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FOR IMMEDIATE RELEASE

## **BANK OF NAMIBIA LAUNCHES AUTOMATED REGULATORY REPORTING SYSTEM – A FIRST FOR NAMIBIA**

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1. The Bank of Namibia (the Bank) is pleased to announce the launch of Namibia's first-ever Automated Regulatory Reporting System, available to regulated and supervised entities licensed by the Bank to conduct banking, currency exchange, and payment service provision activities from 01 February 2023.
2. The acquisition of the system comes at a time when regulators and supervisory authorities need to sharpen their oversight over all institutions that are charged with the safekeeping of public deposits and lending activities. Recent events in some parts of the globe have shown how excessive risk-taking, poor governance, inadequate capitalisation, mismanagement, fraud, and other practices can bring down these institutions, leading to systemic failures and disruptions to financial stability and economic activities. The system is, therefore, a must-have in the regulatory toolkit to support the Bank in safeguarding financial stability through proactive risk identification and mitigation.
3. The system provides an effective, reliable, and scalable way to detect and address any irregularities or issues near real-time. Further, a significant reduction in human error and time consumption will occur as the automated compliance monitoring, and supervision allows continuous monitoring, identification, and reporting of issues that keep the regulated institutions fully compliant according to regulatory expectations.
4. Amongst other top-notch capabilities, the Bank has automated the early warning indicators of potential distress in a supervised banking institution. The capability is thus instrumental in the effective supervision and safeguarding of any banking institution's stability in order to mitigate risks to the soundness and stability of both the institution

and the financial system. Furthermore, the system offers efficient, transparent regulatory processes and enables enhanced data collection and analytics capabilities.

5. Since February 2023, regulated institutions are able to submit applications on the system with enhanced speed and accuracy while the Bank simultaneously can track and monitor compliance with supervisory requirements and outstanding compliance obligations. This allows banking institutions to manage compliance with the relevant legislative frameworks and significantly reduce the burden and cost of regulatory compliance.
6. Besides the benefits to the industry, the system will assist the Bank of Namibia in adopting alternate supervisory approaches, facilitating sound stakeholder relations, and transforming the way supervisory departments deliver value to the industry. The system's launch completes an intensive and complex regulatory technology project undertaken by the Bank's three supervisory departments: Banking Supervision, National Payment System, and Exchange Control.
7. The automation project is a realisation of an undertaking to transform and modernise Namibia's financial sector further, as envisaged in the Bank's Strategic Plan (2022-2024). Through digital transformation in particular, the Bank shall continue to deliver responsive and innovative solutions to the industry and transform regulatory processes to provide robust, agile, and flexible supervisory oversight to an ever evolving and digitized financial sector. Ultimately, a stable and inclusive financial system is a prerequisite to economic recovery and sustained economic development going forward.
8. The Governor of the Bank of Namibia, Mr. Johannes !Gawaxab described the success of this initiative as follows: "We take our role as overseer of the financial system very seriously. This system engenders confidence in and contributes significantly to the stability and soundness of the domestic financial system. As we have seen globally and locally, banks can fail as businesses. Thus, a strong and robust supervision system, supported by adequate regulatory technology, is critical to their survival. Although not all banks can be saved from failure, with this new system in place, they can better be recovered through early interventions to prevent the contagion effect, thereby protecting the stability of our financial system. Furthermore, we believe that by lowering compliance costs, as the system does, customers will benefit in the long run



from a more agile and collaborative financial sector that provides quality, affordable, and inclusive financial services.”

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