

CIRCULAR

NO : **NAMFISA CIRCULAR: FIM/07/02/2023**

TO : **ALL INDUSTRY STAKEHOLDERS**

CC : **NAMIBIA SAVINGS AND INVESTMENT ASSOCIATION**

DATE : **05 October 2023**

SUBJECT : **NAMFISA RISK BASED SUPERVISION METHODOLOGY
FRAMEWORK**

This Circular is issued by virtue of the functions and powers of the Namibia Financial Institutions Supervisory Authority (“NAMFISA”) and those of its Chief Executive Officer, in his capacity as the Registrar of various financial institutions in terms of various applicable legislation, read with the Namibia Financial Institutions Supervisory Authority Act, 2001 (Act No. 3 of 2001). The RBS framework is issued under the NAMFISA Act (Act. No. 3, 2001) Section 4(2) (h), which empowers the Authority to do anything to achieve its functions.

Upon its effectiveness, the Namibia Financial Institutions Supervisory Authority Act, 2021 (No.3 of 2021) (the Act), section 10(2)(b), empowers the Board, on recommendation of the Chief Executive Officer and subject to consultation with the Minister in particular cases and having due regard to domestic circumstances, to foster the adoption and maintenance by the Authority of supervisory policies and procedures that are generally in accordance with international standards of financial supervision, which are relevant to the circumstances of Namibia, and ensure that such policies and procedures are made public, if necessary. Therefore, the Risk-based Supervision Methodology Framework is developed in compliance with section 10(2)(b) and read in conjunction with section 27(1)(b) of the Act. A transitional approach¹ will be taken

¹ In the interim pending the finalization of FIMA, industry is encouraged to acquaint themselves with the RBS principles, since NAMFISA will apply these principles when conducting off and on-site inspections.

pending the full implementation of the Financial Institutions and Markets Act, 2021 (No. 2 of 2021) (FIM Act).

Risk-based supervision (RBS) is a comprehensive approach with a supervisory emphasis on focusing on what matters. It focuses on assessing the degree of material risks and on determining how to mitigate and reduce these risks as required. Compared to the current compliance-based supervision approach, which is static and reactive in nature, RBS is dynamic, forward-looking and more proactive.

Should you have any queries pertaining to this Public Notice, kindly contact Mr. Floris Fleermuys at ffleermuys@namfisa.com.na or via Tel: 061-290 5110 or Mr. Elvin Kamana at ekamana@namfisa.com.na or via Tel: 061 290 5220.

Yours Sincerely,

Kenneth S. Matomola
CHIEF EXECUTIVE OFFICER