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## Government Notices

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### MINISTRY OF FINANCE

No.  
202~~4~~

#### AMENDMENT OF SHORT-TERM INSURANCE REGULATIONS: SHORT-TERM INSURANCE ACT, 1998

Under section 71 of the Short-term Insurance Act, 1998 (Act No. 4 of 1998), after consultation with the Advisory Committee on Short-term Insurance, I amend the regulations as set out in the Schedule.

**I. SHIMI**  
**MINISTER OF FINANCE**

Windhoek, 202~~4~~

### SCHEDULE

#### Definitions

1. In these regulations “the Regulations” means the Short-term Insurance Regulations published under Government Notice No. 143 of 18 June 1998, as amended by Government Notice No. 194 of 24 August 2018.

#### Amendment of regulation 1 of the Regulations

2. Regulation 1 of the Regulations is amended -

(a) by the substitution for the following definition of the definition of “domestic asset”:

“domestic asset” means assets of the kind referred to in the following kinds or categories of assets of Annexure B -

(a) item 1 (credit balances); where such balances are held in Namibia and denominated in Namibian currency;

(b) item 2 (Namibian Government and Bank of Namibia Bonds); where such bonds are denominated in any currency, and wherever issued and purchased;

(c) item 3 (Multilateral development bank Bonds) where such bonds are denominated in Namibian currency, and issued and purchased in Namibia;

(d) item 4~~3~~ (statutory body, public enterprise, local authority and regional council bonds); where such ~~bills, bonds or securities~~ are denominated in Namibian currency, and issued and purchased in Namibia;

(e~~d~~) item 5~~4~~ (corporate bonds), where such ~~bills, bonds or securities~~ are denominated in Namibian currency and issued and purchased in Namibia to finance activities within Namibia;

- ~~(fe) item 76 (property); where such property is located in Namibia;~~
- ~~(gf) items 87 (ordinary shares) and 98 (preference shares); includes assets in a company incorporated outside Namibia if such assets have been acquired on a stock exchange licensed under the Stock Exchanges Control Act and unlisted shares in Namibian companies;~~
- ~~(hg) item 109 (Loans), where such associates and associated companies are incorporated in Namibia;~~
- ~~(ih) item 110 (other claims) where such claims are against ~~natural persons resident in Namibia and~~ companies incorporated ~~registered~~ in Namibia;~~
- ~~(jh) items 11 and 12 (other assets); where such other assets are held in Namibia; and~~
- ~~(kj) any other asset designated as a domestic asset by the Minister by notice in the *Gazette*.”.~~

~~(b) by the insertion of the following definition after the definition of “market value”~~

~~““Multilateral development bank” means the World Bank Group, the International Monetary Fund and the African Development Bank”.~~

~~(c) by the insertion of the following definition after the definition of “Namibian Stock Exchange”:~~

~~““policyholder assets” means the assets held by a registered insurer or reinsurer in terms of sections 26 and 27 of the Act in order to meet its liabilities to policyholders”.~~

**Amendment of regulation 8 of Regulations**

3. Regulation 8 of the Regulations is amended —

(a) by the substitution of subregulation (1) of the following subregulation:

“(1) The value of the assets which every registered insurer and every reinsurer is, subject to the provisions of subregulation (2), required to hold in respect of its short-term insurance business in terms of sections 26 and 27 of the Act, shall not, in respect of the kinds or categories of assets set out in the first column of Annexure B, exceed the percentage set out opposite each such kind or category of asset in the second column of that Annexure, which percentage expresses a maximum percentage of the aggregate liabilities of the short-term insurance business of the registered insurer or reinsurer but —

(a) ~~\_\_\_~~ assets of the kinds or categories referred to in items ~~76~~ to 12, inclusive, in the first column of that Annexure held in respect of short-term insurance business shall not exceed 70 per cent of the aggregate liabilities of the short-term insurance business of the registered insurer or reinsurer; and

(b) ~~\_\_\_~~ assets of the kinds or categories referred to in item ~~87~~ and ~~98~~ in the first column of that Annexure held in respect of short-term insurance business shall not exceed 65 per cent of the aggregate liabilities of the short-term insurance business of the registered insurer or reinsurer.

(b\*) by the substitution for subregulation (2) of the following subregulation:

“(2) The assets which every registered insurer and reinsurer is required to hold in terms of subregulation (1) shall, but without any limitation per kind of asset, include -

(a) assets of the kinds referred to in items 1 and 9 of Schedule 2 to the Act; and

(b) assets of the kinds referred to in items 2 to 6, inclusive, of Schedule 2 to the Act: Provided that the limitations per institutions set out in items ~~25~~ and ~~36~~ of Annexure B to these regulations shall apply thereto.

(c) by the substitution for subregulation (4) of the following subregulation:

“(4) Despite subregulation (1), a registered insurer or reinsurer shall, in respect of its short-term insurance business, invest in domestic assets, at all times ~~after the following dates~~, not less than ~~the following 45% percentages~~ of the market value of its total assets. —

(i) ~~— 31 August 2018, not less than 40%;~~

(ii) ~~— 30 November 2018, not less than 42.5%; and~~

(iii) ~~— 31 March 2019, not less than 45%.~~

(4A) ~~Subject to subregulation (4B), in the application of this subregulation (4) with regard to domestic assets of a registered insurer or reinsurer, domestic assets consisting of shares acquired in a company incorporated outside Namibia shall not exceed 10 per cent of the market value of its total assets-~~

~~(i) 30 per cent of the market value of its total assets from 1 January 2018;~~

~~(ii) 25 per cent of the market value of its total assets from 1 January 2019;~~

~~(iii) 20 per cent of the market value of its total assets from 1 January 2020;~~

~~(iv) 15 per cent of the market value of its total assets from 1 January 2021; and~~

~~(iiv) 10 per cent of the market value of its total assets from 1 January 2022.~~

(4B) Assets consisting of shares in a company incorporated outside Namibia in excess of the limit set out in subregulation (4A), acquired on a stock exchange licensed under the Stock Exchanges Control Act, 1985 (Act No. 1 of 1985), are in the application of this subregulation regarded as investments outside Namibia.”

~~(d)~~ by the insertion after subregulation (6) of the following subregulation:

~~“(7) For purposes of subregulation (1), the limits of investments referred to therein only apply to policyholder assets.”.~~

**Substitution of Annexure B to the Regulations**

4. The following Annexure is substituted for Annexure B to the Regulations:

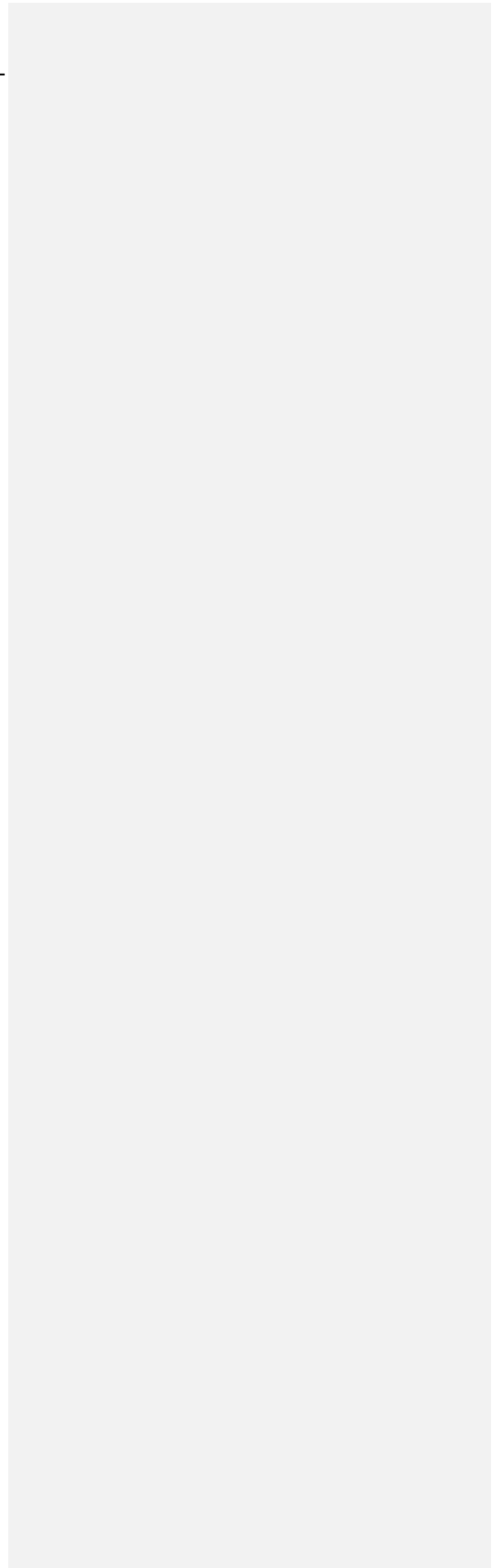
**ANNEXURE B**

**LIMITS OF INVESTMENT  
(regulation 8)**

Column 1	Column 2	Formatted Table
Kind of Asset	Definition of Asset	Maximum percentage
1. Credit	Deposits with and balances in current and savings accounts with a	

Balances	banking institution or a building society, including negotiable deposits and money market instruments in terms of which such a bank or building society is liable, including the paid-up shares of a building society, or deposits and savings accounts with the Post Office Savings Bank -  (a) per banking institution ..... (b) per building society ..... (c) per Post Office Savings Bank .....	25% 25% 25%
	<b>Total investments of a registered insurer or re-insurer in assets referred to in this item</b>	<b>90%</b>
2. <u>Namibian Government and Bank of Namibia Bonds</u>	Bills, bonds or securities issued or guaranteed by or loans to or guaranteed by the Government of the Republic of Namibia <u>or Bank of Namibia.</u>	<u>9520</u> %
<u>3. <del>3.</del> Multilateral development bank Bonds</u>	<u>Bills, bonds or securities issued in Namibia by a multilateral development bank</u>	<u>95%</u>
<u>4.3.</u> Statutory body, public enterprise, local Authority and regional Council  Bonds	Bills, bonds or securities issued or guaranteed by or loans to or guaranteed by any statutory body, public enterprise, local authority or regional council in the Republic of Namibia -  (a) per local authority authorised by law to levy rates upon immovable property ..... (b) per regional council authorised by law to levy rates upon immovable property ..... (c) per statutory body or public enterprise .....	20%  20% 20%
	<b>Total investments of a registered insurer or re-insurer in assets referred to in this item</b>	<b>50%</b>
<u>4.4.</u> Corporate Bonds	Bills, bonds or securities issued by <del>or loans to</del> an institution in Namibia <del>and also bills, bonds and securities issued by or loans to an institution:</del>  Per institution .....	20%
	<b>Total investments of a registered insurer or re-insurer in assets referred to in this item</b>	<b>50%</b>
<u>6.5.</u> Foreign Bonds	Bills, bonds or securities issued by the Government of or any other institution in, a country other than Namibia and also bills, bonds and securities issued by an institution in such country -  (a) per Government ..... (b) per institution .....	20% 20%
	<b>Total investments of a registered insurer or re-insurer in assets referred to in this item</b>	<b>50%</b>
<u>7.6.</u> Property	Immovable property, units in unit trust schemes in property shares, and shares in, loans to and debentures, both convertible and non-convertible, of property companies .....  Provided that the investment in a single property or property development project is limited to .....	10%  5%
<u>7.8.</u> Ordinary Shares	Ordinary shares in companies and associated companies (but excluding shares in property companies and investment subsidiaries), convertible debentures, whether voluntary or compulsory convertible (but excluding such debentures of property companies), and units in unit trust schemes (but excluding units in unit trust schemes in property shares) held in respect of a short-term insurance business .....	50%
	Provided that -	

	<p>(a) unlisted shares, unlisted convertible debentures and shares and convertible debentures listed in the development capital sector of any stock exchange within the common monetary area is limited to .....</p> <p>(b) shares and convertible debentures in a single company or associated company listed on any stock exchange within the common monetary area in a sector other than in the development capital sector -</p> <p>(i) with a market capitalization of N\$2 000 million or less is limited to .....</p> <p>(ii) with a market capitalization of more than 2 billion is limited to .....</p> <p>(c) shares and convertible debentures in a single company or associated company listed on the Namibian Stock Exchange -</p> <p>(i) with a market capitalization of N\$500 million or less is limited to .....</p> <p>(ii) With a market capitalization of more than N\$500 million is limited to .....</p> <p>(d) unlisted shares in Namibian companies is limited to .....</p>	<p>2.5%</p> <p>5%</p> <p>10%</p> <p>5%</p> <p>10%</p> <p>5%</p>
98. Preference Shares	<p>Preference shares in companies and associated companies (but excluding preference shares in property companies and investment subsidiaries) held in respect of short-term insurance business, is limited to .....</p> <p>Investment in preference shares issued by any single company .....</p>	<p>40%</p> <p>5%</p>
10 Loans	Loans to and non-convertible debentures of associates and associated companies .....	5%
110. Other claims	<p><del>Claims secured by mortgage bonds on immovable property, Debentures (listed and unlisted but excluding convertible debentures) or and</del> any other secured claims against <del>natural persons/companies</del> (but excluding assets of the kinds referred to in items 8 and 9 of Schedule 2 to the Act, loans to investment subsidiaries, associates or associated companies and loans to and debentures of property companies) .....</p> <p>Provided that -</p> <p><del>(a) claims against anyone natural person is limited to .....</del></p> <p><del>(ab) claims against any single company is limited to .....</del></p>	<p>25%</p> <p>0.25%</p> <p>5%</p>
11. Computer Equipment, Furniture, and other office machinery and Motor Vehicles	<p>Computer equipment, furniture and other office machinery, and motor vehicles is limited to:</p> <p>(a) Computer equipment .....</p> <p>(b) Other equipment and motor vehicles .....</p>	<p>5%</p> <p>2.5%</p>
12. Other Assets	Any other assets of the kinds referred to in Schedule 2 to the Act.	2.5%



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**MINISTRY OF FINANCE**

No.

2021

**AMENDMENT OF LONG-TERM INSURANCE REGULATIONS:  
LONG-TERM INSURANCE ACT, 1998**

Under section 72 of the Long-term Insurance Act, 1998 (Act No. 5 of 1998), after consultation with the Advisory Committee on Long-term Insurance, I have amended the regulations as set out in the Schedule.

**I. SHIMI****MINISTER OF FINANCE**

Windhoek,

2021

**SCHEDULE****Definitions**

1. In these regulations “the Regulations” means the Long-term Insurance Regulations published under Government Notice No. 145 of 18 June 1998, as amended by Government Notice Nos. 47 of 15 February 2000, 143 of 16 July 2001, 31 of 4 February 2008, ~~and~~ 350 of 31 December 2013 and 195 of 24 August 2018.



**Amendment-Substitution of rRegulation 1 of Regulations**

2. The following regulation is substituted for rRegulation 1 is amended of the Regulations -

~~(a) — by the substitution of the following definition for the definition of “aggregate liabilities”:~~

1. In these regulations any word or expression to which a meaning has been assigned in the Act, shall have the meaning so assigned to it and, unless the context otherwise indicates –

“aggregate liabilities”, in relation to a registered insurer or reinsurer, means the aggregate of -

- (a) the net liabilities in respect of which the registered insurer or reinsurer is required to hold assets in terms of section 26 of the Act; and
- (b) the amount of the liabilities which, by virtue of the registered insurer’s or reinsurer’s shareholding in investment subsidiaries, is deemed to be the liabilities of the registered insurer or reinsurer in terms of regulation 15(183) (b)(ii);

“any other stock exchange within the common monetary area” means any stock exchange authorized by or under the laws of a country of the common monetary area to function as or carry on the business of a stock exchange in that country;

“associate”, in relation to a registered insurer and reinsurer, includes –

- (a) a person who controls such insurer or reinsurer;
- (b) a person who controls the person referred to in paragraph (a);
- (c) a subsidiary of such insurer or reinsurer or of a person referred to in paragraph (a) or (b);
- (d) a director, the chief executive officer, other executive officers or the secretary of such insurer or reinsurer or of a person referred to in paragraph (a) or (b) or of a subsidiary referred to in paragraph (c);
- (e) a partner of such insurer or reinsurer or of a person referred to in paragraph (a) or (b); or
- (f) the spouse or minor child of any of the natural persons referred to in paragraphs (a) to (e),

but does not include an investment subsidiary or a property company;

“associated company” means a company associated in any manner set out in the definition of “associate”, but does not include an investment subsidiary or a property company;

“banking institution” means an institution registered under the Banking Institutions Act, 2023+998 (Act No. 132 of 2023+998), and includes a banking institution authorised as such under the laws of a country other than Namibia;

“building society” means a building society registered under the Building Societies Act, 1986 (Act 82 of 1986), and includes a building society authorised as such under the laws of a country other than Namibia;

“common monetary area” means the Kingdom of Lesotho, the Kingdom of ~~Swaziland~~ Swatini and the Republic of South Africa;

“deposit” means any amount or security deposited with the Treasury in terms of the Act;

“depositor” means a registered insurer, reinsurer, insurance broker or reinsurance broker, as the case may be, which or who has made a deposit;

“derivative instrument” means any financial instrument or contract that creates rights and obligations and -

- (a) that derives its value from the price or value of; or
- (b) the value of which may vary depending on a change in the price or value, of;

some other particular product or thing;

“domestic asset” means assets of the kind referred to in the following items of Columns 1 and 2 of Annexure C -

- (a) item 1 (credit balances) where such balances are held in Namibia and denominated in Namibian currency;
- (b) item 2 (Namibian Government and Bank of Namibia Bonds) where such bonds are denominated in any currency, and wherever issued and purchased;
- (c) item 3 (Multilateral development bank Bonds) where such bonds are denominated in Namibian currency, and issued and purchased in Namibia;
- (de) item ~~4~~3 (statutory body, public enterprise, State-owned enterprises, local authority and regional council bonds) where such bonds are denominated in Namibian currency, and issued and purchased in Namibia;
- (ed) item ~~5~~4 (corporate bonds) where such bonds are denominated in Namibian currency and issued and purchased in Namibia to finance activities within Namibia;
- (fe) item ~~6~~7 (property) where such property is located in Namibia;
- (gf) item ~~8~~7 (shares) where such shares are in a company incorporated in Namibia and, subject to regulation 15(4) and (5), includes assets shares in a company incorporated outside Namibia if such assets shares have been acquired on a stock exchange licensed under the Stock Exchanges Control Act;
- (hg) item 9 (associated companies and joint ventures) where such investments constitute shares in, loans to and non-convertible debentures of associated companies and joint ventures incorporated in Namibia;

- (i) item 10 (unlisted investments); ~~and~~
- (j) ~~item 11 (commodities) where such commodities are listed on a stock exchange licensed under the Stock Exchanges Control Act, 1985 (Act No. 1 of 1985);~~
- (k) ~~item 13 (other structured products) where such investments are held in Namibia;~~
- (l) ~~item 148 (other claims) where such claims are against natural persons resident in Namibia and companies incorporated/registered in Namibia;~~
- (~~hm~~) ~~item 159 (other assets) where such other assets are held in Namibia;~~
- ~~and~~
- (n) ~~any other asset designated as a domestic asset by the Minister by notice in the Gazette;~~ ~~and~~

~~“exchange traded fund” or “ETF” means a listed investment product that tracks the performance of a group or “basket” of underlying shares, currencies, bonds or commodities;~~

~~“exchange traded note” means an exchange-traded debt instrument that grants investors access to a wide spectrum of assets;~~

~~“foreign asset” means an asset that is not a domestic asset;~~

~~“foreign unit trust scheme” means any scheme or arrangement, in whatever form, including an open-ended investment company, carried on in a country other than Namibia, in pursuance of which members of the public are invited to acquire an interest or undivided share (whether called a unit or by any other name) in one or more unit portfolios and to participate proportionately in the income or profits derived therefrom, whether the value of such interest, unit or undivided share which may be acquired remains constant or varies from time to time;~~

~~“fund of hedge funds” means a portfolio that invests only in hedge funds, but may also hold notes, coins and a balance or deposit in a savings, current or money market account with a banking institution, and subject to conditions as may be prescribed;~~

~~“fund of private equity funds” means a portfolio that invests only in private equity funds, but may also hold notes, coins, and a balance or deposit in a savings, current or money market account with a banking institution, and subject to conditions as may be prescribed;~~

~~“hedge fund” means an asset which-~~

- (a) ~~uses any strategy or takes any position that could result in the portfolio incurring losses greater than its fair value at any point in time, and which~~

strategies or positions include but are not limited to leverage and net short positions; and

(b) is subject to conditions as may be prescribed by the Registrar;

“investments”, for purposes of regulation 15(6), means assets or items acquired or held with the goal of generating income or appreciation;

“investment manager” means an investment manager as defined in the Determination of conditions in terms of section 4(1)(f) of the Stock Exchanges Control Act;

“investment subsidiary”, in relation to a registered insurer and reinsurer, means a company –

- (a) which by virtue of shareholding, voting power, power to appoint directors, or otherwise, is controlled by the registered insurer or reinsurer concerned;
- (b) which is used by the registered insurer or reinsurer concerned for the purposes of holding investments; and
- (c) whose shares are not listed on the Namibian Stock Exchange or any other stock exchange within the common monetary area;

“joint venture” means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement;

“leverage” means the use of securities, including derivative instruments, short positions or borrowed capital to increase the exposure beyond the capital employed to an investment;

“linked business” means any business of assuming obligations under a contract under which no investment guarantees are given by a registered insurer or reinsurer, either explicitly or implicitly, and in respect of which investment benefits are determined solely by reference to the value of specific assets to which the contract is linked and which assets are actually held by the registered insurer or reinsurer or, with the approval of the Registrar, by a person on behalf of the registered insurer or reinsurer under section 30(1) of the Act;

“local authority” means a local authority council as defined in section 1 of the Local Authorities Act, 1992 (Act No. 23 of 1992);

“long position” means the situation in which a person holds or will hold more securities than such person has contracted to sell or, in respect of options, where such person has bought rights which exceed the rights sold;

“long term insurance business” means long term insurance business as defined in section 1(1) of the Act, but does not include linked business;

“management company” means a management company as defined in the Unit Trusts Control Act, 1981 (Act No. 54 of 1981);

“market value”, in relation to –

- (a) the value of every ~~listed~~<sup>quoted</sup> asset, means the price at which it was quoted on the Namibian Stock Exchange or any other stock exchange within the common monetary area within a period of three months immediately preceding the date to which the statement relates, which value shall be shown in the statement at an amount not exceeding the value determined according to the price last so quoted: Provided that if such quotation relates to a date other than the date to which the statement of assets relates, the said amount shall be properly adjusted in the case of –
- (i) any interest-bearing asset, by the difference between the amount of the interest which had accrued from the last date on which interest was payable up to the date of the quotation in question and the corresponding amount of interest accrued up to the date to which the statement relates; and
- (ii) any share on which dividends have been declared, by the difference between the amount of any dividend which had been declared but not paid on the date of the quotation in question and the amount of any dividend which had been declared but not paid on the date to which the statement relates;
- (b) assets to which the provisions of paragraph (a)(i) do not apply, means the value determined in accordance with section 29 of the Act;

“Multilateral development bank” means the World Bank Group, the International Monetary Fund and the African Development Bank;

“Namibian Stock Exchange” means the Namibian Stock Exchange licensed under the Stock Exchanges Control Act, 1985 (Act No. 1 of 1985);

“over-the-counter instruments” means securities traded between two counterparties executed outside of a licensed exchange;

“policyholder assets” means the assets held by a registered insurer or reinsurer in terms of sections 26 and 27 of the Act in order to meet its liabilities to policyholders;

“portfolio company” means a company incorporated in Namibia and not listed on any stock exchange into which an insurer or reinsurer has invested debt or equity capital;

“Post Office Savings Bank” means the Post Office Savings Bank controlled and managed by the Namibia Post Limited established by section 2(1)(a) of the Posts and Telecommunications Companies Establishment Act, 1992 (Act No. 17 of 1992), and includes a savings bank or similar institution authorised as such under the laws of a country other than Namibia;

“private equity fund” means a pool of capital that-

- (a) has, as its main business the making of equity, equity orientated or equity related investments in companies incorporated outside Namibia and not listed on an exchange to earn income and capital gains; and
- (b) is subject to conditions as may be prescribed by the Registrar;

“property company” means a company -

- (a) of which 50 per cent or more of the market value of its assets consists of immovable property, irrespective of whether such property is held directly by the company as registered owner or indirectly by way of

ownership of the shares in the company which is the registered owner of the property or of exercising control over the company which is the registered owner of the property or by way of a trust of which the company is a beneficiary; or

- (b) of which 50 per cent or more of its gross income is derived from direct or indirect investments in immovable property;<sup>2</sup>

“regional council” means a regional council as defined in section 1 of the Regional Councils Act, 1992 (Act No. 22 of 1992);

“short position” means a bear sale as defined in the Stock Exchanges Control Act;

“spouse” includes a party to a customary union;

“State-owned enterprise” means an entity that is named in Schedule 1 to the Public Enterprises Governance Act, 2006 (Act No. 2 of 2006);

“Stock Exchanges Control Act” means the Stock Exchanges Control Act, 1985 (Act No. 1 of 1985);

“the Act” means the Long-term Insurance Act, 1998 (Act No. 5 of 1998);

“uncovered position” means a position in which an asset needed to settle a derivative contract is not held for the duration of the contract; and

“unlisted investment” means an investment that takes the form of equity or debt capital in a company incorporated in Namibia and not listed on any stock exchange ~~but excludes investments in associated companies and joint ventures.~~

### Substitution of regulation 15 of Regulations

3. The following regulation is substituted for regulation 15 of the Regulations:

#### “Limits of investment

15. (1) The value of the assets which every registered insurer and every reinsurer is, subject to the provisions of subregulation (65), required to hold ~~in respect of its long term insurance business~~ in terms of sections 26 and 27 of the Act, shall not, in respect of the kinds or categories of assets set out in Column 2 of Annexure C, exceed the percentage set out opposite each such kind or category of asset in Column 3 of that Annexure, which percentage expresses a maximum percentage of the aggregate liabilities of the ~~long term insurance~~ business of the registered insurer or reinsurer, except for assets of the kind or category referred to in item 10 where the percentage expresses a percentage of the market value of the investments of the registered insurer or reinsurer, but -

- (a) assets of the kinds or categories referred to in items ~~6-7, 8, to~~ 9, 14, 15 inclusive, in Column 2 of that Annexure ~~held in respect of long term insurance business~~ shall not exceed 95 per cent of the aggregate liabilities ~~of the long term insurance business~~ of the registered insurer or reinsurer; ~~and~~
- (b) assets of the kinds or categories referred to in items ~~7, 6, and 7-8, 13 and 14~~ in Column 2 of that Annexure ~~held in respect of long term insurance business~~ shall not exceed 90 per cent of the aggregate liabilities ~~of the long term insurance business~~ of the registered insurer or reinsurer; ~~and-~~

~~(c) assets of the kinds or categories referred to in items 11, 12 and 13 in Column 2 of that Annexure shall not exceed 15 per cent of the aggregate liabilities of the registered insurer or reinsurer.~~

~~(2) For purposes of subregulation (1), the limits of investments referred to therein only apply to policyholder assets.~~

~~(3) Notwithstanding subregulation (1), a registered insurer or reinsurer shall, in respect of its long-term insurance business, invest in domestic assets, at all times, not less than the following percentages: 45% of the market value of its total assets, at all times after the following dates –~~

~~(a) 31 August 2018, not less than 40%;~~

~~(b) 30 November 2018, not less than 42.5%; and~~

~~(c) 31 March 2019, not less than 45%.~~

~~(4) Subject to subregulation (5) in the application of subregulation (1), with regard to domestic assets of a registered insurer or reinsurer, domestic assets consisting of shares acquired in a company incorporated outside Namibia shall not exceed 10 per cent. –~~

~~(a) 30 per cent of the market value of its total assets from 1 January 2014;~~

~~(b) 25 per cent of the market value of its total assets from 1 January 2015;~~

~~(c) 20 per cent of the market value of its total assets from 1 January 2016;~~

~~(d) 15 per cent of the market value of its total assets from 1 January 2017; and~~

~~(e) 10 per cent of the market value of its total assets from 1 January 2018.~~

~~(5) Assets consisting of shares in a company incorporated outside Namibia in excess of the limit set out in subregulation (4), acquired on a stock exchange licensed under the Stock Exchanges Control Act, 1985 (Act No. 1 of 1985) are, in the application of this regulation, regarded as foreign assets.~~

~~(6) Notwithstanding subregulation (1), every registered insurer or reinsurer shall invest 1.75 per cent of the market value of its investments in unlisted investments, but the unlisted investments may cumulatively not exceed 3.5 per cent of the market value of a registered insurer or reinsurer's investments.~~

~~(7) All unlisted investments made pursuant to subregulation (6) must solely be used to finance activities of portfolio companies within Namibia, and such unlisted investments –~~

~~(a) must solely be used for local economic development; and~~

~~(b) may not be transferred directly or indirectly out of Namibia in any form or manner.~~

~~(8) An investment in any asset is only to be regarded as an investment in that kind or category of asset when a registered insurer or reinsurer has directly or indirectly invested in a specific asset falling within that kind or category.~~

~~(98)~~ A registered insurer or reinsurer is considered to have complied with subregulation (6) if all its investments in the form of equity or debt capital in a company incorporated in Namibia and not listed on any stock exchange fall within the limits prescribed in subregulation (6).

~~(109)~~ A registered insurer or reinsurer must not invest or contractually commit to invest in an asset, including a hedge fund or private equity fund, where the registered insurer or reinsurer may suffer a loss in excess of its investment or contractual commitment in the asset.

~~(110)~~ Hedge funds and private equity funds that may expose the registered insurer or reinsurer to liability must be held in a limited liability structure.

~~(124)~~ A hedge fund must be operated by a management company registered under the Unit Trusts Control Act, 1981 (Act No. 54 of 1981) and must be managed by an investment manager approved under the Stock Exchanges Control Act, 1985 (Act No. 1 of 1985).

~~(1328)~~ ~~Notwithstanding~~ Despite subregulations (10) and (11), a registered insurer or reinsurer may invest in derivative instruments, subject to the following conditions –

- ~~(a)~~ the investment is made solely for purposes of reducing investment risk or various liability risks, or for efficient portfolio management, and may not be used for purely speculative purposes;
- ~~(b)~~ no leverage may be used;
- ~~(c)~~ at no time must there be uncovered positions, taking the registered insurer's or reinsurer's liability position into consideration;
- ~~(d)~~ long positions must be fully covered by cash and short positions must be fully covered by the actual underlying asset;
- ~~(e)~~ exposures may only be offset to the extent that they are exact and the reasonable correlation of assets is not enough to offset exposures;
- ~~(f)~~ over-the-counter instruments should also be appropriately collateralized and a registered insurer or reinsurer must require high quality assets that are easily converted into cash as collateral, which is measured and adjusted regularly;
- ~~(g)~~ the use of derivatives that involves the possibility of unlimited commitments are prohibited; and
- ~~(h)~~ the board of the registered insurer or reinsurer must have the relevant reporting structures in place to monitor such investments and must understand the use of derivatives to prudently manage risks associated with their use.

~~(1437)~~ The minimum and maximum limits set out in this regulation may only be breached where such breach is due to a change in the market value or characteristic of an asset and not as a result of discretionary transacting either by the insurer or reinsurer or on the insurer or reinsurer's behalf, provided that where an insurer or reinsurer breaches any limit set out in this regulation –

- ~~(a)~~ such insurer or reinsurer must notify the Registrar without delay of the limit being breached, including the reasons for such breach;



- (b) such insurer or reinsurer must not, for as long as a breach in respect of the maximum limit exists, make any further investments or contractual commitments to invest in those assets or category of assets; and
- (c) such insurer or reinsurer must ensure compliance with the relevant limits within the period specified by the Registrar in writing after having been notified in terms of paragraph (a).

~~With regard to the assets which every registered insurer and reinsurer is required to hold in terms of subregulation (1), where the value of a kind or category of asset or an asset exceeds a percentage contemplated in subregulation (1) by 5% or less, as the result of a movement in the value of any asset and not due to a further investment in the same kind or category of asset or the asset which exceeds the percentage, a registered insurer or reinsurer is not be in contravention of subregulation (1) if the registered insurer or reinsurer -~~

- ~~(a) immediately on becoming aware of such excess notifies the Registrar in writing that a percentage contemplated in subregulation (1) has been exceeded; and~~
- ~~(b) complies with this regulation within the period specified by the Registrar in writing after having been notified in terms of paragraph (a).~~

~~(8) An investment may only be classified or counted as an investment in one kind or category of asset and such investment shall not be changed without the prior written approval of the Registrar upon good cause shown.~~

~~(1549) A registered insurer or reinsurer shall within 90 days, or a shorter period determined, after the end of each calendar quarter, submit to the Registrar a statement of investment holdings in such form as the Registrar may determine.~~

~~(1659) With regard to the assets which every registered insurer and reinsurer is required to hold in terms of subregulation (1), where a registered insurer or reinsurer invests in a unit trust scheme as defined in the Unit Trusts Control Act, 1981 (Act No. 54 of 1981), including a foreign unit trust scheme as defined in regulation 1, such investment is regarded as a proportionate investment in the unit portfolio's underlying assets.~~

~~(1764) The assets which every registered insurer and reinsurer are required to hold in terms of subregulation (1) shall, without any limitation per kind or category of asset, include -~~

- ~~(a) assets of the kinds or categories referred to in items 1 and 8 of Schedule 1 to the Act; and~~
- ~~(b) assets of the kinds or categories referred to in items 2 to 6, inclusive, of Schedule 1 to the Act, but the limitations per institutions set out in items 52 and 63 of Annexure C apply thereto.~~

~~(1872) For the purposes of subregulation (1) -~~

- ~~(a) assets of the kinds referred to in Schedule 1 to the Act (excluding amounts due by a registered insurer or reinsurer to an investment subsidiary) of an investment subsidiary are to the following extent deemed to be assets of such insurer or reinsurer *in lieu* of such insurer's or reinsurer's shares in and net loans to the investment subsidiary -~~
- ~~(i) that part of each asset of the investment subsidiary which is included as an asset of such insurer or reinsurer *in lieu* of such insurer's or reinsurer's net loans to the investment subsidiary, calculated as follows:~~

market value of each asset of investment subsidiary		insurer's or reinsurer's net loans to
_____	x investment market	
value of total assets investment subsidiary		subsidiary of

- (ii) that part of each asset of the investment subsidiary which is included as an asset of such insurer or reinsurer *in lieu* of such insurer's or reinsurer's non-equity interest in the investment subsidiary, calculated as follows:

market value of each asset of investment		insurer's or reinsurer's non- equity interest in
_____	x	investment
market value of total assets of investment subsidiary		subsidiary

- (iii) the remaining part of each asset of the investment subsidiary after the deduction of the parts referred to in subparagraphs (i) and (ii), is included as an asset of such insurer or reinsurer *in lieu* of such insurer's or reinsurer's equity shares in the investment subsidiary, calculated as follows:

market value of remaining part of each asset of Investment subsidiary after the deduction of the parts in subparagraph (i) and (ii)	x	insurers or reinsurer's equity shares in invest- ment subsidiary
		_____
		total equity shares in investment subsidiary

- (b) the liabilities of an investment subsidiary (excluding its liabilities towards such insurer or reinsurer), as well as the non-equity interest in an investment subsidiary (excluding such insurer's or reinsurer's share thereof), are considered to be the liabilities of such insurer or reinsurer calculated as follows:

liabilities of investment subsidiary (excluding to- wards insurer or reinsurer) plus non-equity interest in investment subsidiary (ex- cluding insurer's and rein- surer's share thereof)	x	insurers or reinsurer's equity shares in invest- ment subsidiary
		_____
		total equity shares in investment subsidiary

- (1983) For the purposes of subregulation (1872) -

- (a) "each asset", in relation to an investment subsidiary, means an asset of the investment subsidiary of the kinds referred to in Schedule 1 to the Act, excluding an amount due by a registered insurer or reinsurer to an investment subsidiary;
- (b) "equity shares", in relation to an investment subsidiary, means the issued shares of the investment subsidiary, but not shares which, concerning neither

dividends nor capital, grant a right to participate in excess of a determined amount in a distribution;

- (c) “net loans”, in relation to an investment subsidiary, means all loans by a registered insurer or reinsurer to the investment subsidiary less all loans by the investment subsidiary to the registered insurer or reinsurer; and
- (d) “non-equity interest”, in relation to an investment subsidiary, means the issued shares of the investment subsidiary (excluding equity shares) plus the value to be apportioned.

~~(2014)~~ Every registered insurer and every reinsurer shall annually, within six months after the end of its financial year, submit to the Registrar in ~~such the~~ form ~~set out in Annexure D as may be determined by the Registrar~~, a statement containing such particulars as the Registrar shall require in determining whether the registered insurer or reinsurer is complying with subregulation (1).

~~(2145)~~ Any investment made outside the common monetary area shall comply with such limitations as shall be determined under the Currency and Exchanges Act, 1933 (Act No. 9 of 1933), from time to time.

~~(2246)~~ The Registrar, on prior written application by a registered insurer or reinsurer, ~~may~~ grant such registered insurer or reinsurer written exemption from any of the provisions of this regulation subject to such conditions as he or she ~~may~~ impose, but the Registrar ~~may~~ only exempt a registered insurer or reinsurer from the provisions of subregulation ~~(65)~~ after having obtained the approval of the Minister to do so, ~~provided that the Registrar is not required to obtain the approval of the Minister to decline an application for exemption.~~

#### Substitution of Annexure C ~~to the~~ of Regulations

5. The following Annexure is substituted for Annexure C ~~to~~ of the Regulations:

#### “ANNEXURE C

#### LIMITS OF INVESTMENT (Regulation 15)

Column 1	Column 2	Column 3
Kind of Asset	Definition of Asset	Maximum percentage of aggregate liabilities
1. Credit Balances	Deposits with and balances in current and savings accounts with a banking institution or a building society, including negotiable deposits and money market instruments in terms of which such a bank or building society is liable, including the paid-up shares of a building society, or deposits and savings accounts with the Post Office Savings Bank -	
	(a) per banking institution.....	25%
	(b) per building society	25%
	(c) per Post Office Savings Bank	25%
	<b>Total investments of a registered insurer or re-insurer in assets referred to in this item.....</b>	<b>90%</b>

2. <u>Namibian Government and Bank of Namibia Bonds</u>	Bills, bonds or securities issued or guaranteed by or loans to or guaranteed by the Government of the Republic of Namibia or Bank of Namibia.....	95%
3. <u>Multilateral development bank Bonds</u>	Bills, bonds or securities issued in Namibia by a multilateral development bank .....	95%

<p>44. Statutory body, public enterprise, local authority and regional council Bonds</p>	<p>Bills, bonds or securities issued or guaranteed by or loans to or guaranteed by any statutory body, public enterprise, local authority or regional council in the Republic of Namibia -</p> <p>(a) per local authority authorised by law to levy rates upon immovable property ..... 20%</p> <p>(b) per regional council authorised by law to levy rates upon immovable property ..... 20%</p> <p>(c) per statutory body or public enterprise ..... 20%</p> <p><b>Total investments of a registered insurer or re-insurer in assets referred to in this item. .... 50%</b></p>	
<p>45. Corporate Bonds</p>	<p>Bills, bonds or securities issued by <del>or loans to</del> an institution in Namibia <del>and also bills, bonds and securities issued by or loans to an institution</del> <b>and also</b></p> <p>Per institution ..... 20%</p> <p><b>Total investments of a registered insurer or re-insurer in assets referred to in this item ..... 50%</b></p>	
<p>56. Foreign Bonds</p>	<p>Bills, bonds or securities issued by the Government of or any other institution in, a country other than Namibia and also bills, bonds and securities issued by an institution in such country -</p> <p>(a) per Government ..... 40%</p> <p>(b) per institution ..... 10%</p> <p><b>Total investments of a registered insurer or re-insurer in assets referred to in this item. .... 50%</b></p>	
<p>67. Property</p>	<p>Immovable property, and shares in, loans to and debentures, both convertible and non-convertible, of property companies -</p> <p>(a) per single property ..... 5%</p> <p>(b) per property development project ..... 5%</p> <p><b>Total investments of a registered insurer or re-insurer in assets referred to in this item ..... 25%</b></p>	

<p>78. Shares</p>	<p>Preference and ordinary shares in companies listed on any stock exchange (excluding shares in property companies, <del>associated companies and joint ventures</del>) and convertible debentures of such listed companies, whether voluntarily or compulsorily convertible (but excluding such debentures of property companies, <del>associated companies and joint ventures</del>): Provided that -</p> <p>(a) shares and convertible debentures in a single company <del>or related party</del> listed on any stock exchange within the common monetary area -</p> <p>(i) with a market capitalization of N\$5-<del>000 m</del> billion or less are limited to ..... 5%</p> <p>(ii) with a market capitalization of more than N\$5-<del>000 m</del> billion are limited to ..... 10%</p> <p>(b) shares and convertible debentures in a single company <del>or related party</del> listed on a Namibian stock exchange licensed under the Stock Exchanges Control Act, 1985 (Act No. 1 of 1985) -</p> <p>(i) with a market capitalization of N\$500 million or less are limited to ..... 5%</p> <p>(ii) with a market capitalization of more than N\$500 million are limited to ..... 10%</p>
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	<p>(c) shares and convertible debentures in a single company or related party listed on any stock exchange outside the common monetary area in a sector other than in the development capital sector -</p> <p>(i) with a market capitalization of N\$5-000 million or less are limited to ..... 5%</p> <p>(ii) with a market capitalization of more than N\$5 000 million are limited to ..... 10%</p> <p><b>Total investments of a registered insurer or re-insurer in assets</b> 75%</p>	
9. Associated companies and joint ventures	<p><del>Shares in, loans to and non-convertible debentures of associated companies and joint ventures</del></p> <p><del>Total investments of a registered insurer or re-insurer in assets referred to in this item.....</del> 5%</p>	
10. Unlisted investments	<p>Equity or debt capital in a company incorporated in Namibia and not listed on any stock exchange, but excluding the kinds or categories of assets defined in column 2 of items 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, and 15 of column 1 of this Annexure.</p> <p>3.5%</p>	
11. Commodities	<p><del>Physical commodities traded over-the-counter, commodity derivative contracts, exchange traded commodities and commodity-linked notes traded on a stock exchange that is a member or affiliate of the world federation of exchanges</del></p> <p><del>Per commodity.....</del> 5%</p> <p><del>Total investments of a registered insurer or re-insurer in assets referred to in this item .....</del> 10%</p>	
12. Private Equity Funds	<p><del>Investments in foreign-Private Equity Funds</del></p> <p><del>(a) Per Private equity fund.....</del> 2.5%</p> <p><del>(b) Per fund of private equity fund.....</del> 5%</p> <p><del>Total investments of a registered insurer or re-insurer in assets referred to in this item .....</del> 5%</p>	
13. Other structured products	<p><del>Hedge Funds, exchange traded funds, exchange traded notes, and derivative instruments, and commodity derivative contracts</del></p> <p><del>(a) Per Hedge Fund, exchange traded fund, exchange traded notes, or derivative instruments .....</del> 2.5%</p> <p><del>(b) Per commodity derivative contract .....</del> 5%</p> <p><del>(c) Per Fund of Hedge Fund.....</del> 5%</p> <p><del>Total investments of a registered insurer or re-insurer in assets referred to in this item</del> 5%</p>	

<p><u>14. Other claims</u></p>	<p><del>Debentures (listed and unlisted but excluding convertible debentures) and any other secured claims against natural persons (excluding loans or advances referred to in paragraph (c) of item 15 of this Annexure) and companies (excluding loans to and non-convertible debentures referred to in item 9 of this Annexure and loans to and debentures of property companies): Provided that -</del></p> <p><del>(a) claims against any one natural person are limited to ..... 0.25%</del></p> <p><del>(a) claims against any single company are limited to ..... 5%</del></p> <p><del>(b) outstanding premiums (including premiums debited to insurance agents, insurance brokers or reinsurance brokers) in respect of domestic policies under which a registered insurer or reinsurer is liable and which have been outstanding for more than four months since the date on which they became due and payable .. 2.5%</del></p> <p><del><b>Total investments of a registered insurer or re-insurer in assets referred to in this item ..... 25%</b></del></p>	
<p><u>15. Other Assets</u></p>	<p><del>Any other asset not referred to in this Annexure per kind or category of asset.</del></p> <p><del>Provided that the following assets are not subject to maximum percentage of aggregate liabilities in column 3:</del></p> <p><del>(a) moneys in hand;</del></p> <p><del>(b) loans or advances on the sole security of domestic policies under which a registered insurer or reinsurer is liable;</del></p> <p><del>(c) motor vehicles, furniture and office equipment, including computer equipment, used by a registered insurer or reinsurer in the course of its business in Namibia;</del></p> <p><del>(d) any other asset designated by the Minister by notice in the <i>Gazette</i>.</del></p>	<p><del>2.5%</del></p>