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## **BANK OF NAMIBIA AND BANCO NACIONAL DE ANGOLA IN RENEWED TIES**

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1. To further their respective price and financial stability mandates as well as execution of strategies to modernise national financial systems, the Bank of Namibia (BoN) and Banco Nacional de Angola (BNA) have agreed to collaborate on various fronts. The excellent bilateral ties between the two neighbouring countries have cultivated a long-standing alliance between the two central banks, which has resulted in increased cooperation. In this regard, the two central banks are following the lead of their respective government's promotion of the free movement of people, goods, and services in addition to their standard peer-to-peer cooperation.
2. Mr. Johannes !Gawaxab, Governor of the Bank of Namibia and the Bank's management team welcomed the Governor of Banco Nacional de Angola, Mr. Jose de Lima Massano, and members of his delegation. The visit aimed at pursuing a collaboration that can assist the two countries in attaining balanced and sustainable economic growth and prosperity of both nations.
3. Following the discussions, the two central banks decided to cooperate to promote effectively, modernised, and digitally enabled payment methods between the two countries, improve trade-friendly exchange control regimes and protect the stability and integrity of their respective financial systems. In this context, the two central banks agreed to further enhance trade facilitation

by using current and regional cross-border payment system agreements to guarantee quicker, digitally enabled, and more cost-effective cross-border remittances. To further facilitate payments in support of trade facilitation between the two countries, the two central banks agreed to explore innovative and instant payment solutions, and other financial services under Fintech Regulatory Framework approaches.

4. This also entails leveraging participation in the SADC Real Time Gross Settlement (RTGS) platform, with the potential onboarding of the two countries' respective domestic currencies (NAD and Kwanza) on the SADC-RTGS to facilitate payment of settlement for goods and services, thus enhancing trade among our respective nations. Moreover, both countries agreed that they would ensure optimal participation in the Transactions Cleared on an Immediate Basis (TCIB) Scheme, introduced through the SADC payment systems structures, for faster, affordable cross-border remittances.
5. Regarding exchange control, the two central banks noted that such measures were historically punitive and detrimental to trade. The meeting noted that the BNA has entirely removed its capital account restrictions, while BoN is committed to the gradual and conditioned sequenced removal of capital account restrictions. Both countries support the objectives set under the SADC Finance & Investment Protocol Annexure 4 to cooperate and coordinate in Exchange Control matters. The central banks shall further promote collaboration between financial intelligence units to uphold financial integrity, and exchange information on illicit financial flows and any violation of applicable laws. The two institutions reaffirmed their commitment to working together on financial system regulation and supervision by exchanging best practices and benchmarking.
6. The abovementioned cooperation not only promotes trade but simultaneously protects the two countries' respective financial systems by ensuring the financial system's safety and stability, a *conditio sine qua non* for economic development and prosperity. Furthermore, the two central banks reaffirmed collaboration on emerging topics such as digital currencies, particularly central bank digital currencies and crypto assets, to better understand these developments' impact on monetary and financial stability. The two institutions also agreed to share relevant research and forge a common understanding of these developments.
7. The meeting also shared economic developments in both countries, including inflationary pressures, which poses a challenge for monetary policy authorities to act decisively as it can disproportionately affect the most vulnerable

members of society. The two Governors observed that external shocks emanating from the impact of the Russia-Ukraine war had caused supply chain disruptions and mismatches between supply and demand in global energy markets, leading to rising energy prices and increasing food prices which have, in turn, resulted in an uptick in inflation.

8. In conclusion, Governor !Gawaxab emphasised that the renewed cooperation between the two central banks will facilitate trade and contribute toward economic recovery in the two countries: "The cooperation reflects the abiding bonds of respect and friendship between our people", he enthused. On his end, Governor Massano concurred: "It is the proper course of action to forge ties between neighbours who share a rich history in order to create a prosperous future for both countries."
9. Along with other events during the three-day tour, the two Governors paid a courtesy call on President Dr. Hage G. Geingob to inform him of these developments between the two sister central banks.
10. The Banco Nacional de Angola delegation consisted of Mr. Miquel B. Miquel – Executive Director and Board Member; Mr. Edgar Bruno Costa- Head of Payment Systems; Mr. José Cortez - Deputy Head of Institutional Relations and Mr. Hélio Simão, the Head of Exchange Control Department. Alongside Mr. !Gawaxab was Deputy Governor Ebson Uanguta, Deputy Governor Leonie Dunn, and Directors from the respective departments of the Bank of Namibia.

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