



# GOVERNMENT GAZETTE

## OF THE

# REPUBLIC OF NAMIBIA

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## General Notice

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### NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY

No. 202-

### STANDARDS UNDER THE FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

#### MEDICAL AID FUNDS

The standards, as set out in the Schedule, are published by the Namibia Financial Institutions Supervisory Authority (NAMFISA) under section 409 of the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021). The standards come into effect on the date of publication.

**ADV. H. GARBERS-KIRSTEN**  
**CHAIRPERSON OF THE BOARD**  
**NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY**

## **SCHEDULE**

### **FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

#### **MEDICAL AID FUNDS**

#### **REQUIREMENTS FOR RULES OF A MEDICAL AID FUND AND ANY AMENDMENTS OF SUCH RULES**

##### **Standard No. MAF.S.7.4**

issued by NAMFISA under section 410(8)(p) of the Financial Institutions and Markets Act,  
2021

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#### **Definitions**

**1.** (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following-

- (a) as defined in section 1 of the Act-
  - (i) medical aid fund;
  - (ii) NAMFISA;
  - (iii) officer; and
  - (iv) principal officer;
- (b) as defined in section 321 of the Act-
  - (i) beneficiary;
  - (ii) board or board of trustees;
  - (iii) contribution;
  - (iv) fund;
  - (v) fund administrator;
  - (vi) member; and
  - (vii) rules.

#### **Applicability**

**2.** This Standard applies to all medical aid funds registered under the Act and to their boards of trustees, principal officers and fund administrators.

#### **Requirements for rules**

**3.** The rules of a medical aid fund must not be inconsistent with the Act, the regulations and this Standard, must be in the official language of the Republic of Namibia and must provide for the following matters:

- (a) the full name of the medical aid fund, including a reference to any name changes that the fund may have undergone;
- (b) the date of registration of the medical aid fund and the date of the first and subsequent financial year end;
- (c) the address of the principal office of the medical aid fund;
- (d) the objects of the medical aid fund;
- (e) a list of definitions, in alphabetical order, defining any terms which are frequently used in the rules and which bear a special connotation;
- (f) the payment of contributions to the medical aid fund by or on behalf of members;
- (g) a detailed description of the eligibility conditions for joining the medical aid fund and the circumstances under which membership shall cease, with specific reference to the following:
  - (i) the different types of beneficiaries, i.e the member and/or all the various categories of dependants who are, or may in due course become, eligible to join the fund; and
  - (ii) details regarding conditions for continuation of membership either after employment or as a dependent of a deceased member;
- (h) the requirement for prior written notice to members of any change in contributions and benefits or any other condition affecting their membership;
- (i) the right of members to make additional contributions in respect of additional benefit options as provided for in section 356 of the Act;
- (j) the nature and extent of the benefits granted by the fund, and the payment of such benefits to a member or other person entitled thereto;
- (k) a specific description of the type of participation in the fund so as to differentiate among funds established for the benefit of -
  - (i) employees of a principal employer and its subsidiaries;
  - (ii) employees of employers that do not fall within the ambit of sub-paragraph (i); and
  - (iii) employees not referred to in either sub-paragraphs (i) or (ii);
- (l) the appointment or election of a board of trustees and alternate members of the board of trustees to manage the business of the fund, consisting of persons who are fit and proper to hold such office in accordance with the requirements of Standard No. GEN.S.10.2 – Fit and Proper Requirements;
- (m) the appointment of any committees of the board;
- (n) the frequency with which the board and any committee referred to in paragraph (m) must meet, which must be at least four times each year in respect of the board and at least twice a year in respect of any committee;
- (o) a detailed description of the duties of the board, and of any committee referred to in paragraph (m);
- (p) the appointment of a principal officer by the board of trustees who is fit and proper to hold such office in accordance with the requirements of Standard No.

GEN.S.10.2 – Fit and Proper Requirements;

- (q) a detailed description of the duties of the principal officer;
- (r) the powers of the board of trustees, the removal from office of any member of the board of trustees or the principal officer, and the method of determining their remuneration, if any;
- (s) the appointment and removal from office of officers of the fund;
- (t) (t) the manner of calling the annual general meeting and any special general meeting of members, the quorum necessary for the transaction of business at such meetings and the manner of voting thereat, and the requirement that annual general meetings be held within six months after the financial year-end of the fund;
- (u) the investment powers of the medical aid fund;
- (v) the appointment of a valuator of the fund who is fit and proper within the meaning of the Standards Nos. GEN.S.10.2 – Fit and Proper Requirements, and independent within the meaning of Standard No. GEN.S.10.8 - The independence of directors, members of a board, trustees, custodians, auditors and valuers and any other person required to be independent under the Act, and provisions regarding the annual investigation and report of the valuator pursuant to section 347 of the Act;
- (w) the appointment of the auditor of the fund, and the duration of such appointment;
- (x) the manner in which contracts and other documents binding the medical aid fund must be executed;
- (y) the manner of amending or rescinding any rules, and of making additional rules;
- (z) the manner in which any disputes between the fund and its members, former members, and any other person whose claim is derived from a member, must be handled;
- (aa) the safe custody of title deeds, securities, books, papers and other effects belonging to or held by the fund;
- (bb) subject to the relevant provisions of the Act, the manner in which and the circumstances under which the fund must be terminated or dissolved, with specific reference to the appointment of a liquidator, to be approved by NAMFISA, in the case of a voluntary dissolution;
- (cc) the amalgamation of the medical aid fund with any other financial institution or financial intermediary;
- (dd) the transfer of the business of the medical aid fund, or any part thereof, to any financial institution or financial intermediary;
- (ee) the opening of a bank account in the name of the fund;
- (ff) professional indemnity insurance for the board of trustees and the principal officer;
- (gg) the contribution to any association instituted for the benefit of a fund;
- (hh) a detailed description of the procedure by which a member or beneficiary may make a claim from the fund;

- (ii) the matters referred to in section 352(5) of the Act; and
  - (jj) pursuant to paragraph (h), the rules may provide members with an indication of key circumstances that may result in changes to the contributions and/or benefit structures.
4. The rules of a medical aid fund must not in any manner prohibit members from access to full benefits as provided for in the rules of the fund.
5. The rules of a medical aid fund must state the right of -
- (a) members to be provided, free of charge, with a copy of:
    - (i) the rules of the fund upon becoming a member and/or dependant;
    - (ii) a copy of any amendment to, rescission of, or addition to the rules of the fund at the time of its implementation and/or upon becoming a member and/or a dependant;
    - (iii) benefit statements at least once per year by no later than the middle of the benefit year if benefit information is not ordinarily incorporated in the claims statements that are issued to members on a more frequent basis; and
    - (iv) a statement at least monthly and containing at least the following particulars:
      - (aa) the name and the membership number of the member and /or dependants;
      - (bb) the name of the supplier of the service;
      - (cc) the final date of service rendered by the supplier of the service on the account or statement which is covered by the payment;
      - (dd) the types of services rendered;
      - (ee) the total amount charged for the services concerned;
      - (ff) the amount of the benefit awarded for such services;
      - (gg) reasons for any rejections and/or differences between charged and paid amounts; and
      - (hh) opening balance of the benefit limit as well as the closing balance of the benefit limit after deducting the claims for the said reporting period;
  - (b) members, beneficiaries or persons authorised by a member or beneficiary, to inspect, free of charge, any of the documents referred to in paragraph (a)(i) and (ii), at the principal office of the medical aid fund and to make extracts therefrom; and
  - (c) members, beneficiaries or persons authorised by a member or beneficiary to be provided, at a charge that must not exceed the cost specified by NAMFISA from time to time, with a copy of:
    - (i) the rules of the fund;
    - (ii) the most recent consolidated financial statements of the fund; or
    - (iii) either a full report or an abridged version of the most recent report by the

valuator of the fund prepared pursuant to section 347(1) of the Act, provided that upon request of members, electronic copies of any of the documents listed under this paragraph must be provided free of charge.

**6.** (1) Where a medical aid fund imposes a waiting period pursuant to section 354(1) of the Act, the rules of the fund must state that -

- (a) any general waiting period must not be longer than three months, and the rules must further stipulate certain conditions which are not subject to any waiting period, or certain conditions which are subject to a general waiting period; and
- (b) any condition-specific waiting period must not be longer than 12 months.

(2) Where a medical aid fund imposes a waiting period pursuant to section 354(2) of the Act, the rules of the fund must state that:

- (a) any general waiting period must not be longer than three months, provided the rules must further stipulate certain conditions which are not subject to any waiting period, or certain conditions which are subject to a general waiting period; and
- (b) any condition-specific waiting period must not be longer than 12 months.

**7.** The rules of a medical aid fund must provide that every member must be provided free of charge with:

- (a) a membership card upon becoming a member;
- (b) written proof of membership which complies with the requirements of clause 3 of Standard No. MAF.S.7.7 – The provision by medical aid funds to their members of written proof of membership, and the particulars such proof must or may contain; and
- (c) certificate of membership in accordance with the provisions of clause 4 of Standard No. MAF.S.7.7 - The provision by medical aid funds to their members of written proof of membership, and the particulars such proof must or may contain.

**8.** Pursuant to sections 329 and 352(4) of the Act, a medical aid fund must amend its rules to comply with this Standard within 12 months of the date on which this Standard comes into effect.

### **Format and certification**

**9.** The rules of a medical aid fund must comply with the following requirements as to format:

- (a) the rules must be printed in at least 1.5 spacing on A4 paper of at least 80 grams;
- (b) the rules must be printed on one side of the paper only with a margin of at least 30 mm on the left side of the paper;
- (c) headings and subheadings must be printed in bold print;
- (d) definitions must be printed in capital letters and used in that way throughout the text;
- (e) the document must not contain any underlining; and
- (f) the document must at the front contain a detailed table of contents, with references to the relevant page numbers.

**10.** The rules of a medical aid fund must be certified as follows on the first page or on the cover if the rules are in the form of a booklet: “Certified that these are the rules of the XYZ Medical Aid Fund (*substitute “XYZ Medical Aid Fund” with the full name of the fund*) which will become effective on the date of registration of the fund” or “on the specified date” in the case of a fund referred to in clause 8.

**11.** The rules and any amended, rescinded or additional rule must be signed on the first page as follows:

- (a) where the medical aid fund is administered by one individual, there must be two signatures, by -
  - (i) that individual; and
  - (ii) the principal officer; or
- (b) where the fund is managed by a board of trustees, there must be three signatures, by -
  - (i) the chairperson of the board;
  - (ii) one other member of the board who is not the principal officer; and
  - (iii) the principal officer.

#### **Adoption of rules**

**12.** A medical aid fund that adopts a new rule or an amendment to or rescission of an existing rule may only do so by resolution of the board.

#### **Amended, rescinded and additional rules**

**13.** Within one month from the date of the passing of a resolution for the amendment or rescission of any rule or for the adoption of any additional rule, but not later than one month prior to the implementation of any such amended, rescinded or additional rule, the board of the fund shall submit to NAMFISA, together with the text of the amended, rescinded or additional rule, and in the manner prescribed by NAMFISA-

- (a) a copy of the resolution adopted by the board together with a certificate to the effect that the resolution has been adopted in accordance with the provisions of the rules of the fund;
- (b) if the amended, rescinded or additional rule affects the financial position of the fund, a certificate by the valuator of the fund, or if no valuator has been appointed, by a valuator retained by the fund for this purpose, as to the financial soundness of the amendment, rescission or addition; and
- (c) a statement explaining the reason for the amended, rescinded or additional rule.

**14.** The resolution and certificate referred to in clause 13(a) is not necessary in the case of a consolidation of the existing rules, but will apply in the case of a consolidation that contains amended, rescinded or additional rules.

**15.** In accordance with clause 5(a)(ii), the principal officer of the fund must, within one month of its implementation, communicate to each member a copy of any amendments to, rescissions of or additions to the rules of the fund.

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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

**MEDICAL AID FUNDS**

**THE DETERMINATION OF THE SOUNDNESS OF THE FINANCIAL POSITION  
OF A MEDICAL AID FUND FOR THE PURPOSES OF SECTION 353(3)**

**Standard No. MAF.S.7.5**

issued by NAMFISA under section 410(8)(q) of the Financial Institutions and Markets Act,  
2021

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**Definitions**

**1.** (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -

- (a) as defined in section 1 of the Act-
  - (i) NAMFISA; and
  - (ii) valuator;
- (b) as defined in section 321 of the Act-
  - (i) contribution;
  - (ii) member;
  - (iii) medical aid fund;
  - (iv) fund; and
  - (v) rules.

**Applicability**

**2.** This Standard applies to a valuator and to the reports required to be prepared by a valuator pursuant to sections 347, 353(3) and 353(4) of the Act.

**Determination of soundness of financial position**

**3.** A medical aid fund will be considered to be in a financially sound position pursuant to sections 347, 353(3) or 353(4) of the Act if:

- (a) audited financial statements have been prepared at the relevant time and it show that the fund’s assets exceed its liabilities and there are no qualifications within the auditor’s opinion on the financial statements;
- (b) the fund complies with any financial reserving requirements and solvency requirements that are specified for medical aid funds in the Act;
- (c) the valuator’s report has been prepared in accordance with standards and principles generally recognised and accepted by actuarial profession;
- (d) the valuator’s report takes into account all of the material risks to which the fund



is exposed, including risks in respect of –

- (i) IBNR liability (claims incurred but not reported);
  - (ii) the adequacy of contributions relative to anticipated expenses and claims;
  - (iii) loss of members from the fund;
  - (iv) trends in the demographic profile of the fund's membership;
  - (v) medical inflation;
  - (vi) previous years history and medical loss ratios; and
  - (vii) the fund's investment strategy;
- (e) the valuator's report certifies that the contributions for the fund are sufficient considering the fund's solvency position, expenses, claims, health risk factors of members and risks of each benefit option;
  - (f) the valuator's report shows that the assets of the fund held in respect of benefit liabilities exceed those liabilities as at the date of the report, and that a projection of those assets and liabilities on the valuation basis, shows that the projected assets exceed the projected liabilities at the end of each of the three succeeding financial years;
  - (g) the valuator's report includes an analysis of all surpluses and deficits and, where there are deficits, indicates the reasons thereof and makes recommendations for interventions toward ensuring the short-term, medium-term and long-term sustainability of the fund;
  - (h) the valuator's report states what, if any, pending amendments to, rescissions of, or additions to the rules of the fund have been taken into account and what, if any, their financial impact is expected to be, and the necessary steps to be taken to ensure the continuing financial soundness of the fund if their financial impact impairs the fund's financial soundness;
  - (i) the valuator's report includes a certification free of any expressed reservations as to the financial soundness of the fund; and
  - (j) The fund meets the prescribed regulatory capital requirement per Standard No. MAF.S.7.3 – The determination of the soundness of the financial position of a medical aid fund for the purposes of section 353(3).

**4.** The valuator may rely on the immediately preceding report on the financial soundness of a fund provided that in the event it was prepared by another valuator, the valuator includes a disclosure in the report to the effect that the reliance was made on the basis of a review of the report of the other valuator and that no questions or concerns arose, or, if there were any, they were brought to the attention of the other valuator and have been resolved.

**5.** The valuator must comply with Standard No. MAF.S.7.3 - The determination of the soundness of the financial position of a medical aid fund for the purposes of section 353(3), for the purpose of certification.

**6.** The report required under section 353(3) of the Act must be certified by the valuator concerned and the certification must include:

- (a) the name and qualifications of the valuator;

- (b) the relationship of the valuator to the medical aid fund;
- (c) an outline of the matters the valuator has considered in making the certification;
- (d) a statement that the report is based on methods and assumptions that conform to generally accepted actuarial practices;
- (e) a statement that the report is based on data that the valuator considers to be accurate and complete;
- (f) the date by which contribution rates must be next reviewed if the report relates to rates of contributions; and
- (g) any additional information or qualification required in accordance with the professional code of conduct of the valuator.

**7.** The report of the valuator must include the following information in addition to that stipulated in clause 8:

- (a) the methods used and the assumptions made including, in the case of those assumptions having significant impacts on the results, a discussion of the basis for their selection or construction;
- (b) a discussion of the reliance made on the work of others (auditor, previous valuator if applicable, investment advisor, administrator);
- (c) a summary of the results of the valuation including, for each separate benefit option, solvency balance sheet showing the assets, liabilities and free capital of the fund;
- (d) the data sources used in the valuation and data checks performed on this data, including summary statistics on the valuation data;
- (e) in respect of the analysis of gains and losses, a discussion of their significance in terms of the adequacy or inadequacy of member contributions in relation to benefits; and
- (f) a discussion of the appropriateness of the investment portfolio of the fund in relation to the characteristics of the fund as to its liabilities for all benefits and expense outflows, including asset-liability matching.

**8.** The report of the valuator on the financial soundness of a medical aid fund must be structured in the following way:

- (a) **Report Identification:** This must include the name of the valuator and the valuator's qualifications, details of the relationship with the fund, the period of the investigation, the date of the report and a reference to the previous report where applicable;
- (b) **Background:** A general outline of the medical aid fund, benefits provided and membership including the fund structure, nature of business, details of membership trends, inflation and assumptions made and the business plan;
- (c) **Data:** A discussion of the data, details of different scenarios tested and a commentary on the adequacy of the data and a summary of reconciliations performed, including ratios by members, beneficiaries and dependents, and sensitivity analysis calculations as required by NAMFISA from time to time;
- (d) **Actual Financial Performance:** A summary of the actual financial performance of

the fund over the period of the investigation, and where the fund provides a range of benefits, the financial performance of the different classes of benefits must be considered separately, together with an analysis and discussion of expenses pertaining to administration, managed care and management;

- (e) Expenditure: Details of the calculations of both healthcare and non-healthcare expenditure of the fund;
  - (f) Investments and other Assets: Details of the investment policy of the fund, a summary of current investments and details of historical investment returns. The valuator must comment on the appropriateness of the investments with respect to obligations of the fund, and if they align to the investment policy and charter including whether all other applicable Standards and Regulations have been complied with;
  - (g) Financial Position: Details of the current financial position and an assessment of the minimum assets required for the fund to be financially sound in the opinion of the valuator, including a consideration of the adequacy of contribution rates and a discussion of the likely future financial position. The valuator must conduct an investigation into the solvency of the medical aid fund in accordance with Standard No. MAF.S.7.3 - The determination of the soundness of the financial position of a medical aid fund for the purposes of section 353(3); and
  - (h) Risk Management: A discussion of the key financial risks facing the fund, including membership risks, benefit risks, asset risks, operational risk, credit risk, contractual risk and risk transfer arrangements and expense risks.
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# **FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

## **MEDICAL AID FUNDS**

### **THE PROVISION BY MEDICAL AID FUNDS TO THEIR MEMBERS OF WRITTEN PROOF OF MEMBERSHIP, AND THE PARTICULARS SUCH PROOF MUST OR MAY CONTAIN**

#### **Standard No. MAF.S.7.7**

issued by NAMFISA under section 410(8)(t) of the Financial Institutions and Markets Act, 2021

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#### **Definitions**

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.

(2) Words and phrases defined in the Act, have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following, which are defined in section 321 of the Act-

- (a) dependant;
- (b) fund;
- (c) medical aid fund; and
- (d) member.

#### **Applicability**

2. This Standard applies to all medical aid funds registered under the Act.

#### **Requirements for proof of membership**

3. A medical aid fund must issue to each member, upon becoming a member, written proof of membership, containing, at a minimum, the following particulars:

- (a) the name of the medical aid fund;
- (b) the surname, first name and initials of the member and any dependants of the member;
- (c) the gender and identity number of the member and any dependants of the member;
- (d) the member’s membership number;
- (e) the day, month and year of birth of the member and any dependants of the member;
- (f) the date on which the member becomes entitled to benefits from the medical aid fund;
- (g) the date on which the member’s dependant(s) becomes entitled to benefits from the medical aid fund;
- (h) if applicable, details of waiting periods in relation to specific conditions;

- (i) if applicable, the fact that the rendering of a relevant health service is limited to a specific provider of the service or group or category of providers of the service;
- (j) if applicable, a reference to the benefit option to which a member is admitted and entitled; and
- (k) any other particulars that NAMFISA may, from time to time, require.

**4.** A medical aid fund must, within one month of the termination of membership or at any time at the request of any former member or any dependant of a former member, provide that member or dependant with a certificate, stating the period of cover and type of cover.

**5.** A medical aid fund must forward a copy of the certificate contemplated in clause 4 to any other medical aid fund to which a former member or dependant of a former member applies for membership, on request of that other medical aid fund.

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# FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

## MEDICAL AID FUNDS

### THE REQUIREMENTS FOR THE VOLUNTARY TERMINATION OR DISSOLUTION OF A MEDICAL AID FUND PURSUANT TO SECTION 358, AND IN THE CIRCUMSTANCES SPECIFIED IN ITS RULES

#### Standard No. MAF.S.7.8

issued by NAMFISA under section 410(8)(bb) of the Financial Institutions and Markets Act, 2021

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#### Definitions

1. (1) In this Standard -
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “Companies Act” means the Companies Act, 2004 (Act No. 28 of 2004);
  - (c) “final accounts” means the final revenues and expenses account and the final balance sheet; and
  - (d) “preliminary accounts” means the preliminary revenues and expenses account and the preliminary balance sheet.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:
  - (a) as defined in section 1 of the Act-
    - (i) medical aid fund;
    - (ii) NAMFISA;
    - (iii) principal officer; and
    - (iv) valuator;
  - (b) as defined in section 321 of the Act:
    - (i) board of trustees or board;
    - (ii) fund;
    - (iii) fund administrator;
    - (iv) member; and
    - (v) rules.

#### Applicability

2. This Standard applies to every medical aid fund registered under the Act, and to the board of trustees, fund administrator, if any, and principal officer of such medical aid fund and to a liquidator appointed under clause 11.

#### Requirements for voluntary dissolution

- 3.** The rules of a medical aid fund must provide procedures for the voluntary dissolution of the medical aid fund.
- 4.** A fund must dissolve, and its operations must be wound up, on the first to occur of the following events:
  - (a) an order of a court for the dissolution of the fund; or
  - (b) a decision taken by at least 75% of the members present at a general, special or extraordinary meeting in favour of the dissolution of the fund, following which the board must arrange for each member to vote by ballot pursuant to clauses 6 to 9.
- 5.** Subject to an evaluation of the particular circumstances and the rules of the fund, NAMFISA must determine whether a medical aid fund meets the requirements for voluntary dissolution.
- 6.** Following a decision by members pursuant to clause 4(b), the principal officer must, in consultation with NAMFISA, furnish every member with a memorandum containing the reasons for the proposed dissolution, together with a resolution to that effect as contemplated in clause 4(b) and a ballot paper.
- 7.** The memorandum and ballot paper referred to in clause 6 must be submitted to NAMFISA for approval before being sent to the members.
- 8.** Every member must be requested to return the ballot paper, duly completed, before a specified date, which date must not be later than three months days after the memorandum as contemplated in clause 6 is furnished to members.
- 9.** If at least 75 % of all members return their ballot papers, duly completed, and the majority of the 75% is in favour of the dissolution of the medical aid fund, the board must dissolve the fund.
- 10.** If two successive attempts to obtain a 75 % return of ballot papers fail, the board must refer the matter to NAMFISA for guidance.
- 11.** (1) If the majority of members have voted in favour of dissolution pursuant to clause 9, a liquidator from the list, referred to in clause 13, must be appointed for the fund –
  - (a) in the manner directed by the fund’s rules; or
  - (b) if the rules do not contain directions as to such appointment, by the board of the fund, provided that such appointment is subject to approval by NAMFISA.(2) The dissolution of the fund shall be regarded to commence on the date of the approval by NAMFISA of the appointment of the liquidator.
- 12.** A copy of the resolution by the members of the fund approving the dissolution of the fund and the remuneration of the liquidator must be submitted to NAMFISA and kept with the records of the fund.
- 13.** NAMFISA may maintain a list of persons approved by NAMFISA to act as liquidators of medical aid funds, the purpose of the list being to expedite the appointment of a liquidator by a fund and the approval of such appointment by NAMFISA.
- 14.** During the period of dissolution of the medical aid fund, the provisions of the Act shall continue to apply to the fund as if the liquidator is the board of the fund.

**15.** The liquidator must, as soon as possible but within three months from the date of the approval of his or her appointment, deposit with NAMFISA the preliminary accounts in the form of Schedule 1 (Forms A to C to this Standard), signed and certified by the liquidator as correct and showing the assets and liabilities of the fund at the date of commencement of the dissolution and the manner in which it is proposed to realise the assets and to discharge the liabilities, including any liabilities and contingent liabilities to or in respect of members.

**16.** The liquidator must discharge from the assets of the medical aid fund all of the debts, liabilities and obligations of the fund (including all expenses incurred in liquidating the fund) or otherwise make adequate provision for payment and discharge thereof, including, if the liquidator considers it necessary, the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine.

**17.** NAMFISA may, at its discretion and at its own cost, direct the liquidator to submit a report, drawn up by an independent valuator or other competent person nominated by NAMFISA, on the preliminary accounts referred to in clause 15.

**18.** The preliminary accounts and report (if any) referred to in clauses 15 and 17 must be open for inspection by members and other interested parties for a period of one month at the office of NAMFISA and at the principal office of the medical aid fund.

**19.** The liquidator must publish a notice, at the cost of the fund, in the Government Gazette and in a national or regional/local newspaper in the English language or, if the liquidator deems it necessary in the circumstances, in any other language, circulating in the district in which the principal office of the fund is situated, stating the period during which and the places at which the preliminary accounts and report (if any) shall be open for inspection by members and other interested persons, which period shall be one month as contemplated in clause 18.

**20.** The notice referred to in clause 19, must state that any member or other interested person who has any objection to the preliminary accounts and report (if any), may lodge their objections in writing with NAMFISA within a period stated in the notice, which period shall be one month calculated from the last day on which those documents are open for inspection.

**21.** The text of the notice referred to in clause 19 must be approved by NAMFISA prior to its publication.

**22.** If no objections are lodged with NAMFISA pursuant to clause 20, and NAMFISA is satisfied with the preliminary accounts, NAMFISA may direct the liquidator to complete the dissolution.

**23.** If objections are lodged with NAMFISA pursuant to clause 20, NAMFISA may, after considering the objections, direct the liquidator to amend the preliminary accounts or give such other directives relating to the dissolution as NAMFISA consider fit, provided such directives are not inconsistent with the rules of the fund, and any such directive shall be binding upon the liquidator.

**24.** The liquidator must forthwith, upon the receipt of any directive of NAMFISA pursuant to clause 23, send a copy of the directive to every member, beneficiary, shareholder (where applicable) and creditor of the fund if it is practically possible, else publish a notice of the directive, at the cost of the fund, in a national or regional/local newspaper in the English language or, if the liquidator deems it necessary in the circumstances, in any other language, and the liquidator or any person aggrieved by any such directive may appeal to the Appeal Board in terms of section 45 of the NAMFISA Act.



**25.** If NAMFISA is satisfied that its directives, in so far as they have not been varied or set aside by the Appeal Board, have been given effect by the liquidator, NAMFISA may direct the liquidator to complete the dissolution.

**26.** Not later than one month after completion of the dissolution, the liquidator must lodge with NAMFISA the final accounts in the form of Schedule 1 (Forms A to C of this Standard), signed and certified as correct by the liquidator and showing the assets and liabilities of the fund at the commencement of the dissolution and the manner in which the assets have been realised and the liabilities (including any liabilities and contingent liabilities to or in respect of members), have been discharged.

**27.** The provisions of the Companies Act relating to a voluntary winding-up, shall apply mutatis mutandis to the dissolution of a fund in accordance with this Standard.

**28.** All claims against the fund must be proved to the satisfaction of the liquidator, and the liquidator may require any claim to be made on affidavit.

**29.** If satisfied that the final accounts prepared by the liquidator in respect of the fund are correct and that the dissolution has been completed, NAMFISA must, subject to clause 34, cancel the registration of the fund and thereupon the fund must be regarded to be dissolved.

**30.** The provisions of this Standard shall not apply to a fund if the dissolution of the fund is a result of an amalgamation or transfer approved by NAMFISA pursuant to Part 8 of Chapter 10 of the Act.

**31.** In exercising its powers and functions under this Standard, NAMFISA may request any additional information not provided for in this Standard that NAMFISA considers necessary or desirable.

#### **Application to be listed on the list of approved liquidators for medical aid funds**

**32.** In order to be approved by NAMFISA to act as liquidator of a medical aid fund and added to the list referred to in clause 13, a person must submit an application to NAMFISA in the form of Schedule 2 (Form A).

#### **Application for approval of the appointment of a liquidator under clause 11**

**33.** Upon the appointment of a liquidator by a medical aid fund and the acceptance by the liquidator of the appointment, the following documents must be submitted to NAMFISA for purposes of approving the appointment of the liquidator:

- (a) an application in the form of Schedule 2, Form B, completed by the board of the fund;
- (b) an application in the form of Schedule 2, Form C completed by the appointed liquidator; and
- (c) a copy of the resolution by the members approving the dissolution of the fund.

#### **Application for cancellation of the registration of a fund pursuant to clause 29**

**34.** Before NAMFISA may cancel the registration of a fund pursuant to clause 29, the liquidator must submit an application to NAMFISA in the form of Schedule 2, Form D.

## **SUPPORTING SCHEDULES**

**The following supporting schedules are attached to and form part of this Standard:**

Schedule 1 -

FORM A: PRELIMINARY/FINAL DISSOLUTION ACCOUNTS

FORM B: PRELIMINARY/FINAL DISSOLUTION ACCOUNTS

FORM C: PRELIMINARY/FINAL DISSOLUTION ACCOUNTS

Schedule 2 -

FORM A: APPLICATION TO BE ADDED TO THE LIST OF LIQUIDATORS APPROVED BY NAMFISA TO ACT AS LIQUIDATORS OF FUNDS PURSUANT TO CLAUSE 13

FORM B: APPLICATION BY THE BOARD OF A FUND FOR THE APPROVAL OF THE APPOINTMENT OF A LIQUIDATOR PURSUANT TO CLAUSE 11

FORM C: APPLICATION BY THE LIQUIDATOR TO BE APPOINTED TO A FUND PURSUANT TO CLAUSE 11

FORM D: APPLICATION FOR THE CANCELLATION OF THE REGISTRATION OF A FUND PURSUANT TO CLAUSE 29

**SCHEDULE 1 (to Standard No. MAF.S.7.8)**

<b>FORM A</b>
<b>PRELIMINARY/FINAL DISSOLUTION ACCOUNTS pursuant to clause 15 and clause 26 of Standard No. MAF.S.7.8 made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)</b>

..... (name of fund)REGISTRATION NUMBER: 25/7/7/.....

Preliminary/Final Statement of Funds and Net Assets at the commencement of the dissolution as on ..... (date)

1	FUNDS		
1.1	ACCUMULATED FUNDS		.....
1.2	RESERVES		.....
1.2.1	(Specify)	.....	
1.2.2	(Specify)	.....	
1.2.3	(Specify)	<u>.....</u>	.....

TOTAL FUNDS AND RESERVES .....  
.....

2	FIXED ASSETS AND INVESTMENTS		
	.....		
2.1	FIXED ASSETS	.....	
2.2	INVESTMENTS	<u>.....</u>	
2.3	CURRENT ASSETS		
	.....		
2.3.1	Accounts receivable	.....	
2.3.2	Income accrued	.....	
2.3.3	Arrear contributions		
		.....	
2.3.4	Cash at bank		
2.3.5	Other (specify)	.....	.....

TOTAL ASSETS .....  
.....

3. LESS: LIABILITIES .....  
.....

3.1	LONG TERM LIABILITIES	.....	
3.1.1	(Specify)	.....	
3.1.2	(Specify)	.....	
3.2	CURRENT LIABILITIES	<u>.....</u>	
3.2.1	Contributions in advance	.....	
3.2.2	Accounts payable	.....	
3.2.3	Claims/Benefits due	.....	
3.2.4	Bank overdraft	.....	
3.2.5	Other (specify)	.....	_____
4.	NET ASSETS		_____
	Certified correct .....		(Liquidator)
	Date .....		

**SCHEDULE 1** (to Standard No. MAF.S.7.8)

<b>FORM B</b>
<b>PRELIMINARY/FINAL DISSOLUTION ACCOUNTS pursuant to clause 15 and clause 26 of Standard No. MAF.S.7.8 made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)</b>

..... (name of fund)

REGISTRATION NUMBER: 25/7/7/.....

Preliminary/Final Realisation Account at.....(date)

**1. RECEIPTS**

(Details of amounts realised by assets in accordance with the Preliminary/Final Statement of Funds and Net Assets as per Form A)

Description	Value as per statement	Realisable value
.....	.....	.....
.....	.....	.....
Other receipts		<u>.....</u>
.....		.....
.....		.....

**2. LESS: LIABILITIES**

(Details from the Preliminary/Final Statement of Funds and Net Assets in Form A)

Description		
.....	.....	
.....	.....	
.....	<u>.....</u>	<u>.....</u>

DISTRIBUTION ACCOUNT AS PER FORM C N\$ \_\_\_\_\_

Certified correct ..... (Liquidator)

Date .....

## SCHEDULE 1 (to Standard No. MAF.S.7.8)

<b>FORM C</b>
<b>PRELIMINARY/FINAL DISSOLUTION ACCOUNTS pursuant to clause 15 and clause 26 of Standard No. MAF.S.7.8 made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)</b>

..... (name of fund)REGISTRATION NUMBER: 25/7/7/.....

Preliminary/Final Distribution Account at.....(date)

**1. BASIS OF DISTRIBUTION:**

(Concise description of the basis of distribution to beneficiaries, with reference to the rule in terms of which the fund is being dissolved and the rule (if any) under which the distribution is being made. Particular reference must be made to the vested rights of savings plan members.)

**2. SCHEDULE OF DISTRIBUTION:**

PARTICULARS OF BENEFICIARIES				DATES OF MEMBERSHIP		PAYMENT
NR	SURNAME	INITIALS	ID NUMBER	COMMENCED	CEASED	N\$

<b>Total as per Preliminary/Final realisation account in Form B</b>	<b>N\$</b>
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Certified correct.....(Liquidator)  
Date .....

**SCHEDULE 2 (to Standard No. MAF.S.7.8)**

<b>FORM A</b>			
<b>APPLICATION TO BE ADDED TO THE LIST OF LIQUIDATORS APPROVED BY NAMFISA TO ACT AS LIQUIDATORS OF FUNDS pursuant to clause 13 of Standard No. MAF.S.7.8 made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)</b>			
I, hereby apply to be added to the list of liquidators approved by NAMFISA to perform dissolutions of funds, pursuant to clause 13 of Standard No. MAF.S.7.8			
1.	Surname:		
2.	Full Names		
3.	Identity / passport Number		
4.	Postal address:		
5.	Registered address ( <i>domiculum citandi et executandi</i> ) where documents and records will be kept in safe custody or where legal documents can be served:		
6.	Telephone number:		
7.	Cell phone number:		
8.	E-mail address:		
		<b>Yes/ No</b>	<b>Comments</b>
9.	Are you fully conversant with the provisions of the Act, Regulations and Standards as well as the relevant requirements, policies and procedures in respect of the dissolution of funds?		
10.	Have you ever been convicted of an offence resulting from dishonesty, fraud or embezzlement? If so, give details:		
11.	Has your estate ever been sequestrated or a business in which you had a financial interest been dissolved? Are you a rehabilitated insolvent? If so, kindly provide details.		
12.	Have you been involved as a controlling shareholder or director of a company or close corporation at the time it was placed under judicial management or in liquidation/dissolution?		
13.	Have you been subject to disciplinary proceedings by an employer or regulatory body? If so, kindly provide details.		
14.	Have you ever been barred from entry into any profession or occupation? If so, kindly provide details.		
15.	What experience have you had in the liquidation/dissolution of a medical aid fund or other financial institution? Describe		
<p>A copy of my Curriculum Vitae in relation to medical aid funds is attached hereto.</p> <p>I hereby certify that the abovementioned information is true, correct and complete and further undertake to advise NAMFISA of any important changes to the above information.</p> <p>I hereby agree that NAMFISA may perform reference checks and verification of qualifications, as well as require me to submit a police clearance certificate to NAMFISA.</p>			

<b>SIGNATURE OF APPLICANT</b>		<b>DATE</b>
<b>FULL NAMES IN BLOCK LETTERS</b>		



**SCHEDULE 2 (to Standard No. MAF.S.7.8)**

<b>FORM B</b>			
<b>APPLICATION BY THE BOARD OF A FUND FOR THE APPROVAL OF THE APPOINTMENT OF A LIQUIDATOR pursuant to clause 11 of Standard No. MAF.S.7.8 made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)</b>			
Name of Fund:			
Fund Registration Number:			
Rule Reference number:			
Full Name of Liquidator:			
Identity / passport number of Liquidator:			
		<b>Yes /No</b>	<b>Comments</b>
1.	Are the rules and all rule amendments, in respect of the fund submitted?		
2.	Are all transfers (if any) in respect of the fund until the date of appointment of the Liquidator approved?		
3.	Are all valuation reports submitted?		
4.	Are all financial statements submitted?		
5.	Are there any arrear contributions outstanding?		
6.	Are there any outstanding tax liabilities?		
8.	What is the average benefit per member of the fund as at date of the application?		
9.	What is the number of members participating in the fund as at date of the application?		
10.	What is the total value of the assets of the fund as at date of the application?		
Kindly provide any additional information, of which you are aware and which may be of assistance to NAMFISA: ..... .....			
We, the board of the Fund hereby confirm that we have considered the fit and proper requirements in connection with the Liquidator and confirm that we are satisfied with such appointment.			
<b>SIGNATURE OF CHAIRPERSON</b>		<b>SIGNATURE OF BOARD MEMBER</b>	
<b>FULL NAMES IN BLOCK LETTERS</b>		<b>FULL NAMES IN BLOCK LETTERS</b>	
<b>DATE</b>		<b>DATE</b>	

<b>SIGNATURE OF PRINCIPAL OFFICER</b>		
<b>FULL NAMES IN BLOCK LETTERS</b>		
DATE		

**Note:** The duly signed board resolution by a properly constituted board of trustees must be attached hereto.

**SCHEDULE 2 (to Standard No. MAF.S.7.8)**

<b>FORM C</b>		
<b>APPLICATION BY THE LIQUIDATOR TO BE APPOINTED TO A FUND</b> pursuant to clause 11 of Standard No. MAF.S.7.8 made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)		
Name of Fund:		
Fund Registration Number:		
Full Names of Liquidator:		
Identity / passport number of Liquidator:		
1.	I have not been involved in the management, administration, valuation or auditing of the above-mentioned Fund, except for the following (where applicable): ..... .....	
2.	My appointment would not cause any conflict of interest in performing my duties as Liquidator of the Fund, except for the following (where applicable): ..... .....	
3.	I am aware of the provisions of clause 14 of Standard No. MAF.S.7.8 whereby I will be appointed in my personal capacity and will take responsibility for the Fund in the place of the board of the Fund and undertake to safeguard the assets of the Fund;	
4.	I will discharge my duty to the best of my ability and act in the best interest of members of the Fund;	
5.	All information previously provided and my declaration made in respect of my application to be added to the list of liquidators approved by NAMFISA to act as liquidators of funds (Form A) have/has not materially changed. Provide details in respect of any material changes: ..... .....	
I hereby confirm that the abovementioned information is true, correct and complete and further undertake to inform NAMFISA about any important changes to the above information. ..... .....		
<b>LIQUIDATOR AS APPLICANT</b>		<b>FULL NAMES IN BLOCK LETTERS</b>
<b>DATE</b>		

**SCHEDULE 2 (to Standard No. MAF.S.7.8)**

<b>FORM D</b>		
<b>APPLICATION FOR CANCELLATION OF REGISTRATION OF THE FUND</b> pursuant to clause 29 of Standard No. MAF.S.7.8 made under the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)		
Name of Fund:		
Fund Registration Number:		
Full Names of Liquidator:		
Identity / passport number of Liquidator:		
Name of Administrator		
I, hereby declare that all benefits have been paid in terms of the dissolution accounts and that there are no members, assets or liabilities remaining in the fund and the Fund ceased to exist on ..... / ..... / 20.....		
I hereby declare that the abovementioned is true and correct.		
<b>SIGNATURE OF APPROVED LIQUIDATOR / ADMINISTRATOR</b>		<b>FULL NAMES IN BLOCK LETTERS</b>
<b>DATE</b>		

# FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

## MEDICAL AID FUNDS

### REQUIREMENTS FOR THE REPORT OF THE VALUATOR OF A MEDICAL AID FUND WITH RESPECT TO THE CURRENT FINANCIAL POSITION OF THE FUND AND ITS PROJECTED FINANCIAL SOUNDNESS

#### Standard No. MAF.S.7.10

issued by NAMFISA under section 410(8)(g) of the Financial Institutions and Markets Act, 2021

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#### Definitions

1. (1) In this Standard –
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act; and
  - (b) “IBNR” in relation to claims against a medical aid fund means claims Incurred But Not Reported.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:
  - (a) “valuator” as defined in section 1 of the Act;
  - (b) as defined in section 321 of the Act -
    - (i) fund;
    - (ii) medical aid fund; and
    - (iii) rules.

#### Applicability

2. This Standard applies to all medical aid funds registered under the Act.

#### Reporting requirements

3. The valuator must adhere to the following reporting requirements with respect to its report regarding the financial position of the fund:
  - (a) the report must specify the medical aid fund and the purpose of the report and it must include:
    - (i) sources of data and outcome of reasonability checks;
    - (ii) analysis of data and experience;
    - (iii) discussion on the benefit structure of the fund;
    - (iv) analysis of the membership profile and growth;
    - (v) assumptions employed, as well as how each of the major assumptions were derived;

- (vi) if pricing is defined to be on a breakeven basis, it must be disclosed explicitly; and
- (vii) whether pricing is on the basis of current membership and/or to maintain reserving level in accordance with the specified reserving strategy;
- (b) discussion on the benefit changes or scenarios considered by the fund, especially where these were recommended by the valuator;
- (c) analysis of adequacy and sustainability of contributions;
- (d) impact on solvency;
- (e) identification of risk areas (sensitivity tests);
- (f) disclosure of discounts/rebates and risk loadings and how these were derived; and
- (g) actuarial opinions and recommendations, including, where the contributions decided by the fund would not result in an adequate level of funding, the valuator needs to highlight that higher than usual contributions or benefit reductions will likely be required in future years.

**4.** The valuator of a medical aid fund must present the current financial position of the fund and its projected financial soundness going forward, which must include, but is not limited to-

- (a) data sources and validation conducted;
- (b) a list of the assumptions used;
- (c) the reasoning behind the assumptions used;
- (d) how and why deviations in the assumptions and data were or were not allowed for;
- (e) the methodology used, including any changes that have occurred since the previous valuation;
- (f) the reasoning behind the process and method chosen as well as quantification of results; and
- (g) the details around the sensitivity analysis performed.

**5.** The valuator must consider which aspects are material to the interpretation of the IBNR valuation and disclose these aspects in his or her final report.

**6.** The valuator must perform a sensitivity analysis to indicate to the medical aid fund the possible variations in the IBNR provision should actual experience turn out different to the original assumptions, by –

- (a) identifying the likelihood or probability that the IBNR will be sufficient and by explaining the reasons why, or the events that could occur to cause the IBNR to be insufficient;
  - (b) changing the IBNR assumptions, parameters and the IBNR method of calculation itself, so as to ascertain the sensitivity of the IBNR provision; and
  - (c) commenting on trends and their impact as part of the sensitivity analysis.
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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**  
**MEDICAL AID FUNDS**  
**MINIMUM NUMBER OF MEMBERS OF A MEDICAL AID FUND**

**Standard No. MAF.S.7.11**

issued by NAMFISA under section 410(8)(i) of the Financial Institutions and Markets Act,  
2021

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**Definitions**

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following as defined in section 321 of the Act –

- (a) beneficiary;
- (b) dependant;
- (c) fund;
- (d) medical aid fund; and
- (e) member.

**Applicability**

2. This Standard applies to all medical aid funds registered under the Act.

**Minimum number of members**

3. A medical aid fund must maintain a sufficient number of members to ensure that it can maintain its business in a financially sound manner by -

- (a) having assets which are sufficient to meet current liabilities;
- (b) providing for the fund’s present and ongoing liabilities; and
- (c) continuing to maintain the required statutory reserve and solvency requirements, as may be prescribed by NAMFISA from time to time.

4. NAMFISA may require the following additional information in the form of a valuator’s report, at intervals determined by NAMFISA -

- (a) certification by the valuator that the number of members is sufficient to meet the requirements of clause 3; and
  - (b) a statistical analysis showing the membership at present level and how it supports the required level of income, cashflow and assets to meet its liabilities (for long-term sustainability and financial soundness), to enable NAMFISA to monitor the growth and the financial stability of the fund.
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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

**MEDICAL AID FUNDS**

**REQUIREMENTS FOR THE ANNUAL REPORT OF A MEDICAL AID FUND**

**Standard No. MAF.S.7.12**

issued by NAMFISA under section 410(8)(m) of the Financial Institutions and Markets Act,  
2021

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**Definitions**

1. (1) In this Standard –
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “NAMFISA ERS” means the Electronic Regulatory System which facilitates communication between NAMFISA and financial institutions; and
  - (c) “pensioner” means members older than 60 years of age as at their last birthday, and “retired member” will have the same meaning.
- (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 as defined in section 321 of the Act -
  - (a) board of trustees;
  - (b) fund;
  - (c) fund administrator;
  - (d) medical aid fund; and
  - (e) rules.

**Applicability**

2. This Standard applies to all medical aid funds registered under the Act.

**Annual report**

3. The annual report of a medical aid fund to NAMFISA must be in the form similar to the Schedule to this Standard and must -
  - (a) be prepared by or under the supervision of the board, approved by the chairperson of the board of the medical aid fund and submitted electronically to NAMFISA on the NAMFISA ERS, together with the annual financial statements; and
  - (b) include the following, insofar as the following is not already included in the annual financial statements of the fund:
    - (i) a high-level summary of the activities of the board during the year under review;
    - (ii) a summary of all actions of a legal nature to which the fund was a party, or a statement that there are none to report;



- (iii) a summary of any amendments to the rules of the fund made during the year under review;
- (iv) a summary of all policies of the fund that have been documented and approved by the board and that are in force (e.g., investment policy, funding policy, risk management policy, administrative policy etc.) and of any material changes to those policies during the year under review;
- (v) a summary of the key financial data reported on by the auditor and a commentary on the results of the fund's operations during the year under review (contributions received, investment income accrued, gross and net rate of return earned on the fund's portfolio, benefits paid, net increase or decrease in the fund);
- (vi) a brief analysis of the fund's gains and losses during the year under review;
- (vii) a summary of the changes in the fund's membership (principal members, dependants and retired members/pensioners) during the year under review;
- (viii) a high-level summary of the fund's administrative activities during the year under review;
- (ix) a description of any special events that occurred during the year (e.g. mergers or sales of business that impacted the fund, discontinuation of business segments producing partial fund termination);
- (x) financial ratios relating to the statement of financial position;
- (xi) financial ratios relating to the consolidated statement of comprehensive income;
- (xii) notes to the management accounts/annual financial statements; and
- (xiii) detailed investment schedule, including compliance testing of the investments held related to the allowable investment types.

**4.** A copy of the management report findings by the auditors of the medical aid fund must separately be submitted to NAMFISA within three months of the medical aid fund's financial year-end.

**5.** Where necessary and when so directed by NAMFISA, the medical aid fund must submit specified documentation relating to this Standard manually to NAMFISA.

### **SUPPORTING SCHEDULE**

**The following supporting schedule is attached to and form part of this Standard:**

Schedule: FORM OF AN ANNUAL REPORT OF A MEDICAL AID FUND

**SCHEDULE** (to Standard No. MAF.S.7.12)

**FORM OF AN ANNUAL REPORT OF A MEDICAL AID FUND**

**1. Introduction**

This guideline is intended to provide a general idea of what an Annual report of a Medical Aid Fund should entail. It should be noted that the Annual report of a Medical Aid Fund prepared by the administrator or the Board of Trustees do not have to precisely match this guideline. Nevertheless, all due care should be taken when preparing the Annual report of a Medical Aid Fund to ensure that sufficient and relevant information is provided to the users of the Annual report of a Medical Aid Fund.

Supporting schedules such investment compliance can be a separate attachment to the Annual report of a Medical Aid Fund

**2. Executive summary**

The executive summary should provide a broad overview of the fund's operations. It should relay pertinent information in order to afford the members and stakeholders a clear view of what occurred during the annual period under review.

**3. Statement of Financial Position**

**As at dd/mm/yyyy**

	Current year		Previous year
	Actual	Budget	Actual
<b>ASSETS</b>			
Non-current assets			
Property, plant & equipment (specify)			
Investment property			
Investments			
Other non-current assets (specify)			
Current assets			
Inventories			
Trade and other receivables			
Investments			
Cash and cash equivalents			
Medical savings and other trust assets			
Other current assets (specify)			
Total assets			
<b>FUNDS AND LIABILITIES</b>			
Members' Funds			
Accumulated funds			
Revaluation reserve - investments			

Revaluation reserve - property, plant & equipment (if applicable)			
Reserves set aside for specific purposes (specify)			
Other reserves (specify)			
Non-current liabilities			
Borrowings			
Other non-current liabilities (specify)			
Current liabilities			
Outstanding claims provision			
Trade and other payables			
Other current liabilities (specify)			
Medical savings and other trust liabilities			
Total funds and liabilities			

**4. Ratios - Statement of Financial Position**  
**As at dd/mm/yyyy**

	Current year		Previous year
	Actual	Budget	Actual
Accumulated reserves as a % of annualised gross contributions (solvency ratio)			
Total assets: total liabilities (norm 2:1)			
Current assets/ current liabilities (norm 1:1)			
Average trade and other receivables days outstanding (Outstanding trade and other receivables / annualised gross contribution * no of days)			
Average trade and other payables days outstanding (Outstanding trade and other payables / annualised risk claims incurred * no of days)			
Claims paying ability (Cash & cash equivalents + short term investments) / (gross claims)* no of months)			
Reserves per member			
Under)/ Over provision of IBNR as a % of IBNR			

**NB:** The above ratios are illustrative only. The fund must use ratios which are suitable for their circumstances.

## 5. Consolidated Statement of Comprehensive Income

For the period ended dd/mm/yyyy	Current year		Previous year	
	Actual	Budget	Actual YTD	Full year
<b>Risk contribution income</b>				
Relevant healthcare expenditure				
Net claims incurred				
Risk claims incurred				
Third party claims recoveries				
Net income/expense on risk transfer arrangements				
Risk transfer arrangement fees/ premiums paid				
Recoveries from risk transfer arrangements				
Profit/ (loss) share arising from risk transfer arrangements				
Gross healthcare result				
Net income/ (expense) on commercial reinsurance (If appropriate)				
Commercial reinsurance premiums paid				
Recoveries from commercial reinsurance				
Profit/ (loss) share arising from commercial reinsurance				
Managed care: management services				
Broker service fees( If appropriate)				
Administration expenses				
Net impairment losses on healthcare receivables				
Net healthcare result				
Other income				
Investment income				
Income from use of own facilities by external parties				
Sundry income				
Other expenditure				
Asset management fees				
Cost incurred in provision of own facilities to external parties				
Interest paid on medical savings accounts				
Sundry expenses				
Net surplus/ (deficit ) for the year				
Other comprehensive income				
Fair value adjustment on available for sale investments				
Reclassification adjustment*				
Land and buildings revaluation				
Total comprehensive income for the year				

\*The reclassification adjustment relates to gain/loss on sale of available-for-sale investments which is taken to the statement of comprehensive income within "Investment income"

**Note:** Any other individual line items are to be disclosed separately on the face of the statement of comprehensive income and not in sundry income or expense, following the same ‘by function’ classification.

**6. Ratios – Consolidated Statement of Comprehensive Income**

**For the period ended dd/mm/yyyy**

**7. Monthly Cash Flow Statement (Full Annual Year By Month)**

	<b>Total Year</b>
Cash flows from operating activities	
Cash receipts from members	
Cash paid to providers and members	
Cash generated from operations	
Interest paid	
Other (specify)	
Net cash from/(used in) in operating activities	
Cash flows from investing activities	
Purchase of property, plant and equipment	
Proceeds from disposal of property, plant	
Purchase of investment property	
Proceeds on disposal of investment property	
Purchase of investments	
Proceeds on disposal of investments	
Interest received	
Dividend received	
Rentals received	
Other (specify)	
Net cash from/(used in) in investing activities	
Cash flows from financing activities	
(Repayments)/increase in borrowings	
Other (specify)	
Net cash from/(used in) in financing activities	
Net increase in cash and cash equivalents	
Cash and cash equivalents at the beginning of the period	

Cash and cash equivalents at the end of the period	

**Note:** It will add value if this schedule could be compared to the previous year's forecast, or a separate forecast schedule.

## 8. Statement of Changes in Members' Funds

For the period ended dd/mm/yyyy

	Accumulated funds	Available for sale financial assets	Revaluation reserve investments	Revaluation reserves (PPE)	Reserves set aside for specific purposes	Other reserves	Total members funds
	NS'000	NS'000	NS'000	NS'000	NS'000	NS'000	NS'000
Balance at the beginning of the period (1 January yyyy)							
– As previously reported							
– Prior period adjustment							
Total comprehensive income							
Transfer to/(from) accumulated funds							
– Due to amalgamation							
– Due to re-measurement							
– Other transfers							
Transfer (to)/from reserves							
Other (specify)							
Balance at the end of the period							

**9. Periodic Consolidated Statement of COMPREHENSIVE INCOME (may not be required)**

<b>For the period ended dd/mm/yyyy</b>	<b>Q1 NS'000</b>	<b>Q2 NS'000</b>	<b>Q3 NS'000</b>	<b>Q4 NS'000</b>	<b>Actual Year NS'000</b>	<b>Budget Year NS'000</b>
Risk contribution income						
Relevant healthcare expenditure						
Net claims incurred						
Risk claims incurred						
Third party claims recoveries						
Net income/expense on risk transfer arrangements						
Risk transfer arrangement fees/premiums paid						
Recoveries from risk transfer arrangements						
Profit/ (loss) share arising from risk transfer arrangements						
Gross healthcare result						
Net income/ (expense) on commercial reinsurance (If appropriate)						
Commercial reinsurance premiums paid						
Recoveries from commercial reinsurance						
Profit/ (loss) share arising from commercial reinsurance						
Managed care: management services						
Broker service fees ( If appropriate)						
Administration expenses						
Net impairment losses on healthcare receivables						
Net healthcare result						
Other income						
Investment income						
Income from use of own facilities by external parties						
Sundry income						

<b>Other expenditure</b>						
Asset management fees						
Cost incurred in provision of own facilities to external parties						
Interest paid on medical savings accounts						
Sundry expenses						
Net surplus/ (deficit ) for the year						
Other comprehensive income						
Fair value adjustment on available for sale investments						
Reclassification adjustment*						
Land and buildings revaluation						
<b>Total comprehensive income for the year</b>						

\*The reclassification adjustment relates to gain/loss on sale of available-for-sale investments which is taken to the statement of comprehensive income within “Investment income”.

**Note:** Any other individual line items are to be disclosed separately on the face of the statement of comprehensive income and not in sundry income or expense, following the same ‘by function’ classification.

This schedule can also be done by quarters or for the full 12 months by month.

#### 10. Periodic Statement of Comprehensive Income PER OPTION (may not be required)

<b>For the period ended dd/mm/yyyy Provide information for every fund option.</b>	<b>Q1 NS'000</b>	<b>Q2 NS'000</b>	<b>Q3 NS'000</b>	<b>Q4 NS'000</b>	<b>Actual Year NS'000 0</b>	<b>Budget Year NS'000</b>
Risk contribution income						
Relevant healthcare expenditure						
Net claims incurred						
Risk claims incurred						
Third party claims recoveries						
Net income/expense on risk transfer arrangements						
Risk transfer arrangement fees/premiums paid						
Recoveries from risk transfer arrangements						
Profit/ (loss) share arising from risk transfer arrangements						
Gross healthcare result						
Net income/ (expense) on commercial reinsurance (if						



appropriate)						
Commercial reinsurance premiums paid						
Recoveries from commercial reinsurance						
Profit/ (loss) share arising from commercial reinsurance						
Managed care: management services						
Broker service fees (if appropriate)						
Administration expenses						
Net impairment losses on healthcare receivables						
Net healthcare result						
Other income						
Investment income						
Income from use of own facilities by external parties						
Sundry income						
Other expenditure						
Asset management fees						
Cost incurred in provision of own facilities to external parties						
Interest paid on medical savings accounts						
Sundry expenses						
Net surplus/ (deficit) for the year						
Other comprehensive income						
Fair value adjustment on available for sale investments						
Reclassification adjustment*						
Land and buildings revaluation						
<b>Total comprehensive income for the year</b>						

\*The reclassification adjustment relates to gain/loss on sale of available-for-sale investments which is taken to the statement of comprehensive income within "Investment income".

**Note:** Any other individual line items are to be disclosed separately on the face of the statement of comprehensive income and not in sundry income or expense, following the same 'by function' classification.

**11. Ratios – Periodic Statement of Comprehensive Income PER OPTION For the period ended dd/mm/yyyy**

**Provide information for every option for the full period**

	Current year		Previous year	
	Actual NS'000	Budget NS'000	Actual NS'000	Budget NS'000
NUMBER OF:				
Members				
Dependants				
Beneficiaries				
Average members				
Average beneficiaries				
Average age				
Pensioner ratio				
Family size				
RATIOS				
Gross contributions per average beneficiary per month				
Risk contribution income per average beneficiary per month				
Net relevant healthcare expenditure incurred per average beneficiary per month				
Non-healthcare expenditure per average beneficiary per month				
Administration expenses per average beneficiary per month				
Net relevant healthcare expenditure incurred as % of risk contribution income				
Non-healthcare expenditure as % of risk contribution income				
Administration expenses as a % of risk contribution income				
Net surplus/(deficit) for the year as % of risk contribution income				
Investment income as % of risk contribution income				
(Under)/over provision of IBNR as a % of IBNR				

**12. Variances**

A brief explanation must be given for the major differences between actual and budgeted figures on a consolidated and per option level.

An explanation is preferable for all variances of more than 10%.

**13. Graphs and Tables**

Graphs and tables are suggested to enable users of the statements, especially NAMFISA,

members and trustees, to distinguish at a glance the most important performance and statistical indicators.

Most of these indicators will appear in the financial statements, this annual report, notes or ratios, but they are easier to summarise and understand when it is presented graphically.

It might be useful to compare the monthly and cumulative figures and ratios with not only the previous period, but also with the budget.

The following list is not exhaustive and is merely an example of what could be presented in the monthly management accounts to ensure that the Board of Trustees is making informed decisions. They are recorded in the sections above of the annual report of the fund:

### **Membership**

- The average age and pensioner ratio of beneficiaries per benefit option.
- The chronic distribution of beneficiaries.
- Analysis of member movement (e.g., reason(s) given by members for leaving the fund: death, new employment, etc.).
- A graph depicting the number of members per month for current year, previous year and budget.

### **Non-healthcare expenditure**

- A graph of the total non-healthcare expenditure as a percentage of risk contribution income per month.
- A graph of the non-healthcare expenses per average beneficiary per month.
- Details on contractual administration and managed care: managed services fees payable.

### **Underwriting performance**

- A graph of the total contributions per member per month, compared to benefit costs per member per month. A moving 12-month average can also be depicted.
- A graph of claims paid as a percentage of risk contribution income per month. This must also be compared with previous periods. This could also be depicted on a per member per month basis.
- A graph of the operating results as a percentage of risk contribution income.

### **Claims/benefits**

- A pie chart of benefits paid by category i.e., hospitals, medicines, specialists etc. A comparison with previous periods and other funds or industry averages, if available, is useful.
- A list of the highest claims by category, compared to previous periods.
- A table of the average claims cost per member, by category of service, compared to previous periods.
- Analysis of claims paid aged over service dates. For each month's claims paid indicate the percentage of previous month's claims paid in current month, as well as the percentage claims paid relating to the current month.
- Comparison of actual claims paid with the monthly IBNR provision.

- Chronic utilisation of beneficiaries.

## Other indicators

### 14. Detailed investment schedule

This can be a separate schedule.

The investment schedule must be completed per individual investment. It is important to provide the market values of all the underlying assets of all policies of insurance and collective investment funds (i.e., unit trust, wrap funds, funds of funds etc.).

Institution	Type Of Investment	Date Invested	Interest Rate	Opening Balance at Market Value	Dividends & Interest Capitalised	Market Value Adjustment	Closing Balance at Market Value

### 15. Annexure covering compliance testing in terms of Standard No. MAF.S.7.3 and Regulation No. MAF.R.7.2

The schedule below needs to be completed to ensure that the limitations on assets as per Annexure B are being complied with.

Annexure B item	Category or kinds of asset Reflect each of the asset classes as defined in the appropriate Standard	Description	Market value (R)	% Market value	Maximum % of aggregate fair value of liabilities and the minimum accumulated funds to be maintained in terms of Standard MAF.S.7.3 and Regulation MAF.R.7.2	Comment (i.e., compliant/ Non-compliant. If non-compliant state reasons).

Explanatory notes and conditions covering compliance testing: These notes must align to the Standard covering the kinds of asset types allowed and the required limitation on the % allowed too in the appropriate Standard and regulations applicable.

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# FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

## MEDICAL AID FUNDS

### THE PERIOD FOR GENERAL AND CONDITION-SPECIFIC WAITING PERIODS AND OTHER PERIODS REFERRED TO IN SECTION 354

#### Standard No. MAF.S.7.13

issued by NAMFISA under sections 354 and 410(8)(s) of the Financial Institutions and Markets Act, 2021

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#### Definitions

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following as defined in section 321 of the Act -

- (a) beneficiary;
- (b) condition-specific waiting period;
- (c) dependent;
- (d) fund;
- (e) general waiting period; and
- (f) medical aid fund.

#### Applicability

2. This Standard applies to all medical aid funds registered under the Act.

#### Waiting periods

3. A medical aid fund may impose upon a person in respect of whom an application is made for membership or admission as a dependant, and who was not a member or a beneficiary of a medical aid fund for a period of at least three months preceding the date of application –

- (a) a general waiting period of up to three months; and
- (b) a condition-specific waiting period of up to 12 months.

4. A medical aid fund may impose upon any person in respect of whom an application is made for membership or admission as a dependant, and who was previously a member or a beneficiary of a medical aid fund for a continuous period of up to 24 months,

terminating less than three months immediately prior to the date of application, a condition-specific waiting period of up to 12 months, except in respect of any treatment or diagnostic procedures for which the former medical aid fund has imposed a waiting period and such waiting period had not expired at the time of termination, in which case a condition-specific waiting period for the unexpired duration of such waiting period imposed by the former medical aid fund may be imposed.

**5.** A medical aid fund may impose upon any person in respect of whom an application is made for membership or admission as a dependant, and who was previously a member or a beneficiary of a medical aid fund for a continuous period of more than 24 months, terminating less than three months immediately prior to the date of application, a general waiting period of up to three months, except in respect of any treatment or diagnostic procedures for which the former medical aid fund has imposed a waiting period and such waiting period had not expired at the time of termination, in which case a general waiting period for the unexpired duration of such waiting period imposed by the former medical aid fund may be imposed.

**6.** A medical aid fund may require an applicant to provide the medical aid fund with a medical report in respect of any proposed beneficiary only in respect of a condition for which medical advice, diagnosis, care or treatment was recommended or received within the preceding 12 month period ending on the date on which an application for membership was made.

**7.** If a medical aid fund requires a medical report to be provided to it by an applicant in terms of clause 6, the medical aid fund shall pay to the applicant or relevant health care provider the costs of any medical tests or examinations required by the medical aid fund for the purposes of compilation of this report.

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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

**MEDICAL AID FUNDS**

**MANNER AND FORM OF APPLICATION FOR REGISTRATION OF A  
MEDICAL AID FUND**

**Standard No. MAF.S.7.14**

issued by NAMFISA under section 326(2)(a) of the Financial Institutions and Markets Act,  
2021

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**Definitions**

1. (1) In this Standard –
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “key person” means any person responsible for managing or overseeing, either alone or together with another responsible person, the activities of a financial institution or financial intermediary relating to the rendering of the financial services, and includes those individuals or other entities holding more than 20% of the financial institution or financial intermediary’s voting rights; and
  - (c) “NAMFISA ERS” means the Electronic Regulatory System that facilitates communication between NAMFISA and financial institutions or financial intermediaries.
- (2) Words and phrases defined in the Act have the same meaning in this Standard unless the context indicates otherwise, including without limitation, the following -
  - (a) as defined in section 1 of the Act -
    - (i) auditor;
    - (ii) NAMFISA;
    - (iii) principal officer;
    - (iv) medical aid fund;
    - (v) valuator;
  - (b) as defined in section 321 of the Act –
    - (i) board;
    - (ii) fund;
    - (iii) fund administrator;
    - (iv) rules; and
    - (v) sponsor.

**Applicability**

2. This Standard applies to all medical aid funds and to their boards, principal

officers, sponsors and fund administrators.

### **Requirements for application of registration**

**3.** An application for registration of a medical aid fund must consist of a duly completed application form, in the form of the Schedule to this Standard, duly signed by the board in the case of an existing fund, or by the interim board in the case of any other fund.

**4.** In addition to the application form referred to in clause 3, an application for registration must be accompanied by -

- (a) one original set and one copy of the rules of the fund duly certified by the chairperson of the board/interim board as well as an additional board member as being the rules which will become effective on the date of registration of the fund or the date of commencement of operations of the fund, whichever is the later;
- (b) an original certificate by the valuator as to the financial soundness of the rules, which certificate must state the name, physical address, certified professional qualifications and experience of the valuator, including certified copies of the valuator's qualifications and his/her curriculum vitae;
- (c) a copy of a document (for example a copy of the resolution of the directors of the sponsor) to indicate the authority in terms of which the fund is established; and
- (d) proof of payment of the prescribed registration/application fee;
- (e) the documents referred to in section B of the Schedule to this Standard;
- (f) the relevant completed parts and other information required pursuant to Standard No. GEN.S.10.2 – Fit and Proper Requirements, and Standard No. GEN.S.10.8 - The independence of directors, members of a board, trustees, custodians, auditors and valutors and any other person required to be independent under the Act; and
- (g) any other document and information that may be requested by NAMFISA as provided for in the Act.

**5.** (1) An application, incomplete in all respects and not conforming to the instructions specified in the Schedule, may be rejected on the basis of being non-compliant with this Standard.

(2) In instances where the application is deemed incomplete, NAMFISA must give the applicant the opportunity to provide the required information to complete the application. The required information must be provided within the period of seven days, or such other period stipulated or agreed to by NAMFISA, failing which the application shall be rejected.

**6.** Nothing shall prevent NAMFISA from seeking further or additional information or documents as may be reasonably necessary for processing of the application for registration.

**7.** The applicant or its duly authorised representative may, if so required, be called to appear before NAMFISA for a personal representation in connection with the application.

### **Submission**

**8.** (1) An application must be signed by the principal officer or a duly authorised representative of the applicant and submitted electronically to NAMFISA on the NAMFISA ERS.



(2) Where necessary and when so directed by NAMFISA, the applicant must submit specified documentation manually to NAMFISA.

### **SUPPORTING SCHEDULE**

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

Schedule: APPLICATION FOR THE REGISTRATION OF A MEDICAL AID FUND

**SCHEDULE** (to Standard No. MAF.S.7.14)

**APPLICATION FOR THE REGISTRATION OF A MEDICAL AID FUND**

**In terms of section 326 of the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021)**

**Section A. General Information**

1. I, \_\_\_\_\_ (full name of authorised representative of fund) hereby apply for the registration of \_\_\_\_\_ as a medical aid fund.

2. It is intended that -

(a) The Principal Officer will be:

\_\_\_\_\_  
(full names)

(b) The ID/Passport number of the of the Principal Officer:

\_\_\_\_\_

(c) The physical address of the Principal Officer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(d) The contact details of the Principal Officer:

\_\_\_\_\_  
\_\_\_\_\_

(e) The principal office of the fund:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(full physical address)

(f) The postal address of the fund:

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(g) The name and contact details of the proposed administrator (if applicable):

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(h) The name and contact details of the proposed auditor:

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Name of professional regulatory body: \_\_\_\_\_

Membership No.: \_\_\_\_\_

(i) The name and contact details of the appointed valuator:

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<b>Section B. Attachments</b>
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**Kindly confirm the attachment of documents by marking the appropriate box with an “X”.**

		Attached	Comment
<b>PROPOSED SOCIETY INFORMATION</b>			
(a)	Two copies of the proposed rules of the fund;		
(b)	The date on which the fund will come into operation;		
(c)	Full details of those who will be participating employers of the fund (if applicable);		
(d)	Number of members who will immediately join the fund upon registration;		
(e)	Code of conduct for the members of the Board of		

	Trustees;		
<b>INTERIM BOARD OF TRUSTEES INFORMATION</b>			
(f)	Two copies of the Interim Board of Trustees resolution for the establishment of the fund;		
(g)	Full details of the proposed interim trustees;		
(h)	Completed disclosure of interest report by the proposed interim trustees;		
(i)	Relevant completed parts and other information required pursuant to Standard No. GEN.S.10.2 - Fit and Proper Requirements, form for each trustee;		
<b>PRINCIPAL OFFICER INFORMATION</b>			
(j)	The proposed interim Board of Trustees resolution approving the appointment of the principal officer;		
(k)	Proof of Namibian citizenship or permanent residence of principal officer;		
(l)	Relevant completed parts and other information required pursuant to Standard No. GEN.S.10.2 - Fit and Proper Requirements;		
<b>THIRD PARTY INFORMATION</b>			
(m)	A copy of the Valuator's Certificate of financial soundness of the rules;		
(n)	Copy of the proposed administration agreement between the fund and the administrator (if applicable);		
(o)	Copy of any other agreements between the fund and any other party (benefit consultant, valuator, auditor, investment manager) (if applicable); and		
<b>REGULATORY REQUIREMENTS</b>			
(p)	Proof of payment of the prescribed application fee.		

### **SIGNATURES OF BOARD / INTERIM BOARD**

By signing the document, we confirm that all the information contained in this application is true and correct and can be relied upon and we have disclosed all necessary material information that may be required by NAMFISA.

<b>Name of board member/interim board member</b>	<b>Signature</b>	<b>Date</b>

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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

**MEDICAL AID FUNDS**

**FORM OF CERTIFICATE OF REGISTRATION FOR A MEDICAL AID FUND**

**Standard No. MAF.S.7.15**

issued by NAMFISA under section 328(3) of the Financial Institutions and Markets Act, 2021

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**Definitions**

1. (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the term “medical aid fund” as defined in section 321 of the Act.

**Applicability**

2. This Standard applies to all medical aid funds registered under the Act.

**Form of certificate of registration**

3. Upon registration of an applicant as a medical aid fund, NAMFISA must issue to the medical aid fund a certificate of registration in the form of the Annexure to this Standard.

**ANNEXURE** (to Standard No. MAF.S.7.15)

**Registration No** .....

**CERTIFICATE OF REGISTRATION**

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 (ACT NO. 2 OF 2021)**

**REGISTRATION AS A MEDICAL AID FUND**

**This is to certify that -**

\_\_\_\_\_ (*insert name*)  
with principal office at \_\_\_\_\_ (*insert address of principal office*),

**has been duly registered in terms of section 328(1) of the Financial Institutions and Markets Act, 2021,**

and may operate from Namibia.

\_\_\_\_\_  
**CHIEF EXECUTIVE OFFICER**

\_\_\_\_\_  
**DATE OF REGISTRATION**

\_\_\_\_\_

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

**MEDICAL AID FUNDS**

**THE PERIOD AFTER WHICH PAYMENT OF SUBSCRIPTIONS OR  
CONTRIBUTIONS TO A MEDICAL AID FUND BECOME DUE**

**Standard No. MAF.S.7.16**

issued by NAMFISA under section 410(8)(j) of the Financial Institutions and Markets Act,  
2021

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**Definitions**

1. (1) In this Standard –
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “continuation member” means a member who retains his or her membership of the medical aid fund after retirement or the termination of employment due to age, ill-health or other disability, or a surviving dependant who becomes the principal member after the death of the original principal member;
  - (c) “contribution delinquency” means a state in which contributions to a medical aid fund, that are required to be paid to the fund according to its rules or under the Act by a member and/or an employer that is a contributory to or participatory in the fund as of any date or during any period of time, have not been paid within the period or periods of time following their due dates of payment as required by the rules of the fund or the Act; and
  - (d) “contribution deficiency” as at any date means the amount by which the contributions required to be paid to the fund according to its rules or under the Act by a member and/or an employer that is a contributory to, or participatory in, a fund, exceed the amounts actually paid.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following –
  - (a) “board” as defined in section 1 of the Act;
  - (b) as defined in section 321 of the Act –
    - (i) contribution;
    - (ii) fund;
    - (iii) fund administrator;
    - (iv) medical aid fund; and
    - (v) member.

**Applicability**

2. This Standard applies to all medical aid funds registered under the Act.

**Period after which contributions are due**



**3.** All contributions must be paid directly to a medical aid fund and deposited into a bank account opened in the name of the medical aid fund not later than seven calendar days after payment thereof becoming due.

**4.** The fund administrator must deposit any medical aid fund moneys under administration not later than the business day following the date of receipt thereof into the bank account opened in the name of the said medical aid fund.

**5.** The board of a medical aid fund must notify all affected active and continuation members of the fund and NAFMFISA of a contribution delinquency or of a contribution deficiency within one month after the period referred to in clause 3.

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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**  
**MEDICAL AID FUNDS**  
**MANNER AND FORM OF APPLICATION FOR CANCELLATION OR**  
**VARIATION OF REGISTRATION OF A MEDICAL AID FUND**

**Standard No. MAF.S.7.17**

issued by NAMFISA under section 331(2)(a) of the Financial Institutions and Markets Act,  
2021

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**Definitions**

1. (1) In this Standard –
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act; and
  - (b) “NAMFISA ERS” means the Electronic Regulatory System which facilitates communication between NAMFISA and financial institutions.
- (2) Words and phrases defined in the Act have the same meaning in this Standard unless the context indicates otherwise, including without limitation, the following –
  - (a) as defined in section 1 of the Act –
    - (i) auditor;
    - (ii) NAMFISA;
    - (iii) principal officer;
    - (iv) medical aid fund;
    - (v) valuator;
  - (b) as defined in section 321 of the Act –
    - (i) board; and
    - (ii) fund.

**Applicability**

2. This Standard applies to all registered medical aid funds (hereinafter referred to as “applicants”) applying for cancellation of registration or for the variation of the conditions subject to which registration was granted, pursuant to section 331 of the Act.

**Requirements for application of cancellation or variation of conditions for registration**

3. An application for cancellation of registration or variation of the conditions for registration pursuant to section 331 of the Act must be submitted to NAMFISA in accordance with this Standard.
4. Pursuant to sub-section 331(2) of the Act, an applicant that intends to apply for the cancellation of its registration granted pursuant to section 328, or variation of the conditions subject to which that registration was granted, must –

- (a) apply to NAMFISA, in writing, in accordance with the form set out in Schedule 1, FORM A, titled Application letter;
- (b) complete the form and furnish particulars as set out in Schedule 2, FORM B, titled Application for cancellation/variation of registration granted pursuant to section 328 of the Act;
- (c) file with NAMFISA, as proof, a copy of the notice published in terms of section 331(3) of the Act;
- (d) provide a copy of the resolution on the decision to cancel its registration or vary the conditions for which it was registered pursuant to section 328 of the Act;
- (e) provide proof of payment of the application fee (if any); and
- (f) provide any other information and documents that NAMFISA may, from time to time, reasonably require.

**5.** The applicant, its principal officer or a duly authorised person may, if so required, be called to appear before NAMFISA for a personal representation in connection with an application.

#### **Notice**

**6.** The applicant must, before filing the notice in the newspapers in terms of section 331(3) of the Act and clause 4(c), notify NAMFISA of the proposed intention to cancel the registration or to vary the conditions for which it was registered.

**7.** The applicant may, after NAMFISA has considered all objections received due to the published notice referred to in section 331(3) of the Act and clause 4(c), lodge an application with NAMFISA.

#### **General requirements**

**8.** An applicant must further specify the measures that the applicant shall take to discharge all its obligations, including contractual obligations, and meet all of its liabilities.

**9.** No registered medical aid fund shall voluntarily wind-up or cease medical aid fund business operations without the prior written approval of NAMFISA.

**10.** An application, not complete in all respects and not conforming to the instructions specified in Schedule 2 and this Standard, may be rejected on the basis of non-compliance with this Standard.

**11.** In instances where the application is deemed not complete, NAMFISA must give the applicant the opportunity to provide the required information to complete the application. The required information must be provided within the period of seven days, or such other period stipulated or agreed to by NAMFISA, failing which the application shall be rejected.

#### **Application fee**

**12.** If applicable, an application must be accompanied by the required non-refundable fee as stipulated in terms of Standard No. GEN.S.10.23 - Fees.

#### **Submission**

**13.** (1) An application for cancellation of registration or for variation of the conditions subject to which it was registered must be signed by the principal officer of the registered fund or a duly authorised representative of the applicant, and submitted electronically to NAMFISA, together with supporting documents, on the NAMFISA ERS.

(2) Where necessary and when so directed by NAMFISA, the applicant must submit specified documentation manually to NAMFISA.

**Effect of cancellation of registration**

**14.** On and from the date of cancellation of the registration, the medical aid fund shall cease to act as a medical aid fund.

**SUPPORTING SCHEDULES**

**The following supporting schedules are attached to and form part of this Standard:**

Schedule 1: FORM A - APPLICATION LETTER

Schedule 2: FORM B - APPLICATION FOR CANCELLATION OF REGISTRATION OR  
VARIATION OF CONDITIONS OF REGISTRATION OF A MEDICAL AID  
FUND

**SCHEDULE 1 (to Standard No. MAF.S.7.17)**

**FORM A - APPLICATION LETTER**

**APPLICATION BY REGISTERED MEDICAL AID FUND FOR CANCELLATION OF REGISTRATION/ VARIATION OF CONDITIONS GRANTED PURSUANT TO SECTION 328 OF THE ACT**

In terms of section 331(2) of the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021) (“the Act”) –

1. I, \_\_\_\_\_, the undersigned, being the principal officer or duly authorised person of \_\_\_\_\_ duly empowered thereto, hereby apply for -

the voluntary cancellation of registration of the said registered medical aid fund, in terms of section 331(2) of the Act; or

the variation of conditions subject to which the medical aid fund was registered pursuant to section 328 of the Act;

2. I submit with this application all the required documents as per Standard MAF.S.7.17; and
3. If applicable, the proof of payment of the application fee as prescribed in Standard GEN.S.10.23 – Fees, is enclosed with the application.

\_\_\_\_\_  
**SIGNATURE OF PRINCIPAL OFFICER OR DULY AUTHORISED PERSON**

Full names: \_\_\_\_\_

Date: \_\_\_\_\_

Capacity: \_\_\_\_\_

SCHEDULE 2 (to Standard No. MAF.S.7.17)

**FORM B - APPLICATION FOR CANCELLATION/VARIATION OF  
REGISTRATION GRANTED PURSUANT TO SECTION 328 OF THE ACT**

Application for – (indicate the type of application)

Cancellation

Variation

**1. MEDICAL AID FUND**

Full Name (of medical aid fund): .....

NAMFISA Registration Number: .....

**2. CONTACT DETAILS**

Physical address: .....

Postal address: .....

Tel. Work: .....

Fax No: .....

Email: .....

**3. DETAILS OF PRINCIPAL OFFICER**

First Names: .....

Surname: .....

ID/Passport No: .....

Nationality: .....

Physical address: .....

Postal Address: .....

Tel. Work: .....

Email address: .....

**4. DETAILS OF BOARD OF TRUSTEES**

Name	Nationality	Elected/Appointed

Name of the Board Chairperson: .....

Board committees	Name of Chairperson(s) of committee(s)


**5. NAME OF AUDITOR**

.....  
 Name of professional regulatory body: .....  
 Membership No.: .....

**6. NAME OF VALUATOR**

.....

**7. NAME OF ADMINISTRATOR**

.....

**8. BOARD RESOLUTION**

8.1 Date when the special resolution was passed .....  
 8.2 Effective date of cancellation or variation .....  
 8.3 Furnish full reason(s) why the special resolution in question 8.1 was passed:

.....  
 .....

**9. CANCELLATION/VARIATION SPECIFIC INFORMATION**

9.1 Is the medical aid fund cancelling its registration, or varying its conditions for registration?

Cancellation	
Variation	

9.2 In case of variation of conditions for registration, please indicate the conditions for which variation is sought below.

.....  
 .....

9.3 Does the medical aid fund have any liabilities at the time of cancelling/variation?

Yes	
No	

9.4 If the answer is yes, kindly furnish full details of the arrangements that the medical aid fund has made to meet all its liabilities.

.....

.....  
9.5 Did the medical aid fund inform its Auditor and Valuator of this notification?

Yes	
No	

9.6 If the answer is No, kindly explain.  
.....  
.....

**10. LIQUIDATOR'S DETAILS (IF APPLICABLE)**

Full name(s) of Liquidator .....  
Identity number of Liquidator .....  
Appointed date of Liquidator .....  
Completion date of Liquidation .....  
Total assets at the date the Liquidator is appointed .....  
Total liabilities at the date the Liquidator is appointed .....  
Total assets on the final date of liquidation .....  
Total liabilities on the final date of liquidation .....  
Total liquidator's fee (amount and percentage) .....

**11. ATTACHMENTS REQUIRED**

- Letter requesting for cancellation/variation of conditions to NAMFISA
- Original certificate of registration (declaration under Oath where original lost)
- Proof of settlement of liabilities
- A certificate by the Auditor and Valuator respectively stating that the medical aid fund has no liabilities (where there is liability, furnish further details as would be directed by NAMFISA)
- Copy of Board resolution for voluntary cancellation or variation decision
- Bank letter confirming the closure of the bank account(s), three months after cancellation, if applicable
- Resolution for change of objectives (if applicable)
- Proof of communication in relation to 9.5
- Proof of communication to members
- If applicable, proof of payment of the prescribed application fee

**SIGNATURE OF PRINCIPAL OFFICER OR DULY AUTHORISED PERSON**

By signing the document, I confirm that all the information contained in this application is



true and correct and can be relied upon and I have disclosed all necessary material information that may be required by NAMFISA.

Full Name: \_\_\_\_\_

Capacity: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

**MEDICAL AID FUNDS**

**MANNER AND FORM OF APPLICATION FOR REGISTRATION OF A  
MEDICAL AID FUND BROKER**

**Standard No. MAF.S.7.18**

issued by NAMFISA under section 410(8)(ff), read with 333(2)(a), of the Financial Institutions and Markets Act, 2021

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**Definitions**

1. In this Standard –
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “key person” means any person responsible for managing or overseeing, either alone or together with another responsible person, the activities of a financial institution or financial intermediary relating to the rendering of the financial services, and includes those individuals or other entities holding more than 20% of the financial institution or financial intermediary’s voting rights; and
  - (c) “NAMFISA ERS” means the Electronic Regulatory System which facilitates communication between NAMFISA and financial institutions or financial intermediaries.
2. Words and phrases defined in the Act have the same meaning in this Standard unless the context indicates otherwise, including without limitation, the following –
  - (a) as defined in section 1 of the Act –
    - (i) auditor;
    - (ii) corporate body;
    - (iii) NAMFISA;
    - (iv) principal officer; and
    - (v) medical aid fund;
  - (b) as defined in section 321 of the Act –
    - (i) board; and
    - (ii) medical aid fund broker.

**Applicability**

3. This Standard applies to all medical aid fund brokers and to their principal officers.

**Requirements for application of registration**

4. An application for registration of a medical aid fund broker must consist of –

- (a) a duly completed application form, in the form of Schedule 1 to this Standard in the case of an individual; or
- (b) a duly completed application form, in the form of Schedule 2 to this Standard in the case of an entity,

duly signed by the applicant in the case of an individual applicant or the principal officer in the case an entity.

**5.** In addition to the application form referred to in clause 4, an application for registration must be accompanied by –

- (a) certified copy of the appointment letter from the registered corporate medical aid fund broker if the applicant is or will be employed or contracted by a registered corporate medical aid fund broker;
- (b) an errors and omissions insurance policy pursuant to subsection 334(4)(a) of the Act;
- (c) adequate fidelity insurance policy pursuant to subsection 334(4)(b) of the Act, if applicable;
- (d) proof of payment of the prescribed application fee pursuant to Standard No. GEN.S.10.23 - Fees;
- (e) the relevant completed parts and other information required pursuant to Standard No. GEN.S.10.2 - Fit and Proper Requirements; and
- (f) any other document or information that may be requested by NAMFISA as provided for in the Act.

**6.** In the case of an application for registration as a corporate medical aid fund broker, the applicant must submit certified copies of its founding and registration documents, including the following:

- (a) memorandum and articles of association or founding statement; and
- (b) share certificates or certificates of members' interest.

**7.** (1) An application, incomplete in all respects and not conforming to the instructions specified in the Schedules, may be rejected on the basis of being non-compliant with this Standard.

(2) In instances where the application is deemed incomplete, NAMFISA must give the applicant the opportunity to provide the required information to complete the application. The required information must be provided within the period of seven days, or such other period stipulated or agreed to by NAMFISA, failing which the application shall be rejected.

**8.** Nothing shall prevent NAMFISA from seeking further or additional information or documents as may be reasonably necessary for processing of the application for registration.

**9.** The applicant or its duly authorised representative may, if so required, be called to appear before NAMFISA for a personal representation in connection with the application.

### **Submission**

**10.** (1) An application for registration must be submitted to NAMFISA electronically on the NAMFISA ERS.

(2) Where necessary and when so directed by NAMFISA, the applicant must submit specified documentation manually to NAMFISA.

### **SUPPORTING SCHEDULES**

**The following supporting schedules are attached to and form part of this standard:**

Schedule 1: APPLICATION FORM FOR REGISTRATION AS A MEDICAL AID  
FUND BROKER - INDIVIDUAL

Schedule 2: APPLICATION FORM FOR REGISTRATION AS A MEDICAL AID  
FUND BROKER – ENTITY

**SCHEDULE 1 (to Standard No. MAF.S.7.18)**

**APPLICATION FORM FOR REGISTRATION AS A MEDICAL AID FUND  
BROKER - INDIVIDUAL**

I, the undersigned, do hereby apply for registration to carry on the business of medical aid fund broker in Namibia pursuant to section 333 of the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021) (the “Act”).

**1. DETAILS OF APPLICANT**

Full Name(s): .....

Surname: .....

Current/other NAMFISA License Number: .....

ID/Passport Number: .....

Income Tax Number: .....

**2. CONTACT DETAILS**

Physical address: .....

Postal address: .....

Telephone Number: .....

Facsimile Number: .....

Email: .....

**3. BANKING DETAILS**

Bank Name: .....

Branch Name: .....

Branch Code: .....

Account Number: .....

Account Type: .....

**4. ATTACHMENTS**

The applicant must provide the following information and documentation as is relevant and if not already provided elsewhere	YES	NO
Certified copy of Municipality Certificate of Registration or of Fitness		
Declaration on all relationships or affiliations with medical aid funds’ boards of trustees, principal officers, employees and the administrator		
Completed parts and other information required pursuant to Standard No. GEN.S.10.2 – Fit and Proper Requirements		
Proof of payment of the required application fee in terms of Standard No. GEN.S.10.23 - Fees		

Proof of bank account		
Professional indemnity insurance cover certificate		
Proof of registration as a tax payer from the Receiver of Revenue		

All copies of original documents must be duly certified. Copies made from certified documents will not be accepted.

**SIGNATURE OF APPLICANT**

By signing the document, I confirm that all the information contained in this application is true and correct and can be relied upon and I have disclosed all necessary material information that may be required by NAMFISA.

Full Name: \_\_\_\_\_

Capacity: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**SCHEDULE 2 (to Standard No. MAF.S.7.18)**

**APPLICATION FORM FOR REGISTRATION AS A MEDICAL AID FUND  
BROKER - ENTITY**

I, the undersigned, do hereby apply on behalf of [*insert name of entity*] for registration to carry on the business of corporate medical aid fund broker in Namibia pursuant to section 333 of the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021) (the “Act”).

**1. DETAILS OF APPLICANT ENTITY**

Full Name: .....

Entity Registration Number: .....

Income Tax Number: .....

Current/other NAMFISA License Number: .....

**2. CONTACT DETAILS**

Physical Address: .....

Postal Address: .....

Telephone Number: .....

Facsimile Number: .....

E-Mail Address: .....

**3. DIRECTORS AND OTHER KEY PERSONS OF APPLICANT ENTITY**

<b>Full names</b>	<b>Nationality</b>	<b>Country of residence</b>

**4. OWNERSHIP STRUCTURE OF APPLICANT ENTITY**

Shareholders or members’ names and proportion of ownership:

<b>Name</b>	<b>Shareholding</b>

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**5. BANKING DETAILS OF APPLICANT ENTITY**

Bank Name: .....

Branch Name: .....

Branch Code: .....

Account number: .....

Account Type: .....

**6. AUDITOR OR ACCOUNTANT OF APPLICANT ENTITY IN NAMIBIA**

Full Name: .....

Physical Address: .....

Telephone Number: .....

Facsimile Number: .....

E-Mail Address: .....

Name of professional regulatory body: .....

Membership No.: .....

**7. PERIOD OF FINANCIAL YEAR: .....**

**8. DETAILS OF PRINCIPAL OFFICER (PO)**

First Name(s): .....

Surname: .....

ID/Passport Number: .....

Nationality: .....

Physical Address: .....

Postal Address: .....

Telephone Number (w): .....

Mobile Number: .....

Facsimile Number: .....

E-Mail Address: .....

**9. ATTACHMENTS**

The applicant must provide the following information and documentation as is relevant and if not already provided elsewhere	YES	NO
Memorandum and Articles of Association/Founding Statement		
List of Directors and shareholders or members controlling the applicant		



Certified copies of share certificates or members' interest certificates		
Certified copy of Municipality Certificate of Registration or of Fitness		
Proof of bank account		
Professional indemnity insurance cover certificate		
Proof of registration as a tax payer from the Receiver of Revenue		
Completed parts and other information required pursuant to Standard No. GEN.S.10.2 – Fit and Proper Requirements		
Proof of payment of the required application fee in terms of Standard No. GEN.S.10.23 - Fees		

All copies of original documents must be duly certified. Copies made from certified documents will not be accepted.

**SIGNATURE OF APPLICANT, PRINCIPAL OFFICER OR AUTHORISED PERSON**

By signing the document, I confirm that all the information contained in this application is true and correct and can be relied upon and I have disclosed all necessary material information that may be required by NAMFISA.

Full Name: \_\_\_\_\_

Capacity: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

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**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

**MEDICAL AID FUNDS**

**FORM OF CERTIFICATE OF REGISTRATION FOR A MEDICAL AID FUND  
BROKER**

**Standard No. MAF.S.7.19**

issued by NAMFISA under section 335(3) of the Financial Institutions and Markets Act,  
2021

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**Definitions**

**1.** (1) In this Standard, “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act.

(2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the term “medical aid fund broker” as defined in section 321 of the Act.

**Applicability**

**2.** This Standard applies to all medical aid fund brokers registered under the Act.

**Form of certificate of registration**

**3.** Upon registration of an applicant as a medical aid fund broker, NAMFISA must issue to the medical aid fund broker a certificate of registration in the form of the Annexure to this Standard.

**ANNEXURE** (to Standard No. MAF.S.7.19)

**Registration No** .....

**CERTIFICATE OF REGISTRATION**

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021 (ACT NO. 2 OF 2021)**

**REGISTRATION AS A MEDICAL AID FUND BROKER**

**This is to certify that -**

\_\_\_\_\_ (*insert name*)

with principal office at \_\_\_\_\_ (*insert address of principal office*),

**has been duly registered in terms of section 335(1) of the Financial Institutions and Markets Act, 2021,**

and may operate from Namibia.

\_\_\_\_\_  
**CHIEF EXECUTIVE OFFICER**

\_\_\_\_\_  
**DATE OF REGISTRATION**

\_\_\_\_\_  
**EXPIRY DATE**

\_\_\_\_\_

**FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**

**MEDICAL AID FUNDS**

**MANNER AND FORM OF APPLICATION FOR CANCELLATION OR  
VARIATION OF REGISTRATION OF A MEDICAL AID FUND BROKER**

**Standard No. MAF.S.7.20**

issued by NAMFISA under section 410(2)(c), read with section 337(2)(a), of the Financial  
Institutions and Markets Act, 2021

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**Definitions**

1. (1) In this Standard –
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act; and
  - (b) "NAMFISA ERS" means the Electronic Regulatory System that facilitates communication between NAMFISA and financial institutions or financial intermediaries.
- (2) Words and phrases defined in the Act have the same meaning in this Standard unless the context indicates otherwise, including without limitation, the following:
  - (a) as defined in section 1 of the Act –
    - (i) auditor;
    - (ii) board;
    - (iii) NAMFISA;
    - (iv) principal officer;
    - (v) valuator;
  - (b) as defined in section 321 of the Act –
    - (i) fund; and
    - (ii) medical aid fund broker.

**Applicability**

2. This Standard applies to all registered medical aid fund brokers (hereinafter referred to as “applicants”) applying for cancellation of its registration or for the variation of the conditions subject to which registration was granted pursuant to section 337 of the Act.

**Requirements for application of cancellation or variation of conditions for registration**

3. An application for cancellation of registration or variation of the conditions for registration pursuant to section 337 of the Act must be submitted to NAMFISA in accordance with this Standard.
4. Pursuant to sub-section 337(2) of the Act, an applicant that intends to apply for the cancellation of its registration granted pursuant to section 335, or variation of the

conditions subject to which that registration was granted, must –

- (a) apply to NAMFISA, in writing, in accordance with the form set out in Schedule 1, FORM A, titled Application letter;
- (b) complete the form and furnish particulars as set out in Schedule 2, FORM B, titled Application for cancellation or variation of registration granted pursuant to section 337 of the Act;
- (c) file with NAMFISA, as proof, a copy of the notice published in terms of section 337(3) of the Act;
- (d) provide a copy of the resolution on the decision to cancel its registration or vary the conditions for which it was registered pursuant to section 335 of the Act;
- (e) provide proof of payment of the application fee (if any); and
- (f) provide any other information and documents that NAMFISA may, from time to time, reasonably require.

**5.** The applicant, its principal officer or a duly authorised person may, if so required, be called to appear before NAMFISA for a personal representation in connection with an application.

#### **Notice**

**6.** The applicant must, before filing the notice in the newspapers in terms of section 337(3) of the Act and clause 4(c), notify NAMFISA of the proposed intention to cancel the registration or to vary the conditions for which it was registered.

**7.** The applicant may, after NAMFISA has considered all objections received due to the published notice referred to in section 337(3) of the Act and clause 4(c), lodge an application with NAMFISA.

#### **General requirements**

**8.** An applicant must further specify the measures that the applicant shall take to discharge all its obligations, including contractual obligations, and meet all of its liabilities.

**9.** No registered medical aid fund broker shall voluntarily wind-up or cease medical aid fund broker business operations without the prior written approval of NAMFISA.

**10.** An application, not complete in all respects and not conforming to the instructions specified in Schedule 2 and this Standard, may be rejected on the basis of non-compliance with this Standard.

**11.** In instances where the application is deemed not complete, NAMFISA must give the applicant the opportunity to provide the required information to complete the application. The required information must be provided within the period of seven days, or such other period stipulated or agreed to by NAMFISA, failing which the application shall be rejected.

#### **Application fee**

**12.** If applicable, an application must be accompanied by the required non-refundable fee as stipulated in terms of Standard GEN.S.10.23 - Fees.

#### **Submission**

**13.** (1) An application for cancellation of registration or for variation of the conditions subject to which it was registered must be signed by the principal officer of the registered

medical aid fund broker or a duly authorised representative of the applicant, and submitted electronically to NAMFISA, together with supporting documents, on the NAMFISA ERS.

(2) Where necessary and when so directed by NAMFISA, specified documentation or information must be submitted manually to NAMFISA.

#### **Effect of cancellation of registration**

**14.** On and from the date of cancellation of the registration, the medical aid fund broker shall cease to act as a medical aid fund broker.

### **SUPPORTING SCHEDULES**

**The following supporting schedules are attached to and form part of this Standard:**

Schedule 1: FORM A - APPLICATION LETTER

Schedule 2: FORM B - APPLICATION FOR CANCELLATION OF REGISTRATION  
OR VARIATION OF CONDITIONS OF REGISTRATION OF A MEDICAL  
AID FUND BROKER

**SCHEDULE 1 (to Standard No. MAF.S.7.20)**

**FORM A - APPLICATION LETTER**

**APPLICATION BY REGISTERED MEDICAL AID FUND BROKER FOR  
CANCELLATION OF REGISTRATION/VARIATION OF CONDITIONS  
GRANTED PURSUANT TO SECTION 337 OF THE ACT**

In terms of section 337(2) of the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021) (“the Act”) –

1. I, \_\_\_\_\_, the undersigned,  
being the principal officer or duly authorised person of  
\_\_\_\_\_ duly empowered  
thereto, hereby apply for -

the voluntary cancellation of registration of the said registered medical aid fund broker, in terms of section 337(2) of the Act; or

the variation of conditions subject to which the medical aid fund broker was registered pursuant to section 335 of the Act;

2. I submit with this application all the required documents as per Standard MAF.S.7.20; and
3. If applicable, the proof of payment of the application fee as prescribed in Standard GEN.S.10.23 – Fees, is enclosed with the application.

\_\_\_\_\_  
**SIGNATURE OF PRINCIPAL OFFICER OR DULY AUTHORISED PERSON**

Full names: \_\_\_\_\_

Date: \_\_\_\_\_

Capacity: \_\_\_\_\_

SCHEDULE 2 (to Standard No. MAF.S.7.20)

**FORM B - APPLICATION FOR CANCELLATION/VARIATION OF  
REGISTRATION GRANTED PURSUANT TO SECTION 337 OF THE ACT**

Application for – (indicate the type of application)

Cancellation

Variation

**1. MEDICAL AID FUND BROKER**

Full Name (of medical aid fund broker): .....

NAMFISA Registration Number: .....

**2. CONTACT DETAILS**

Physical address: .....

Postal address: .....

Tel. Work: .....

Fax No: .....

Email: .....

**3. DETAILS OF PRINCIPAL OFFICER**

First Names: .....

Surname: .....

ID/Passport No: .....

Nationality: .....

Physical address: .....

Postal Address: .....

Tel. Work: .....

Email address: .....

**4. DETAILS OF BOARD OF MEDICAL AID FUND BROKER**

Name	Nationality	Elected/Appointed

Name of the Board Chairperson: .....

<b>Board committees</b>	<b>Name of Chairperson(s) of committee(s)</b>
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**5. NAME OF AUDITOR**

.....

Name of professional regulatory body: .....

Membership No.: .....

**6. NAME OF VALUATOR**

.....

**7. BOARD RESOLUTION**

7.1 Date when the special resolution was passed .....

7.2 Effective date of cancellation or variation .....

7.3 Furnish full reason(s) why the special resolution in question 7.1 was passed:

.....

.....

**8. CANCELLATION/VARIATION SPECIFIC INFORMATION**

8.1 Is the medical aid fund broker cancelling its registration, or varying its conditions for registration?

Cancellation	
Variation	

8.2 In case of variation of conditions for registration, please indicate the conditions for which variation is sought below.

.....

.....

8.3 Does the medical aid fund broker have any liabilities at the time of cancelling/variation?

Yes	
No	

8.4 If the answer is yes, kindly furnish full details of the arrangements that the medical aid fund broker has made to meet all its liabilities.

.....

.....

8.5 Did the medical aid fund broker inform its Auditor and Valuator of this notification?

Yes	
No	

8.6 If the answer is No, kindly explain.

.....  
.....

**9. LIQUIDATOR’S DETAILS (IF APPLICABLE)**

Full name(s) of Liquidator .....

Identity number of Liquidator .....

Appointed date of Liquidator .....

Completion date of Liquidation .....

Total assets at the date the Liquidator is appointed .....

Total liabilities at the date the Liquidator is appointed .....

Total assets on the final date of liquidation .....

Total liabilities on the final date of liquidation .....

Total liquidator’s fee (amount and percentage) .....

**10. ATTACHMENTS REQUIRED**

- Letter requesting for cancellation/variation of conditions to NAMFISA
- Original certificate of registration (declaration under Oath where original lost)
- Proof of settlement of liabilities
- A certificate by the Auditor and Valuator respectively stating that the medical aid fund broker has no liabilities (where there is liability, furnish further details as would be directed by NAMFISA)
- Copy of Board resolution for voluntary cancellation or variation decision
- Bank letter confirming the closure of the bank account(s), three months after cancellation, if applicable
- Resolution for change of objectives (if applicable)
- Proof of communication in relation to 8.5
- Proof of communication to members
- If applicable, proof of payment of the prescribed application fee

**SIGNATURE OF PRINCIPAL OFFICER OR DULY AUTHORISED PERSON**

By signing the document, I confirm that all the information contained in this application is true and correct and can be relied upon and I have disclosed all necessary material information that may be required by NAMFISA.

Full Name: \_\_\_\_\_

Capacity: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

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# FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021

## MEDICAL AID FUNDS

### GOVERNANCE

#### Standard No. MAF.S.7.21

issued by NAMFISA under sections 344(1)(l), 410(2)(n) and 410(8)(ff) of the Financial Institutions and Markets Act, 2021

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#### Definitions

1. (1) In this Standard –
  - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
  - (b) “chairperson” means a trustee elected or designated by trustees as the chairperson of the board of trustees in terms of the rules of the fund;
  - (c) “conflict of interest” means a situation which a trustee, key person, auditor, valuator, fund administrator or any other service provider encounters, while rendering a financial service to the fund or its members, if that situation –
    - (i) impairs the objectivity of the trustee, key person, auditor, valuator, fund administrator or any other service provider in any aspect while serving on the board or rendering a financial service to the fund or the members of the fund; or
    - (ii) prevents the trustee, key person, auditor, valuator, fund administrator or any other service provider from serving on the board or rendering a financial service to the fund or its members in an unbiased and fair manner or from acting in the best interest of the fund or the members of the fund; and
  - (d) “independent trustee” means a trustee that meets the requirements of Standard No. GEN.S.10.8 - The independence of directors, members of a board, trustees, custodians, auditors and valuers and any other person required to be independent under the Act.
- (2) Words and phrases defined in the Act, have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following –
  - (a) as defined in section 1 of the Act –
    - (i) actuary;
    - (ii) affiliate;
    - (iii) associate;
    - (iv) auditor;
    - (v) NAMFISA;
    - (vi) officer;
    - (vii) principal officer; and

- (viii) valuator;
- (b) as defined in section 321 of the Act –
  - (i) beneficiary;
  - (ii) board of trustees or board;
  - (iii) business of a fund;
  - (iv) fund or medical aid fund;
  - (v) fund administrator;
  - (vi) medical aid fund broker;
  - (vii) member;
  - (viii) rules; and
  - (ix) sponsor

### **Applicability**

2. This Standard applies to all medical aid funds registered under the Act.
3. This Standard applies only to the extent that the subject matter dealt with in this standard is not dealt with specifically in the Act or regulations made by the Minister or standards issued by NAMFISA.

## **PART 1: GOVERNANCE BY THE BOARD**

### **Board's ethical leadership responsibility**

4. The Board must –
  - (a) provide effective leadership based on an ethical foundation characterised by the ethical values of responsibility, accountability, fairness and transparency;
  - (b) ensure that the responsibilities of the board are consistent with the overriding objectives of the fund in accordance with section 343 of the Act;
  - (c) retain ultimate responsibility for the performance, conduct and governance of the fund, even though certain functions are delegated or outsourced to external service providers and the board may not abdicate from any of its functions and responsibilities;
  - (d) be responsible for developing the fund's ethical standards and such standards must inform all fund practices, procedures, policies and conduct;
  - (e) consider the effect of its decisions on all key stakeholders, the most notable being the members of the fund; and
  - (f) ensure that the fund's ethics performance is assessed, monitored, reported and disclosed in the fund's annual financial statements.

### **Board composition**

5. Subject to the provisions of the Act, every board must consider whether its size, diversity and demographics make it effective and diverse.
6. Diversity of the board includes, but is not limited to, academic qualifications,

technical expertise, relevant industry knowledge, experience, age, race and gender.

7. Notwithstanding the appointing authority or body, the board -
  - (a) owes a primary duty of care to the fund and is not specifically accountable to or required to disclose any information to the appointing authority or body through whom they were appointed or elected as trustees; and
  - (b) must be sensitive to managing the diversity of the board effectively to ensure that any tension, fears, disagreements, influence, affiliations, special interest, or any other consideration do not hinder decision-making and ensure that these aspects are addressed in the code of conduct of the board.
8. The board of trustees must collectively have the necessary qualifications, knowledge, skills and expertise to oversee all the functions performed by the fund, and to monitor delegates and service providers to whom such functions have been delegated, and to provide effective oversight and leadership direction of the fund's business to ensure it is conducted in a sound and prudent manner and for this purpose –
  - (a) the board must collectively and individually have, and continue to maintain, including through training, the necessary skills, knowledge and understanding of the fund's business to be able to fulfil their roles; and
  - (b) while certain areas of expertise may lie in some, but not all, members, the collective board must have an adequate spread and level of relevant competencies and understanding as appropriate to the fund's business and the fulfilment of the board's duties in accordance with section 344 of the Act.
9. The board of trustees must have a full reporting structure, which includes the chairperson, principal officer and such other board of trustees as deemed appropriate.
10. The board of trustees must be comprised of persons that are Namibian citizens, or who are in possession of permanent residence permits, and who are ordinarily resident in Namibia.

### **Board chairperson**

11. The chairperson of the board must –
  - (a) proactively and impartially lead the board, without bias in favour of any person, the employer, the administrator or any other service provider;
  - (b) proactively raise issues of concerns, on behalf of the board or the fund, with any person, the employer, the administrator or any other service provider; and
  - (c) ensure that the performance of the board as a whole, board committees and the principal officer is reviewed and evaluated on a regular basis and must manage the performance of the board.

### **Orientation and training of trustees**

12. New trustees must, at the expense of the fund, receive training on both the legislative, regulatory and governance principles in order to equip them to effectively carry out their functions as trustees.
13. The board must seek to enhance its knowledge, where relevant, via appropriate training programmes that meet the specific needs of both the fund and the individual trustees, as may be identified during the annual individual performance evaluation so as to enable the trustees to make the maximum contribution possible.

**14.** Trustees must receive regular briefings on matters relevant to the business of the fund, changes in risks and laws applicable to the business of the fund, including accounting standards and policies and the environment in which it operates.

### **Independence and conflicts of Interest**

**15.** A member of the board, principal officer, employee or any other officers, auditor, valuator, administrator and any other service providers must report to the board any conflict of interest encountered during the performance of their duties.

**16.** There must be a clear identification and separation of operational and oversight responsibilities in the governance of the fund, and the segregation of duties must reflect the nature and extent of the governance risks faced by the fund;

**17.** The board must –

- (a) demonstrate their independence in the way they exercise any discretion;
- (b) always consider what is in the best interest of the fund;
- (c) ensure that appropriate controls exist to –
  - (i) promote the independence and impartiality of the board;
  - (ii) ensure that confidential and privileged information in the possession or under the control of the medical aid fund is protected and must only disclose such information as permitted in terms of the law or with the express consent of the relevant person.; and
  - (iii) prevent the improper use of privileged or confidential information; and
- (d) ensure that the administrators or any other service provider do not unduly influence the management of the fund.

### **Delegation of authority**

**18.** The board must not abdicate their responsibility over, including in respect of, delegated functions.

**19.** Committees of the board may be established to exercise a specific oversight responsibility or to carry out, where the rules of the fund permit it, any board-delegated responsibility.

**20.** The terms of reference of a committee of the board must, as a minimum, cover:

- (a) composition of the committee;
- (b) objectives, purpose and functions;
- (c) delegated authorities, including the extent of power to make decisions or recommendations or both;
- (d) tenure; and
- (e) reporting mechanism to the board.

**21.** Every member of a committee must be suitably skilled and experienced to serve on such committee.

**22.** Each committee must be required to advise the board on risks relating to the functions to be performed by that committee, and the processes or controls necessary to

mitigate such risk.

### **Filling of vacancies on the board**

**23.** The board must fill vacancies, inclusive of interim vacancies, in the manner prescribed by the rules of the fund, within a reasonable time from when the vacancy arose, pursuant to sections 342 of the Act.

### **Tenure of office**

**24.** To ensure independence and reduce the risk of familiarity, no trustee may serve for more than three consecutive terms and the tenure for one term may not exceed a period of three years.

**25.** (1) To ensure independence and reduce the risk of familiarity in respect of the auditor of the fund, the auditor must be appointed for a fixed period and –

- (a) the auditor may not serve for more than six consecutive years; and
- (b) the auditor must comply with the partner rotation requirements prescribed by the Code of Ethics issued by the International Ethics Standards Board for Accountants.

(2) After serving as the auditor for the maximum period of six consecutive years, a minimum period of at least three years must lapse before the same auditor may be appointed again.

**26.** (1) To ensure independence and reduce the risk of familiarity in respect of the valuator of the fund, the valuator be appointed for fixed period and a valuator may not serve for more than nine consecutive years.

(2) After serving as the valuator of the fund for the maximum period of nine consecutive years, a minimum period of at least three years must lapse before the same valuator may be appointed again.

### **Rotation**

**27.** The board must establish an arrangement for periodic, staggered rotation of trustees and chairs of committees or tenure limits to serve on a committee by introducing members with new expertise and perspectives while retaining valuable knowledge, skills and experience and maintaining continuity in order to avoid undue concentration of power and promote fresh perspectives.

### **Internal audit**

**28.** The board must consider whether the structure and operations of the fund would benefit from the introduction of an internal audit function.

**29.** Where the board decides to introduce an internal audit function, the board must ensure that –

- (a) there is an effective risk based internal audit function;
- (b) in the event that the internal audit function is outsourced, the board is ultimately responsible to oversee, manage, inform and take accountability for the effective functioning of the outsourced internal audit function;
- (c) the board is ultimately responsible for the appointment and performance assessment of the head of internal audit;



- (d) internal audit must pursue a risk based approach to planning as opposed to a compliance based approach that is limited to evaluation of adherence to procedures; and
- (e) internal controls must be established not only over financial matters, but also operational, compliance and sustainability matters in order to manage risks facing the fund.

### **Performance evaluation of board**

**30.** The board must, at least annually, review its own performance to ascertain whether board members collectively and individually remain effective in discharging the respective roles and responsibilities assigned to them and identify opportunities to improve the performance of the board as a whole.

**31.** The board must implement appropriate measures to address any identified inadequacies, including any training programs for board members.

**32.** Subject to the Act, the board must ensure that –

- (a) an evaluation of the board, its committees and individual trustees is performed annually against the board’s determined role, functions, duties and performance criteria, as well as those for members of the board committees;
- (b) the past performance of a trustee must be taken into account when trustees are nominated for re-appointment or re-election;
- (c) evaluations must be conducted by the chairperson who must ensure that trustees know that they will be subject to evaluation, that they understand the criteria to be used for evaluation and that they understand the evaluation procedures that will be followed;
- (d) the evaluation of the chairperson’s performance must be led by at least two trustees designated by the board and who may not include the Principal Officer; and
- (e) the chairperson of the board or a committee appointed by the board, must evaluate the performance of the principal officer at least annually.

## **PART 2: GOVERNANCE OF THE OPERATIONS OF THE FUND**

### **Role of the board in setting the fund strategy**

**33.** The board is responsible for the determination and approval of the long-term and short-term strategies of the fund and monitor implementation therewith by management or the service provider to whom services have been outsourced, if any.

**34.** Before approving the strategy, the board must ensure that the strategy is aligned with the Act and any relevant legislation, the purpose or object of the fund, the value drivers of the fund’s business and the legitimate interests and expectations of the fund’s stakeholders, especially the beneficiaries of the fund.

**35.** The board must identify key performance and risk areas as well as the associated performance and risk indicators and measures and this would include areas such as finance, ethics, conduct, compliance and sustainability.

### **Internal controls**

**36.** The board must ensure that there are adequate internal controls in place to ensure

that all persons and entities with operational and oversight responsibilities act in accordance with the objectives set out in rules of the fund, the Act and any other applicable law.

**37.** Internal controls must cover all basic organisational and administrative procedures, and depending upon the scale and complexity of the fund, the internal controls must include performance assessment, compensation mechanisms, information systems and processes, risk and compliance management procedures.

**38.** Appropriate policies guiding governance and operations must be adopted and implemented by the board.

**39.** The oversight responsibility of the board requires that there must be –

- (a) regular assessments of the performance of the persons and entities involved in the operations of the fund in terms of service level agreements, mandates, and performance contracts;
- (b) regular reviews of services and fees and all costs associated with the operations of the fund in order to ensure that they are appropriate;
- (c) a regular review of the information processes, operational software systems, and accounting and financial reporting systems involved in the operations of the fund;
- (d) the monitoring and resolution of actual, potential or perceived conflicts of interest amongst those involved in the operation of the fund;
- (e) the protection of confidential information of the fund; and
- (f) regular reviews of compliance with regulatory and statutory requirements of the fund.

### **Expert advice**

**40.** Where a board lacks sufficient expertise to make a fully informed decision and fulfil its responsibilities, it may seek expert advice.

**41.** The board must satisfy itself that any expert advice obtained is independently given, and where any person provides expert advice in respect of any person, the administrator or any other service provider, the board must satisfy itself that such advice is not compromised by the relationship of that person or his or her firm to any person, the administrator or any other service provider as the case may be.

**42.** The board must assess and satisfy itself that any expert advice received is of quality, it must verify that all its staff and service providers have adequate qualifications and experience, and the board is not obliged to accept any advice but must consider the appropriateness of such advice.

### **Risk Management**

**43.** Subject to the Act –

- (a) the board may assign oversight of the fund's risk management function to an appropriate board committee;
- (b) the board must ensure that the frameworks and processes in place to assist in anticipating these risks have the following characteristics –
  - (i) insight - the ability to identify the cause of the risk, where there are multiple causes or root causes that are not immediately obvious;

- (ii) information - comprehensive information about all aspects of risks and risk sources, especially of financial risks;
- (iii) incentives - the ability to separate risk origination and risk ownership ensuring proper due diligence and accountability;
- (iv) instinct - the ability to avoid 'following the herd' when there are systemic and pervasive risks;
- (v) independence - the ability to view the fund independently from its environment; and
- (vi) interconnectivity - the ability to identify and understand how risks are related, especially when their relatedness might exacerbate the risk.

**44.** The board must have in place a risk management policy which must be reviewed regularly, but at every two years, and must include –

- (a) the identification of risks facing the fund;
- (b) the assessment of the likelihood of each such risk on the fund;
- (c) the assessment of the impact of each such risk on the fund;
- (d) the process or controls necessary to reduce the impact of such risks;
- (e) the monitoring of the risk process or controls to ensure that they are appropriate; and
- (f) the communication to the beneficiaries and the stakeholders of the fund's risk management policy, including the identification of the key risks and the processes or controls in place to manage them.

**45.** The board must ensure that the fund considers and implements appropriate risk responses.

**46.** The fund must identify and consider different ways that it can respond to the risks identified during the risk assessment process and these responses must be noted in a risk register.

**47.** The fund must be able to demonstrate that the risk management process provides for the identification and exploitation of opportunities to improve its performance.

**48.** The risks to be identified must not be limited to those which have a financial consequence, but must include risks which relate to the governance of the fund, and which may jeopardise the governance structure.

**49.** The fund is not expected to micro-manage the functions delegated to service providers, but those functions must, when delegated, contain sufficient detail to ensure that the service provider understands what is expected by the board and provide for reasonable right of recourse in the event that there is any breach of the delegated functions by the service provider.

**50.** The board must receive assurance regarding the effectiveness of the risk management process, for outsourced or delegated functions.

**51.** The board must ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.

## **Fund expenses**

**52.** The board must perform regular review of services, against set performance standards and fees and all costs associated with the operation of the fund in order to ensure that they are appropriate.

**53.** The board must ensure that the costs and expenses of the fund are managed efficiently.

### **PART 3: MANAGEMENT OF STAKEHOLDER RELATIONSHIPS**

#### **Fund information and access to fund information**

**54.** Subject to the Act, the board must ensure that –

- (a) trustees have unfettered access to all relevant information relating to the fund to enable them to make informed decisions;
- (b) all fund information is confidential and must not be released to any person unless such person has a lawful right to such information;
- (c) fund information such as its membership and investments belong to the fund, and the board must ensure that where this information is held by a service provider, the service provider will preserve its confidentiality and return the information to the fund when the relationship with the service provider is terminated;
- (d) the board is the ultimate custodian of the corporate reputation and stakeholder relationships and the board must take account of and respond to the legitimate interests and expectations of stakeholders linked to the fund in its decision-making;
- (e) stakeholder interests and expectations, even if not considered warranted or legitimate, must be dealt with and not ignored; and
- (f) all communication from members, beneficiaries and other stakeholders must be responded to promptly by or on behalf of the board and with thoroughness.

#### **Information technology governance**

**55.** The fund must understand the strategic importance of information technology and manage the associated risks, benefits and constraints and the responsibility for the information technology function must be assumed by the board.

**56.** Information technology must be aligned with the performance and sustainability objectives of the fund.

**57.** The board must ensure that information and information technology assets are managed effectively.

**58.** Where the administrative function of information technology is outsourced to a service provider, the board must obtain assurances and satisfy itself that the information technology risks are managed effectively by the service provider in accordance with best practice principles of information technology governance and risk management.

**59.** The risk or audit function must consider information technology risk as a crucial element of the effective oversight of risk management of the fund.

**60.** In understanding and measuring information technology risks, the risk or audit function must understand the fund's overall exposure to information technology risk from a strategic and business perspective, including the areas of the business that are most dependent on information technology for effective and continual operation.

## **Disclosure**

**61.** The board must disclose relevant information to all relevant persons notably members and beneficiaries, sponsors, supervisory authorities, auditors and valuator in a clear, accurate and timely manner, including any ruling made against the fund by the appeal body, or court rulings against the fund, regulatory issues raised by NAMFISA and all deviations from fund rules.

## **Prohibition of certain transactions**

**62.** The following transactions are prohibited:

- (a) financial donations by the fund administrator or sponsor of a fund to the fund; and
- (b) subsidisation of the expenses of the fund by the fund administrator or sponsor of the fund,

except for financial donations made or subsidisation of expenditure related to the fund's incorporation or registration.

## **Non-compliance**

**63.** NAMFISA may take appropriate enforcement actions in terms of Part 6 of Chapter 10 of the Act for non-compliance with this Standard.