

INDUSTRY COMMENTS ON FIMA CHAPTERS 3

Chapter.3 – Financial Markets

Company Name:	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
FM STANDARD 3.6					
Minimum Capital, Capital Adequacy, Solvency and Liquidity Requirements for Investment Managers, and the Conduct of the Business of Investment Management with Integrity, Prudence and Professional Skill, and in a way that ensures that a Sound Financial Position is maintained and does not cause or promote instability in the Financial System of Namibia.					
Old Mutual Investment Group (Namibia) (Pty) Ltd	General	Will this Standard replace the Determination of conditions in terms of Sec 4(1)(f)? The determinations include more requirements such as what are to be included in the mandate, which are not included in this Standard.	Clarification is sought	There will be a separate Standard “The Contents of investment mandates” in terms of Section 410((2)(hh) of FIMA. Further, the Conditions have been identified for purposes of the grandfathering exercise in line with Schedule 3 (Transitional Provisions) under Section 467 of FIMA.	

FirstRand Namibia Limited	Clause 1(a)	Under the definition of “Act”, it currently reads the Financial Institutions and Markets Act, 2019 ”.		Accepted. Reference to 2019 amended in the definition of “Act” to 2021 .	
MMN/NASIA	Clause 1(b)	(b) “client asset” means an item of property owned by a person, regarded as having value and available to meet debts, commitments, or legacies including money of any currency that, in the course of carrying on its investment management activities, the investment manager holds or receives on behalf of a client, or owes a client; The term, “client asset” is already defined in the FIMA in Section 460.	Align the definition contained in the Draft Standard to the definition contained in S460. The definition contained at Section 460 provides far more legal certainty and is technically correct. Conflicting definitions for different purposes may result in difficulties in interpretation and conflict. Recommended change: “client asset” means “client asset” as defined in S460(1)(b) of the FIM Act	Accepted. Definition to be removed and referenced to Section 460 of FIMA.	
MMN	Clause 1(c)	“liquid asset” means an instrument that qualify for investment in the money market or an asset that can be converted into cash in a short time with little or no loss in value including accounts receivable, demand and time deposits;	We propose an actual number for certainty as we may all interpret this differently in industry.		No, an actual number cannot be provided, as the emphasis is on the asset's ability to be converted into cash quickly and with minimal loss in value.

		Little or no loss is very subjective.			If any loss occurs, it should be very small and not significantly affect other investors in the portfolio when selling such instruments.
NASIA	1(1)(c)	<p>We recommend this definition be expanded to take into account and reflect the true circumstances of the industry.</p> <p>It is unclear whether participatory interests in CIS are expressly allowed and it is also unclear why accounts receivable in an asset management context is allowed. Little or no loss is very subjective. We therefore propose an actual number for certainty as we may all interpret this differently in industry.</p>	<p>We recommend that the following change is made: “liquid asset” means:</p> <p>a) cash which includes cash on hand and demand deposits; b) cash equivalents which are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; c) an instrument that qualifies for investment in the money market; d) or an assets that can be converted into cash in a short time with little or no loss in value which including accounts receivable and time deposits which can be converted into cash in less than 7 days upon provision of notice; e) money market instruments f) a participatory interest in a money market portfolio;</p>	<p>Definition of “liquid assets” to be reworded as defined in the Meaning of Money Market Instruments for the Purposes of the definition in Section 78 Regulation which reads as follows:</p> <p>“liquid asset” means - (i) any amount of cash consisting of Bank of Namibia notes and coins; (ii) any balance in an account</p>	<p>The definition focuses on instruments that qualify for investment in the money market or assets that can be easily converted into cash.</p> <p>Participatory interests in a CIS are part of 'assets' and if the specific participatory interest in a CIS conforms to the definition, then they can be regarded as liquid assets, if not,</p>

			<p>g) 70% of the market value of a participatory interest in a collective investment scheme, other than an investment in a money market portfolio or a CIS hedge fund; or</p> <p>h) 70% of the market value of a security listed on a licensed exchange provided it does not constitute more than 50% of total liquid assets, provided that –</p> <p>(i) the assets referred above, are capable of being converted, without any penalty on capital in terms of the conditions of the asset, into cash as follows:</p> <p style="padding-left: 20px;">(aa) 50% within 7 days; and</p> <p style="padding-left: 20px;">(bb) 50% within 30 days; and(ii) the assets referred to in (ii)paragraphs (g) and (h) are capable of being converted into cash within 7 days;</p>	<p>with a bank, branch of a foreign institution which is authorised in terms of the Banking Institutions Act, 1998, to conduct the business of a bank by means of such branch or a foreign bank;</p> <p>(iii) any positive balance in a settlement account, other than a margin account, operated for the purpose of buying and selling of underlying assets;</p> <p>(iv) money market instrument; or</p> <p>(v) participatory interest in a money market portfolio, on condition that the assets in</p>	<p>then they are disregarded.</p> <p>"Asset in liquid form" for CIS will specifically be defined under Manner in which, and the Limits and Conditions Subject to which Assets that must be included in a Portfolio of a Collective Scheme Investment Scheme at the time that a Participatory interest is sold or Offered for Sale Standard, which is currently in draft form.</p> <p>Accounts receivable are included as a potential liquid asset for investment managers to account for funds that are expected</p>
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				<p>sub-paragraphs (i), (ii), (iv) and (v) are capable of being converted, without any penalty on capital in terms of the conditions of the asset, into cash within a period not exceeding seven days;</p>	<p>to be received in the short term. Investment managers may have accounts receivable from clients for fees or other financial obligations. Including accounts receivable allows for the consideration of these assets as potential sources of liquidity, which can be converted into cash relatively quickly.</p> <p>Further, accounts receivable is also included in your proposed definition of liquid assets.</p>
FirstRand	Clause 1(d)	The definition of “marketable securities” in the FIMA refers only to liquid assets however in terms of the Stamp Duties			<p>Yes, ‘marketable securities’ should be ‘liquid’ to have a market, and to be easily converted into</p>

		Act, the definition of marketable securities includes illiquid assets. Is this the intent to have a separate definition that excludes illiquid assets?			cash at a reasonable price. Therefore, and as per the definition, 'marketable securities' exclude illiquid assets.
NASIA	Section 1(1)(c) and (d)	The definition of "marketable securities" and "liquid assets" reads very similar. Marketable securities as a defined term is used twice as follows in Paragraphs 7 and 8.	Based on how the definition is used, we are of the view that the definition of "marketable securities" should be deleted and replaced with the defined term of liquid assets. We include further comments on the "liquid asset" definition below.		No, 'liquid assets' and 'marketable securities' are not the same in terms of definitions, although similar: Liquid assets refer to assets that can be easily converted into cash without significant loss in value. These assets are readily available for use in meeting financial obligations. On the other hand, marketable securities are financial instruments that

					<p>can be easily bought or sold in a public market, such as equities, bonds, or treasury bills.</p> <p>While both liquid assets and marketable securities are easily convertible to cash, the key difference lies in their nature. Liquid assets encompass a broader category that includes cash and other highly liquid holdings, whereas marketable securities specifically refer to tradable financial instruments.</p>
MMN	Clause 1(e)	“money market” means the sector of the financial market that includes financial instruments that have a maturity or redemption date that is	We would recommend alignment with the industry agreed view that money market sector contains instruments that have maturity dates of up to 13 months. This is to		<p>Rejected.</p> <p>One year or less is an internationally accepted</p>

		one year or less at the time of issuance.	avoid the confusion around 366-day instruments.		(common) term used to describe short-term financial instruments. Whether the instrument is issued for 365 days or 366 days is independent of whether it is a 'leap year' or not. One year or less captures both.
NASIA	Clauses 1(f)	Given the proposed insertion into the definition of liquid asset with the terms to liquidate, this definition may be deleted. The issue of timing to access cash for liquidity purposes is dealt with in the amended definition of liquid asset.	We propose deletion of this defined term		Declined, there is a difference between a 'money market instrument' and a 'liquid asset'. These words have been added to the definition of "money market instrument includes a banker's acceptance, bond, commercial paper, debenture, deposit, negotiable

					certificate of deposit, state-owned enterprise bill, promissory note, trade bill and treasury bill.”
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FirstRand	Clauses 1(e), (f)	<p>The definition of money market and money market instruments can imply that banking products are included. Is this the intent of NAMFISA? That banking products fall within the scope of money market and therefore financial products and requiring banks to register accordingly where they provide a financial product captured under FIMA?</p>			<p>No. Banks are regulated under the Banking Institutions Act, and banking products are designed and developed within that sphere.</p> <p>There is no requirement to register any product with NAMFISA in this regard.</p> <p>Banks do not need to register with NAMFISA to provide a product that forms part of banking business, and ordinarily provided by a bank.</p>
NASIA	Clause 1(g)	<p>This defined term (in the Act) only contemplates listed entities. Is it the intention that listed managers have a different requirement to unlisted managers?</p>	We seek clarity here	<p>The definition to be updated as follows:</p> <p>“paid-up share capital” means the amount of money a</p>	

				company has received from shareholders in exchange for participation in the ownership of the company by selling its shares on the primary market or directly to investors.	
FirstRand/ NASIA	Clause 2	In terms of clause 2, the Applicability of this standard reads that it is applicable to all financial intermediaries involved in investment management however the content of this standard applies to an investment manager only. Where applicable, financial intermediaries should be referred to / included as the provisions are also relevant to the persons who are involved in investment management or to change the applicability.	The term “investment manager’ to be changed to “financial intermediary” to cater for all who are involved in investment management services.		Investment Managers are all those involved in Investment Management, irrespective of how they might refer themselves to, as defined under the Act. Investment Manager is defined to “ <i>mean a company that is in the business of investment management</i> ”. While investment management is defined to “ <i>mean managing for</i>

		<p>It is also unclear as to whether a trustee/custodian could be deemed as involved in investment management as defined, as they manage funds on behalf of a client and action the buying and selling of securities. So, would this standard also be applicable to them?</p> <p>Please refer to previous NASIA comments submitted on 28 February 2022. A financial intermediary is not defined in the FIM Act.</p>		<p><i>another person, the buying, handling, selling or exchanging of securities, and includes the handling of the funds of, and giving securities advice to, that other person in connection with such activity”.</i></p> <p>Care should be taken not to confuse the company referred to as an Investment Manager and the function of investment management as different intermediaries may offer these functions.</p> <p>We are not sure which specific comments of February 2022 are being referred</p>
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					to and their context. "Financial intermediary" is defined under Section 1 of the Act (Page 19).
NASIA	Clause 2(1)	<p>Given the definition of paid-up share capital, we assume this is meant for managers listed on the stock exchange only. If this is the intention, what purpose would this serve for a listed manager in isolation of a non-listed manger?</p> <p>We seek clarification on how startup capital and stated/share capital tie into the definition of "paid-up share capital".</p> <p>In addition, if the purpose is to ensure solvency, where does the N\$250k threshold come from?</p>	<p>We suggest the following change:</p> <p>The assets of an investment manager must at all times exceed the liabilities and the investment manager must at all times comply with the additional asset, working capital and liquidity requirements as set out in this Standard.</p> <p>Alternatively, it can be completely deleted as clause 7 details this. depending on NAMFISA's intention, an alternative suggestion is to amend the clause to allow any equity reserve to be above N\$250k and not specifically paid-up share capital.</p> <p>Alternatively, if the above recommendation is not accepted and the requirement was meant to span only listed investment</p>		<p>The suggested clauses are declined.</p> <p>The term "for Investment Managers" already forms part of the Standard title.</p> <p>Definition of "paid-up share capital" has been revised to mean 'the amount of money a company has received from shareholders in exchange for participation in the ownership of the company by</p>

			<p>managers, we recommend the following change:</p> <p>1.The investment manager, listed on an exchange must maintain, on an ongoing basis, paid-up share capital of at least N\$250 000.00 (two hundred and fifty thousand dollars) for employment in the business.</p> <p>In addition, this standard is for asset management. Question: will NAMFISA issue standard for CIS?</p> <p>Chapter 4 of FIMA, Collective Investment Schemes, does not cover capital adequacy and liquidity requirements. Current management companies registered under the UTC Act,1981 (Act No.54 of 1981) applies the capital adequacy requirement relating to UT schemes:</p> <p>2(1) N\$2.4 m paid up share capital and non-distributable reserves 2(2) trustee under UT scheme, paid up capital and unimpaired reserves not less then N\$1.25m 3(a) and (b) 10% MV of unit portfolio or every unit portfolio N\$1m</p>	<p>selling its shares on the primary market or directly to investors;’ “</p> <p>The purpose of the provision is to ensure that investment managers can demonstrate sufficient capital to operate and meet their financial obligations.</p> <p>The threshold of N\$250,000.00 have been maintained from the Conditions issued under Section 4(1)(f) of SECA.</p> <p>Yes, a separate Standard will be issued for CIS in terms of Section 410(1)(q) and or (5)(a) of the Act.</p>
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MMN	Clause 2(7)	<p>“The assets of the investment manager, excluding non-marketable securities, immovable property, goodwill and any other intangible assets, must at all times exceed its liabilities.”</p> <p>Note that assets is not defined. We recommend the insertion of a defined term for assets.</p>	<p>Proposed definition of assets:</p> <p>“assets” in relation to the general solvency requirements means all the assets of an investment manager (including liquid assets) but excluding the following assets: (a) goodwill; (b) intangible assets; and investments in and loans to related parties;</p>		<p>Definition of “Assets” has been added under 1(1)(b).</p> <p>“asset” means a present economic resource, or a right, or other source of value, that is capable of producing economic benefits controlled by the entity as a result of past events.</p>
Alexander Forbes Namibia Holdings (Pty) Ltd	Clause 2(8)	<p>The clause provides that the investment manager must, at all times, maintain marketable securities that exceed its liabilities by a sufficient margin but does not explain what a sufficient margin is and how it is determined.</p>	<p>Consider clarifying what would a sufficient margin and how it is determined</p>	<p>Accepted.</p> <p>The sentence to read as follows: “The investment manager must, at all times, maintain marketable securities that exceed its liabilities by a sufficient margin to cover the risks to the investment</p>	

				manager's net worth, and must be structured to result in capital addressed to the full range of risks to which the investment manager is subject".	
NASIA	Clause 2(9)	<p>Delete the word "budgeted"</p> <p>Some wording recommendations made to take into account businesses which are not yet going concerns and also some concepts which were missing.</p>	<p>The investment manager must, at all times, maintain liquid assets equal to 13/52 weeks of either:</p> <p>a) annual expenditure as defined in clause 10, as disclosed in the latest set of audited annual financial statements; or</p> <p>b) annual expenditure as defined in clause 10, which annual expenditure has been budgeted for the coming year.</p>	<p>Proposed deletion of "budgeted" and the recommended change are accepted.</p> <p>Note that unaudited AFS will be used for NAMFISA's internal analysis.</p>	
NASIA	Clause 2(10)	<p>Some wording recommendations made to take into account businesses which are not yet going concerns and also some concepts which were missing.</p> <p>Please note the amendment by the</p>	<p>Delete the word "budgeted"</p> <p>Replace "fixed assets" with "assets" and add "depreciation"</p>	Accepted.	

		deletion of the word budgeted. This now allows for expenditure to be used which is either from AFS or alternatively budgeted.			
NASIA	Clauses 2(15)	Why are perceived conflicts not included?	In our view, conflicts and potential conflicts must be identified and mitigated.	Accepted. Add the words "actual or perceived" conflicts of interest.	
NASIA	Clauses 2(17)	Clarity is sought on this paragraph. What is the intention?	If it is to address insider trading, i.e acting on trade sensitive information or inside information obtained from clients to trade in shares, this is already governed by Part 9, Market Abuse of the FIM Act.		No, the clause is a part of the fiduciary duty that investment managers owe to their clients. It is intended to prevent conflicts of interest and ensure that the investment manager acts in the best interests of its clients. The clause requires that an investment manager not take advantage of information it obtained from

					providing services to a client for its own benefit or the benefit of its employees or the benefit of another client, and where such an eventuality is likely to occur.
Old Mutual Investment Group (Namibia) (Pty) Ltd /	Clauses 2(15-19)	The requirements and prohibitions in relation to conflicts of interest and information obtained are vague and will result in differences of interpretation between the industry and NAMFISA.	Align to wording currently included in the Determinations issued in terms of Section 4(1)(f) of the Stock Exchanges Control Act.		<p>Rejected.</p> <p>There is no indication of where the “vagueness” is. Clause 8(l) of the Conditions refer only to conflict between the manager and client, while the wording in this Standard expands on parties who may be conflicted and also provides for different scenarios where conflict may arise and actions that may be taken.</p>

FirstRand	Clause 2(19)	<p>Clause 19 refers to agents of an investment manager however agents have not been defined and it is unclear as to who these agents would be.</p>		<p>Agents only appear twice in section 106: Listing of securities except for insurance agents.</p> <p>It should not be confusing as to 'agent' in relation to how the term is used in the sentence. It should be taken in its literal everyday plain language usage of "a person who acts for or represents another".</p>
FirstRand	Clause 2(21)	<p>With regards to clauses 21, where investment managers are required to hold clients' assets in trust, this could lead to misinterpretations and applicability of for instance to Chapter 9 in that an investment manager could be an institutional trustee or that a trust is required for the</p>		<p>NAMFISA does not see where a misrepresentation could arise.</p> <p>Refer to the definitions under Chapter 9 for clarity.</p> <p>An investment manager is</p>

		protection and segregation of clients accounts.			defined as financial intermediary in the Act.
NASIA	Clause 2(22)	This account opening process is not always done by the investment manager. The process of opening a client custody account involves contracts and some investment managers may not undertake the legal risk on behalf of a client.	The investment manager must ensure that the clients individually open one or more client accounts with the relevant institution for purposes of segregating clients' assets.	To be reworded as follows: "The investment manager must ensure that one or more client accounts are opened with the relevant institution for purposes of segregating clients' assets". Note that the obligation falls squarely within the duties of an investment manager, namely, to segregate client's assets.	
NASIA	Clause 2(27)	Only one structure taken into account in respect of asset management. We assume that the intention is to reconcile per client and per their holdings	Where there is more than one client bank account, the investment manager must reconcile each client bank account separately as well as the aggregate position on each clients' accounts.	Accepted. Clients' to be changed to client's as the purpose is to	

		<p>under the collective mandates managed per that client ONLY. An investment manager would never aggregate and reconcile across clients, there is no purpose for this to be done as the clients usually own shares in their own name which shares are registered in their own CSDP accounts and these clients also have bank accounts in their own names.</p>		<p>determine the total AUM of each client.</p>	
<p>Old Mutual Investment Group (Namibia) (Pty) Ltd</p>	<p>Clause 2(29)</p>	<p>The rights of the investment manager must also be protected and not only one sided.</p>	<p>It should be in the discretion of the investment manager and the client to agree on the terms of their relationship according to the law of contract.</p>	<p>The intention here is to ensure that clients' assets are adequately protected when placed at a third party chosen by the investment manager, specifically aiming to minimise the risk of loss or misuse.</p>	<p>This is in line with the objects of the Act and does not in any way prejudice the rights of the investment manager (financial intermediary).</p> <p>This sets the standard to ensure integrity and investor protection, which may not be reflected under</p>

					the law of contract.
Alexander Forbes Namibia Holdings (Pty) Ltd	Clauses 2(30 -33)	These clauses talk about the clients understanding of the risk and places various duties in this regard on the investment managers but does not state what would happen if investment managers contravene these provisions	State what the penalty would be for non – compliance.		Part 4: General Market Conduct Requirements – Prohibition of false and misleading statements, Section 406(3) of the Act states the penalties for non-compliance.
FirstRand	Clause 2(30)	With regards to clause 30, this section should also be relevant to securities advisors or an intermediary of the investment manager.		Accepted.	Investment Managers are all those involved in Investment Management Activities, irrespective of how they might refer themselves to.
FirstRand	Clauses 2(30)	With regards to clause 30 - the client's understanding of risk – this is a challenge from an institutional perspective and what NAMFISA would require as evidence to the effect the institutional clients or			There is no requirement for client “knowledge” nor “experience”. The requirement is for the manager to take “reasonable”

		<p>other clients for that matter have knowledge and experience? This is also impractical.</p>			<p>steps to enable the client to understand the risks involved.</p> <p>This is necessary to ensure the client's risk profile, previous involvement with investments are assessed and determined prior to on-boarding.</p> <p>These are also necessary to ensure that correct client investment objectives and expectations are set, strategy, liquidity needs, etc.</p>
NASIA	Clause 2(30)	<p>This clause does not contemplate that a vast majority of investment managers manage money on behalf of institutional clients such as retirement funds. These clients are often "professional" and are often advised by consultants. We therefore</p>	<p>The investment manager must not – (1) recommend a transaction to a client <u>who is a natural person</u>, or effect a transaction with or for a client, unless it has taken all reasonable steps to enable the client to understand the risks involved;</p>		<p>Declined.</p> <p>Institutional clients also carry the risks of being misinformed. Thus, the expectation of understanding</p>

		recommend this clause to take into account this nuance.			and appreciating risk applies to all clients irrespective of the level of financial acumen.
MMN/NASIA	Clause 2(31)	<p>“When providing investment management services, the investment manager must obtain the necessary information regarding the client’s knowledge and experience in the investment field relevant to the specific type of product or service, the client’s financial situation and investment objectives, so as to enable the investment manager to recommend to the client, the investments and financial instruments that are suitable for them.”</p> <p>Investment managers do not provide advice to clients, nor does their licensing permit giving financial advice. They simply manage in terms of an agreed mandate. The advice role is mostly</p>	<p>We suggest the removal of clause and make it specific to Investment consultants.</p> <p>Alternatively, see recommended wording changes:</p> <p><u>If the investment manager provides financial advice to clients, whilst..</u> , the investment manager must obtain the necessary information regarding the client’s knowledge and experience in the investment field relevant to the specific type of product or service, the client’s financial situation and investment objectives, so as to enable the investment manager to recommend to the client, the investments and financial instruments that are suitable for them.</p>		<p>This Standard is not limited to Investment Mangers only but to all who provide investment management services.</p> <p>If Investment Consultants perform the activities that fall under Investment Management, they should then, seek approval and registration as Investment Managers to perform an Investment Management Activity.</p> <p>Investment Managers are entities involved</p>

		performed by investment/asset consultants who recommends the investments and financial instruments that are suitable to them; therefore, the duty should be placed with the investment/asset consultants, and not Investment managers.			in Investment Management services, irrespective of how they might refer themselves to.
FirstRand	Clause 2(33)	Clause 33: The onus is placed on the investment manager however it is more practical to place the onus on the securities advisor who generally/mostly deal with the clients.			Investment Managers are all those involved in Investment Management, irrespective of how they might refer themselves to. The securities advisor is by definition an investment manager in the business of investment management as defined.
NASIA	Clause 2(38)	It contemplates more of venture capital or a private placement type arrangement. Clarity must be provided before we can suggest wording. In the	We recommend deletion of the clause.		Declined. The objective of this clause is to compel the investment

		<p>normal course of traditional investment management, this makes no sense.</p>		<p>manager to appreciate the cash flow cycle of the investment to further explain to the client.</p> <p>The clause applies to different types of investments, including bonds and other financial instruments. An example, bonds have different terms and conditions including maturities, coupon payments etc. The investment manager must understand how cash flows from these bonds will be allocated.</p> <p>By having this understanding, the investment manager can make informed</p>
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					choices regarding the allocation of funds.
Old Mutual Investment Group (Namibia) (Pty) Ltd	Clause 2(38 and 39)	Are these items that will be determined by NAMFISA or internal governance processes? How will it be evaluated?	Clarification is sought	These items will be determined during registration and periodic inspections of entities.	The Manager must show how they are meeting these requirements while NAMFISA will assess conformance to the requirements.
NASIA	Clauses 2(42 – 47)	Paragraph 42 – 47 contains information that should rather be catered for in investment mandate and not contained in a standard.	We recommend deletion of the clause.		Declined. Paragraphs 42-47 is relevant to investment managers because investment managers are expected to perform their own research as opposed to relying on research from credit rating agencies and other third parties.
Company Name:	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):

FM STANDARD 3.7					
Manner and form of application for registration as a central securities depository, an exchange, a securities clearing house, an investment manager, a linked investment service provider					
MMN	General Comment Clause 2	Application of Standards to LISPs: LISPs are fundamentally different from asset/investment managers. LISPs (which in law are agents of the client in procuring products, mostly unit trust investments, via a technology platform that gives the client a convenient and collated view of his various investment holdings) are not stockbrokers, investment managers, or advice givers in any of those areas, – as they are administrative in nature. The requirements laid therein with regard to the submission of a full composition of investments under management with the quarterly returns as well as a compliance report should not apply to LISPs.	We suggest that specific Standards and Regulations be issued for the future regulation of LISPs.	Accepted.	This is, however, about the Manner and Form of Registration, and not about the regulation of LISPs.
NASIA	??	Closure/Cancellation of Unit Trust Funds: Please advise on	1)We suggest that if at the time, whether before or after the	Winding up of portfolios should be in FIMA like	

		closure/cancellation on Unit Trust Funds.	<p>commencement of the Act, when a portfolio was formed under a collective investment scheme, no period was fixed for the duration of that portfolio, the manager, trustee or custodian may, on application to the registrar and subject to such terms and conditions as he or she may determine, wind up that portfolio at any time.</p> <p>2) Any competent division of the court may, on the application of a manager, trustee or custodian, order any such portfolio to be wound up if the court is satisfied that do so would be in the interest of investors in that portfolio.</p> <p>3) Upon winding-up of a portfolio, the manager must under the control and supervision of the trustee and custodian realise all the assets of such portfolio as soon as possible having regard to the interest of investors, but the manager incurs no liability by reason of exercise in good faith of is discretion is exercised in a grossly negligent manner,</p>	<p>section 25 of the UTCA provides for winding up portfolios. In the future, we will amend the FIMA to expressly provide for the closure/cancellation of funds. Until then, we will grandfather this section of the Unit Trusts Control Act in accordance with Schedule 3 of FIMA.</p>	
NASIA	Clause 6(1)	What does this mean? An application which is incomplete in any aspect or in all the aspects?		<p>Noted.</p> <p>The provision should read "incomplete in</p>	

				<p>any aspect" instead of "incomplete in all aspects".</p> <p>It means that an incomplete application will be rejected.</p>	
MMN/NASIA	Clause 4(l)	<p>“Pursuant to section 83 of the Act, an applicant that intends to apply for registration as a central securities depository, an exchange, a securities clearing house, an investment manager, a linked investment service provider, a securities rating agency, a securities dealer or a securities advisor must –</p> <p>(l) be accompanied by a detailed business plan;”</p> <p>A business plan would be relevant for Start-up entities and not existing ones.</p>	<p>We suggest for existing entities we remove the requirement to provide a business plan.</p>	<p>Accepted.</p> <p>While we agree that a Business Plan should be required for completely new applicants only, even approved or existing registered entities should have a Business Plan, irrespective of whether it is called a: Strategic Plan, Development Plan, Excursion Plan, Annual Objectives can be submitted in lieu of business plans.</p>	

				Existing regulated entities relying on the deeming provision for registration will be exempted from providing a business plan.	
MMN	Schedule 1, Section 1(8)	This Questionnaire asks: Will any substantial activities of the entity be outsourced? However, there is no indication or definition of what would be considered 'substantial'. The Outsourcing Standard refers to Principal and Material Functions – not Substantial activities.	Define 'substantial activities' and ensure alignment with Outsourcing Standard.	Accepted.	
MMN	Schedule 1, Part 5 Ongoing Obligations	General: Compliance Report Requirement for asset managers	NAMFISA to clarify if the report being referred to is the existing Compliance Reports submitted annual as per Annexure A- 1 of Conditions for Investment Manager (Report to Registrar by the Compliance Officer).	Yes, to be made an Annexure of this Standard	
MMN	Part 6	This section is to be completed by 'key responsible persons'. However, there is no definition provided for key responsible persons.	Define who is regarded as 'key responsible persons' and is it all senior management?	Key Person as defined in Fit & Proper Requirements General	

				Standard No. 10.2.	
				Note the Standard to align wording in accordance with the F&P Standard.	
PSG	<ul style="list-style-type: none"> • Section 2, part 4. • Section 2, part 4, question 5, • Section 2, part 4, question number 15 Section 2, part 4, question number 16(c),	Grammar <ul style="list-style-type: none"> • Dash missing in the word “<i>anti money</i>” • Grammar. • typo. typo.	Recommended corrections.	Agree, to be corrected.	
FirstRand	Part 7	Part 7 – Additional Attachments To state “where applicable” as some of those attachments would not be required for instance with an application for securities advisor.	Insert the words “where applicable/available” To remove the amount of N\$ 5 000 for the proof of payment of registration fee and only state “Proof of payment of the required	Agreed, words “where applicable/available” to be inserted. Agreed, Reference be made to the specific General	

		Also with regards to proof of payment of registration fee.		Standard GEN.S.10.23 in terms of which fees are prescribed.	
FirstRand	Part 7 A SECURITIES RATING AGENCY, A SECURITIES DEALER OR A SECURITIES ADVISOR PURSUANT TO SECTION 83(4)	The N\$ 5 000 is also stated under item 19 of the Internal File Information Checklist.	application fee as prescribed in GEN.S.10.23”	Agreed, Reference be made to the specific General Standard GEN.S.10.23 in terms of which fees are prescribed.	