



GOVERNMENT GAZETTE

OF THE

REPUBLIC OF NAMIBIA

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General Notice

BANK OF NAMIBIA

No. 463

2020

DETERMINATION UNDER BANKING INSTITUTIONS ACT, 1998 (ACT NO. 2 OF 1998)
AS AMENDED: DISCLOSURE OF BANK CHARGES, FEES AND COMMISSIONS (BID-13)

In my capacity as Governor of the Bank of Namibia (Bank) and under the powers vested in the Bank by virtue of section 71(3)(b) of the Banking Institutions Act, 1998 (Act No 2 of 1998) as amended, I hereby issue the Determination on the Disclosure of Bank Charges, Fees and Commissions (BID-13), which Determination shall become effective on 1 March 2021.

J. !GAWAXAB
GOVERNOR

Windhoek, 2 November 2020

DETERMINATION NO. BID-13**DETERMINATION ON THE DISCLOSURE OF BANK CHARGES, FEES AND COMMISSIONS (BID-13)****ARRANGEMENT OF PARAGRAPHS****PART I
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PART I: PRELIMINARY

1. **Short Title** – Determination on Fees and Charges
2. **Authorisation** – Authority for the Bank to issue this Determination is provided in terms of section 71 (3) (b) of the Banking Institutions Act, 1998 (Act No. 2 of 1998) as amended.
3. **Application** - This Determination applies to all banking institutions authorised by the Bank to conduct banking business in Namibia.
4. **Definitions** – Terms used in this Determination are as defined in the Act, as further defined below, or as reasonably implied by the contextual usage.
 - 4.1 **“Act”** means the Banking Institutions Act, 1998 (Act No. 2 of 1998) as amended;
 - 4.2 **“Bank charges”** means fees, charges, and commissions payable by a customer of a banking institution for a service or product rendered.

- 4.3** “**Bundled products and services**” mean a group of two or more products and services offered to a customer, without the customer having selected them individually. A customer may or may not derive better value from bundled products and services in comparison to when the same products and services are purchased individually. These products and services do not have to belong to the same line of business and may introduce customers to additional cost; and
- 4.4** “**Disclose**” means to reveal in writing the bank charges payable by a customer of a banking institution in a manner that allows such a customer to know and understand the amount payable for a service or product offered, the basis upon which the bank charges are computed as well as the justification for any increment in the bank charges.

PART II: STATEMENT OF POLICY

- 5. Purpose** – This Determination outlines the principles to be applied by banking institutions in computing and disclosing bank charges.
- 6. Overview** – A well-established objective of consumer protection is to ensure that banking institutions’ customers are provided quality services at competitive prices. Consumer protection objectives which incorporate meaningful disclosure of bank charges, fees and commission are consistent with good banking principles. In this respect, banking institutions must, in pricing banking services and products, be sensitive to the desirability of making charges for basic banking services as fair and as affordable as possible.

This Determination therefore provides the minimum requirements relating to the computation and disclosure of bank fees and charges.

- 7. Scope** – This Determination applies to all banking institutions authorised to conduct banking business in Namibia.
- 8. Responsibility** - The board of directors of a banking institution is responsible for establishing policies and procedures which are adequate to ensure that the provisions of this Determination are complied with.

PART III: IMPLEMENTATION AND SPECIFIC REQUIREMENTS

9. Disclosure Requirements

- 9.1** Banking institutions must disclose, in writing and in a comprehensive manner, bank charges related to various banking products and services, setting out the basis upon which the bank charges are computed and where applicable clearly indicating the minimum and maximum charges imposed. All bank charges should be disclosed in a transparent manner.
- 9.2** As a minimum requirement, all bank charges levied on services or products listed in Annexure A must be disclosed to the public. All bank charges listed as “general” should be specified in relation to the service rendered.
- 9.3** The list below provides, as minimum, the manner in which bank charges must be disclosed:
- 9.3.1** Bank charges must be displayed in clear view of the public, in each banking hall. For this purpose, banking institutions must ensure that each of its branches dealing with customers must set up display boards and should have

printed leaflets which contain the required information on bank charges. These leaflets should be easily accessible by the customers.

- 9.3.2 Bank charges must be displayed on the official website as well as and on any other digital platform of a banking institution and must be easily accessible.
 - 9.3.3 Bank charges must be clearly stipulated in a written contract and must be explained to a customer prior to both parties entering into an agreement for a bank product or service. A banking institution should provide a customer with a copy of the contract stipulating all bank charges for personal use.
 - 9.3.4 Information pertaining to bank charges must be announced and shared with all bank customers via printed media, internet banking platform, electronic mail, or cell-phone banking platform on an annual basis. The announcement should also provide justification for the increment in the bank charges, if there is any.
 - 9.3.5 A banking institution must send all bank customers a notification summary of the aggregate bank charges incurred on a monthly basis or make such information easily available on any of the banking institution's electronic digital platforms at no additional costs.
 - 9.3.6 All bank customers should have access to a bank statement of all bank charges incurred on a monthly basis on all their accounts. For this purpose, a banking institution may use any communication method that is cost effective, but appropriate for the customer.
 - 9.3.7 All penalty fees that are related to customer behaviour should be made known to the customers before such fees are charged. Accordingly, these fees should be disclosed to customers in advance.
 - 9.3.8 Banking institutions must fully disclose bundled services and products options, who they apply to and the different fees they attract. This information should be displayed in their banking halls, website, printed media and other platforms. Banking institutions must not automatically classify and offer customers bundled products according to their income, without having explained the charges associated with such products.
- 9.4 Banking institutions must ensure that the disclosed information on bank charges is regularly updated. Bank customers should therefore not be subjected to bank charges in excess of the disclosed and displayed bank charges, thereby ensuring that the highest standards of integrity and fair treatment of customers are upheld.
 - 9.5 A bank customer must not be charged a fee that has not been disclosed by a banking institution in a manner provided by and for the purpose of this Determination or any other regulation issued by the Bank. A customer who is charged fees that are not explained to him/her may seek recourse from such banking institution.

10. Reporting Requirements

- 10.1 All banking institutions must submit a written copy of the proposed bank charges to the Bank, clearly stipulating the fees, charges and commission payable, and the intended manner of disclosure and a justification for any increment in bank charges. The submission must be accompanied by the pricing philosophy discussed and approved by the board of directors, which clearly justify the basis upon which the

fees and charges were determined. This information must be submitted to the Bank on an annual basis, a month before the proposed bank charges come into effect. The Bank reserves the right to direct a banking institution to make amendments or modifications that are deemed appropriate in respect of the disclosure of fees.

- 10.2 In addition to the provision requirements stated provided in paragraph 10.1, a banking institution must justify the basis upon which the fees and charges were determined. The pricing structures should be formulated based on costs to be incurred by a banking institution. A banking institution must have regard to the prevailing socio-economic and other relevant conditions in determining the fees, charges, and the changes thereof.
- 10.3 Despite the annual submission described in paragraph 10.1, a banking institution must submit a written notice to the Bank a month in advance which specifies any changes in bank fees and charges, whenever such changes occur but prior to the implementation thereof, for the Bank's consideration.

11. Customer Complaints Procedures

A banking institution must establish internal procedures and policies for the proper handling of customers' complaints. Banking institutions must also inform customers of such procedures.

12. Corrective Measures

If a banking institution fails to comply with any provision of this Determination, the Bank may pursue any remedial measures as provided in the Act or any other measures the Bank may deem appropriate in the interest of prudent banking practices, ethical banking practices and financial inclusion objectives.

PART V: EFFECTIVE DATE

13. **Effective Date** - This Determination comes into effect on the date of the publication in the Government Gazette 1 March 2021.

Questions relating to this Determination should be addressed to the Director, Banking Supervision Department, Bank of Namibia, Tel: 061 283 5040.

ANNEXURE A

All bank charges levied on services or products listed below must be disclosed to the public. This list serves as a minimum guideline and does not constitute an exhaustive list of all fees and charges levied by banking institutions. It is the responsibility of banking institutions to ensure that all fees and charges are disclosed, including those that are not listed below.

GENERAL BANK CHARGES PER SERVICE OR PRODUCT**1. BASIC BANK ACCOUNT****1.1 Opening and closing of account**

- 1.1.1 Opening of account
- 1.1.2 Closing of account

1.2 ATM Transactions**1.2.1 Own ATM**

- 1.2.1.1 Cash withdrawals
- 1.2.1.2 Balance enquiry
- 1.2.1.3 Mini statement
- 1.2.1.4 Inter-account transfers
- 1.2.1.5 Bank balance statement
- 1.2.1.6 Declined ATM cash request

1.2.2 Other bank's ATM

- 1.2.2.1 Cash withdrawals
- 1.2.2.2 Balance enquiry
- 1.2.2.3 Bank balance statement
- 1.2.2.4 Declined ATM cash request

- 1.2.3 International (cross border) ATM transactions charges

1.2.4 ATM Debit cards

- 1.2.4.1 First issue of ATM card
- 1.2.4.2 Card replacement of lost and/or damaged ATM card
- 1.2.4.3 Monthly card fees

1.3 Transfer/payments

- 1.3.1 Stop orders (intrabank and interbank)
- 1.3.2 Debit orders (intrabank and interbank)/magtape internal
- 1.3.3 Debit orders/magtape external
- 1.3.4 Failed/reversed debit orders internal
- 1.3.5 Failed/reserved debit order external SWIFT
- 1.3.6 Telegraphic transfers

1.4 Electronic banking (Internet Banking)

- 1.4.1 Subscription fees
- 1.4.2 Third party payments
- 1.4.3 Stop payment
- 1.4.4 Prepaid electricity purchases
- 1.4.5 Prepaid airtime purchases

- 1.4.6 Electronic transfers
- 1.4.7 Other online bank charges
- 1.4.8 Account management fees
- 1.4.9 Third party payment reversal penalty

1.5 Cell-phone banking

- 1.5.1 Subscription fees
- 1.5.2 Third party payments
- 1.5.3 Account payments
- 1.5.4 Reversals on payments
- 1.5.5 Prepaid electricity purchases
- 1.5.6 Prepaid airtime purchases
- 1.5.7 Other cell-phone banking charges

2. CURRENT ACCOUNTS

2.1 Opening and closing of account

- 2.1.1 Opening of account - Cost of opening a new account.
- 2.1.2 Closing of account - Cost of closing an account.

2.2 ATM Transactions

2.2.1 Own ATM

- 2.2.1.1 Cash withdrawals
- 2.2.1.2 Balance enquiry
- 2.2.1.3 Mini statement
- 2.2.1.4 Inter-account transfers
- 2.2.1.5 Declined ATM cash request

2.2.2 Other bank's ATM

- 2.2.2.1 Cash withdrawals
- 2.2.2.2 Balance enquiry
- 2.2.2.3 Bank statement
- 2.2.2.4 Declined ATM cash request

- 2.2.3 International (cross border) ATM transactions charges

2.3 ATM card (Debit and Hybrid cards)

- 2.3.1 First issue of ATM card
- 2.3.2 Replacement of lost and/or damaged ATM card
- 2.3.3 Monthly card fees

2.4 Transfer/payments

- 2.4.1 Stop orders
- 2.4.2 Debit orders/magtape internal
- 2.4.3 Debit orders/magtape external
- 2.4.4 Failed/reversed debit orders internal
- 2.4.5 Failed/reserved debit order external
- 2.4.6 SWIFT
- 2.4.7 Telegraphic transfers

2.5 Electronic banking (Internet Banking)

- 2.5.1 Subscription fees
- 2.5.2 Third party payments
- 2.5.3 Stop payment
- 2.5.4 Prepaid electricity purchases
- 2.5.5 Prepaid airtime purchases
- 2.5.6 Electronic transfers
- 2.5.7 Other online bank charges
- 2.5.8 Account management fees

2.6 Cell-phone banking

- 2.6.1 Subscription fees
- 2.6.2 Third party payments
- 2.6.3 Account payments
- 2.6.4 Prepaid electricity purchases
- 2.6.5 Prepaid airtime purchases
- 2.6.6 Other cell-phone banking charges

2.7 Deposit

- 2.7.1 Cash deposits
- 2.7.2 Deposit books

3. SAVINGS ACCOUNTS**3.1 Opening and closing of account**

- 3.1.1 Opening of account – cost of opening account
- 3.1.2 Closing of account – cost of closing an account
- 3.1.3 Minimum account balance

3.2 ATM Transactions**3.2.1 Own ATM**

- 3.2.1.1 Cash withdrawals
- 3.2.1.2 Balance enquiry
- 3.2.1.3 Mini statement
- 3.2.1.4 Inter-account transfers
- 3.2.1.5 Declined ATM cash request

3.2.2 Other bank's ATM:

- 3.2.2.1 Cash withdrawals
- 3.2.2.2 Balance enquiry
- 3.2.2.3 Bank statement
- 3.2.2.4 Declined ATM cash request

- 3.2.3 International (cross border) ATM transactions charges

3.3 ATM cards

- 3.3.1 First issue of ATM card
- 3.3.2 Replacement of lost and/or damaged ATM card
- 3.3.3 Monthly card fees

3.4 Transfer/payments

- 3.4.1 Stop orders
- 3.4.2 Debit orders/magtape internal
- 3.4.3 Debit orders/magtape external
- 3.4.4 Failed/reversed debit orders internal
- 3.4.5 Failed/reserved debit order external
- 3.4.6 SWIFT
- 3.4.7 Telegraphic transfers

3.5 Electronic banking (Internet Banking)

- 3.5.1 Subscription fees
- 3.5.2 Third party payments
- 3.5.3 Stop payment
- 3.5.4 Prepaid electricity purchases
- 3.5.5 Prepaid airtime purchases
- 3.5.6 Electronic transfers
- 3.5.7 Account management fees

3.6 Cell-phone banking

- 3.6.1 Subscription fees
- 3.6.2 Third party payments
- 3.6.3 Account payments
- 3.6.4 Prepaid electricity purchases
- 3.6.5 Prepaid airtime purchases
- 3.6.6 Other cell-phone banking charges

3.7 Deposit

- 3.7.1 Over the counter cash deposits
- 3.7.2 ATM cash deposit
- 3.7.3 Deposit books

4. VARIOUS FEES AND CHARGES

- 4.1 Point of sales purchases
- 4.2 Agent banking – withdrawals
- 4.3 Stop payments
- 4.4 Monthly statements
- 4.5 Provisional statements
- 4.6 Copies of old statements
- 4.7 Search fee
- 4.8 Photocopies
- 4.9 Auditor's certificates
- 4.10 Telephone charges
- 4.11 Fax charges
- 4.12 Bank report to other banks
- 4.13 Online purchases using debit or credit card
- 4.14 Electronic wallets services fees
- 4.15 Over the counter cash withdrawal
- 4.16 All penalty fees related to customer behaviour

5. ADVANCES AND OVERDRAFT FACILITIES**5.1 Residential Home Loans**

- 5.1.1 Home loan origination fee
- 5.1.2 Property valuation
- 5.1.3 Bond registration fees
- 5.1.4 Property guarantees (mortgage bond transfer)
- 5.1.5 Bond cancellation fee
- 5.1.6 Property re-evaluation
- 5.1.7 Administration fees
- 5.1.8 Further advances

5.2 Vehicle and Asset Finance

- 5.2.1 Opening of account
- 5.2.2 Loan origination fees
- 5.2.3 Documentation fees
- 5.2.4 Hire purchase instalment fees
- 5.2.5 Services fees

5.3 Overdrafts

- 5.3.1 Penalty interest (on the amount exceeding the arranged overdraft limit)
- 5.3.2 Overdraft notices/reminders
- 5.3.3 Annual review of facility
- 5.3.4 Commitment fees for overdrafts

6. CREDIT CARDS

- 6.1 First issue of credit
- 6.2 Replacement of lost and/or damaged card
- 6.3 Interest on outstanding balance
- 6.4 ATM cash withdrawal fees
- 6.5 Monthly account management fees

7. SAFE CUSTODY AND SECURITIES

- 7.1 Closed custody – services fees
- 7.2 Open custody – services fees
- 7.3 Access fees

8. INTERNATIONAL BANKING

- 8.1 Purchase of foreign currencies
- 8.2 Sale of foreign currencies
- 8.3 Incoming SWIFT transfers
- 8.4 Outward SWIFT transfers
- 8.5 Tele-transmission fees
- 8.6 General service fees
- 8.7 Letter of credit

9. EXCHANGE CONTROL WORK

- 9.1 Application to Bank of Namibia
- 9.2 Single discretionary limit – Exchange control limit
- 9.3 Additional holiday allowance
- 9.4 Additional student allowance
- 9.5 Additional maintenance allowance
- 9.6 Attestation fees
- 9.7 Credit card endorsements
- 9.8 General (specify)

10. GUARANTEES AND LETTERS OF CREDIT

- 10.1 Advising commissions
- 10.2 Confirming commissions
- 10.3 General (specify)

11. COLLECTIONS AND LEGAL

- 11.1 Letters
 - 11.2 Reminders
 - 11.3 General (specify)
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