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FOR IMMEDIATE RELEASE

OUTCOME OF THE INVESTIGATION ON THE BUSINESS ACTIVITIES OF MUFHIWA BUILDING PROJECTS IN NAMIBIA

1. The Bank of Namibia (“the Bank”) conducted an investigation into the business activities of Mufhiwa Building Projects to determine whether such activities contravene the provisions of section 55A of the Banking Institutions Act, 1998 (Act No. 2 of 1998), as amended (“the Act”).
2. The assessment revealed that the business activities of Mufhiwa Building Projects constitute and resembles the characteristics of a pyramid scheme. The Bank’s assessment shows that Mufhiwa Building Projects obtain money from the public as follows:
 - 2.1 Members and participants in Mufhiwa Building Projects are encouraged to recruit new members, upon a payment of a joining fee of N\$200.00, with the promise that such members receive payments to have their home loans settled, or to purchase new houses, or to renovate their existing houses;
 - 2.2 Mufhiwa Building Projects does not generate income through the sale of a product or any service to its members; and
 - 2.3 The joining fee of N\$200.00 is used to pay existing members and the directors or owners of the scheme. Therefore, as soon as the recruitment of new members stops all the members and participants in the scheme will not receive any payment and will lose their joining fee.



3. In view of these findings, the Bank cautions the public not to participate in Mufhiwa Building Projects as doing so contravenes section 55A of the Act, and hence promoters and participants are directed to stop.
4. Over the past months, the Bank has been trying to get hold of Directors or duly authorised representatives of Mufhiwa Building Projects, but to no avail. Therefore, the Bank hereby calls upon and invites any Director or duly authorised representative of Mufhiwa Building Projects to contact the Bank within a period of 14 days from the date of issuance of this notice to disprove the findings of the assessment of the Bank.
5. Any Director or duly authorised representative of Mufhiwa Building Projects shall be afforded an opportunity to make written and/or oral representations to the Bank in order for the Bank to consider the matter in terms of the provisions of the Act. Failure to do so within the period stated in paragraph 4 above, the Bank's position shall be endorsed to be final.

Issued by:



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