



Date: 25 September 2012  
Attention: Media  
Ref: 9/6/2

**FOR IMMEDIATE RELEASE**

**JOINT PUBLIC NOTICE BY THE BANK OF NAMIBIA AND NAMFISA ON THE  
BUSINESS ACTIVITIES OF U-CARE**

---

The Bank of Namibia (BON) and the Namibia Financial Institutions Supervisory Authority (NAMFISA) have been inundated with queries from the public wanting to know whether or not the business activities of U-Care in Namibia are legal. Through this joint public notice, both regulatory bodies wish to inform the general public that the operations of U-Care in Namibia are in contravention of both the Banking Institutions Act, 1998 (Act No. 2 of 1998), as amended and the Long-term Insurance Act, 1998 (Act No. 5 of 1998), as amended. On 27 April 2011, BON directed U-Care to refrain from pursuing any further business activities in Namibia. Despite this directive, U-Care continued to operate in Namibia under the radar.

The business model of U-Care was found to be in contravention of section 55A of the Banking Institutions Act of 1998, as amended based on the following key principles:

- That the core activity is to introduce new members of the public to the business practice, whereby money in the form of a monthly fee per member is regularly accepted from members of the public. Participants are then encouraged and required to introduce or recruit new members of the public to the network in order to earn monetary rewards and progress in status. The funds so obtained from the public are then allocated to participants as rewards, which principally come from the monthly contributions received from existing and newly recruited members.

On another front, U-Care contravened the Long-term Insurance Act (No. 5 of 1998), as amended, by acting as a funeral insurance intermediary without approval from the Registrar of Long-term Insurance. The funeral cover was underwritten by Trustco Life Limited, which is duly registered as a long-term insurer. Upon notification of these transgressions by U-Care, Trustco Life Ltd stopped underwriting the funeral cover benefits as from 31 May 2012.

However, members of U-Care who are holders of the funeral policy are advised to approach Trustco Life Limited on an individual basis to continue their funeral policy underwritten by them, should they wish to continue such relationship.

Both the Bank of Namibia and NAMFISA hereby advise members of the public who have joined U-Care to discontinue their membership with immediate effect while those who have intentions to join should desist from doing so forthwith.

By transacting with or getting involved in the business practices of U-Care, such participating members of the public may equally become liable, since they will be contravening the Banking Institutions Act and the Long-term Insurance Act and this could result in prosecution under these laws.

In addition, charities and other organizations who were enticed to accept and receive donor funding from U-Care are also cautioned to relinquish their relationships with U-Care Namibia, since any involvement with U-Care may present them with reputational and legal challenges.

For further enquiries contact:

**Ndangi Katoma**  
Director:  
Department of Strategic Communications  
and Financial Sector Development  
Bank of Namibia,  
Tel: (061) 283 5114  
Fax: (061) 283 5546  
Email: [info@bon.com.na](mailto:info@bon.com.na)

**Isack Hamata**  
Manager: Corporate Communications  
Namibia Financial Institutions  
Supervisory Authority  
Tel: (061) 290 5177  
Fax: (061) 290 5194  
E-mail: [ihamata@namfisa.com.na](mailto:ihamata@namfisa.com.na)