

BANK OF NAMIBIA

CIRCULAR BIA 2/08

TO: ALL BANKING INSTITUTIONS

DATE: 04 NOVEMBER 2008

APPOINTMENT OF EXECUTIVE MANAGEMENT AT BANKING INSTITUTIONS

1. Introduction

This Circular is issued to provide specific guidelines which shall govern the appointment of Executive Management at all banking institutions.

2. Definitions

For the purposes of this Circular –

“Executive Management” shall mean any person, by whatever name described, who is in the direct employment of, or acting for, or by arrangement with the banking institution, and is principally responsible for the management and conduct of the critical operational functions of a banking institution; and

The expression used in this Circular shall, except where expressly defined above shall be used where the context requires or as reasonably implied by its contextual usage.

3. Sanctioning and endorsement of appointment

- 3.1 The critical operations of any banking institutions in Namibia shall be carried out by persons whose professional behaviour in the industry is beyond reproach. While the onus remains with the Board of each banking institution to be discerned in making executive management appointments, every banking institution shall obtain the prior written statement of no objection of the Bank prior to appointing any Executive Management candidate. Without prejudice to any other matter that the Bank may consider relevant, the Bank shall, in determining whether to grant such statement of no objection, have regard to whether such a person qualifies under fitness and propriety criteria to hold such office. When applying for such endorsement of the Bank, a banking institution shall forward to the Bank a copy of the curriculum vitae of the prospective candidate.
- 3.2 To ensure that competence and professional standards are not compromised, every banking institution shall immediately inform the Bank of any Executive Member whose services has been terminated as a result of misconduct while being employed to carry out critical operations of such banking institutions.
- 3.3 The Bank recognises local skills shortage in some critical area of banking. However, in line with national interest considerations, it expected that when services of expatriates are employed, knowledge transfer should take place within a reasonable period of time.

4. Reporting requirements

All banking institutions are required to forward a submission accompanied by a copy of the curriculum vitae to the Bank on all prospective candidates at least one month prior to the appointment of any Executive Management positions.

5. Effective date

The Circular shall take effect as from the 1 December 2008. All banking institutions are required to comply with the provisions of this Circular.

6. Additional Copies

Two additional copies of this Circular are enclosed for the use of your banking institution's independent auditors. The attached "Acknowledgement of Receipt" duly completed and signed by both the Managing Director of the banking institution and the said auditors should be returned to this Office at your earliest convenience.

Thank you,

MICHAEL MAMBO MUKETE

DIRECTOR