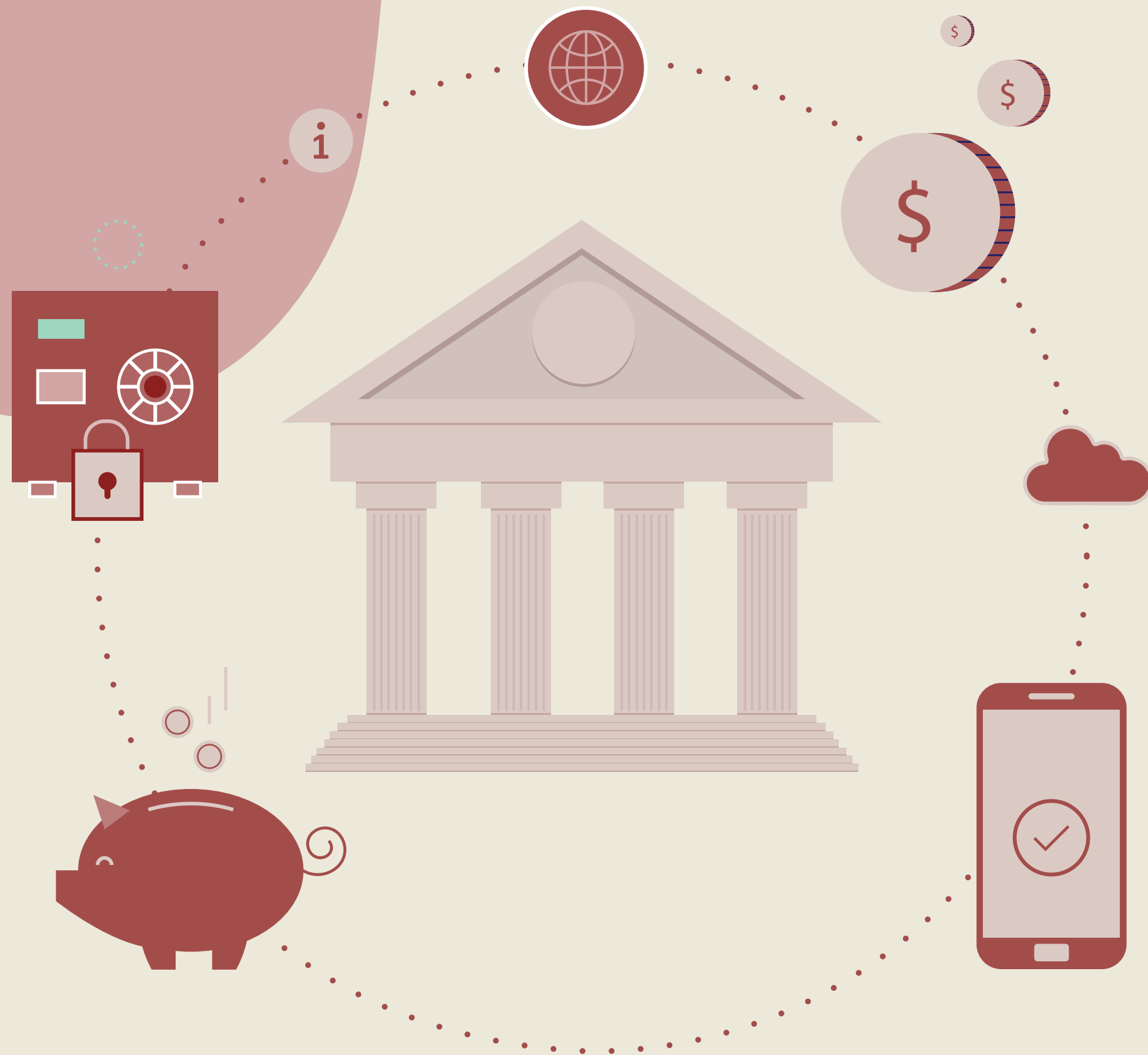


BANKING INSTITUTIONS ACT

(ACT NO. 13 OF 2023)



What is the purpose of this Act?

The purpose of this Act is to strengthen the rules and oversight for banking institutions to ensure that the country's financial system remains stable.

The Act also aims to promote and ensure that banks operate in a responsible manner, for the well-being of all Namibians.

What has changed?

The following key provisions introduced in the new law relate to the following aspects:

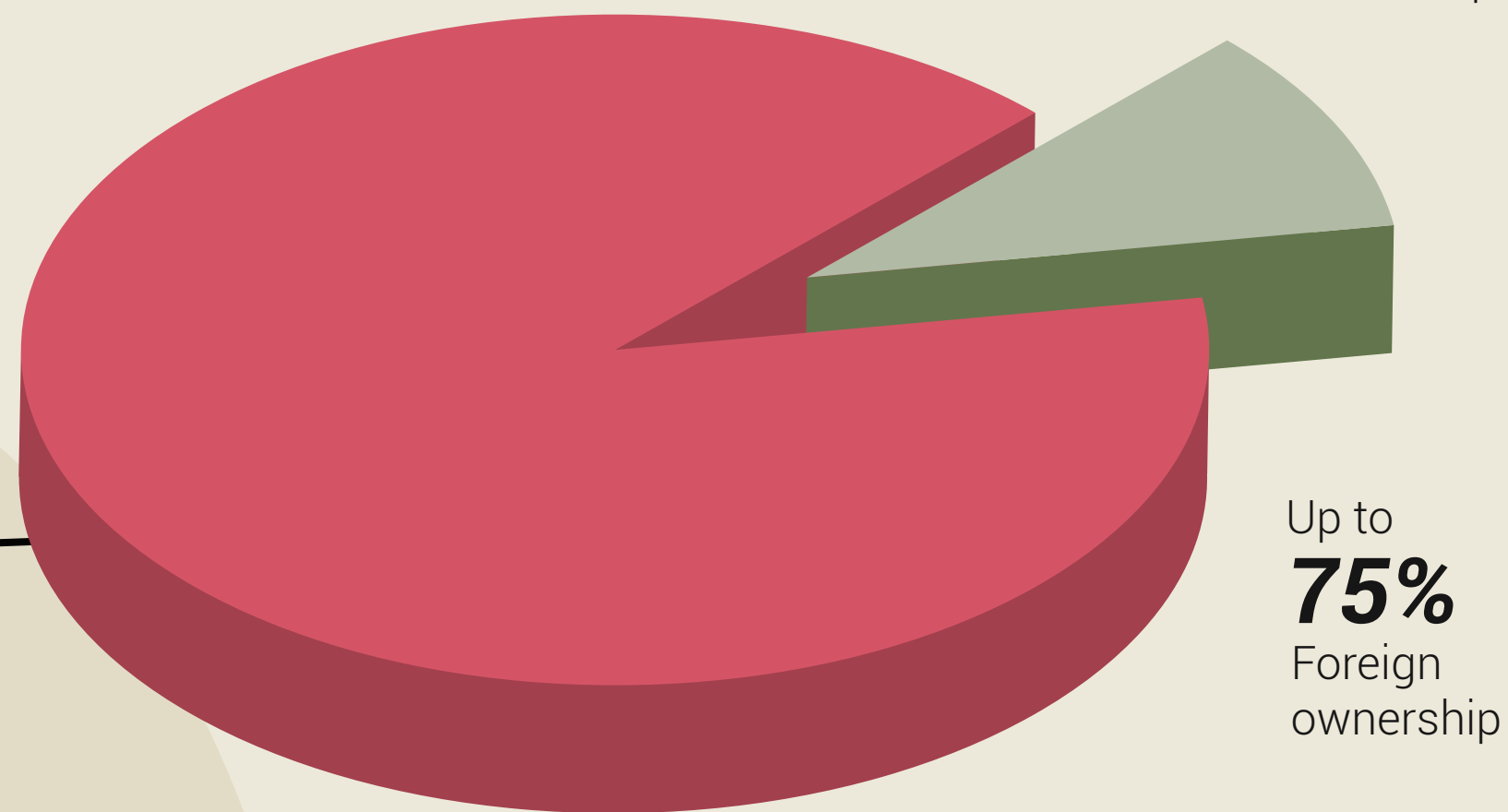


Beneficial owner

- The new Act introduces a new term, 'beneficial owner,' not in the current law.
- It will help the Bank of Namibia identify and assess the persons who have applied, especially before licensing to check if they are suitable to own shares in a bank.

Goal

To make sure only honest people with integrity can own banks in Namibia.



Restriction on foreign shareholding

Foreign Ownership Limit:

- Foreign nationals can own a maximum of 75% of a bank's shares.
- The remaining 25% must be kept for Namibian citizens.

Why this is important?

This Act encourages local participation in line with the national aspirations of the country.

Unlocking Financial Stability: Bank of Namibia's Resolution Powers



Bank of Namibia

Bank of Namibia's Vital Role

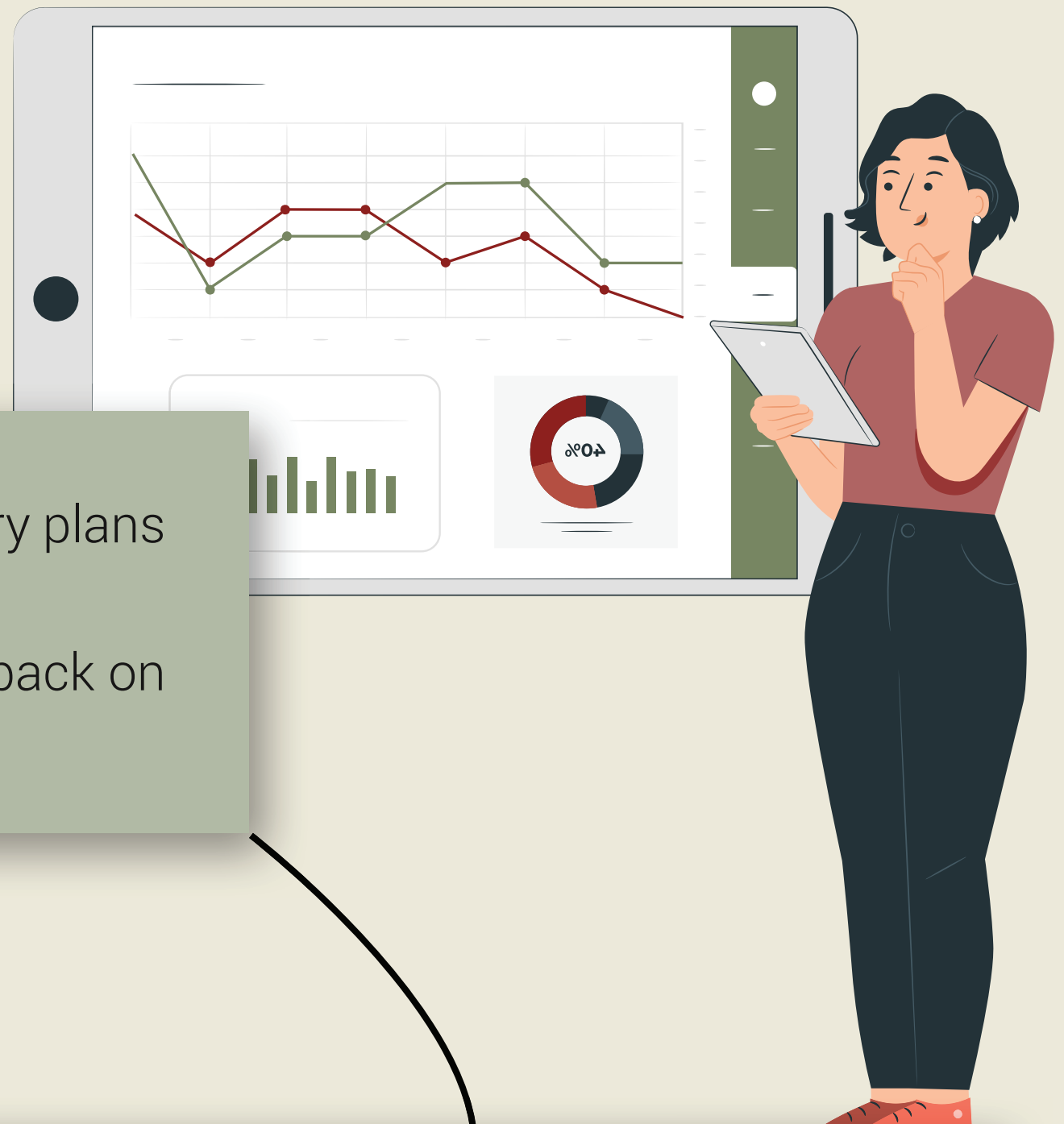
- The Bank of Namibia has the Mandate as the Resolution Authority to handle failing banks, micro finance institutions, and their related companies to safeguarding financial stability and resolve issues without causing chaos or risks;
- In this role, the Bank of Namibia will be working together with the Namibia Deposit Guarantee Scheme which provides a safety net for people's deposits.

Goal

When banks face trouble, the Bank of Namibia steps in to keep the financial system strong and secure.

Recovery plans

- New law mandates banks to have recovery plans or “living wills.”
- These plans explain how a bank can get back on track if it faces big financial problems.



Why Do Banks Need Recovery plans?

- Regulators use these plans to understand how a bank can be restructured during financial distress.
- This helps avoid financial chaos and safeguards the entire financial system.
- The law aligns with international best practice to ensure that banks can recover quickly without harming the financial system.

Rest easy, your money is secure!



The Role of the Appeal Board

What is the Appeal Board?

- The Appeal Board is a platform established under the new Act to hear appeals against decisions made by the Bank of Namibia.
- The new Act provides explicit details on how the Appeal Board should operate.

Goal

To ensure your concerns are addressed effectively.

Fair Banking Fees and Charges!


- As the supervisor of banks, the Bank of Namibia has a responsibility to make sure that the fees and charges you pay for banking services are fair.
- The new Act gives the Minister of Finance the power to make rules about the fees and charges.
- These rules are designed to make sure that the fees you pay are fair and match the cost of the services you get from the bank.



Goal

To ensure the financial system remains strong and safe.

Cracking Down on Illegal Financial Schemes

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- Over the years, the Bank of Namibia has noticed an increase in illegal financial schemes, despite our efforts, people still get involved in and promote these schemes.

Contravention of the Law

- The new Act makes it crystal clear: participating in or promoting illegal financial schemes is against the law.
- Penalties include fines up to N\$2,000,000 and imprisonment for up to 10 years.
- The new Act gives the Bank of Namibia power to issue public warnings against illegal financial schemes.

Goal

Guard against falling victim to illegal financial schemes.

Where can the Act be found?

The full Act can be found on the Bank of Namibia's website at:



<https://www.bon.com.na/Regulations.aspx>

