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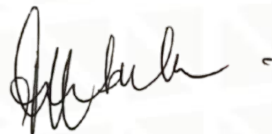
FINANCIAL TRANSACTIONS WITH THE REST OF THE WORLD TO GO ON UNINTERRUPTED

1. As an independent and sovereign state, Namibia's financial transactions with the rest of the world and capital flows to and from the jurisdiction should continue uninterrupted and be subjected to the current treatments and controls based on its merits. This is despite the country's ties and exposure to the South African financial system.
2. Namibia is already making steady progress in addressing findings related to its Anti-Money Laundering and Combatting the Financing of Terrorism and Proliferation Framework (AML/CFT/CPF) in order to maintain the integrity of its financial system. This stems from the second peer review and mutual evaluation exercise the country was subjected to last year as part of the Financial Action Task Force (FATF) framework.
3. Namibia is going to great lengths to meet the deadlines in order to avoid the country from being greylisted after the current 12-month monitoring period expires. If the country is greylisted, the FATF will closely monitor the country's financial transactions with the rest of the world. When this happens, the country's financial system may suffer reputational damage, affecting foreign direct investment, capital flows, and increasing compliance costs.
4. Namibia has shown significant political commitment to meeting the FATF requirements. To avoid greylisting, the Cabinet of the Republic of Namibia has directed institutions and stakeholders to implement an Action Plan adopted in December 2022.
5. Proposed legislative changes have been made, and public consultations on the gaps in relevant laws that should be benchmarked to the best international standards are underway. Enforcing applicable laws to combat financial crime is another area under scrutiny. On this front, law enforcement agencies are working nonstop to reduce the risks of a targeted review. In this regard, the relevant laws must pass Parliament before the country's post-Evaluation Progress Review Report is submitted at the end of July 2023.

At the same time, Namibia is expected to demonstrate significant progress in addressing recommendations around the effectiveness of the national AML/CFT/CPF system. The Cabinet of the Republic of Namibia is regularly updated on the progress in implementing the Action Plan.

6. With the addition of the Republic of South Africa to the FATF's list of jurisdictions subject to heightened scrutiny, the FATF framework suggests the risks of dealing with clients and/or transactions associated with, or emanating from, jurisdictions on the list are increased. As a result, relevant financial and non-financial institutions worldwide, including those in Namibia, must exercise increased caution when dealing with transactions or clients with ties to such jurisdictions. This does not imply quitting or de-risking but rather taking the necessary precautions to reduce this risk to acceptable levels.
7. This Risk Based Approach within the AML/CFT/CPF framework, informed by the FATF Recommendations, remains the most effective risk management approach at the institutional level. The Bank of Namibia and the Financial Intelligence Centre (FIC) will continue to work with relevant institutions to ensure Namibia plays her part in maintaining a reliable international financial system.
8. Said the Governor of the Bank of Namibia, Mr. Johannes !Gawaxab: "Notwithstanding these recent developments in our region, we have seen countries close to home successfully exiting the heightened surveillance through resolute commitment and action from all stakeholders. Namibia is better positioned to safeguard its interests and protect its financial system because of the demonstrable political will and widespread support from all stakeholders. We are encouraged that investors regard Namibia as a safe investment destination, and the enforceability of our legal framework is undeniable, thanks to our strong institutions and independent judiciary. We reassure Namibians and our valued stakeholders all over the world of our commitment to fight financial crimes and, that our financial system is robust and will be in better shape at the end of these interventions."

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