GOVERNMENT NOTICE

No. 265 2017

IMPOSITION OF LEVIES ON NAMIBIA FINANCIAL INSTITUTIONS:
NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY ACT, 2001

In terms of section 25(1) of the Namibia Financial Institutions Supervisory Authority Act, 2001 (Act No. 3 of 2001), and on the recommendation of the Board of the Namibia Financial Institutions Supervisory Authority, I-

(a) impose levies on financial institutions in Namibia in accordance with the provisions as set out in the Schedule with effect from 1 November 2017; and

(b) withdraw Government Notice No. 78 of 1 April 2003 as amended by Government Notice No. 64 of 1 April 2004 with effect from 1 November 2017.

C. SCHLETTWEIN
MINISTRY OF FINANCE

Windhoek, 27 September 2017
SCHEDULE

Definitions

1. In this notice a word or an expression to which a meaning has been given in the Act has that meaning, and unless the context otherwise indicates -

“financial institution” means a financial institution as defined in section 1 of the Act and, for purposes of paragraph (n) of that subsection, includes a central securities depository, an investment manager, a linked investment service provider, a retirement annuity fund and an unlisted investment manager.

Imposition of levies

2. Every financial institution listed in the subsequent provisions of this notice must pay the levies as indicated in respect of the particular financial institution.

Levy on long-term insurers

3. (1) Every long-term insurer registered under the Long-term Insurance Act, 1998 (Act No. 5 of 1998) must pay a levy equal to 0.41% of the long-term insurer’s gross written premiums.

(2) Where a long-term insurance broker registered in terms of section 55 of the Long-term Insurance Act, 1998 (Act No. 5 of 1998) receives gross written premiums on behalf of a registered long-term insurer, that long-term insurer must pay a levy equal to 0.48% of the gross written premiums which the long-term insurance broker has written.

(3) Despite subparagraph (2), the payee of the gross written premium may not be charged a levy exceeding 0.41% of the gross premium written.

(4) Levies in terms of subparagraphs (1) and (2) are payable by long-term insurers in the following manner -

(a) a first provisional levy payment calculated at the applicable percentages of the long-term insurer’s gross written premiums as reflected in its accounting records for the first six months of its financial year payable as provided for in paragraph 21(2)(a);

(b) a second provisional levy payment calculated at the applicable percentages of the long-term insurer’s gross written premiums as reflected in its accounting records for its entire financial year, after deduction of the first provisional levy payment, payable as provided for in paragraph 21(2)(b); and

(c) a final levy payment or refund claim calculated at the applicable percentages of the long-term insurer’s gross written premiums as reflected in its audited annual financial statements less the collective value of provisional levies already paid for that financial year, which must be payable in the case of a final levy payment due as provided for in paragraph 21(2)(c).

(5) Within 12 months after the end of the long-term insurer’s financial year the auditor of the long-term insurer must confirm to the Authority the amount of gross written premiums by long-term insurance brokers which are included in the gross written premiums as reflected in its audited annual financial statements.
Levy on short-term insurers

4. (1) Every short-term insurer registered under the Short-term Insurance Act, 1998 (Act No. 4 of 1998) must pay a levy equal to 1% of the short-term insurer’s gross written premiums.

(2) Where a short-term insurance broker registered in terms of section 53 of the Short-term Insurance Act, 1998 (Act No. 4 of 1998) receives gross written premiums on behalf of a registered short-term insurer, that short-term insurer must pay a levy equal to 1.09% of the gross written premiums which the short-term insurance broker has written.

(3) Despite subparagraph (2), the payee of the gross premium written may not be charged a levy exceeding 1% of the gross written premium.

(4) Levies in terms of subparagraphs (1) and (2) are payable by short-term insurers in the following manner -

(a) a first provisional levy payment calculated at the applicable percentages of the short-term insurer’s gross written premiums as reflected in its accounting records for the first six months of its financial year payable as provided for in paragraph 21(2)(a);

(b) a second provisional levy payment calculated at the applicable percentages of the short-term insurer’s gross written premiums as reflected in its accounting records for its entire financial year, after deduction of the first provisional levy payment, payable as provided for in paragraph 21(2)(b); and

(c) a final levy payment or refund claim calculated at the applicable percentages of the short-term insurer’s gross written premiums as reflected in its audited annual financial statements less the collective value of provisional levies already paid for that financial year which must be payable in the case of a final levy payment due as provided for in paragraph 21(2)(c).

(5) Within 12 months after the end of the short-term insurer’s financial year the auditor of the short-term insurer must confirm to the Authority the amount of gross written premiums by short-term insurance brokers which are included in the gross written premiums as reflected in its audited annual financial statements.

Levy on underwriters at Lloyds

5. (1) Every underwriter at Lloyds as envisaged under the Short-term Insurance Act, 1998 (Act No. 4 of 1998) must pay a levy equivalent to 1% of the gross premium income which was brokered in the Republic of Namibia on behalf of underwriters at Lloyds.

(2) Levies in terms of subparagraph (1) are calculated based on the foreign exchange rate applicable on the date when the premium approval is granted by the Authority and is payable within 30 days after the payment of the premium to the underwriter at Lloyds.

Levy on dispensations

6. (1) Every insurer, insurance broker or re-insurance broker registered under the Short-term Insurance Act, 1998 (Act No. 4 of 1998) or under the Long-term Insurance Act, 1998 (Act No. 5 of 1998) must pay a dispensation levy equivalent to 1% of the gross written premium to be taken out of Namibia as brokered by themselves.
(2) Dispensation levies in terms of subparagraph (1) are calculated based on the foreign exchange rate applicable on the date when the dispensation approval is granted by the Authority and is payable within 30 days after the payment of the premium to foreign insurers or re-insurers.

**Levy on long-term re-insurers**

7. (1) Every long-term re-insurer registered under the Long-term Insurance Act, 1998 (Act No. 5 of 1998) must pay an annual basic levy of N$125 000.

(2) The levy referred to in subparagraph (1) must be paid on or before the 30th of April of each year.

**Levy on short-term re-insurers**

8. (1) Every short-term re-insurer registered under the Short-term Insurance Act, 1998 (Act No. 4 of 1998) must pay an annual basic levy of N$125 000.

(2) The levy referred to in subparagraph (1) must be paid on or before the 30th April of each year.

**Levy on friendly societies**

9. (1) Every friendly society registered under the Friendly Societies Act, 1956 (Act No. 25 of 1956) must pay an annual levy equal to 1.4% of the friendly society’s total income derived from the business of the society, excluding investment income, in the following manner -

(a) a first provisional levy payment calculated as 1.4% of the friendly society’s total income derived from the business of the society excluding, investment income, as reflected in its accounting records for the first six months of its financial year payable as provided for in paragraph 21(2)(a);

(b) a second provisional levy payment calculated as 1.4% of the friendly society’s total income derived from the business of the society, excluding investment income, as reflected in its accounting records for its entire financial year, after deduction of the first provisional levy payment, payable as provided for in paragraph 21(2)(b); and

(c) a final levy payment or refund claim calculated as 1.4% of the friendly society’s total income derived from the business of the society, excluding investment income, as reflected in its audited annual financial statements less the collective value of provisional levies already paid for that financial year which must be payable in the case of a final levy payment due as provided for in paragraph 21(2)(c).

(2) Within 12 months after the end of its financial year the auditor of the friendly society must confirm the total amount of income received by the friendly society to the Authority if such total amount is not disclosed separately in its audited annual financial statements.

(3) Where such friendly society is not required to have its financial records audited the person in charge with managing the business of the friendly society must certify that the total amount of income received agrees with its accounting records which accounting records are a full and true reflection of the total income.
Levy on medical aid funds

10. (1) Every medical aid fund registered under the Medical Aid Funds Act, 1995 (Act No. 23 of 1995) must pay an annual levy equal to 0.14% of the medical aid fund’s gross contributions received in the following manner -

(a) a first provisional levy payment calculated as 0.14% of the medical aid fund’s gross contributions received as reflected in its accounting records for the first six months of its financial year payable as provided for in paragraph 21(2)(a);

(b) a second provisional levy payment calculated as 0.14% of the medical aid fund’s gross contributions received as reflected in its accounting records for its entire financial year, after deduction of the first provisional levy payment, payable as provided for in paragraph 21(2)(b); and

(c) a final levy payment or refund claim calculated as 0.14% of the medical aid fund’s total contributions received as reflected in its audited annual financial statements less the collective value of provisional levies already paid for that financial year which must be payable in the case of a final levy payment due as provided for in paragraph 21(2)(c).

(2) Within 12 months after the end of its financial year the auditor of the medical aid fund must confirm the gross contribution, as at the end of its financial year, to the Authority if such value is not disclosed in its audited annual financial statements.

Levy on pension funds

11. (1) Every pension fund registered under the Pension Funds Act, 1956 (Act No. 24 of 1956), excluding retirement annuity funds as defined in section 1 of the Income Tax Act, 1981 (Act No. 24 of 1981), must pay an annual levy equal to 0.008% of the pension fund’s total assets in the following manner -

(a) a first provisional levy payment calculated as 0.008% of the pension fund’s total assets as reflected in its accounting records at the end of the first six months of its financial year payable as provided for in paragraph 21(2)(a);

(b) a second provisional levy payment calculated as 0.008% of the pension fund’s total assets as at the end of its financial year, after deduction of the first provisional levy payment, payable as provided for in paragraph 21(2)(b); and

(c) a final levy payment or refund claim calculated as 0.008% of the pension fund’s total assets as at the end of its financial year less the collective value of provisional levies already paid during that financial year which must be payable in the case of a final levy payment due as provided for in paragraph 21(2)(c).

(2) Within 12 months after the end of its financial year the auditor of the pension fund must confirm the value of the total assets, as at the end of its financial year, to the Authority if such value is not disclosed in its audited annual financial statements.

Levy on retirement annuity funds

12. (1) Every retirement annuity fund as defined in section 1 of the Income Tax Act, 1981 (Act No. 24 of 1981) must pay an annual levy equal to 0.008% of the retirement annuity fund’s total assets in the following manner -
(a) a first provisional levy payment calculated as 0.008% of the retirement annuity fund’s total assets as reflected in its accounting records at the end of the first six months of its financial year payable as provided for in paragraph 21(2)(a);

(b) a second provisional levy payment calculated as 0.008% of the retirement annuity fund’s total assets as at the end of its financial year, after deduction of the first provisional levy payment, payable as provided for in paragraph 21(2)(b); and

(c) a final levy payment or refund claim calculated as 0.008% of the retirement annuity fund’s total assets as at the end of its financial year less the collective value of provisional levies already paid during that financial year which must be payable in the case of a final levy payment due as provided for in paragraph 21(2)(c).

(2) Within 12 months after the end of its financial year the auditor of the retirement annuity funds must confirm the value of the total assets, as at the end of its financial year, to the Authority if such value is not disclosed in its audited annual financial statements.

**Levy on the management company of unit trust schemes**

13. (1) Every management company of a registered unit trust scheme registered under the Unit Trusts Control Act, 1981 (Act No. 54 of 1981) must pay an annual levy equal to 0.042% of the total value of the assets managed by the management company in respect of every unit trust scheme in the following manner -

(a) a first provisional levy payment calculated as the collective value of 0.042% x 1/12 of the total value of the assets managed by the management company in respect of every unit trust scheme at the end of every month during the first six months of its financial year payable as provided for in paragraph 21(2)(a);

(b) a second provisional levy payment calculated as the collective value of 0.042% x 1/12 of the total value of the assets managed by the management company in respect of every unit trust scheme at the end of every month during the last six months of its financial year payable as provided for in paragraph 21(2)(b); and

(c) a final levy payment or refund claim calculated as the collective value of 0.042% x 1/12 of the total value of the assets managed by the management company in respect of every unit trust scheme at the end of every month of the financial year less the collective value of provisional levies already paid during that financial year which must be payable in the case of a final levy payment due as provided for in paragraph 21(2)(c).

(2) Within 12 months after the end of its financial year the auditor of the management company must confirm the total value of the assets managed by the management company in respect of every unit trust scheme, as at the end of every month of that financial year, to the Authority if such values is not disclosed separately in its audited annual financial statements.

**Levy on unlisted investment managers**

14. (1) Every unlisted investment manager registered under regulation 29(38) of the Regulation of Pension Funds published under Government Notice No. R.98 of 26 January 1962 must pay an annual levy equal to 0.042% of the total value of the amount drawn down by the unlisted investment manager in the following manner -

(a) a first provisional levy payment calculated as the collective value of 0.042% x 1/12 of the total value of the amount drawn down by the unlisted investment manager at
the end of every month during the first six months of its financial year payable as provided for in paragraph 21(2)(a);

(b) a second provisional levy payment calculated as the collective value of 0.042% x 1/12 of the total value of the amount drawn down by the unlisted investment manager at the end of every month during the last six months of its financial year payable as provided for in paragraph 21(2)(b); and

(c) a final levy payment or refund claim calculated as the collective value of 0.042% of the total value of the amount drawn down by the unlisted investment manager at the end of every month of the financial year less the collective value of provisional levies already paid during that financial year which must be payable in the case of a final levy payment due as provided for in paragraph 21(2)(c).

(2) Within 12 months after the end of its financial year the auditor of the unlisted investment manager must confirm the total value of the amount drawn down by the unlisted investment manager, as at the end of every month of that financial year, to the Authority if such values are not disclosed separately in its audited annual financial statements.

**Levy on moneylenders and microlenders**

15. (1) Every moneylender as defined in section 1 of the Usury Act, 1968 (Act No. 73 of 1968) or microlender as defined in any law must pay a levy equal to 1.03% of the total amount of loans disbursed by the moneylender and microlender during its financial year in the following manner -

(a) a first provisional levy payment calculated as 1.03% of the total amount of loans disbursed by the moneylender or microlender as reflected in its accounting records for the first six months of its financial year payable as provided for in paragraph 21(2)(a);

(b) a second provisional levy payment calculated as 1.03% of the total amount of loans disbursed by the moneylender or microlender as reflected in its accounting records for its entire financial year, after deduction of the first provisional levy payment, payable as provided for in paragraph 21(2)(b); and

(c) a final levy payment or refund claim calculated as 1.03% of the total amount of loans disbursed by the moneylender or microlender as reflected in its audited annual financial statements less the collective value of provisional levies already paid for that financial year which must be payable in the case of a final levy payment due as provided for in paragraph 21(2)(c).

(2) Within 12 months after the end of its financial year the auditor of the moneylender and microlender must confirm the total amount of loans disbursed to the Authority if such values are not disclosed separately in its audited annual financial statements.

(3) Where such moneylender or microlender is not required to have its financial records audited the person charged with managing the business of the moneylender or microlender must certify that the total amount of loans disbursed agrees with its accounting records which accounting records are a full and true reflection of the loans disbursed.

**Levy on central securities depositories**

16. (1) Every public company incorporated in terms of the Companies Act to establish and operate a system for the central handling of securities and which is approved as a
central securities depository under section 4(1)(f) of the Stock Exchanges Control Act, 1985 (Act No. 1 of 1985) must pay a levy equal to 0.012% of the total value of securities holdings in the following manner -

(a) a first provisional levy payment calculated as the collective value of 0.012% x 1/12 of the total value of securities holdings at the end of every month during the first six months of its financial year payable as provided for in paragraph 21(2)(a);  

(b) a second provisional levy payment calculated as the collective value of 0.012% x 1/12 of the total value of securities holdings at the end of every month during the last six months of its financial year payable as provided for in paragraph 21(2)(b); and  

(c) a final levy payment or refund claim calculated as the collective value of 0.012% x 1/12 of the total value of securities holdings at the end of every month of the financial year less the collective value of provisional levies already paid during that financial year which must be payable in the case of a final levy payment due as provided for in paragraph 21(2)(c).

(2)  Within 12 months after the end of its financial year the auditor of the central securities depository must confirm the total value of securities, excluding bills or bonds issued by the Government of the Republic of Namibia, traded to the Authority if such value is not disclosed separately in its audited annual financial statements.

**Levy on stock exchanges**

17.  (1) The Namibian Stock Exchange, or any other stock exchange licensed in terms of the Stock Exchanges Control Act, 1985 (Act No. 1 of 1985) must pay an annual levy of N$850 000.

(2) The levy referred to in subparagraph (1) must be paid on or before the 30th of April of each year.

**Levy on stock-brokers**

18. Every stock-broker as defined in section 1 of the Stock Exchange Control Act, 1985 (Act No. 1 of 1985) who is a member of a stock exchange must pay a levy equal to 0.079% of the total value of securities, excluding bills or bonds, irrespective of issuer, traded by that stock broker during its financial year in the following manner -

(a) a first provisional levy payment calculated as 0.079% of the total value of securities, excluding bills or bonds traded, irrespective of issuer, traded by that stock broker as reflected in its accounting records for the first six months of its financial year payable as provided for in paragraph 21(2)(a);  

(b) a second provisional levy payment calculated as 0.079% of the total value of securities, excluding bills or bonds, irrespective of issuer, traded by that stock broker as reflected in its accounting records for its entire financial year, after deduction of the first provisional levy payment, payable as provided for in paragraph 21(2)(b); and  

(c) a final levy payment or refund claim calculated as 0.079% of the total value of securities, excluding bills or bonds, irrespective of issuer, traded by that stock broker as reflected in its audited annual financial statements less the collective value of provisional levies already paid for that financial year which must be payable in the case of a final levy payment due as provided for in paragraph 21(2)(c).
(2) Within 12 months after the end of its financial year the auditor of the stock broker must confirm the total value of securities, excluding bills or bonds, irrespective of issuer, traded to the Authority if such value is not disclosed separately in its audited annual financial statements.

(3) Where such stock broker is not required to have its financial records audited the person in charge of the managing of the business of the stockbroker must certify that the total value of securities, excluding bills or bonds, irrespective of issuer traded agrees with its accounting records which accounting records are a full and true reflection of the loans disbursed.

Levy on investment managers

19. (1) Every investment manager that is in the business of administering or managing investments and which is approved as an investment manager under section 4(1)(f) of the Stock Exchanges Control Act, 1985 (Act No. 1 of 1985) must pay an annual levy equal to 0.015% of the total value of the assets controlled by the investment manager in the following manner-

(a) a first provisional levy payment calculated as the collective value of 0.015% x 1/12 of the total value of the assets controlled by the investment manager at the end of every month during the first six months of its financial year payable as provided for in paragraph 21(2)(a);

(b) a second provisional levy payment calculated as the collective value of 0.015% x 1/12 of the total value of the assets controlled by the investment manager at the end of every month during the last six months of its financial year payable as provided for in paragraph 21(2)(b); and

(c) a final levy payment or refund claim calculated as the collective value of 0.015% x 1/12 of the total value of the assets controlled by the investment manager at the end of every month of the financial year less the collective value of provisional levies already paid during that financial year which must be payable in the case of a final levy payment due as provided for in paragraph 21(2)(c).

(2) Within 12 months after the end of its financial year the auditor of the investment manager must confirm the total value of assets controlled by the investment manager, as at the end of every month of that financial year to the Authority if such values is not disclosed separately in its audited annual financial statements.

Levy on linked investment service providers

20. (1) Every linked investment service provider whose business consist wholly or partly of implementing or capturing investment instructions received from investment managers on behalf of clients in units in a collective investment scheme on the basis that such units are purchased and held in bulk or repurchased in bulk and approved as a linked investment service provider under section 4(1)(f) of the Stock Exchanges Control Act, 1985 (Act No. 1 of 1985) must pay an annual levy equal to 0.008% of the total value of the assets administered or held in safe custody by the linked investment service provider in the following manner-

(a) a first provisional levy payment calculated as the collective value of 0.008% x 1/12 of the total value of the assets administered or held in safe custody by the linked investment service provider at the end of every month during the first six months of its financial year payable as provided for in paragraph 21(2)(a);

(b) a second provisional levy payment calculated as the collective value of 0.008% x 1/12 of the total value of the assets administered or held in safe custody by the linked investment service provider at the end of every month during the last six months of its financial year payable as provided for in paragraph 21(2)(b); and
(c) a final levy payment or refund claim calculated as the collective value of 0.008% x 1/12 of the total value of the assets administered or held in safe custody by the linked investment service provider at the end of every month of the financial year less the collective value of provisional levies already paid during that financial year which must be payable in the case of a final levy payment due as provided for in paragraph 21(2)(c).

(2) Within 12 months after the end of its financial year the auditor of the linked investment service provider must confirm the total value of the assets administered or held in safe custody by the linked investment service provider, as at the end of every month of that financial year, to the Authority if such values are not disclosed separately in its audited annual financial statements.

Payment of levies

21. (1) Financial institutions must calculate the amount of levies which are due to the Authority and pay such amount into the bank account of the Authority.

(2) Levy payments are due to the Authority as follows -

(a) first provisional levy payments are due for payment on or before the 25th day of the month following the end of the first six months after the commencement of the financial institution’s financial year, and

(b) second provisional levy payments are due for payment on or before the 25th day of the month following the end of the financial institution’s financial year, and

(c) final levy payments are due for payment within 12 months after the end of the financial institution’s financial year.

(3) Where the days referred to under subparagraph (2), fall on a Sunday or public holiday the levy must be due for payment on or before the next business day.

(4) If the collective value of the first and second provisional levy payments made are less than 90% of the final determined levy due as per the final levy return, interest must be charged on the amount by which the first and second provisional levy payments collectively are less than 90% of the finally determined levy due as per the final levy return.

(5) Interest charged on the amount determined by subparagraph (4) from the date when the second provisional levy payment was due up to the date when the final levy payment has been received by the Authority at a rate as provided for in paragraph 22(1).

(6) First, second and final levy payments must be accompanied by returns completed and submitted in the form and manner as determined by the Authority from time to time.

(7) Levy payments must be made directly into the bank account of the Authority at -

Account No. 6206 2664 141
First National Bank
Windhoek Corporate Branch
Branch Code: 281 872

(8) Levy payments must be referenced as follows -

(a) for the first provisional levy payment: License number – financial year – 1
(b) for the second provisional levy payment: License number – financial year – 2

(c) for the final levy payment: License number – financial year – F

(9) Levies referred to in this notice are exempted from value added tax as defined in section 1 of the Value-Added Tax Act, 2000 (Act No. 10 of 2000).

Imposition of interest

22. (1) Interest on overdue amounts is payable to the Authority at 20 percent per annum calculated from the due date until the date of payment of any overdue amount.

(2) Interest may not in total exceed the value of the overdue amount.

Application for exemption

23. (1) An application by any financial institution for an exemption from any provision of this notice must be submitted in writing to the chief executive officer of the Authority.

(2) Applications for exemption may be submitted to the Authority using any one of the following means -

(a) delivery by hand to the 1st Floor, Sanlam Centre, 154 Independence Avenue, Windhoek, Namibia;

(b) post using registered mail to P.O. Box 21250, Windhoek, Namibia; or

(c) email using the following address: info@namfisa.com.na.

(3) The application for exemption must -

(a) contain full particulars of the financial institution and the authorisation of the person signing the application;

(b) specify the date on which the exemption is required to take effect;

(c) set out fully the reasons for the application and contain documentation, statements and affidavits evidencing the reasons for the application;

(d) contain an affirmation by the financial institution concerned to provide, at the request of the chief executive officer of the Authority, forthwith any further information or particulars which the Authority may require in connection with the financial institution or application concerned; and

(e) specify the postal or email address at which the financial institution will accept service by the Authority of any notice contemplated in section 25(6)(b) of the Act.