund may hold more than 10% of the shares in the exchange yet paragraph 6 notes that no entity		Requirement for Guranatee Fund to hold share in the demutualized exchange has been removed.	

		may hold more than 10% of the shares of the exchange. Please confirm / clarify, considering our comments above that in fact the Guarantee Fund should not hold any shares in the exchange.			
	7(9) 8(16)	The word “retain” is odd and seemingly misplaced. Independent legal counsel and other advisors’ expenses should not be incurred for retention purposes because such services should be utilized as and when required by the Board. Please clarify what is intended by this Standard and the need for prescribing this requirement as any counsel or advisory services, whether or not determined by the board committees or the independent directors, would in any event be borne by the	Delete the words: “and to retain independent legal counsel and other advisors” from paragraphs 7. (9) and 8. (16) in substitution for “and to be able to seek advice from independent legal counsel and other advisors”.	Accepted.	

		exchange from the exchange's funds.			
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution :**	**Accepted (Comments):**	**Rejected (Comments):**
FINANCIAL MARKETS STANDARD 3.6					
Minimum Capital Adequacy, Solvency and Liquidity Requirements					
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution :**	**Accepted (Comments):**	**Rejected (Comments):**
FINANCIAL MARKETS STANDARD 3.7					
Application of Registration of Regulated entities under Chapter 3					

Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution :**	**Accepted (Comments):**	**Rejected (Comments):**
FINANCIAL MARKETS STANDARD 3.8					
Limits for the purposes of subsection 149(b) of the definition of "affected transaction" in section 149					
IJG Group of Companies	3 4 Annexure 1	(Acting conjointly or in concert) use of the wrong word "concert" changes the meaning	The correct word "consent" must be used.		Declined. Actually, "concert" is the correct term here! To mean "in mutual agreement, concord or harmony of action". "Consent" is the giving of permission or to allow something to be done, and this is not what is intended, but "concert".
NASIA	General	Limits are reasonable.	Namfisa must give assurance on timelines from notification to execution. These timelines must be defined.	Clarified. NAMFISA will be bound to the Service Level Commitment times.	

	3(1)(a)(b)	Request further clarification on the registrar's intention with this provision. The definition of "acting in concert" is not contained in clause 3. Clarity is also sought on why this fits into the market abuse section? We note that in other jurisdictions, there are mandatory reports to be submitted to the issuer when a controller (as defined in companies' law) acquires a certain percentage of the company and then, thereafter a notification and potential mandatory offers to monitory shareholders. Separately to this, in other jurisdictions there are also mandatory prior approval requirements for shareholdings above a certain percentage in respect of regulated financial institutions such as banks and management companies. This provision does not sit in the	There appears to be a floating paragraph that must be deleted. The use of the word "co-jointly" contradicts the "plain language" standard. Delete and use the word "together with another person."		There appears to be a floating paragraph that must be deleted. The use of the word "co-jointly" contradicts the "plain language" standard. Delete and use the word "together with another person."] Consideration should be given to using the phrases together. "It is imperative that, we understand what the regulator wishes to achieve by the current wording". The Regulator wishes to set limits of what constitutes an Affected Transaction in terms of subsection 155(b) of FIMA. It is not clear where the misunderstanding is.

		company's law but rather in the financial services law. Both these examples serve completely different purposes and are aimed at regulating and mitigating different risks. It is imperative that, we understand what the regulator wishes to achieve by the current wording.			
		We also note that as per the definition of control, a "series" of transactions is contemplated. This is not defined.	We strongly recommend that this be defined in the Standard.		Declined. The phrase "series of transactions" though used in section 155, is not used in the Standard and therefore, not necessary to define it there.
	Sec. 155	What is a series of transactions as per section 155 of the Act? What is the time limit for the series of transactions?		Clarified. The definition of affected transaction is a series of transactions that come after another. The attaiment of 5% or more of the securities of a corporate body.	
NSX	Sec. 155	Standard FM.S.3.8 read together with Section 109 of FIMA deals with the Limits for the Purposes	The Standard be removed as the rationale is not		Declined, clause 7 provides for the exceptions.

		of an Affected Transaction as Defined in Section 155 of FIMA and Disclosure of Affected Transactions in listed securities or securities intended to be listed on a regulated market. An affected transaction is defined as one in which a person, in whom control of a body corporate is vested, acquires further securities of that body corporate in excess of 5% of any class of voting securities or non-voting securities convertible into voting securities. The Standard prohibits a person from entering into any affected transaction without first giving notice of the transaction to NAMFISA and NSX. It is not clear what this Standard aims to achieve. Neither is the rationale for the Standard understood because the Standard is not aligned with prevailing legislation, for example, the Competition Act or sector specific legislation like the Banking or	understood and not aligned to prevailing legislation.		It is not the intention that "The Standard prohibits a person from entering into any affected transaction without first giving notice of the transaction to NAMFISA and NSX". The Standard prohibits the entering into ADDITIONAL AFFECTED TRANSACTIONS without making additional disclosures to NAMFISA and the Market (NSX). The misalignments are not mentioned making it difficult to pin-point the actual misalignment with other quoted legislation.

		Telecommunications Act, which deals with entities that wish to acquire control; this Standard deals with entities which already vest control.			
Old Mutual	3	This clause does not make sense. It refers to terminology in clause 3(same clause) and the numbering is confusing.	This clause needs to be revised and restructured.	Accepted. Remove subclause (1) in clause 3.	
PSG Wealth Management (Namibia) (Pty) Ltd and PSG Financial Planning (Namibia) (Pty) Ltd	Heading	Should read “Act” not “act”	Grammatical errors.	Accepted.	
Standard Bank Namibia	3.1(b)	Definition of “affected transaction”: Kindly advise who specifically is the accountable regulated person that should provide this level of information.		Clarified. Any person persuing an affected transaction is bound to provide this information.	
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution :**	**Accepted (Comments):**	**Rejected (Comments):**

FINANCIAL MARKETS REGULATION 3.1					
Meaning of Money Market Instruments					
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution :**	**Accepted (Comments):**	**Rejected (Comments):**
FINANCIAL MARKETS REGULATION 3.2					
Civil Liability Arising from Insider Trading					
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution :**	**Accepted (Comments):**	**Rejected (Comments):**
FINANCIAL MARKETS REGULATION 3.3					
The penalty the Minster can prescribe for an SRO appointing an SRO Officer					

Chapter.4 – Collective Investment Schemes

Company Name:	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
COLLECTIVE INVESTMENT SCHEMES STANDARD 4.1					
Additional information required to enable an investor to make an informed decision pursuant to subsection 166(b)					
Firstrand Limited	Standard Heading	Spelling errors in heading – “enable"	Correct spelling in heading to “enable”	Accepted	
	1(1)	Spacing of definition of “representative”	Definition of representative to start on a new line	Accepted	
	3(2)(c)	3(2)(e) – tax status of investments and investment income • To be reworded to confirm what needs to be disclosed.	Tax status of collective investment scheme and income/interest/dividends declared / paid to investors in terms of Namibian Tax Law.	Accepted.	
	3(4)(d)	3(4)(d) – “provided at least 14 days before” • This requirement is in some instances practically impossible, even if being offered for the first time as	Delete “at least 14 days” to read: … provided before entering into an initial transaction.	Accepted, the phrase “at least 14 days” will be deleted.	

		provided for in subclause (5) as a client would seek a financial product and wish to conclude such a transaction on the same day or the next few days.			
IJG Group of Companies	3(1)	General comment General information: 3. (1) A manager, authorized representative, or a designated representative of a collective investment scheme must, before entering into an initial transaction relating to any portfolio with an individual investor, provide to the investor general information in respect of a CIS or portfolio of a CIS pursuant to section 172(1)(b) of the Act, including:	Align disclosure requirements with FSCA. The list of permissible administrative deductions should all be listed together as one-line item and expressed as a percentage of NAV.		Declined, in the absence of a plausible explanation to expressing the permissible deducts as a percentage of NAV. Not sure why we are recommended to align with FSCA. There are “common”, “mutual”, “collective”, “portfolio” fees that apply to the investment portfolio as a whole, shared equally by all unit holders. These fees are expressed as a percentage of the portfolio assets or NAV. There are also fees that are applicable to specific investors (depending of the Class of Client, whether A, B, or whatever classification accoding to costing of Annual Administrative Fees or other fees charged against investor’s participatory interest or account. These are expressed

					as a percentage of participatory interest.
NASIA	Heading	Spelling errors in heading – “enable".	Correct spelling in heading “enable”	Accepted.	
	General comment	Providing the same information in too many different ways, is likely to cause investor confusion rather than providing useful information for decision-making. It should be borne in mind that the average investor in a unit trust portfolio will not be able to use the information to make sound investment decisions at all. The information will cause confusion, which is contrary to the actual intention of providing relevant information to enable an investor to make sound investment decisions on a fund.	When considering this Standard, the industry raised the consideration of whether investors would be better served by an individual Effective Annual Cost, calculated annually per investor based on their individual holdings?		Declined. Most of the information is already contained in Fund Fact Sheets as currently issued by Mancos. Legal disclosure documents which set out key information on fees and expenses of CIS can, if they are easy to read, help current and prospective investors to focus on the information they consider essential. At the same time, knowing where and how to obtain further information about fees and expenses is crucial for

		The other consideration to be borne in mind is the potential cost and operational complexity introduced by requiring this information. Practically speaking, the investor in a unit trust fund, prior to investing, does not obtain more documents other than the fact sheet and any other information they may request. Should all of this information be required up front, due consideration to the length and complexity of a fact sheet should be borne in mind. Especially since fact sheets are supposed to ideally be standard and provides factual information in an easy to digest manner.			enabling investors to make fully informed decisions. Summary documents (Fund Fact Sheets) can refer to the place where more detailed information is available, so that investors can easily access it. Summary documents may supplement the more detailed disclosure documents but should not replace them.
	1(1)	Definition of “Rand”	Replace “Rand” with Namibian Dollar and expand follows: “Namibian Dollar” means the official currency of the Republic of Namibia. “representative” is a separate definition and should thus be spaced out.	Accepted.	

	3(1)(b)	Why must the calculation be done for both assets and NAV? The difference will be very small, and we query how this benefits an investor. By way of illustration for some funds the % is the same if disclosed with up to three decimals places. Put differently, there is no benefit to this disclosure at all.	Remove reference to "NAV" and require only that expenses be expressed as a % of assets.		The administrators of the CIS fund (often a company independent of the CIS issuer) accrue all expenses (TERs) on a daily basis and apportion these on a per unit basis. In practise, these TERs are paid for by the income received in the CIS funds (typically dividends and interest earned from the assets in the portfolio) and the net impact of such expenditure is displayed in the daily Net Asset Value (NAV) figures published by all CIS funds. At the end of each quarter, half-year, or yearly depending on the fund, the CIS funds, whether a unit trust or ETF, will distribute any cash in the portfolio to unit holders. The extent of the distribution is impacted by the level of expenses in the quarter, because the distributions are net of TERs, and other expenses. Prospective clients must therefore be provided with costs and expenses information both on Asset Level (before deduction

					of any liabilities and permissible deductions), and the NAV Level after deductions of costs. Generally speaking, the lower the costs (TER) of a CIS fund, the greater the proportion of dividends that are distributed to unit holders at the end of the distribution period.
	3(1) (c)	Why is this required to be a percentage of participatory interests and not a percentage of total fund assets (as per 3(2)(j) below). Again, we query the need for disclosure in so many ways and argue that it is too much information and may be confusing for an investor. A pertinent consideration is that the percentage of participatory units of total participatory interests totally variable and changes on a daily basis as new units are issued and units are redeemed. Note that in section 168, participatory interest is defined, and based on that definition, it means the number of units. We struggle to understand how expenses as % of the number of units	We therefore recommend the following redraft: "fees and expenses charged against investors, as a percentage of participatory interests, as a percentage of the NAV of the portfolio, and any other expense measure, deemed appropriate and explained by the manager, authorized representative or designated representative, together with a description of the services to which the fees and expenses relate and	Clarified. Information on fees and charges should be disclosed to both prospective and current investors in a way that enables the investors to understand their nature, structure and impact on the CIS' performance. The scope of fees and expenses that may and/or may not be deducted from the assets of a CIS should at least be set out in documents disclosed to investors before they invest and afterwards at the times mandated by legislation / regulation. CIS Fees and Expenses fall into two broad types of costs:	

		is useful information. A Total Expense Ratio (TER) and/or Total Investor Cost (TIC) calculation is common practice in the industry (which is calculated as % of assets).	the basis of allocation (e.g., redemption fees, transfer fees, front- or back-end loaded charges or commissions)."	1. Fees paid directly by the investor out of an investment to the CIS operator (Manco), an agent or associate of the CIS operator, or the CIS itself; and 2. Fees and expenses borne by the CIS (the Fund) and deducted from its assets. The Fees and Expenses borne by the CIS (Fund) in turn fall into four categories: (a) Management fees corresponding to the remuneration of the management, including the financial management of the CIS portfolio of assets; (b) Distribution costs of the CIS, where they are allowed (in terms of the Trust Deed) to be deducted from its assets or are reimbursed by the CIS operator out of its own remuneration; (c) Other operating expenses of the CIS such as custody, fund accounting, or administration costs	

				for shareholder service providers; and (d) Transactions costs associated with purchases and sales of portfolio assets, including securities lending and repo / reverse repo transactions.	
		Further clarity is sought: is this for investors only e.g. Commission and early redemption? Usually disclosed in the application form? Overall, clarity is also sought on whether this relates to investor-specific fees, such as financial advisor fees, which are being deducted from the investor as agreed between the investor and the financial advisor. Regard must be had to the fact that if this is the case, these fees would differ completely from investor to investor.		Clarified yes, these are investor specific fees. Total Expense Ratio (TER) Reporting should be considered and incorporated as part of fee disclosure. To enable investors to understand what fees and expenses are charged: • Information should be simple, concise, set out in clear language and should not be misleading; • Information could distinguish between fees paid directly by an investor out of his/her investment in the CIS, and other fees and expenses that are deducted from the assets of the CIS;	

				• Information should avoid overloading investors with details that are irrelevant to them; • information should be delivered using a standardised fee table that discloses the total expenses ratio (TER) of the CIS or a comparable calculation based on the ongoing charges it bears; and • The TER or comparable calculation should be disclosed in a standardised way, by means of a standardised fee table. Although it is true that a Total Expense Ratio (TER) and/or Total Investor Cost (TIC) calculation is common practice in the industry (which is calculated as % of assets), this is usually only indicated as a percentage with no indications as to the structure or composition of the TER itself. There are currently no requirements or regulations dealing with the computation and disclosure of TER, nor is there a standardised fee	

				table for usage by industry to enable peer-to-peer true comparison. This Standard is intended as a minimum standard and CIS Managers may adopt higher standards if they so choose. It is further recognised that this Standard cannot contemplate all eventualities and that circumstances might arise where application of the processes and procedures as outlined in this Standard might not result in fair and equitable treatment of investors. In such cases the CIS Manager may implement alternative solutions which are consistent with the broader principles and objectives of this Standard, as is the case with publishing of the TER for CISs, with due regard to the distinction of fees and expenses as reflected in 3(1) of Standard C.I.S.S.4.1.	
	3(2)	This paragraph is a replication of section 1.	We recommend deletion and renumbering of subsections under section 2.	Accepted.	

	3(2)(b)	Kindly clarify exactly what information is required to be disclosed under 'tax status'.		We believe the correct referencing of this clause is 3(2) (e) and not 3(2)(b).	
	3(2)(d)	Clarity is sought on the interpretation of this provision, particularly "including individual securities constituting 60% of assets". Based on the current drafting, there are three different interpretations. Once the interpretation is settled, NASIA will recommend drafting amendments. The divergent interpretations are as follows: 1) Does Sector Allocation mean region or industries? Further, does this need to be done for equities only or all asset classes? 2) Does this mean that portfolios must disclose all of the securities in the fund being the holdings in the fund that make up 60% of the investments in the fund? This would be similar to a top 10 holdings disclosure. 3) Does this ONLY apply to fund of fund and feeder fund portfolios or is the intention to capture a disclosure	Should interpretation (2) above be the correct interpretation, we recommend that this be changed to the top 10 holdings only. Disclosing most of the holdings in a fund at each point severely prejudices managers and impacts competitive advantage, especially for value managers. We are strongly of the view that, should any disclosure of holdings beyond a top 10 be required, this should be done quarterly in arrears and upon request.	Clarified. Yes, it means disclosure all of the securities in the fund being the holdings in the fund that make up 60% of the investments in the fund, irrespective of whether the Top Ten comprises the 60% or not. Open for discussion. Current practice is Top 10 holdings. "Competitive Advantage" is not being "secretitive" or disclosing less. It is about a "total client package offering".	

		for all types of portfolios including funds of funds and feeder funds?			
	3(2)(e)	NAMFISA to clarify what is expected here. Instruments do not have the same tax status for each investor. Additionally, investment managers and management companies do not give tax advice to clients. Each client has their own tax status. Whether a holding in a unit trust fund is of an income or capital nature for a client, is a function of the tax status of the client. This is client-specific and not product generic.	We recommend DELETION of this provision.		Declined. The tax status is required for disclosure purposes and is therefore factual information and not advice or opinions. Clients must know the Tax Implications of the investments they invest in. The operators should know how their products are designed with regard to taxation of investees, and that information should be given to potential clients.

	3(2)(g)	Why is it necessary for this to be disclosed on both a gross and net basis? The investor may be overwhelmed with the amount of information. In addition, if a TER is disclosed, the difference can be easily approximated by an investor. Requires past/present returns to be provided on both a gross and net basis. If the investor knows the gross return and TER, he/she can easily get a sense of net returns as well as the impact of costs.	Recommend that it be redrafted to state gross returns and the TER must be provided to the investor.		Declined. This requirement is beneficial for investors who expect full disclosure.
	3(2)(h)	Why is it necessary for this to be disclosed on both a gross and net basis? The investor may be overwhelmed with the amount of information. We would like to understand the need for both gross and net returns where there is no "fee element" embedded in the benchmark. In addition, it is difficult (if not impossible) to calculate a net return for certain benchmarks. Benchmarks to include both gross and net of expenses metrics – since there are no fees considered in benchmarks, it only makes sense to provide it on a	Remove the requirement for "net of expenses" w.r.t. benchmarks.		See detailed discussion on TER, TC, and other Costs below. However, this requirement is understood and interpreted to require provision of "names and relative performance to benchmarks, including benchmarks used, both on a gross and net of expense basis". What is required is Relative Performance Figures of the CIS Portfolio, which Performance Figures must be indicated on a Gross Return and Net Basis

		gross basis and this also facilitates comparison across providers for clients. Expenses/costs have to be disclosed separately in any event.			relative to a Benchmark Perormance. It is not a requirement to indicate Gross and Net Benchmark Figure.
	3(2)(j)	Why must the calculation be done for both assets and NAV? Difference will be very small, and we query how this benefits an investor. For our funds, the % is the same if disclosed with up to three decimals.	Remove reference to "NAV" and require only that expenses be expressed as a % of assets.		**Rejected.** Both should be disclosed. Based on Assets and based on NAV. This is because the Total Investment Charge of a Unit Trust Fund (CIS Fund) is the sum of the TOTAL EXPENSE RATIO (TER) and the TRANSACTION COST (TC) EXPENSES INCLUDED IN THE TER The costs that comprise the TER are expenses that the unit trust management company is unable to quantify upfront as they depend on specific or variable circumstances. The TER is an annualised value and includes: a. Annual service fee b. Fund's bank charges c. Fund's audit fees d. Taxes (e.g. stamp duty, VAT)

					e. Custodian and trustee fees (custodians and trustees are appointed to protect the interests of the unitholders, and the fees pay for their services) f. Costs related to scrip lending g. Performance fees are a form of fund management fees expressed in variable terms for generating positive returns. **Transaction Costs (TC)** are not part of the TER calculation. Put the other way, TC are not part of the fund costs disclosed to investors. They are an additional cost. Transaction costs include: a. VAT b. Brokerage c. Securities transfer tax (STT) d. Investor protection levy e. STRATE (CSD/ Transfer Ssecrtaries) contract fees f. Exchange rate costs g. Bond spread costs

					h. Fees associated with Contract for Difference (CFDs), where applicable. In addition to TCs, are there are also additional charges depending on the marketing of the CIS Fund, which would not be part of the fund's cost structure: a. Initial charges (including commission) – deducted from the investment amount prior to units being bought. b. Annual adviser fees agreed upon between the adviser and the client – this cost agreed between client and adviser is deducted periodically through the sale of units. All the above charges where they are charged, will be included in the NAV of the Fund. It is therefore impottant that prospective investors know the Total Fund Costs (the TER related costs – Total Asset Value and NAV to Investment Amount (the minimum investment amount of

					the fund could be used for illustration). All of these factors should be ideally, be taken into consideration prior to making any investment decisions. There is no Standard nor Regulation on TER Disclosure and reliance on the TER without a Standard that specifies that componets of such TER Calculation will open that disclosure to different calculation bases.
	3(2)(k)	Our total fees are included in the TER - is it necessary to further split out the charges? Again, this may be an overwhelming amount of information for an investor.		Clarified. Yes, it is necessary for full disclosure purposes to disclose what is included in the TER and weights of the compnents.	
	3(2)(l)		Is it possible to expand that requirement to include the following: "Distributions in the immediately preceding period, as a percentage of	Accepted	

			assets or per participatory unit."		
	3(d)				
	3(4)(d)	14 Days might not be practical in all circumstances, especially where the information might fluctuate considerably day to day.	Suggest that this be amended to read: "be provided at least 14 days before entering into an initial transaction with an investor, or within such other shorter period of time as may be reasonable under the circumstances, provided that the investor is still afforded sufficient time to make an informed decision."	Accepted, the phrase "at least 14 days" will be deleted.	
	4	With another person	This seems to be a floating sentence that needs to be deleted.	We believe the referenced clause is incorrect as no such phrase exists under clause 4.	
	4(d)	Require that the pre-sales information and disclosure be made at least 14 days prior to entering into an initial transaction with an investor. This is	Recommend replacing "at least 14 days" with "a reasonable time"	Accepted, the phrase "at least 14 days" will be deleted.	

		simply not reasonable or practical and would add nothing to aiding informed decision making by clients.			
	5	Requires disclosures to be made after "material changes" effected to a CIS or CIS portfolio, in addition to before a first transaction. Exactly what is meant by "material changes" is not clear.	Clearly define what is understood by "material changes" or delete the "material changes" part of the requirement.	Accepted. We believe the referenced clause is incorrect and should refer to 3(5). We will delete "material changes". NAV is calculated daily in CISs.	
MOMENTUM COLLECTIVE INVESTMENTS NAMIBIA (MCIN)	3(2)(b)	Provides that a manager, authorised representative or a designated representative of a CIS must, before entering into an initial transaction relating to any portfolio with an individual investor, provide to the investor investment-related information in respect of a CIS or portfolio of a CIS, including: "the tax status of investments and investment income;" What is meant by 'tax status'? Does this include where tax is paid, the relevant tax numbers, what type of taxes are to be paid, whether tax exempt, whether all taxes have been duly paid (i.e. tax compliance)?			Discussed above. We believe the correct referencing of this clause is 3(2)(e) and not 3(2)(b). The tax status is required for disclosure purposes and is therefore factual information and not advice or opinions. The tax implications of investing in that fund. What taxation is the fund or fund assets subjected to? Are capital gains taxable? Are distributions taxable? This information must be provided.

		Kindly clarify exactly what information is required to be disclosed under 'tax status'.			
	3(4)(d)	The information provided to an investor in terms of this standard must "be provided at least 14 days before entering into an initial transaction with an investor." 14 Days might not be practical in all circumstances, especially where the information might fluctuate considerably day to day.	Suggest that this be amended to read: "be provided at least 14 days before entering into an initial transaction with an investor, or within such other shorter period of time as may be reasonable under the circumstances, provided that the investor is still afforded sufficient time make an informed decision."	Accepted. 14 days will be deleted entirely.	

NEDBANK NAMIBIA	Definitions	Definitions: “fiduciary” has the same meaning as in the General Standards; “fiduciary duty” has the same meanings as in the General Standards; “material information” has the same meaning as in the General Standards; Which General Standards are being referred to here?	Propose considering incorporating specific reference numbers.	Accepted.	
	Definitions	“operator” means the operator of a foreign CIS; Clarification required - Is it a representative of CIS or manager of CIS? “Rand” means the official currency of the Republic of South Africa; Is this currency correct? Why use Rand and SA instead of NAD and Namibia.	Alternatively, should “Dollar” and “Foreign currency” not also be defined?	Neither, it is the representative of a trustee or custodian appointed in terms of section 189(6) Accepted, foreign currency will be defined.	
	Definitions	“representative” means a representative appointed by a trustee or custodian of a CIS pursuant to subsection 189(6) of the Act;		Representative is defined under section 189(6) and not under the Standard.	

		The word representative contradicts this section in the FIMA - section189 (6). Definition differs. (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 – … (d) as defined in section 168 of the Act - (ii) authorised representative; Clarity required in respect of "authorised representative" compared to term representative supra.			
	(2) (d) (iii	collective investment scheme	Spelling	Accepted.	
Old Mutual Unit Trust Management Company	4(1)(f)	Clause 4(1)(f) states that information that can be requested includes the manner in which managers and operators ensure the fair treatment of the investor "with another named person"			Declined, we will delete the phrase "with another named person".

(Namibia) Ltd; Old Mutual Investment Group (Namibia) (Pty) Ltd		Please elaborate who is referred to by reference of "another named person"?			
	3(4)(d)	Providing 14 days prior to the transaction is not feasible in fluctuating markets and will impact new business. The explanation also seems to require that direct interaction must be had with the investor, prohibiting electronic sales.	Amend the requirement that the information provided at point of sale must be clear, thereby removing the requirement that the information must be explained to the investor. The requirement that information must be made available 14 days prior needs to be removed; the information can be provided in the terms and conditions at point of sale.	As discussed above the reference to "at least 14 days "will be deleted.	
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution:**	**Accepted (Comments):**	**Rejected (Comments):**
COLLECTIVE INVESTMENT SCHEMES STANDARD 4.2					
Other Information and material to be provided pursuant to subsection 173(4)					

Firstrand Limited	1(1)	Spacing of definition of "representative"	Definition of representative to start on a new line	Accepted	
	3(1) 4(1)	Clauses 3(1)(c)(e) and 4(1) have additional wording after the full stop which may have been a typing error.	Delete.	Accepted	
IJG Group of Companies	3(1)	Requirements in respect of individual authorized representative 3. (1) Where the authorized representative is an individual, a manager or operator must provide the following information and material in respect of the individual:	Align with SAIFM requirements for registered person.		Not sure of what should be aligned. It is for the Manager or Operator to ascertain whether they wish to employ / contract only those individuals with educational qualifications and skills comparable to those required for a SAIFM designation.
NASIA	General comment	What is the intention of an authorised representative? Please explain what this means.		The intention is to identify the actual person involved in soliciting investments from the public. "authorised representative" means a company or natural person that is registered under section 180 and authorised by a manager to solicit investments in a portfolio from members of the public or to give financial advice or make disclosure of information to investors or potential	

				investors concerning the sale, repurchase, issue or cancellation of a participatory interest. The intention is to collect information on those soliciting funds from the public on behalf of CISs.	
	3(1)(c	What is meant by the individual's associates? Kindly provide clarity as to who would be considered associates of the individual authorized representative for purposes of this Standard.			Please be guided by the FIA manual on beneficial ownership. "beneficial owner" means - (a) a natural person who owns or effectively controls a client, including the natural person on whose behalf a transaction is conducted; or (b) a natural person who exercises effective control over a legal person or trust, and a natural person is deemed to own or effectively control a client when the person - (i) owns or controls, directly or indirectly, including through trusts or

					bearer share holdings for any legal person, 20% or more of the shares or voting rights of the entity; (ii) together with a connected person owns or controls, directly or indirectly, including through trusts or bearer share holdings for any legal person, 20% or more of the shares or voting rights of the entity; (iii) despite a less than 20% shareholding or voting rights, receives a large percentage of the person's declared dividends; or (iv) otherwise exercises control over the management of the person in his or her capacity as executive officer, non-executive director, independent

					non-executive director, director, manager or partner.
	3(1) (e)	…years. a list of members of the board of the self-regulatory organization and any changes thereto over the last financial year.	The last sentence seems to be a floating sentence and should be deleted.	Accepted.	
	4(1)(a)	This would be impossible to do in certain circumstances, e.g. if owned by a listed entity. If the shareholder is a legal entity, it also does not have "personal details" to disclose.	Delete "personal" from the clause. Clarify what is meant by "controlling persons" in this context – we assume it actually refers to "functionary" and suggest that "controlling persons" be replaced by "functionary."	Accepted. Delete "personal" from start of sentence.	Listed companies file information with the exchanges on which thery are listed as part of the Listing and On-going Requirements. They are exempt from FIA requirements pertaining to shareholder indentification as this is performance by Stock Brokers (also under FIA obligations). As for "controlling persons", please refer to response in 3(1)(c) above.
	4(1)(f)	What is the definition of 'acting for and on behalf of'? This is drafted very broadly and could capture every single employee of the corporate body.			The intention of this is to identify the person(s) who have authority to act on behalf of the company and investors. It means exactly how it is written. "*acting for and*

		Could this list be limited by, e.g. seniority?			*on behalf of"* the corporate body authorized representative that employees such individual to solicit business from the public.
	4(1)(j)	…years. In which the manager or operator ensures the fair treatment of investors	The last sentence seems to be a floating sentence and should be deleted.	Accepted, last sentence deleted.	
	5(1)	Does it mean that the information listed in this standard must be supplied to NAMFISA on request of NAMFISA and not to other parties on any other basis? Please clarify intent. Further, kindly clarify within what time period / by when this information must be provided to NAMFISA.		Clarified. The information must be readily available to the Regulator (NAMFISA), but that does not prohibit such information to be availed to other Authorities that may legally require access to such information.	
MOMENTUM COLLECTIVE INVESTMENTS NAMIBIA (MCIN)	3(1) (c) and (e)	"Where the authorized representative is an individual, a manager or operator must provide the following information and material in respect of the individual: (c) any beneficial interest the individual or the individual's associates have in a financial institution, including an interest in the	Kindly provide clarity as to who would be considered associates of the individual authorized representative for purposes of this Standard.		FIMA Chapter 1 (Defintions) "Associate" (a) in relation to an individual means - (i) the spouse of that individual; (ii) the child, parent, stepchild, stepparent or sibling of the

		manager, operator or a trustee or custodian in relation to the CIS;' What is meant by the individual's associates? "(e) any incidence of the individual having been found guilty of dishonesty, unprofessional conduct, or breach of fiduciary duty in a similar capacity as authorized representative in the last five years. a list of members of the board of the self-regulatory organisation and any changes thereto over the last financial year." The sentence that is underlined above appears to have been a typing error?	Kindly remove the error under subsection (e)		individual and the spouse of any that individual; (iii) another person who has entered into an agreement or arrangement with that individual relating to the acquisition, holding or disposal of, or the exercise of voting rights in respect of, shares or other ownership interests in an entity; (iv) a corporate body or other juristic person or unincorporated entity controlled, directly or indirectly, by, or the affairs or part of the affairs of which are managed or administered by, or at the direction or instructions of, that individual or any person referred to in subparagraph (i) or (ii); and (v) a trust controlled by that individual.
	4(1)	"(j) any incidence of a functionary having been found guilty of dishonesty, unprofessional conduct, or breach of fiduciary duty in a similar capacity as in relation to an authorized	Kindly rectify the error under subsection (j)	Accepted.	

		representative in the last five years.in which the manager or operator ensures the fair treatment of investors" The sentence that is underlined above appears to have been a typing error?			
	5(1)	"A manager or operator must implement policies and procedures that are designed to ensure that the manager or operator is able to obtain the information and material specified under this standard, and to provide such information and material to NAMFISA timeously." What does 'timeously' mean? Is it intended that this information be submitted upon registration of the authorized representative or within another time period?	Kindly clarify within what time period / by when this information must be provided to NAMFISA.	Amended to require that any changes to the authorized representative must be provided to NAMFISA within 30 days of appointment.	
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution:**	**Accepted (Comments):**	**Rejected (Comments):**
COLLECTIVE INVESTMENT SCHEMES STANDARD 4.3					
Rules for administration of collective investment schemes					

IJG Group of Companies	3(1)(c)	Use of the word Functionaries denotes a different meaning than the intended reference to human capital.	The word "Functionaries" should refer to the employment of personnel and not functionaries.	Clarified. Functionary is defined by most dictionaries to mean: i. One who serves in a certain function (where "function" means professional or official position); ii. a person who has official duties, especially in a government or political party; iii. a person acting in an official capacity, as for a government; an official. Funcionaries in this case will include both Employess and other Representatives under the control of the operator.	
	3(1)	Operation and administration of CIS 3. (1) A manager of a CIS must ensure that the governance arrangements would enable the manager to satisfy the duties set out in section 170 of the Act, including: (a) the composition of the board, consisting of an independent chairman and directors;	Clause 3 (1) (a) Costly to have independent directors' appointment to the board of the Manager, considering the cost structure of the Manager, especially for smaller Managers. Should be encouraged but not be enforced by law.		Declined, this provision aligns with to the General Standard on Independence. There are no sector specific standard on independence and the General Standard on Independence applies.

			SPV (Investment Vehicle) have an independent board of directors' structure. Can consider non-independent nonexecutive directors.		
	3(1)(d)	Audit arrangements that are able to provide an objective review of the effectiveness of the financial reporting and risk management, including an independent auditor and audit committee;	Refer to above: independent governance structures exist at the SPV subcommittees. Further to the above, costly to have considering the time and cost involved with setting-up subcommittee structures at the Manager level, especially for smaller Managers.		Declined, this provision aligns with to the General Standard on Independence.
NASIA	3(1)(a)	(1) A manager of a CIS must ensure that the governance arrangements would enable the manager to satisfy the duties set out in section 170 of the Act, including: Composition of the board, consisting of an independent chairman and directors	Suggest adding "independent lead director" as an alternative. "Composition of the board, consisting of an independent chairman or lead		Declined. A Lead Independent Director if appointed, means the director of the entity, who is responsible for calling separate meetings of the independent directors, determining the agenda and

			independent director and directors.”		serving as chairperson of meetings of independent directors, reporting to the Chairperson of the Board regarding feedback from executive sessions of the independent directors. There must still be independent directors.
	3(1)(e)	Disclosure to investors of any interests of its directors and management in the CIS Is the intention to disclose whether directors/management are co-investors in the CIS (collective investment scheme)? Or was the intention to ask for any interest in the manager? If the former, what is the purpose or risk being mitigated? It is unclear whether this refers to them also being investors in the CIS or having any other interest in the manager? Clarify. If directors and management also are investors in the CIS, this would serve no purpose by being disclosed.		Accepted.The disclosure is on both sides from management/operations to the governance/board level. The intention to disclose whether directors/management are also investors in CIS. This refers to director and management having an interest in the CIS. The CIS and the Manager are not one and the same. The operation of CIS potentially entails conflicts between the interests of those who invest in CIS and those who organize and operate the CIS (“insiders” or “CIS Operators”). In particular, CIS could be subject to the risk that those that organize or operate the CIS, although	

				being legally committed to the fiduciary responsibilities of acting on behalf of the best interests of investors, will use the CIS's assets for their own gain to the detriment of CIS Investors. There are many different ways in which this could occur. For instance, CIS Operators could rid themselves of unattractive securities that they own by dumping them into the CIS, or CIS Operators could obtain rebates from third parties in connection with transactions for the CIS or could inaccurately value or inflate their assets in order to avoid showing poor performances. A robust CIS Governance framework should, therefore, seek to minimize or otherwise address conflicts of interest and to ensure that the interests of well-informed investors in CIS are well protected and managed in the best conditions.	
Sisedi Investment	3(1)(a)	We only need clarity if all board members need to be independent members		Clarified above. Will be reworded to align with the Independence	

Group(Pty) Ltd				Standard. Ideally directors should be majority independent.	
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution:**	**Accepted (Comments):**	**Rejected (Comments):**
COLLECTIVE INVESTMENT SCHEMES STANDARD 4.4					
Minimum investment periods for investments in a collective investment scheme in participation bonds					
Firstrand Limited	1(1)	Spacing of definition of "representative"	Definition of representative to start on a new line.	Accepted.	
	3	Clarity to be sought that the investment period is for the investor only?	To add the word "by an investor" after investments in a CIS.	Clarify that the issue is about the instrument: we mean that the investor should be locked in for at least 5 years not that the bonds must be held for a minimum of 5 years. Reword this provision to include the "investments made by an investor" No, we can't limit it to investors since the intention is for both investor and manager otherwise there would be no risk sharing.	Minimum period for investment in the Fund. It is investors that invest.

NASIA	3(1)	The deed of a CIS in participation bonds must provide that investments in a CIS in participation bonds must be for a period not less than five years. Please clarify the intention. Is the intention that the CIS itself invest in the underlying bond for a period of five years? Or is the intention for the investors into the CIS fund to remain a participatory unit holder for a period of five years?	We strongly urge that the CIS manager is not forced to manage to hold for periods as determined by the law. This appears to be a regulatory overreach into the mandate of the manager and its investment philosophy and style.		Declined. There is no mention of "instruments" or "underlying investments" here. It is about investors in the Fund. It is important to read the entire section if one is in doubt to get a clear perspective. Clause (4) and (5) clarify any ambiquity here. The sentence could be ambiquous with its reference to "investments in a CIS….". This could be interpreted to refer to the underlying investments in the CIS. Amend to "An agreement pursuant to the terms of which a manager accepts money for investment in a collective investment scheme in participation bonds must ensure that such money is invested in such scheme for a period of not less than five years". The Agreement is in reference to the Manager, not the CIS.

	3(2)	Where, for any particular reason stated in the deed and in an offer document, the investment period is longer than five years, the manager must disclose the minimum period of investment in such offer document and ensure that investors make an informed decision. This clause lends itself to the interpretation that the investor will be locked in for five years. This is potentially damaging to the CIS bond investment market.			Yes. The investor will be locked in for five years. "security" includes - (a) a share; (b) stock; (c) a bond; (d) ….(h). The CIS bond investment market is covered under COLLECTIVE INVESTMENT SCHEMES IN SECURITIES. This Standard deals with CIS in Participation Bond. There is a difference!
Old Mutual Unit Trust Management Company (Namibia) Ltd; Old Mutual Investme	3	What is the rationale for the 5-year period for participation bonds? How was this period determined?	Replace 5-year period with "reasonable period".		Declined. A Participation Bond is different from a Corporate Bond The Part Bond industry was born when attorneys realised that the needs of conservative investors were not being met by either the stock market, which are regarded as high risk investments, or by bank deposits which offered

nt Group (Namibia) (Pty) Ltd					relatively low interest rates. Attorneys created a new investment product when they used money collected from all their clients and lent the accumulated amount to property buyers or developers against the security of a mortgage bond over the property. The industry was formalized with the introduction of the Participation Bonds Act 55 of 1981. Part Bonds are currently governed by the Collective Investment Schemes Control Act. The purchase or development of prime commercial and industrial properties is financed by means of a Participation Mortgage Bond. The loan is secured by a first mortgage bond over the property being financed. It takes time to develop property and bringing it to income generation. Five years is taken as a minimum period, though could be higher in some developments.

Sisedi Investment Group(Pty) Ltd	3	Investment manager to get agreed approval on the investment period for participating bonds.	Investment manager makes investment decisions as per the signed investment mandate and does not periodically have to consult the investor for investment decisions.		"Investment manager to get agreed approval on the investment period for participating bonds.". We cannot find the provision cited.
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution:**	**Accepted (Comments):**	**Rejected (Comments):**
COLLECTIVE INVESTMENT SCHEMES STANDARD 4.5					
Minimum investment periods for investments in a collective investment scheme in unlisted securities					
Firstrand Limited	3	Clarity to be sought that the investment period is for the investor only?	To add the word "by an investor" after investments in a CIS.	Accepted. The intention of this clause is that the investor should be locked in for at least five years and not that the bonds must be held for a minimum of five years. Clause to be reworded. "An agreement in terms of which a manager accepts money for investment in a collective investment scheme in unlisted securities must provide that such money is invested	

				in such scheme for a period of not less than seven years".	
IJG Group of Companies	3(1)	The deed of a CIS in unlisted securities must provide that investments in a CIS in unlisted securities must be for a period not less than seven years.	Clause 3 (1) Investment period of 7 years not ideal, considering how long it takes to make investments especially from a due diligence perspective and receiving various regulatory approvals. Prefer investment period of 10 years.		Declined. Seven years is the minimum investment period. Actual investment period is a matter between the manager and the clients (investor), and can be any period beyond seven years as agreed to by the parties.
NASIA	General	Minimum 5 years period – this should be an asset allocation call as manager styles differ.	We suggest the deletion of this.		Declined, seven years is the average duration of unlisted investment securities. Seven years is the minimum investment period. Actual investment period is a matter between the manager and the clients (investor), and can be any period beyond seven years as agreed to by the parties.
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution:**	**Accepted (Comments):**	**Rejected (Comments):**

COLLECTIVE INVESTMENT SCHEMES STANDARD 4.6					
Actions that may be taken by NAMFISA pursuant to section 207(1)					
Firstrand Limited	1(1)	Spacing of definition of "representative"	Definition of representative to start on a new line.	Accepted. NB: The Standard has been Re-drafted and will be re-published for consultation.	
NASIA	2	It appears that the intention of this is to apply to FCIS. Why then not say "this Standard applies to FCIS approved in Namibia?"	Reword to say: "This standard applies to a foreign collective investment scheme operating or intending to operate in Namibia"	Clarified. "This standard applies to a foreign collective investment scheme operating or intending to operate in Namibia" FIMA sction 220 (1) "….NAMFISA may, by notice served on a person connected with that country who is operating or intends to operate a collective investment scheme in Namibia, take such action as may be set out in the standards". The Notice is not on the FCIS, but rather the Namibian entity (albeit foreign owned or controlled), or the person who intends to operate a foreign scheme in Namibia.	

				NB: The Standard has been Re-drafted and will be re-published for consultation.	
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution:**	**Accepted (Comments):**	**Rejected (Comments):**
COLLECTIVE INVESTMENT SCHEMES STANDARD 4.7					
Requirements with respect to trustees and custodians					
Firstrand Limited	1(1)	Spacing of definition of "representative"	Definition of representative to start on a new line.	Accepted.	
	5(1)	What is meant by "operate the CIS"? – The Trustee does not operate the CIS however only oversees the operation as it vests with the manager. NAMFISA to clarify expectation on Trustee in terms of this requirement / reword to explain what is meant by operate and that the Trustee oversees the operation in terms of their mandate.		Accepted, substitute "operate" with "oversee".	

	General	The terms 'trustee' and 'custodian' are used interchangeably and there does not appear to be a clear distinction between the two, nor clear definitions for either term. The definitions in the Act simply refer to the sections under which these two entities are registered. NAMFISA to provide clarity on the distinction between "trustee" and "custodian" and the specific requirements relating to each.		Clarified. The difference lies in the legal structures: trustees conduct their business through a business trust whereas a custodian conducts business through a company.	
IJG Group of Companies	5(1)	The use of the word Functionaries denotes a different meaning than the intended reference to human capital.	The word "Functionaries" should be replaced with the word "employees or personnel"	Accepted.	
	2	This Standard applies to a trustee, custodian or an independent representative appointed by a trustee or custodian under section 189(6) the Act, hereinafter referred to, collectively, as a trustee or custodian. Clause 3 Please provide clarity on trustee or custodian? Define trustee/ custodian?		Clarified. The difference lies in the legal structures: trustees conduct their business through a business trust whereas a custodian conducts business through a company.	

	3	A trustee or custodian of a CIS must have a minimum authorised and issued share capital and non-distributable reserves of N$5,000,000 at all times. Minimum capital and reserves of N$5 million at all times, significant for smaller managers. What is the practical reason for N$5 million at all times?		Clarified. We believe N$5M is sufficient for the Namibian market as evidence of a trustee/custodian's ability to hold client's funds.	
NASIA	General		it would be extremely useful if NAMFISA would let managers of the trustee or custodian know if they did not meet these regulatory requirements. This would enable us to hold them to their contractual requirements and manage risk.		Declined, this is level of compliance should be governed and monitored by the contractual relationship between the manager and the appointed trustee/custodian.

	2	It appears as though the terms 'trustee' and 'custodian' are used interchangeably. Furthermore, there does not appear to be a clear distinction between the two, nor clear definitions for either term. The definitions in the Act simply refer to the sections under which these two entities are registered. Kindly advise whether these two terms essentially mean the same thing, or alternatively define these two terms.		Clarified. The difference lies in the legal structures: trustees conduct their business through a business trust whereas a custodian conducts business through a company.	
	4(1)(d) (e)	It is unclear whether an authorized representative may be employed by a Manager, and if so, how will he/she be independent within the meaning of this Standard? Kindly advise whether an authorized representative may be employed by the Manager. Kindly confirm whether there is guidance on what would constitute sound business principles, or whether each entity may decide this / interpret this for themselves?		Clarified. This refers to a representative appointed by a Trustee or Cusdian. Nothing to do with a representative in section 168. Actually there is guidance: Sound practices are not only beneficial for the effective functioning of a market economy and the welfare of the population. They are also in the long-term interests of an enterprise devoted to the profits of its shareholders.	

				Sound practices may be expressed in terms of those practices that implement long-term profit maximisation for the benefit of shareholders by maintaining and developing good and honest relationships with customers, suppliers, workers, those who supply finance, neighbours, local and central government, and anyone else who interacts with the enterprise. Indeed, it could be argued that the only effective method of long-term profit maximisation is the implementation of these practices and that a stable and predictable business environment encourages and rewards this long-term perspective. Obey: the Law, Regulations, Standrads (both regulatory and professional), industry accepted practice, policies, and pursue good corporate governace standards.	
	3	Kindly clarify whether the minimum authorised and issued share capital and non-distributable reserves of N$5		Clarified.	

Standard Bank Namibia		million is applicable at holding level (i.e. holding company).		The legal entity and not its holding parent company must hold N$5M to be a trustee/custodian.	
	4(1)(d)	Kindly advise who will be regarded as a manager or affiliate of the manager.		Accepted, to be clarified.	Manager of a CIS is the operator of that CIS. Affiliate is any person with connections to the operator or manager of the CIS.
MOMENTUM COLLECTIVE INVESTMENTS NAMIBIA (MCIN)	2	It appears as though the terms 'trustee' and 'custodian' are used interchangeably. Furthermore, there does not appear to be a clear distinction between the two, nor clear definitions for either term. The definitions in the Act simply refer to the sections under which these two entities are registered.	Kindly advise whether these two terms essentially mean the same thing, or alternatively define these two terms.	Clarified. The difference lies in the legal structures: trustees conduct their business through a business trust whereas a custodian conducts business through a company.	
	4(1)(d)(e)	It is unclear whether an authorized representative may be employed by a Manager, and if so, how will he/she be independent within the meaning of this Standard? Stating that the authorized representative must apply sound business principles is broad, open to interpretation and vague.	Kindly advise whether an authorized representative may be employed by the Manager. Kindly confirm whether there is guidance on what would constitute sound business principles, or whether each entity may		

			decide this / interpret this for themselves?		
Old Mutual Unit Trust Management Company (Namibia) Ltd; Old Mutual Investment Group (Namibia) (Pty) Ltd	4(1)(e)	The requirement that the trustee/custodian must "carry on its business activities in such a way that the performance of its duties or the conduct of its functions cannot be questioned" is vague.	Consider rewording or removing.	Accepted, suggested rewording: "IOSCO" recommends that, A trustee or custodian of a CIS must seek to ensure that it meets high standards of competence, integrity and fair dealing in its conduct of CIS business, and that any investment transactions undertaken on behalf of a CIS that present the operator with a conflict of interest are limited, properly disclosed, and not inconsistent with investor protection".	
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution:**	**Accepted (Comments):**	**Rejected (Comments):**
COLLECTIVE INVESTMENT SCHEMES STANDARD 4.8					
Assets that must be included in portfolio of a collective investment scheme at the time a participatory interest is sold or offered for sale					
Firstrand Limited	2	The applicability includes a Trustee or custodian, as well as clause 4, however same is incomplete. Furthermore, the heading of the title relates to that of a manager.	Heading to be amended. Applicability to be amended / or standard to be finalised.	Accepted. The Trustee or custodian must ensure that the basis on which the sale, issue, repurchase or cancellation of participatory interests effected by or on behalf of a collective investment scheme is	

				carried out in accordance with this Act and the deed, and a Standard that deals with "Assets that must be included in a portfolio of a collective investment scheme at the time a participatory interest is sold or offered for sale".	
IJG Group of Companies	3(3)	The minimum value of a portfolio at the time a participatory interest is sold or offered for sale must be N$1,000,000, and the NAV of the participatory interest must be determined based on this value in accordance with Standard CIS 5-11	It would not be practical to place a minimum value on a portfolio when exiting or disposing, what if there is no value in the portfolio at the time of exit	Clarified. The requirement is that a portfolio should at all times have N$1M when selling this is to support liquidity of the portfolio at inception of the portfolio before selling to the public. Bear in mind tha the current Unit Trust Regulations require a portfolio to have a market value of N$500,000.00 before being offered for sale.	
NASIA	General	This is an extremely important standard but it is clearly incomplete. It stops after the first line at section 4. We therefore need the rest of the Standard before we can make any robust comments. The lead in at 4(1) may also be incorrect? It alludes to the trustee and custodian?	Complete the standard and recirculate it for comments.	Accepted.	

MOMENTUM COLLECTIVE INVESTMENTS NAMIBIA (MCIN)	4	This Section is headed: General financial and commercial standing and proceeds as follows: "(1) A trustee or custodian of a CIS must: a) _____" The rest of the sentence / paragraph is missing. It is also not on the draft standard that was published on the NAMFISA website. Incomplete.	Kindly complete	Accepted.	
NEDBANK NAMIBIA	3(1)	Is this provision not in contradiction with the capital adequacy requirement of N$2,500,000.00?		There is no contradiction as the N$2.5M capital adequacy requirement is on the Manager or Operator to establish a business that operates or deals in the creation of Unit Trust CIS. Whereas the N$1M lies on each portfolio (to launch a product).	
	4(1)	This section is incomplete. No further explanation on what a custodian or trustee must do.		Accepted.	

Old Mutual Unit Trust Management Company (Namibia) Ltd; Old Mutual Investment Group (Namibia) (Pty) Ltd	4	The last sentence of the Standard is: "4. (1) A trustee or custodian of a CIS must:" The Standard as published appears to be incomplete.	Advise or circulate the full Standard.	Accepted, the Standard will be revised.	
Sisedi Investment Group(Pty) Ltd	3(1)	Sale of participatory interest Context Clarification required.		Clarified. Participatory interest is defined under section 168 to mean "any interest, unit, undivided share or share - (a) by whatever name called; and (b) regardless of whether its value remains constant or varies from time to time, which may be acquired by an investor in a portfolio"	

Company Name:	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
COLLECTIVE INVESTMENT SCHEMES STANDARD 4.9					
Requirements for exercise of voting power conferred on a manager by assets held in a portfolio					
IJG Group of Companies	4(1)	It is not clear in section whether the manager if a CIS should have voting powers or not?	There is need for clarity on subsection 1 as it is vague.	Accepted, we will insert "not" after the word exercise. However, the intention is for the manager to exercise voting rights. The exercise of voting rights attached to the assets of the CIS is part of the management company duties. It should be exercised with the necessary care and diligence and guided by certain rules and principles. The general decision-making process is generally divided in two general approaches: The manger (Manco) carries out the activity either (i) directly, or (ii) by delegation to a third party, namely the investment manager of the respective Fund, or a dedicated proxy advisor, or a trustee or custodian, as the case may be.	

				NB: Amend clause to empower CIS manager to exercise voting power as explained above.	
	2	Operators is not clearly defined?		Accepted. Operators is a terminology used to refer to collective investment schemes manager in many jurisdictions outside of the CMA.	
NASIA	General	The standard does not contemplate a situation where the trustee of the CIS holds the voting power as the registered holder of the securities/assets. Can NAMFISA please advise.		Clarified. The onus is on the person exercising the voting power to ensure they hold the relevant authority to vote. Therefore, trustees may rely on the fact that have been delegated power to vote.	
	General	Explanation of (g) to (i). Expand on "corporate actions or events likely to affect investors interests"			Declined, this phrase is a generally accepted term and it is unclear exactly what the need for explantation is.
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution:**	**Accepted (Comments):**	**Rejected (Comments):**
COLLECTIVE INVESTMENT SCHEMES STANDARD 4.10					
Permissible deductions from a portfolio					

Firstrand Limited	3(1)(e)	These are defined terms and would need to be reworded as to clearly state what may be deducted.	Reword – investment management services of the investment manager.	Accepted.	
NASIA	3(1)(e)	Permissible deduction 3. (1) A manager and trustee or custodian may allow the deduction of, or deduct, amounts from a portfolio relating to the fees or charges payable in respect of: (e) investment management to the investment manager; These are defined terms and would need to be reworded as to clearly state what may be deducted.	Reword – investment management services of the investment manager.	Accepted.	
NEDBANK NAMIBIA	4(1)	The deed of a collective investment scheme must clearly set out the method, where applicable, of determining amounts that may be deducted from a portfolio.	Propose this provision should specify to which deed reference is made to, as supplemental deeds are allowed to change certain clauses within the trust deed. There are fees applicable, and determination should be made whether the trustee / custodian or MANCO should carry the costs.	Accepted, deed will be qualified to refer to “main deed”.	

Sisedi Investment Group(Pty) Ltd	3(1)(e)	Permissible deductions Investment management **fees** to the investment manager – typo.		Accepted.	
	3(1)(j)	Permissible deductions Other operating expenses of the portfolio – very broad and can be construed to cover expenses the regulator may deem not deductible or expenses the investment manager deems deductible but might not fall in the scope of what the regulator deems permissible.		Clarified. The intention is for all the costs related to forming and managing the portfolio are deductible. We will consider amending or removing if there is nothing to provide for in here.	
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution:**	**Accepted (Comments):**	**Rejected (Comments):**
COLLECTIVE INVESTMENT SCHEMES STANDARD 4.11					
Meaning of "net asset value" for the purposes of section 230					

NASIA	4(1)	Where a manager or operator, trustee or custodian determines the NAV of a participatory interest of a security held in a foreign currency, other than the Rand, the manager or operator, trustee or custodian may use the exchange rate on the transaction or valuation date, the marked-to-market value, bid prices or the average of bid-asked prices, or the fair value for translation purposes and must specify the method used in the CIS deed. Calculation methodology on consistency of the straight-line accrual vs marked- to-market in money market assets contradicts with IFRS.			
	4(8)	The calculation of the NAV of a participatory interest in a CIS, other than a CIS in money market instruments, must be in accordance with Appendix X. Where the calculation of the NAV, for whatever reason, deviates from Appendix X, a manager and trustee or custodian must forthwith notify NAMFISA of this with a proposed			Declined. The initial fee is an upfront administrative fee and not considered part of the investment portfolio. Furhter note that initial fee are part of Permissable Deductions.

		manner of calculation of the NAV and reasons therefor in writing. Clarification required; Appendix X does not stipulate the initial fees.			
NEDBANK NAMIBIA	3(1)(a)	A deed of a collective investment scheme, in general, must: (a) comply with the requirements of the Act and contain provisions in respect of the matters set out in Annexure XX; Refer to Appendix A in the standards - Reference is made to Annexure XX however, there is no Annexure XX only Annexure XXX.	This seems to be a comment for CIS,S.4.12(3)	Accepted. Annexure XX is missing	
	Appendix X (1(a), (i), (j)&(n))	For agreements in place i.e. dating back to 2004, are we required this agreement for approval or should new deeds be signed for the purpose or re-registration?	Propose guidelines to be put in place on the inspection process as it is currently not practice to avail the deed for	Clarified. All new deeds need to be resubmitted to NAMFISA and comply with the requirements of Deeds set out in this Standard. Depending on the comfort of the parties the current	

		Currently deeds are silent as it pertains to investors. Would the custodian/trustee be required to obtain and maintain the Service Level Agreement between the MANCO and the investor? Clarification to be provided on meaning and content of statement in this provision.	inspection by the investor.	SLAs may be kept. Yes, deeds should refer to investor's rights.	
	Appendix X(2)(a), (b) & (k)	Clarification required on what the termination period is – is there provided for a minimum and maximum period? Trust deeds make provision for the manner in which participatory interests may be sold, however the process on transferring participatory interest is not stipulated. For instance, the manner in which custodian/trustee should treat a 'material asset swap', 'Transfer in Specie' is not stipulated. Clarification to be provided on notice period required and/or consider defining that in the standards.		The termination period is to be determined by the contract. Transfer of assets is an operational matter that the Deed should provide for.	

	Appendix X (4)	Incomplete section. How should the underlying assets be registered. No indication of this found.		Clarified. The underlying assets should be held in the name of the nominee company on behalf of the investor	
	Appendix XX(2)(a), (b)&(e)	More clarification on this whole section is required, inclusive of the wording highlighted and the "conditions determined by NAMFISA." There is no sub-paragraph 0 in the standards. When will these conditions be available to the industry.		Clarified. This Standard applies to XXX. Confirm the cross referencing of sub paragraph (o)	
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution:**	**Accepted (Comments):**	**Rejected (Comments):**
COLLECTIVE INVESTMENT SCHEMES STANDARD 4.12					
Matters regulated by deed					
Firstrand Limited	Annexure XX	Reference is made to Annexure XX in clause 3(1)(a) and in clause 3(4) however there is no Annexure XX.	Amend Annexure XX to refer to Appendix X	Accepted, Annexure XX will be provided.	
	Sec 3(1)(c)	Requires a deed to speak to risk management, however legal entities generally have a compliance, legal and		The risk management measures are all those relevant to the CIS e.g. liquidity, market, operational etc.	

		risk function that deals with risk management. Clarify what is required by risk management measures			
	Appendix X	Appendix X requires that every portfolio be named in the Trust Deed, will this requirement suffice if in a supplemental deed?	NAMFISA to allow for supplemental deeds for portfolios to be mentioned.	Accepted. There is no expectation to list portfolio names in the main deed instead, the main deed can hold a generic provision that portfolio names are as per the supplemental deed	
	Appendix X	Appendix X clause speaks to the powers of a manager however includes (h) additional duties of the trustee or custodian	Subclause (h) to be moved or reworded from a manager obligations perspective.		Declined. The additional duties should be maintained in the main deed. We will reword to read "additional duties of the trustee or custodian which are consistent with those prescribed in the Act or any other law."
	Appendix XXX	Annexure XXX, after (f), to ensure (g) starts on a new line. And clause 2 (b) refers to sub-paragraph 0 which is not a correct reference.	(g) to start on a new line and reference to be corrected under clause 2(b) of Annexure XXX.	Accepted.	
	Appendix X	With regards to Annexure XXXX (Page 199), would it be useful to consider the information provided under Schedule 1 (Page 316 RFS.S.5.18) in	NAMFISA to provide more information as to the requirements of an investment policy statements for a CIS.	Accepted. Considered and additional provisions provided for.	

		that is what would be required from NAMFISA in a CIS portfolio?			
NASIA	3(1)(c)	Risk management should sit in the governance framework of an entity, not in the deed. Clarify what risk management measures are required.	Would it not be more appropriate for risk management measures to be housed in a policy or the risk appetite statement and methodology of the unit trust company? The Deed is most definitely not the correct document. These risk items are usually reviewed annually by the Board. If the board makes changes, it will then trigger a change to the Deed. Surely that cannot be the intention. We have also not seen this in any other jurisdiction. NAMFISA is also advised that often, unit trust management companies are owned in larger groups of companies. From a risk management	Clarified. The Deed should refer to the generic manager's risk management policy whereas the supplemental deed should cover the specific portfolio detail. The Risk Management Measures or Practices employed at the Manager should complete the Risk Measures employed at CIS in relation to the Objectives and other requirements specific to the CIS.	

			perspective, the risk appetite statements, and appetite is driven from group board downwards.		
	Appendix X	Appendix X requires that every portfolio be named in the trust deed, will this requirement suffice in a supplemental deed? NAMFISA to allow for supplemental deeds for portfolios to be mentioned. Moreover, Appendix X section speaks to the powers of a manager however includes (h) additional duties of the trustee or custodian.	Subsection (h) to be moved or reworded from a manager obligations perspective.	Accepted. There is no expectation to list portfolio names in the main deed instead, the main deed can hold a generic provision that portfolio names are as per the supplemental deed	
	Appendix X 2(a)	Why are the terms and conditions relating to the appointment of the investment manager required to be in the Trust Deed? The Manager (not the CIS) may appoint an investment manager under section 171 of the Act. The appointment is governed by an Investment Management Agreement between the manager and the investment manager.	Commercial terms contained in the agreements are proprietary and should not be for wider consumption.	Accepted, the reference to investment manager will be deleted.	

	Appendix X 2(h)	Please confirm that actual remuneration payable is not required, merely the provision that a trustee or custodian can be paid.		Clarfiied. Yes, there is no expectation to stipulate the actual remuneration in Namibia Dollar. Provide for authority to remunerate and manner of remuneration.	
	Appendix X 3(h)	Refers to “additional duties of trustee or custodian” but in a clause dealing with powers of a manager.	Delete or change reference to “manager” in place of “trustee or custodian”.	Accepted. The additional duties should be maintained in the main deed. We will reword to read “additional duties of the trustee or custodian which are consistent with those prescribed in the Act or any other law.” Also manager has been inserted in place of trustee or custodian.	
	Annexures to the standard	There appears to be a numbering error in the Standard. It refers to general conditions under Annexure XX within the body of the Standard, to Annexure XXX for collective investments schemes in securities other than property, and to Annexure XXXX in respect of securities in property. However, the actual Annexures are then numbered	Rectify numbering mistakes. Annexures should be X, XX and XXX.	Accepted.	

		X, XXX, and XXXX respectively. There is thus an alignment issue.			
	Annexure XXX 1(d)(i)(ii)	What circumstances would warrant suspension of the repurchase of the participatory interests, or is it intended to be open-ended? Kindly clarify		We believe the comment refers to 2(d)(i) and (ii) and not 1(d)(i) and (ii). The criteria for suspension is deliberately open ended because of various reasons such as pricing error, winding ups, outflows etc.	
	Annexure XXX 2(b)	Reference error		Accepted.	
	Annexure XXX	With regards to Annexure XXXX (Page 199), would it be useful to consider the information provided under Schedule 1 (Page 316 RFS.S.5.18) that is, what would be required from NAMFISA in a CIS portfolio? NAMFISA to provide more information as to the requirements of an investment policy statements for a CIS.		Accepted. Additional information on Investment Policy provided for.	
MOMENTUM COLLECTIVE INVESTM	3 (1)(c)	This section/requirement is too broad. Risk Management is an entire discipline within both the Manager company and the Trustee company. Respectfully, these measures are not relevant to the Trust Deed, other than to simply require that both the	Kindly consider amending this requirement so as not to require the full risk management measures and processes to be included in the Deed, but rather to require that risk	Accepted. The Deed should refer to the generic manager's risk management policy whereas the supplemental deed should cover the specific portfolio detail.	Portfolio risk considerations.

ENTS NAMIBIA		Manager and the Trustee should have risk management processes and procedures in place. How detailed does NAMFISA require these risk management measures to be?	management processes are in place within the Manager and Trustee.		
	Annexures to the Standard	There appears to be a numbering error in the Standard. It refers to general conditions under Annexure XX within the body of the Standard, to Annexure XXX for collective investments schemes in securities other than property, and to Annexure XXXX in respect of securities in property. However, the actual Annexures are then numbered X, XXX, and XXXX respectively. There is thus an alignment issue.	Rectify numbering mistakes. Annexures should be X, XX and XXX.	Accepted.	
	Annexure XXX (1)(a)	"1. A deed must provide for the following matters: (a) the investment policy in respect of each portfolio;" Currently there are Supplemental Trust Deeds in respect of each portfolio (i.e. the details on each separate portfolio are not set out in	Kindly advise / clarify whether it is indeed the intention for the Main Deed to contain the details on the various Portfolios in the Scheme, or whether it would suffice to have these separately set out via Supplemental Trust Deeds.	Accepted. There is no expectation to list portfolio names in the main deed instead, the main deed can hold a generic provision that portfolio names are as per the supplemental deed.	

		the Master / Main Deed, but in the Supplemental Deeds).			
	Annexure XXX (1)(b)	"1(b) for the purposes of sub-paragraph 0 and subject to sub-paragraph (d), the manager must determine a cut-off time by when repurchase requests must be received for the purpose determining which valuation time will be used for calculating the prices;" It appears that the reference is missing. Should it be sub-paragraph (a)?	Kindly include the correct reference.	Accepted. Changed to "(a)".	
	Annexure XXX (1)(d)	"1(d) when a manager receives a request for the repurchase of participatory interests in circumstances which warrant suspension of the repurchase, the manager:	Kindly clarify	Clarified. The criteria for suspension is deliberately open ended because of various reasons such as pricing error,	

		(i) may, with the prior consent of the trustee or custodian; or (ii) must, when the trustee or custodian so requires, suspend the repurchase of the participatory interests, if the manager, trustee or custodian is of the opinion that the circumstances warrant the suspension;" What circumstances would warrant suspension of the repurchase of the participatory interests, or is it intended to be open-ended?		winding ups, outflows etc. Further consideration. 1. When can a repurchase be suspended? 2. Envisaged circumstances that could lead to a suspension.	
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution:**	**Accepted (Comments):**	**Rejected (Comments):**
COLLECTIVE INVESTMENT SCHEMES STANDARD 4.13					
Calculation of fair value of securities					
Firstrand Limited	2	The applicability of this standard currently includes a trustee or custodian however the content of the standard speaks only to a manager or operator.	Applicability of the standard to be amended to state only manager or operator.		Declined. The trustee/custodian has a duty to ensure the manager actually complies with the Standard.
	3(1)	3. (1) A manager or operator must determine the fair value of a security	Reworded to state that the price of the exchange		Declined. The intention is for the manager to determine the fair

	3(2)(a)	included in a CIS in accordance with this Standard. (2) In determining the fair value of a security, a manager or operator must: (a) for a listed security, use the valuation date, or current market, price or last price prior to valuation date, and where the security is listed on more than one exchange, the price where the security is principally traded; - this is potentially problematic since with certain listed entities it would not be clear where they are principally traded and that the primary listing might not be on the JSE.	where the security was acquired on should be used as it better reflects the supply and demand dynamics of the exchange (including any friction costs) where the investor is able to realize its value.		value of various securities listed under 3(2). The primary listing of a security is publicly available and the intention is to ensure the primary listing price is the fair price. The price on the exchange that the security was acquired. Even if a security is not traded during a session, there will still be a closing and opening price. These should be used.
	3(2)(f)	For money market instruments, use the acquisition cost of the instruments, taking into consideration accrued interest and any holding costs; This is a problematic statement as it does not allow for the fair valuation of money market instruments. Think about money market type instruments included in an Income Fund that does not have a constant NAV – you would	Suggested wording: for money market funds, use the acquisition cost of the instruments.	Clarified. A MMF uses a Constant Net Asset Value (N$1 for 1 unit) A constant net asset value (CNAV) MMF is a fund that, unlike other CIS funds, aims to preserve a stable value of N$1 per unit at which investors either redeem or purchase shares. Yes, it is true that, the net value of the assets held by a MMF can be subject to fluctuation, resulting in a situation in	

		not be able to provide a fair NAV pricing if you cannot MTM the asset. This definition can only apply to Constant NAV CIS's. The problem is further compounded by the fact that a Money Market Instrument is not defined.		which the market value of a unit may not always equal N$1.00. To address this fluctuating underlying investment value issue, a CNAV MMF employs amortised costs to value its assets.	
NASIA	Application		Application of the standard to be amended to state only the manager or operator.		Declined. The trustee/custodian has a duty to ensure the manager actually complies with the Standard.
	3(1)	This is potentially problematic since with certain listed entities, it would not be clear where they are principally traded and that the primary listing might not be on the JSE.	Reword to state that the price of the exchange where the security was acquired on should be used as it better reflects the supply and demand dynamics of the exchange (including any friction costs) where the investor is able to realize its value.	The primary listing of a security is publicly available and the intention is to ensure the primary listing price where the security was acquired is at the fair price.	
	3(2)(b)(f)	Both of these provisions read together appear to be creating a conflict as both are referring to money market instruments.	We therefore recommend the following amendment to 3(2)(f): (f) for money market funds, use the acquisition cost of the instruments, taking into consideration	Clarfied. It is appropriate to use the money market rate for unlisted investments as this is the rate relevant to instruments not listed on a registered	

			accrued interest and any holding costs;	exchange. It is fair value valuation of the underlying assets/investments. Not sure what the problem with the current provision is.	
MOMENTUM COLLECTIVE INVESTMENTS NAMIBIA	3(2)(a)	Potentially problematic since with certain listed entities it would not be clear where they are principally traded.	Kindly amend to state that the price of the exchange where the security was acquired on should be used as it better reflects the supply and demand dynamics of the exchange (including any friction costs) where the investor is able to realize its value.	Accepted. The primary listing of a security is publicly available and the intention is to ensure the primary listing price is the fair price.	
	3(2)(f)	Does not allow for the fair valuation of money market instruments. Think about money market type instruments included in an Income Fund that does not have a constant NAV – you would not be able to provide a fair NAV pricing if you cannot MTM the asset. This definition can only apply to Constant NAV CIS's. The problem is further compounded by the fact that a Money Market Instrument is not defined.	Suggested wording: for money market funds, use the acquisition cost of the instruments.	Accepted.	

NEDBANK NAMIBIA	3(2)(f)	Does acquisition cost refer to the book value?		Yes, costs of acquiring the security.	
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution:**	**Accepted (Comments):**	**Rejected (Comments):**
COLLECTIVE INVESTMENT SCHEMES STANDARD 4.14					
Manner and Form of Application for Registration as Manager of a Collective Investment Scheme					
Firstrand Limited	10	Clause 10 – reference made to an insurer and reinsurer	Remove reference to insurers and replace with Manager for a CIS.	Accepted.	
	Schedule II	Schedule II, first sentence, Manager spelt incorrectly.	Correct spelling.	Accepted.	
	Schedule II (7)	Reference is made to the model trust deed.	Please include or share model trust deed.	Accepted, the model Trust Deed to be shared.	
	Schedule II (8)	With regards to clause 4(k) – what is the purpose of obtaining a board resolution authorizing a person to act as the representative when the applicant will be the authorised person of the entity in terms of the appointment as Trustee or custodian and will already be a key person.	Recommend to remove.	Accepted.	

	Schedule II (10)	Application fee does not correlate to Standard on Fees (GEN.S.10.23) and uncertainty as to the banking details as different banking details are provided.	fees to be updated and banking details to be confirmed.	Accepted, the fee should be N$13 660.	
	Schedule II (11) & (12)	Will these requirements only be for new applications or will existing mangers need to submit as well?	Existing managers have already made these submissions and request that NAMFISA consider that existing managers would not need to submit a business plan and business objectives for existing schemes to be re-registered.	Please note that all managers including existing ones are subject to this Standard.	NB: **Section 87.** (1) A person that was approved by the Registrar under section 4(1) (f) of the Stock Exchanges Control Act on the date of commencement of this Chapter is, subject to subsection (2), deemed to be registered in the appropriate category of regulated person under this Act as determined by NAMFISA. (2) Despite subsection (1), a person referred to in that subsection must, within 12 months after the date of commencement of this Chapter, make an application to NAMFISA pursuant to section 83 for registration in the appropriate category of regulated person.

					A Business Plan should be required for completely new applicants.
	Schedule II (12)	Reference is made to item 12 above	Correct numbering references made.	Accepted, change to (11).	
	Schedule II Section B (2)	Reference is made to an application to be made in writing relating to the scheme the manager wishes to establish or operate.	To be deleted as this would relate to the Manager.	Accepted.	
	Schedule II Section B (6)(7)(8)	The applicant is the Manager and not the Trustee. This application form is to be completed and submitted by the Manager, who is the applicant.	Reword to Trustee and not applicant.	Accepted. NB: The Applicant is the Manager and not the Trustee. Trustee information should be collected to ensure that the Trustee is indeed registered as such. Therefore, (7) through to (11) of section B – Trustee should not form part of the application form.	
	Schedule II Section	Submission of a proposed business plan and business objectives would relate to the applicant/manager and not the trustee.	To be deleted.	Accepted, see above.	

	B (9)&(10)				
	Schedule II Section B (11)	Paid up capital amount does not correlate to the Standard CIS.S.4.2 stating capital to be a minimum of N$ 5 000 000.	Delete amount or correct amount.	Accepted, see above.	
	Schedule III sub-Section C	Spelling mistake in the heading – “details”	Correct spelling.	Accepted.	
IJG Group of Companies	9(1)	NAMFISA shall assess the application in line with section 175 of the Act, make decisions and inform the applicant of the decision within a period of 120 days.	A period of 120 days is to long for application registration as a manager? Shorter period required, not attractive from a market perspective?		
NASIA	s.10	Incorrect reference to insurer and reinsurer.	Change reference to “manager” in place of “insurer or reinsurer”	Accepted.	
	6, 7 and 8	To submit their company structure/profile and confirmation of operational systems?	Delete / reword to Trustee and not applicant.	Accepted.	

	9 and 10	Submission of a proposed business plan and business objectives would relate to the applicant/manager and not the trustee.	We recommend deletion	Accepted. See above comments. NB: The Applicant is the Manager and not the Trustee. The trustee information should be collected to ensure that the Trustee is indeed registered as such. Therefore, (7) through to (11) of section B – Trustee should not form part of the application form.	
	11 and 12	Will these requirements only be for new applications, or will existing managers need to submit as well?	Existing managers have already made these submissions and request that NAMFISA consider that existing managers would not need to submit a business plan and business objectives for existing schemes to be re-registered.	Please note that all managers including existing ones are subject to this Standard. See above comments, this should apply to new applicants.	
	Through out Schedule 1 and 2	The word 'Manager' is misspelt in several places in the two Schedules as 'Manger'.	Kindly correct the spelling	Accepted.	

	Schedule 1 Section E	This is incorrect Key individuals is not defined.	Must be replaced with key persons A key person is defined as an employee of a financial institution or financial intermediary with a major decision-making role and the responsibility, either alone or with others, for the management of all aspects of rendering a financial service to a client or investor. This subset of people are not the people who will deal with client take on forms but rather those individuals who have oversight of said function. To have to approve the actual doer of the task would create undue burden on both NAMFISA and the industry at large.	Accepted, key individuals to be expressly defined and the reference to all staff will be deleted.	

	Schedule 1 Section G	If more than one shoulder, please complete and attach share certificate and indicate % held by each.	Kindly amend – should be "Shareholder"	Accepted.	
	Schedule 1 Section H	Clarification whether there should be an AND between H1 and H2?		Clarified. No, it should be "or" implying separate requriements.	
	Schedule II No 7	Clarify the source of the model trust deed referenced in this section. Will a new model deed be published?	Industry urges NAMFISA to allow industry to comment on the model deed.	Yes, the new model Trust Deed to be provided and will contain matters already consulted on (Matters to be regulated by Deed) Standard CIS 4.12.	
	Schedule II No 8	Will any substantial activities of the entity be outsourced?" What is meant by substantial? The Outsourcing Standard refers to Principal Business Activities and Material Business Functions only.		Reference should be Schedule 2 section C. We will align this wording to the outsourcing standard. We will consider removing "substantial" from the sentence.	
	Schedule II No 11 and note 5	We assume that this is only required for entities that are not currently operating. Please confirm.		Clarified, see above comments on the matter.	

	Schedule II Note 3c	Please clarify the information to be provided in this schedule.		To be considered removing. Should only apply to SROs or entities with Supervisory responsibilities (Exchange, CSD and Clearing House).	
	Schedule II Note 3	Kindly note that this is very broad and theoretically, all employees are involved in the 'operation' of the manager company. Kindly advise whether it is the intention for all employees to complete this section? Kindly clarify		Accepted, key individuals to be expressly defined and the reference to all staff will be deleted.	
MOMENTUM COLLECTIVE INVESTMENTS NAMIBIA	1(b) and (d)	This application is not in respect of Insurers, but rather for Managers of Collective Investment Schemes.	Kindly amend	Accepted.	
	Section G to Schedule 1	Provides: "if more than one <u>shoulder</u>, please complete and attach share certificate and indicate % held by each'. Kindly amend – should be Shareholder	Kindly amend	Accepted.	
	Throughout Schedule 1 and 2	The word 'Manager' is misspelt in a number of places in the two Schedules as 'Manger'.	Kindly correct the spelling	Accepted.	

	Section C to Schedule 2(8)	What is meant by substantial? The Outsourcing Standard refers to Principal Business Activities and Material Business Functions only.	Kindly clarify what is meant with 'substantial' or alternatively replace with the defined terminology used in the General Standard on Outsourcing.	Accepted, the wording will align the Outsourcing Standard.	
	Section 2 under Schedule 3	This section is to be completed by "all-natural persons who may be controlling or participating, directly or indirectly, in the directorship, management or operation of the applicant." Kindly note that this is very broad and theoretically all employees are involved in the 'operation' of the Manager company. Kindly advise whether it is the intention for all employees to complete this section?	Kindly clarify	Accepted, key individuals to be expressly defined and the reference to all staff will be deleted.	

Old Mutual Unit Trust Management Company (Namibia) Ltd; Old Mutual Investment Group (Namibia) (Pty) Ltd	General	Clarity is sought regarding the form and manner for the application for registration as an authorized representative of a manager, or designated representative of an authorized representative. Will this be covered as list applicants under the General Standards? Clarity sought and recommended for inclusion.	Since authorised representatives solicit investment on behalf of collective investment schemes, it is recommended that the requirement for registration be included that the applicant must have documented policies and procedures in place to evidence how it will comply with the requirements of the Financial Intelligence Act and Prevention and Combating of Terrorist and Proliferation Activities Act.	Clarifeid, see earlier comments on the matter.	
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution:**	**Accepted (Comments):**	**Rejected (Comments):**
COLLECTIVE INVESTMENT SCHEMES STANDARD 4.15					
Manner and Form of Certificate of Exempted Mancos Mortgage Bonds					
Firstrand Limited		Heading to be corrected to refer to the FIM Act.	Correct heading.	Accepted.	

Company Name:	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
COLLECTIVE INVESTMENT SCHEMES STANDARD 4.16					
Manner and Form of Application for Registration as Nominee Company					
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution:**	**Accepted (Comments):**	**Rejected (Comments):**
COLLECTIVE INVESTMENT SCHEMES STANDARD 4.17					
Manner and Form of Application for registration as Trustee or Custodian of a CIS					

Firstrand Limited	General comments	NAMFISA to clarify whether a Trustee is required to submit this application for each appointment upon commencement of FIMA and this Standard? Clarify whether existing Trustees will have to apply for re-registration' upon commencement of FIMA for each Manager in terms of which it is appointed as a Trustee or would one registration / one application suffice?	Could a Trustee not be registered once off and have appointment letters with various Management Companies instead of having separate and several registrations as a Trustee for each Management Company?	The intention is for a trustee/ custodian to apply once for registration. Therefore, there is no need to reapply to NAMFISA for registration each time a trustee/custodian is appointed as such by a manager. Please note that existing trustees/custodians are also required to apply for registration once FIMA has commenced.	
	General comments	NAMFISA to clarify whether an appointed Trustee is also required to submit a separate application upon a new application of management company application in terms of CIS.S.4.14 of would that initial application be sufficient for the registration of a Trustee upon commencement of the management company? In the event a new Management Company is established and applies for registration, would that registration include the registration of Trustee or would such an appointed Trustee also be required to submit		The intention is for a trustee/ custodian to apply once for registration. Therefore, there is no need to reapply to NAMFISA for registration each time a trustee/custodian is appointed as such by a manager. Please note that existing trustees/custodians are also required to apply for registration once FIMA has commenced.	

		application forms in terms of this standard?			
	Standard comments	Clause 4 for each app not read well, an applicant must – (a) be in writing, (b) be signed.	Include the words "an applicant must make an application that must –	Accepted.	
	Standard comments	With regards to clause 4(k) – what is the purpose of obtaining a board resolution authorizing a person to act as the representative when the applicant will be the authorised person of the entity in terms of the appointment as Trustee or custodian and will already be a key person.	Recommend to remove.	Accepted.	
	4(g)	A Trustee would not have a Principal Officer	Principal Officer to be deleted.	Clarified. A Trustee must be a Company, Bank Insurer…. There must someone overseeing the operations – the principal officer (irrespective of the terminology used).	
	4(l)	Why would a Trustee need to submit a business plan? That ought to be applicable to the Manager.	Clause to be deleted.		Declined. The business plan is required to determine whether the business operations are being

					performed in accordance with sound business principles. This is an application for approval as Trustee not Manager.
	9	The applicant is required to submit the application via ERS – would this not be done via the Manager as currently Trustee's do not have access to ERS or will this be a new requirement for applications.	Section to be deleted.		Declined. Trustees/custodians are expected to submit a separate application to NAMFISA and not rely on the manager's submission. Trustee are regulated entities and should have access to ERS.
	Schedule 1, Part 1, clauses 5 and 6	Shareholders or owners who control the applicant – this should not be applicable to listed entities as share register is held by the exchange.	NAMFISA to consider requirement and perhaps indicate that such details are not required where holding company is a listed entity.	*section 5 not clause 5.	There are exemptions pertaining to listed companies.
	Schedule 1, Part 1, Section 8	Schedule 1, Part 1, Section 8: Appointed PO (not applicable to a Trustee)	Clause to be deleted.		Declined, see comments above.
	Schedule 1, Part 3,	Business Plan (not applicable to a Trustee)	NAMFISA to confirm ongoing obligations as required by a Trustee and to consider deleting the		Declined. The business plan is required to determine whether the business

	Section 2		requirement around quarterly returns.		operations are being performed in accordance with sound business principles. See earlier comments on existing entities.
	Schedule 1, Part 5	Ongoing obligations, line 3 "Submit a full composition of investments under management with the quarterly returns" – Is this not a requirement for the manager? Currently the Trustees do not submit quarterly returns on ERS.	Clause to be deleted.	NB. For consideration. A Trustee does not manage any investments. They are merely a "safe" for holding investments. Clause be deleted.	
NASIA	General	This section does not read well, an applicant must- (a) be in writing, (b) signed.	Reword to "an application".	Accepted.	
	4(k)	What is the purpose of obtaining a board resolution authorizing a person to act as the representative when the applicant will be the authorised person of the entity in terms of the appointment as Trustee or custodian and will already be a key person.	We recommend that the section is deleted.	Accepted.	
	4(g)	A Trustee would not have a Principal Officer.	Delete "Principal officer"	Accepted, see earlier comments.	

	4(l)	Why would a trustee need to submit a business plan? That ought to be applicable to the manager.	We recommend the deletion of this provision		Declined. The business plan is required to determine whether the business operations are being performed in accordance with sound business principles. See above comments on the matter.
	Heading		Heading to be corrected to refer to the FIM Act and Bill.	Accepted.	
NEDBANK NAMIBIA	3 4(g)&(i)	Does the requirement for particulars to be furnished apply to the Chief Executive Officer of Nedbank who would also be considered to be the Principal Officer of the Banking Institution or does it require a Principal Officer for the trustee or custodian of the collective investment scheme's details? For which institution should details of bank account be provided, the banking institution or nominee company?		Clarified. The Details of the applicant are needed. Accepted, the reference to PO will be deleted as that's the CEO. The custodian/trustee should provide proof of an actual bank account and not simply rely on the nominee company's bank account.	Yes, the business plan is required for an entity acting as a custodian because NAMFISA would like to see a commitment to operating the business in accordance with sound business principles.

		Is the requirement for a detailed business plan applicable to an entity that is only acting as a custodian?			
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution:**	**Accepted (Comments):**	**Rejected (Comments):**
COLLECTIVE INVESTMENT SCHEMES STANDARD 4.18					
Application by Registered Manager of A Collective Investment Scheme For Cancellation Of Registration Granted Pursuant To Section 176 Of The Act Or For Variation Of The Conditions For Registration					
Firstrand Limited	CIS.S.4.18	(Applies to Manager) No option on the application form to indicate if it is an application for variation or cancellation. Furthermore, very little distinction is provided on the process if it is only an application to vary the conditions of registration.	Have separate forms or make provision on form for indication on whether it is an application for cancellation of registration or variation of the conditions for registration.	Accepted, the form will incorporate express reference to variation	
NEDBANK NAMIBIA	Supporting Schedule	Numerous typographical errors noted through-out the Standards i.e. shareholder was indicated as 'shoulder' (page 210), Managers was indicated as 'Mangers' (page 212); C: Entails? (page 220).	Spelling/typing errors – propose a thorough revision of standards on account thereof to prevent inconsistencies, discrepancies and certain	Accepted.	

			provisions having no effect as interpretation from context is impossible.		
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution:**	**Accepted (Comments):**	**Rejected (Comments):**
COLLECTIVE INVESTMENT SCHEMES STANDARD 4.19					
Application By Registered Manager of CIS Scheme for Voluntary Cancellation of Registration Granted					
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution:**	**Accepted (Comments):**	**Rejected (Comments):**
COLLECTIVE INVESTMENT SCHEMES STANDARD 4.20					
Manner And Form of Registration Certificate for Managers of CIS					
Company Name:	**STD/REG No. & Section:**	**Comment/Description of issue:**	**Proposed Amendment/Solution:**	**Accepted (Comments):**	**Rejected (Comments):**

COLLECTIVE INVESTMENT SCHEMES STANDARD 4.21					
Form of Transitional provision - issuance of certificate of registration to existing management companies					