

**Date:** 8 December 2016

**Attention:** All News Editors

**Ref:** 9/6/2

**FOR IMMEDIATE RELEASE**

**SUBJECT: PUBLIC CONSULTATION REGARDING THE DRAFT GENERAL NOTICE ON SECURITISATION SCHEMES**

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1. The Bank of Namibia invites interested parties and the general public to make comments on the draft General Notice on Securitisation Schemes (the regulation) that will apply to all banks, non-bank entities and Special Purpose Entities (SPEs) that will be trading in securitisation transactions in Namibia.
2. Securitisation is the process by which relatively standardised loans, originally made by a bank, are pooled and sold to an SPE that issues marketable/tradable debt securities or debt instruments against the pooled assets, to raise funding. The primary objective of securitisation is to increase the liquidity of loans at banks and non-bank entities, diversify the sources of funding and to reduce the originating bank's capital requirements where certain conditions are fulfilled.
3. It is one of the key responsibilities of the Bank of Namibia, as a regulator of banks, to ensure that effective and proper legal frameworks are in place to conduct securitisation transactions in Namibia. In light of this, the Bank has drafted, for the issuance by the Minister of Finance, a general notice on securitisation schemes.
4. The notice is intended to provide regulatory guidance to entities that will be engaging in securitisation transactions. Additionally, the notice is aimed at preventing the recurrence of problems related to securitisation exposures that were experienced worldwide before and during the financial crisis.
5. The draft notice covers, among others, the operationalising conditions for securitisation schemes; the credit risk retention expectations; the eligibility criteria for rating agencies that will rate the underlying assets; the expectations in appointing auditors; management of securitisation exposures; applicable

restrictions to securitisation transactions; the ownership of SPEs; and disclosure and reporting requirements for such entities engaging in securitisation.

6. The draft General Notice on Securitisation Schemes can be accessed on the Bank's website by interested public members/stakeholders for their perusal and comments.
7. The public members/stakeholders are advised to make written submission on the draft general notice for securitisation schemes by or before 31 January 2017 on the Bank's website at [www.bon.com.na](http://www.bon.com.na) or if confidentiality is required, comments can be e-mailed to [emma.haiyambo@bon.com.na](mailto:emma.haiyambo@bon.com.na). Further queries pertaining to the subject matter can be directed to Ms. Emma Haiyambo, Director: Strategic Communications & Financial Sector Development on telephone number 061 - 283 5114.

*Issued by:*

**Ipumbu Shiimi**  
**GOVERNOR**