

**Breakdown - Industry Comments -Treating Customers Fairly**

**Chapter10 – General Gen.S.20-21**

Company Name:	STD/REG No. & Section:	Comment/Description of issue:	Proposed Amendment/Solution:	Accepted (Comments):	Rejected (Comments):
Hollard Namibia	Standard No GEN.S.10.21 – Treating Consumers Fairly	<p>NAMFISA is not empowered to publish a Standard regarding treating consumers fairly – the processes, and tools for TCF are not mentioned in section 410(2) empowering the issuing of Standards.</p> <p>The “principles” mentioned in clauses 5 to 12 of the draft Standard are not principles but are legal requirements as to what the financial institution or financial intermediary “must” do.</p> <p>Therefore, the draft Standard No. GEN.S.10.21 is not permissible under the FIM Act.</p> <p>The following comments are made subject to the fact that treating consumers fairly cannot be regulated by a Standard as proposed.</p>	Withdraw Standard GEN.S.10.21 or refer to appropriate empowering provision		Disagree because FIMA gives power NAMFISA to issue the standard in accordance with the enabling provision under sections 395(2)(e), 408(1)(d)(i), 408(1)(e)(ii) and 410(9) of FIM Act.
MMN Group	General Comment	The terms ‘consumer’ and ‘customer’ are used interchangeably within the Standard.	We propose the use of ‘customer’ consistently throughout the Standard.	Amended by adopting and inserting under clause 2 a	

				collective term “customer” which includes customer, consumer, and clients. This has also been defined in the standard.	
	General Comment	Will this Standard apply retrospectively? More specifically, what is the Regulator’s stance on closed book products (that are no longer being sold on the market) – ie. where these very old products did not previously contain the necessary disclosures as typically required under a TCF Framework, or where the product design at the time was subject to different criteria and TCF did not specifically feature at the time. It is not possible to retrospectively amend the product features or specs of such closed book products.	Kindly advise as to the retrospective application of this Standard on closed book products.	Agree, the standard will not apply retrospectively particularly for existing products. However, change in culture and conduct is required if not in tandem with this standard.	
NaSIA	General Comment:	Contains many spelling and grammar issues that must be cleaned up.		Errors have been corrected.	
		The terms ‘consumer’ and ‘customer’ are used interchangeably within the Standard.	We propose the use of ‘customer’ consistently throughout the Standard.	Amended by adopting and inserting under clause 2 a collective term	

				“customer” which includes customer, consumer, and clients. This has also been defined in the standard.	
		Will this Standard apply retrospectively? More specifically, what is the Regulator’s stance on closed book products (that are no longer being sold on the market) – i.e. where these very old products did not previously contain the necessary disclosures as typically required under a TCF Framework, or where the product design at the time was subject to different criteria and TCF did not specifically feature at the time. It is not possible to retrospectively amend the product features or specs of such closed book products.	Kindly advise as to the retrospective application of this Standard on closed book products.	Agree, the standard will not apply retrospectively particularly for existing products. However, change in culture and conduct is required if not in tandem with this standard.	
Prosperity Lifecare	General comment	Check spelling throughout the Standard		Agree and noted	
Prosperity Lifecare	General Comment	The Act defines “client” but without reference to consumer as in the standards	Kindly confirm via drafting whether the two terms may be used interchangeably.	Amended by adopting and inserting under clause 2 a collective term “customer” which includes	

				customer, consumer, and clients. This has also been defined in the standard.	
RFIN	General Comments	Inconsistent use of the term used to refer to the Consumer and Customer which in essence is the same person at the end of the value chain who enjoys the services and deserves to be treated fairly, hence elect one method of referencing the end user of the financial product.		Amended by adopting and inserting under clause 2 a collective term "customer" which includes customer, consumer, and clients. This has also been defined in the standard.	
RFS Fund Administrators	GEN.S.10.21 Treating Customers Fairly  General	The standard seems to have been written mainly for financial institutions and financial intermediaries providing a financial service directly to an individual (Customer of insurance company = insurance policy holder). Applicability to fund administrators (customer = retirement/ medical aid funds) is often not clear.	The standard should clearly state which sections are applicable to fund administrators/ service providers as opposed to product providers.	TCF principles apply to all financial institutions and intermediaries firms who are involved in the retail supply chain, whether they have a direct interface with the customer or not and whether or not they are involved in all stages of the product life-cycle. This includes entities providing	

				services as well as those producing or selling products. .	
First Rand Namibia	(2)	Application of the Standard (a) and (b) seem to be a duplication.	Reword and remove duplication Perhaps an indication should be provided for here as to where this standard becomes applicable as for certain of these provisions it would not be applicable to certain financial intermediaries / registered persons i.e. a registered Trustee	Agree to removal of duplication. Moreover, the standard is principle-based and set in general for consumers of financial services. In this regard, certain provisions will not apply to certain businesses or models. Thus, certain provisions will only be applicable where relevant.	
NIBA	GEN.S.10.21 Treating Customers Fairly Clause 2(b)	Clause 2(b) is a duplication since financial intermediaries registered under the Act are already included in section 2(a)	Delete clause 2(b)	Agreed and amended by deleting clause 2(b).	
NIBA	GEN S 2-21(2) Application of the Standard	2(a) already stipulates that the Standard applies to all financial institutions and financial intermediaries registered under the Act.  2(b) therefore appears to be a duplication of 2 (a) and should therefore be deleted	2(b) to be deleted in its entirety	Agree and amended by deleting clause 2(b).	

Orion Namibia	<p><b>GEN.S.10.21</b> 2 (c) Consumers</p>	<p>The Act talks about "consumers of financial services" in s 253 of Ch 5 and s 465 of Ch 11, while it refers to "consumers and clients" in s 395 of Ch 10.</p> <p>In a retirement fund context, the fund could be the provider of a financial product and financial service and the consumer of a financial service/purchaser of a financial product.</p> <p>Is the fund meant to police service providers to the fund and make sure that they treat the fund and the members fairly as consumers?</p>	Define "Consumers"	<p>Agree, consumer is defined as a person deriving benefits in financial services from a financial institution or financial intermediary licensed under FIMA, 2021.</p> <p>The provisions in the standard will apply to all financial institutions and intermediaries who have customers as defined in clause 3 of the standard in as far as it is applicable to there line of business they are registered for, and where necessary. In the case when the fund is the service provider it ought to treat its customers fairly and when the fund is the</p>	
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				consumer it ought to be treated fairly by that respective service provider, the definition of customer includes both natural and legal persons that consumes or uses financial services,	
First Rand Namibia	3	It is required that every registered person has a written policy.	<p>1. If TCF requirements are already catered for in various group policies, would this be acceptable to NAMFISA or would it be required that it be a separate policy?</p> <p>It is suggested that the provision provide clarity as to whether demonstration that the requirements are held within various policies i.e. data privacy that this will be compliant / meet the requirement.</p> <p>2. Would a group TCF policy suffice for each registered person (financial institution and financial intermediary within group)?</p> <p>It is suggested that the provision be extended to include a group policy that contains the requirements as per this standard.</p>		<p>No it will not suffice to have TCF requirements scattered in various policies or referred to in other policies and neither will demonstration thereto but rather clause 3 requires that all registered entities have written TCF policies. Clause 3 is preemptive,</p> <p>It is not necessary to extend the requirement to the group policy but that if a group policy is developed and adopted, it must comply to the requirements in</p>

					this standard and it must demonstrated that it is being followed by the registered entity.
NASIA	3(a)	Every financial institution and financial intermediary must - (a) have a written policy relating to fair treatment of consumers, which must include, at a minimum, the outcomes and principles referred to in clause 5; and	TCF already forms part of various policies of our businesses. Should a separate policy be created or is it sufficient that the requirements are met in other policies? Please provide clarity.	Yes, written TCF policy must be developed. Irrespective of whether that is done at group or separate entities, it is required that entities show cause that they have incorporated the requirements of the standard and execution thereof.	
Old Mutual Holdings	Standard No. GEN.S.10.21 Clause 3(a) Policy required for TCF	TCF already forms part of various policies of our businesses. Should a separate policy be created or is it sufficient that the requirements are met in other policies?	Provide clarity.	Yes, a separate written TCF policy must be developed as it will not suffice to merely have the requirement in other policies. .	
Orion	3 (a) written policy relating to fair treatment of consumers,	Does this mean that service providers to retirement funds such as insurers, administrators and investment managers must "look through" to see who	Clarity is sought	The standard is not prescribing the methodology to use to comply but It is expected that when service	



		<p>the "end consumer" is and make provision for them.</p> <p>Does it require a retirement fund to ensure that all its outsource contractors and other parties with whom it contracts have a TCF policy that aligns to the TCF Standard where the conduct of those parties could result in unfair outcomes for members?</p>		<p>providers design their products that they keep the end user (customers) in mind and due diligence on all fronts must be conducted because TCF principles apply to all financial institutions and intermediaries. Institutions that are involved in the retail supply chain, whether they have a direct interface with the customer or not and whether or not they are involved in all stages of the product life-cycle. This includes entities providing services as well as those producing or selling products..</p>	
PSG Wealth Namibia	TCF: GEN. S.10.21 Clause 3 (a);	Written policies for TCF outcomes Requirements to have written policies in place	We applaud the Regulator's intention to adopt a TCF culture within financial	Agreed with the fact that entity policies need to	

		in each of these outcomes for TCF does not align with implementing a TCF culture within FI's.	institutions (FI's), and thereby move to more principle-based vs rules-based legislation. In light of this we recommend that instead of prescribing individual written policies, FI's must ensure that all policies align with TCF.	be aligned but the objective of the standard in clause 3 is to require all entities to have written TCF specific policy to address TCF specific principles and not vice versa. This will show the significance and importance of adopting and implementation of TCF principles to regulation and the financial services market as a whole. It will therefore not be adequate for regulatory purposes and market conduct aspect to simply require alignment as recommended.	
RFIN	Clause 3(a)	Clause requires a written policy relating to Fair treatment of Customers	Many members already embed Treating Customers Fairly principles in their daily operations, will this suffice, or should a completely new policy be implemented of which a draft would be	. It is because TCF is a significant part of market conduct regulation and has its separate framework that it	

			issued similar to the Investment Policy Statement Standard? Clarity is required	is critical and important that, entities should have specific policies relating or addressing TCF principles separate from other business policies. .	
Hollard Namibia	Clause 3(b)	Will FIs need to report to NAMFISA to confirm action is initiated?	Please give clarity.	NAMFISA will through its Risk-based Supervisory Framework assess the application and implementation of the standard. Hence, no separate report exclusive to this will be requested.	
Orion Namibia	3 (b) all staff...	Which staff? Most funds do not have staff.	It would be better to refer to the Board and PO of a fund to the staff of service providers to whom the fund has outsourced business functions.	Agree, and amended, but this is a generic term used, and is up to each business model to customize the terminology.	
Nedbank Namibia	Clause (3)(b)	Every financial institution and financial intermediary must - (b) <u>take all reasonable steps</u> to ensure all staff are aware of, understand and comply	What would all reasonable steps entail? Regulator to provide clarity hereon.	Agree, and has been deleted, but meant steps that are practical and able to meet the outcome as	

		with such provisions when executing their duties.		contained in the Standard and would include policies and manuals guiding internal procedures and processes to be followed by the general staff.	
RFIN	Clause 3 (b)	Clause requires for reasonable steps to be taken but reasonability is subjective and hence can lead to interpretative issues	<p>Proposal for clarity as to what would constitute reasonable steps in ensuring that the staff of a financial intermediary are aware of the policy provisions, does the policy need implementation with sign off or would an email containing a copy of the policy suffice for the requirements of reasonability?</p> <p>More guidelines and clarity are therefore needed due to uncertainty.</p>	<p>Agree, and has been deleted, but meant steps that are practical and able to meet the outcome as contained in the Standard and would include policies and manuals guiding internal procedures and processes to be followed by the general staff. NAMFISA will through its Risk-based Supervisory Framework assess the application and implementation of the standard. Hence, no separate report</p>	

				exclusive to this will be requested..	
Alexforbes	Gen.S.10.21 – Section 5 – Clausee	Clause states that outcome 5 of the policy on Fair Treatment of Customers is Financial Services Perform as Promised or Expected and at an Acceptable Standards. “Acceptable Standard” has not been defined.	Define “Acceptable Standard”	Agreed. The Authority does not intend to outline this acceptable standard, given that the TCF standard is principle based. Moreover, each situation or incident may be different. Thus, entities are expected to ensure that what they promised must meet the service provided. , However, has revised to avoid ambiguities under Section 10(1) also. It should be noted that the standard provides principle guidance. However, for instance in case services provided is not inline, it is expected that the financial	

				institutions address this matter.	
NASIA	5	The policy relating to fair treatment of consumers must contain, at a minimum, the principles outlined under each of the seven outcomes:	Should the Policy contain every statement outlined under each of the seven outcomes? Or merely a description of the principles in general? Please provide clarity.	Agree to have a description outlining each principle expected conduct and responsibilities.	
RFIN	Clause 5	Clause contains requirement that the policy relating to treating customers fairly must contain the items listed (a) to (g) thereunder.	Do these outcomes need to be codified as such and in writing as such or would the outcome of the clause relating to the fair treatment of customers suffice if they match the requirements as listed (a) to (g)? Clarity is sought.	Agree to have a description outlining each principle expected conduct and responsibilities.	
	Clause 5(b)	Clause refers to Appropriate Financial Services Design and Distribution but does not substantiate what the satisfaction of these elements would entail.	Clarity is therefore sought as to what is needed to satisfy these requirements mentioned so specifically but not defined.	The Authority does not intend to outline this acceptable standard, given that the TCF standard is principle based. Moreover, each situation or incident may be different. Thus, entities are expected to ensure that what they promised must meet the service provided.,	

				<p>However, has revised, to avoid ambiguities under clause 10(1) also. It should be noted that the standard provides principle guidance. However, for instance in case services provided is not inline, it is expected that the financial institutions address this matter.</p>	
	<p>Clause 5(b) Must be 5(c)</p>	<p>Clause relating to outcome four requires for Proper Advice to be provided, but no indication of what proper advice would entail</p>	<p>Clarity sought on what proper advice would entail and how this requirement would be satisfied through the Intermediary. Does the currently used client advice record process suffice or are there additional acknowledgements the Customers need to make for this clause to be satisfied?</p> <p>“advice” means, subject to subsection (3)(a), any recommendation, guidance or proposal of a financial nature furnished, by any means or medium, to any 5 client or group of clients-</p> <p>(a) in respect of the purchase of any financial product; or</p> <p>(b) in respect of the investment in any financial product: or</p>	<p>Caused 9 has defined what constitutes proper advice, that is advice that is suitable to the customer and takes account of the customer’s circumstances. It further explains how or what is required for the advisor to achieve that.</p>	

			<p>(c) on the conclusion of any other transaction, including a loan or cession.</p> <p>aimed at the incurring of any liability or the acquisition of any right or benefit in respect of any financial product; or</p> <p>(d) on the variation of any term or condition applying to a financial product,</p> <p>on the replacement of any such product, or on the termination of any purchase of or investment in any such product,</p> <p>and irrespective of whether or not such advice- 15</p> <p>(i) is furnished in the course of or incidental to financial planning in connection with the affairs of the client; or</p> <p>(ii) results in any such purchase, investment. transaction. Variation, replacement or termination, as the case may be, being effected; (Section 1(1) of the Financial Advisory and Intermediary Services Act 37 of 2002)</p>		
First Rand Namibia	5(d)	<ol style="list-style-type: none"> <li>1. Correct spelling "Advise"</li> <li>2. Define "proper advice" as the word proper can be very subjective</li> <li>3. Financial advice is defined in the FIMA</li> </ol>	<ol style="list-style-type: none"> <li>1. "Proper Advice"</li> <li>2. Define "Proper Advice"</li> <li>3. Consider South African legislation as to what constitutes proper advice as the definition of financial advice as per FIMA is very broad.</li> </ol>	<p>Agree FIMA is broad because it just defines advice generally</p> <p>The advice in the standard is defined for purposes of</p>	



				<p>setting out the TCF requirements, hence narrowed down to fit purpose.</p> <p>Outcome 4 specifically talks to the type of advice required to meet fair treatment of customer perspective. RSA calls it "Suitable advice" but similar outcomes and principles although format of drafting differs. The standard require "proper advice and not just "tick boxes" exercise to ensure fair treatment of customers, clause 9 sets requirement for what constitutes "proper" advice and set the criteria that entities should demonstrate to achieve the</p>	
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				outcome. The standard aims at measuring the outcome and avoids prescribing what but how you can achieve it	
Nedbank Namibia	Clause (5)(d)	The policy relating to fair treatment of consumers must contain, at a minimum, the principles outlined under each of the seven outcomes: (d) Outcome Four: Proper Advise;	Outcome Four refers to “proper” advice, but also to “appropriate” advice. Propose that with “Financial advice” already being defined in the Act, that “advice” rather be defined within the ambit of financial advice as opposed to “proper” advice. “Advise” to be changed to “Advice”	Agree, subclause 5(d) is changed to read “Proper financial advice”, while under subclause 9(3)(c) “appropriate” has been changed to “proper”.	
NIBA	Schedule 1, GEN.S. 10.21 sec 5 (d) and (e)	(d) Proper Advise (e) Acceptable Standards	(d)Should be Advice (e) Should be Standard	Agree and amended	
NIBA	GEN S 2-21 (5)(d) Outcomes and Principles	Typing error to be corrected	Outcome Four: Proper Adv[ic]se	Agree and amended	
NASIA	5(8)	(8) Every financial institution and financial intermediary that is an entity must have a documented policy relating to fitness and propriety for the individuals or key persons referred to in sub-clause (2)(a), which must include compliance with any required criteria for continuing education or professional development	Please elaborate on what exactly such a policy must contain.		Kindly note that this comment is not relevant for this standard but for the Fit and Proper Standard.

		issued by NAMFISA, and such policy must be approved by the board or, where applicable, by the board of the entity that controls the financial institution or financial intermediary.			
First Rand Namibia	6	Reference to the word “lower-ranked staff” is not respectful to the role of all staff and stakeholders or common practice in any industry – rephrase please	Rephrase to refer to “and should be applied throughout the staff of the organisation” or something similar	Agree and is amended.	
Hollard Namibia	Clause 6 - Outcome 1: Fair Treatment Culture	The FIM Act already requires the board and senior management of the company to promote and implement a culture of the fair treatment of customers and does not need to be dealt with in subordinate instruments (section 395(2)(e)).	If tools and processes are published for consultation, please consider 395(2)(e) of FIMA.		Disagree as the standard lays out in detail what is expected and understood by the regulator to be considered as a fair treatment of consumers.
Insurance Namibia	Gen Std 10.21 clause 6(1)	TCF is consistently utilized but not defined in the Standard	Provide definition thereof.		Disagree, clause 3. (a) and (b) provides the definition.
Nedbank Namibia	Clause (6)(1)-(3)	Clause 6 (1) – (3) use of the words “consumer” and “customer”. Should be consistency in use of words.	Words should not be merely used interchangeably unless there is a difference between the two words in which case it should be defined accordingly under definitions. If there is no difference only choose one and use same. Comment applies through-out the Standard.	Amended by adopting and inserting under clause 3 the same clause.	
Orion Namibia	6 (3) The responsibility to promote	Again, is the Board of a retirement fund responsible for ensuring TCF compliance	Clarity is sought		No, the fund will only be responsible

	such a culture starts with the board...	by its outsourcing contractors and other parties providing financial products/financial services to the fund?			to treat its own customers fairly and not its service providers. Even though it will be good for a fund to ensure it deals with thirds party that are in good standing generally. It should be noted that the funds service providers are not its customers.
Orion Namibia	6 (3) (b) staff are appropriately skilled, trained and have required competence in providing fair treatment to consumers	How will this play out initially? Are there TCF training programs?	Clarity is sought	Agree, and expectation is that the seven outcomes are realized where applicable such that the bare minimum is met, but how the training is conducted and programs settings is up to the entity's to decide. It is important that institutions provide training relevant for fair treatment of customers.	

Old Mutual Holdings	Standard No. GEN.S.10.21 Clause 6(3)(b)	What is the matrix for 'competent staff'? Will there be a set standard of training or principles that must be trained to prove competence?	Provide clarity on how competency will be determined and how training will ensure competence.	Agree and amended . entity will have to demonstrate how this is lived through the institution, i.e through conducting staff training to build capacity, and policies put in place for staff to implement and observe.	
Alexforbes	Section 6 – Clause 3(c)	Clause provides for the incentivization of staff to promote corporate culture on treating customers fairly in their daily work. Clause does not explain how staff must be incentivized.	Removal of this clause because it deals with employee relations and that is not regulated by NAMFISA	Agree, and Section 6(3)(a)(b) is amended while 6(3)(c) is deleted.	
First Rand Namibia	6(3)(c)	It is our view that staff can and should be incentivized (encouraged/motivated) to promote corporate culture placing this as a requirement in law is beyond the ambit of NAMFISA's supervision.  International experience has been that there are also negative incentives, and it is important that we build a caveat that this is not a guarantee. The intention is to	Remove sub-clause (c) or alternatively replace the word incentivize with "encourage".  We need to build further conditions in order to drive the correct, desired corporate culture and/or behavior.	Agree and is amended by including clause 3 (c) under section 6(3)(a)(ii) and deleted (c).	

		build positive performance culture but to already cater for and avoid negative incentivization.			
Orion Namibia	6 (3) (c) incentivize staff to	Again, whose staff? In a DC fund that employs staff, who will pay the cost of an incentive program, especially of financial incentives are provided? This will increase the compliance costs for funds and ultimately impact the members' benefits.	Take the matter under review	Agree and deleted	
ICAN	Section 6(3)(c) incentivize staff to promote corporate culture on treating customer fairly in their daily work.	We believe that the meaning of this sub-section is unclear. Does the term "incentivize" refer to remuneration, or would it apply to other forms of encouragement for example non-monetary recognition or including the requirement as a key performance indicator in performance reviews?	To avoid any potential misinterpretation, we recommend the word "incentivize" be replaced with "encouraged".	Agree, and amended clause 3(a) and (c) deleted.	
MMN Group	Section 6(3)(c)	Requires Financial Institutions and Intermediaries to "incentivize staff to promote corporate culture on treating customers fairly in their daily work." Respectfully, this is a management prerogative, and it would not be good for a Regulator to prescribe when incentives to staff	We propose that this provision be removed.	Agree and have amended clause 3(a)-(b) and (c) is deleted.	

		<p>should be provided. How an Institution or Intermediary goes about achieving a Corporate Culture on TCF should be left to them and not be prescribed by the Regulator.</p> <p>Furthermore, some entities may be of the view that the culture of TCF should be part of the inherent fibre of the entity and that people should not have to be incentivized to treat customers fairly – it is expected of employees and part of the performance requirements of the entity.</p>			
NASIA	6(3)(c)	<p>Outcome One: Fair Treatment Culture</p> <p>The responsibility to promote such a culture starts with the board and senior management and ends with the lower-ranked staff of all financial institutions and intermediaries, so that –</p> <p>(c) incentivize staff to promote corporate culture on treating customer fairly in their daily work.</p>	<p>Is this also part of the "minimum requirements"? What if a business does not incentivize, then non-compliance? Please specify incentives, as these could take from of loyalty programs, share options, bonuses, additional leave days etc.</p> <p>Also, this is potentially a management prerogative, and it would not be good for a Regulator to prescribe when incentives to staff should be provided. How an Institution or Intermediary goes about achieving a Corporate Culture on TCF should be left to them and not be prescribed by the Regulator. Furthermore, some entities may be of the view that the culture of TCF should be part of the inherent fibre of the</p>	<p>Agreed and deleted 3©.</p> <p>Part 6(3) (b) has been amended to address the flow as follows: The Board and Senior Management must make sure that staff.....</p>	

			<p>entity and that people should not have to be incentivised to treat customers fairly – it is expected of employees and part of the performance requirements of the entity.</p> <p>This requirement will place a lot of financial burden on financial institution which in turn will force them to pass on the cost to the consumer. This is not in the best interest of consumers nor the financial institutions.</p> <p>We propose that this provision be removed. Alternatively, the word “incentivized” should be changed to “encourage”.</p>		
Nedbank Namibia	Clause (6)(3)(c)	incentivize staff to promote corporate culture on treating customer fairly in their daily work.	Clarity is required on what is meant with “incentivize”. If the intention is that staff should be remunerated in one way or another, that would go beyond the scope of the Regulator. Propose that in the alternative to state that “staff should be sufficiently trained” would suffice.	Agree and amended accordingly, 3( c) is deleted.	
Old Mutual Holdings	Standard No. GEN.S.10.21 Clause 6(3)(c)	Directing that employees should be incentivized for promotion of corporate culture and TCF- what is meant with incentivised?	Provide examples of incentives that are reasonable and any penalty for not incentivizing?	Agree and amended accordingly.3( c) deleted.	
RFIN	Clause 6 (3)(c)	This clause requires that staff be incentivized for promoting Treating Customers Fairly cultural principles in their daily tasks	<p>Treating customers fairly should start with the Board as form of culture, then it becomes management responsibility to roll out culture established by the Board.</p> <p>If the clause requires for incentivization of the principles then it should also</p>	Agree and amended accordingly 3(c ) deleted.	



			<p>provide for disciplinary measures, which entail encroaching into the inherent rights, prerogatives and freedoms of the Employers to incentivize and discipline as per their internal policies and in an unfettered manner.</p> <p>Incentivization of staff form part of the Employment relationship and subsequent terms and conditions of employment hence the subordinate legislation to FIMA cannot have overriding provisions to the Labour Act 11 of 2007 and infringe on remunerations structures in place at the employment of the Intermediary and his/her staff. Hence recommend that the clause be removed for lack of jurisdiction and overreaching ambits of applicability.</p> <p>Clarity is needed as to what constitutes incentives, does it need to be monetary as per the intention of NAMFISA?</p> <p>Alterative proposal is the deletion of this provision which relates to the incentivization of the employees</p>		
Alexforbes	Section 7 (entirety)	Outcome two relates to the appropriate financial service design and distribution. It is however not clear how financial institutions/intermediaries will be assessed in meeting this outcome.	NAMFISA to provide further guidance.	Agreed. The discretion is on the entity to provide evidence through a policy demonstrating how they have identified who their target	

				market is, and how the financial service is designed to suit the needs of the consumers. Further clause says how that should be achieved.	
Hollard Namibia	Clause 7(a)	How will this be monitored?	Please give clarity.		Please note that there is no clause 7(a).
Hollard Namibia	Clause 7(1)	The requirements in clause 7(1) are too vague and inappropriate to become even “processes and tools” for the design and distribution of insurance products.	Too vague to enforce – please provide clarity.	Agreed. The discretion is on the entity to provide evidence through a policy demonstrating how they have identified who their target market is, and how the financial service is designed to suit the needs of the consumers. Further clause says how that should be achieved. Section 7(1) just outlines the aim. So, must be read together with the	

				remainder of Section 7 (2)-(3).	
MMN Group	Section 7(1)	<p>“The aim of this outcome is to ensure that financial services marketed and sold are designed and distributed to meet the well defined needs of the targeted consumer group.”</p> <p>FIMA defines financial services as:</p> <p>“(a) the service of providing a financial product or financial advice;”</p> <p>Financial product is defined as:</p> <p>“(a) a policy issued by an insurer or a reinsurer pursuant to Chapter 2;</p> <p>(b) a benefit provided by -</p> <p>(i) a retirement fund or a beneficiary fund pursuant to Chapter 5;</p> <p>(ii) a friendly society pursuant to Chapter 6; or</p> <p>(iii) a medical aid fund to the members of the medical aid fund by virtue of membership pursuant to Chapter 7;</p> <p>(c) a security, derivative instrument, money market instrument or other instrument referred to in Chapter 3;</p>	Kindly clarify whether this Outcome also applies to fund administrators and if so, to what extent would it apply – ie. what are the expectations in this regard?	Agree, yes, fund administrators are included as further outlined under clauses (3)-(4), which alludes to financial intermediaries. Fund administrators are included as far as they intermediate in providing pension and medical aid funds financial services in the market place and such that the same financial services provided is as expected under each respective business model.	

		<p>(d) a participatory interest in a collective investment scheme;</p> <p>(e) a foreign currency denominated investment instrument;</p> <p>(f) any other product essentially similar in nature and character to a financial product referred to in paragraphs (a) to (e);</p> <p>(g) any product combining two or more of the financial products referred to in paragraphs (a) to (f); or</p> <p>(h) any product issued by a foreign entity and marketed in Namibia, which in nature and character is essentially similar or corresponding to a financial product referred to in paragraphs (a) to (g);”</p> <p>From the above it is apparent that fund administrators do not render financial services or products in the way intended by the FIMA – they are, in fact, service providers to the Funds.</p> <p>What are the expectations of the regulator in respect of this Outcome as it pertains to fund administrators?</p>			
NASIA	7(1)	<p>“The aim of this outcome is to ensure that financial services marketed and sold are</p>	<p>From the above, it is apparent that fund administrators do not render financial services or products in the way</p>	<p>Agree to explain. Yes, fund administrators</p>	

		<p>designed and distributed to meet the well-defined needs of the targeted consumer group.”</p> <p>FIMA defines financial services as:</p> <p>“(a) the service of providing a financial product or financial advice;” Financial product is defined as:</p> <p>“(a) a policy issued by an insurer or a reinsurer pursuant to Chapter 2;</p> <p>(b) a benefit provided by -</p> <p>(i) a retirement fund or a beneficiary fund pursuant to Chapter 5;</p> <p>(ii) a friendly society pursuant to Chapter 6; or</p> <p>(iii) a medical aid fund to the members of the medical aid fund by virtue of membership pursuant to Chapter 7;</p> <p>(c) a security, derivative instrument, money market instrument or other instrument referred to in Chapter 3;</p> <p>(d) a participatory interest in a collective investment scheme;</p> <p>(e) a foreign currency denominated investment instrument;</p> <p>(f) any other product essentially similar in nature</p>	<p>intended by the FIMA –they are, in fact, service providers to the Funds.</p> <p>What are the expectations of the regulator in respect of this Outcome as it pertains to fund administrators? Kindly clarify whether this Outcome also applies to fund administrators and if so, to what extent would it apply.</p> <p>This specific subsection does not read well. Please reword or clarify what the meaning is.</p>	<p>are included as further outlined under clauses (3)-(4), which alludes to financial intermediaries.</p> <p>Fund administrators are included as far as they intermediate in providing pension and medical aid funds financial services in the market place and such that the same financial services provided is as expected under each respective business model.</p>	
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		and character to a financial product referred to in paragraphs (a) to (e); (g) any product combining two or more of the financial products referred to in paragraphs (a) to (f); or (h) any product issued by a foreign entity and marketed in Namibia, which in nature and character is essentially similar or corresponding to a financial product referred to in paragraphs (a) to (g);”			
Orion	7 (1) The aim of this outcome is to ensure that financial services marketed and sold are designed and distributed to meet the well-defined needs of the targeted consumer group.	The Board does not have ultimate control over the design of the benefits offered under a retirement fund - they are by and large the product of negotiation between the employer and the members. Funds will have to educate benefit consultants and other intermediaries who assist employers with benefit design and employers on fair benefit design. The funds will have to create the TCF framework within which employers and members may operate. It is not so easy to determine well defined needs in a large umbrella fund were the membership (employer and	Take the matter under review	Agree, and amended subclause 7(2) to address the concern.	Disagree however, the Board has a responsibility as outlined under sub clauses 3 &4, and the policy in this matter must be aligned to the consumer needs, provided as financial services under each business model, and that includes that of an umbrella body. Like every other business model licensed under the FIM Act there is expectation of what the financial service

		<p>employees) is not homogeneous.</p> <p>This has cost-implications for umbrella and retail funds. It will require funds to spend quite heavily on customer/market research.</p>			<p>should offer in the market, and the Board should ensure it is TCF aligned as generic as possible. Orion will have customers as defined under clause 2 to whom they provide financial services, and TCF principles will apply in as the requirements will relate to the type of services offered whether to individual or institutional investors.</p>
RFIN	Clause 7(1)	<p>The aim of this outcome is to ensure that financial services marketed and sold are designed and distributed to meet the well-defined needs of the targeted consumer group.”</p> <p>FIMA defines financial services as:</p> <p>“(a) the service of providing a financial product or financial advice;”</p> <p>Financial product is defined as:</p>	<p>What are the expectations of the regulator in respect of this Outcome as it pertains to fund administrators? Kindly clarify whether this Outcome also applies to fund administrators and if so, to what extent would it apply.</p> <p>This specific subsection does not read well. Please reword or clarify what the meaning and desired outcome to be achieved would entail.</p>	<p>Agree outcome apply to fund administrators as well and should execute their functions in compliance with this outcome e.g., to set up policies to meet needs of targeted customers and must adhere to these policies and designs</p>	

		<p>“(a) a policy issued by an insurer or a reinsurer pursuant to Chapter 2.</p> <p>(b) a benefit provided by -</p> <ul style="list-style-type: none"> <li>(i) a retirement fund or a beneficiary fund pursuant to Chapter 5.</li> <li>(ii) a friendly society pursuant to Chapter 6; or</li> <li>(iii) a medical aid fund to the members of the medical aid fund by virtue of membership pursuant to Chapter 7.</li> </ul> <p>(c) a security, derivative instrument, money market instrument or other instrument referred to in Chapter 3.</p> <p>(d) a participatory interest in a collective investment scheme.</p> <p>(e) a foreign currency denominated investment instrument.</p> <p>(f) any other product essentially similar in nature and character to a financial product referred to in paragraphs (a) to (e).</p> <p>(g) any product combining two or more of the financial</p>		<p>The Board is responsible as well as outlined under clauses 3 &amp; 4</p> <p>TCF principles apply to all financial institutions and intermediaries firms who are involved in the retail supply chain, whether they have a direct interface with the customer or not and whether or not they are involved in all stages of the product life-cycle. This includes entities providing services as well as those producing or selling products.</p>	
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		<p>products referred to in paragraphs (a) to (f); or</p> <p>(h) any product issued by a foreign entity and marketed in Namibia, which in nature and character is essentially similar or corresponding to a financial product referred to in paragraphs (a) to (g);”</p>			
First Rand Namibia	7(2)	<p>While a financial needs analysis needs to take place to ensure adequately and effectively providing a financial service (including a product) to what the client needs, it is not always possible. For instance, it can be deemed unfair to have preservation regulations while a client may need something completely different.</p> <p>Products and services cannot necessarily be redesigned to cater for clients’ immediate needs.</p>	<p>Rewording could be proposed: “Financial intermediaries and financial institutions should perform a financial needs analysis to assist clients as best possible in achieving financial goals”. It is recommended that it be indicated “where applicable” as certain financial intermediaries will not be able to meet this requirement.</p>		<p>Disagree, as the statement does not request for the institution to redesign a product to cater for a client’s immediate needs. The needs analysis is done to assess whether product is suitable for customer.</p>
Hollard Namibia	Clause 7(2)	<p>The principles set out in clause 7(2) are tools and processes but cannot be what financial institutions “must ensure” because that does not recognize the dynamic and prudent nature of insurance underwriting.</p>	<p>Too onerous to enforce -</p>		<p>Disagree, and statement is not clear. Are insurance companies not taking into account costs and benefits of a financial service/product (as</p>

					<p><i>defined under FIM Act) to its identified customer group during the design stage?</i></p> <p>It is necessary and its what happens in practice, a product is designed to meet the identified needs for customers and takes into account the pricing and relevant costs involved so that customer gets value for money and service provider does not make losses. An insurer will not for example design a life long pension savings product to distribute to customers that need funeral covers.</p>
Orion Namibia	7 (2) distribution	Major implications for umbrella funds who rely solely on their sponsors for distribution. This should also be addressed in the fund's outsourcing policy statement.	Take the matter under review	The outsourcing standard governs the agreements between the parties under outsourcing.. While the TCF	

				<p>standards addresses the principles of TCF and sets out the outcomes that should be achieved by financial institutions and intermediaries that are registered to provide services and products to customer. Clause 2 has defined to who, the TCF should be applied to and under what circumstances.</p> <p>Clause 7 speaks to the requirement for appropriate financial services or product design and distribution that a service provider should adhere to and the requirement thereof shall only apply in as far as it relates to such services extended by the umbrella</p>	
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				funds in this respect, For as long as the relationship extends to individual or situational customer TCF principles will apply.	
Nedbank	Clause (7)(2)(a)-(b)	A financial institution or intermediary must ensure that the design and distribution of financial services meet the - (a) needs of identified consumer groups in terms of the costs, benefits; and (b) limitations of the financial services.	Clarity is required on instances where the needs that would ensure fair treatment of the customer clashes with a subordinate legislative position, such as the preservation regulation.	The requirements under clause 7 should be implemented in line with the law, it is therefore not expected that a financial institution or intermediaries will design a retirement product that is in conflict with legal requirements in the first place.	
First Rand Namibia	7(2)(b)	The term “limitations of financial services is broad”	Define or remove or reword to exclusions (if applicable).		Disagree on removing the word “limitation” in Clause 7(2)(b) the word is used to describe the product or service restrictions, ceilings or cuppings placed on benefits offered

					while "exclusions" refer to benefits not offered or omitted.
ICAN	Section 7(2)(b) A financial institution or intermediary must ensure that the design and distribution of financial services meet the - ... (b) limitations of the financial services.	The intention of this subsection is unclear. Is the intention that the institution must ensure that the product is marketed accurately?	We recommend rephrasing the subparagraph to clarify the expectation.	The word "limitation" in Clause 7(2)(b) the word is used to describe the product or service restrictions, ceilings or cuppings placed on benefits offered while "exclusions" refer to benefits not offered or omitted.	
RFIN	Clause 7(2) (a) and (b)	The provision treating customer fair principles might clash with the needs of the customer at the time advice is provided and hence the legal provisions might prevent the fair treatment of customers in many instances for e.g., the compulsory preservation provision which forces members to preserve their benefit even though they might stand to lose their home or not have anything to eat at such time	The proposition for the correction of the clause is that the clause should be completely removed due to the clash in interests and the lack of financial savviness of individuals to comprehend the consequences for their actions of withdrawing benefits at the hopes of a short-term benefit.		Disagree on removing the clause, because the requirements under clause 7 ought to be implemented in line with the law, it is therefore not expected that a financial institution or intermediaries will design a retirement product that is in conflict

					with legal requirements in the first place. Financial service providers are encouraged to adopt customer centric solutions to gain reasonably deep understanding of customer needs when designing products in the market.
NASIA	7(3)	Financial institutions and financial intermediaries must have written policies, which must prescribe on financial services design and distribution thereof at a minimum by - (c) engaging in capacity development initiatives for the staff to be able to appropriately deliver the products and services.	In the absence of a clear and reasonable understanding of this, we recommend deletion. OR 7 (3) Financial institutions and financial intermediaries must have written policies, which must prescribe on financial services design and distribution thereof at a minimum by - <del>(c) engaging in capacity development initiatives</del> ensuring appropriate training for the staff to be able to appropriately deliver the products and services.	Agree ( c) is deleted.\ A written policy is important to show a trail of the product design and distribution process and set rules to undertake for product development and distribution. This is also aimed at avoiding risks of product failure and losses. Namfisa may also need to know how the product will benefit the customer.	
Hollard Namibia	Clause 7(3)	The requirements of clause 7(3) seek to boil down the tools and processes for	See above	A written policy is important to show a trail of the	

		outcomes and principles into specific written policies which are properly dealt with in the Standards dealing with prudential requirements for risk management.		product design and distribution process and set rules to undertake for product development and distribution. This is also aimed at avoiding risks of product failure and losses. Namfisa may also need to know how the product will benefit the customer.	
First Rand Namibia	7(3)(c)	<p>1. This may not be applicable to all financial intermediaries i.e., registered Trustee</p> <p>2. "Financial services" is defined to include financial products. Section 7(3)(c) separates the two creating confusion as to the requirements as service design is different from product design.</p>	<p>1. To indicate "where applicable"</p> <p>2. Recommend removing products and services; reword to deliver the ..."financial service(s)"</p>	Agree, clause 3(c) is deleted. Staff training is addressed under clause 6 to achieve fair treatment culture outcome.	
ICAN	Section 7(2)(c) Financial institutions and financial intermediaries must have written policies, which	The term "capacity development initiatives" is unclear.	Replace capacity development initiatives with "training and competency testing".	Agreed. Amended to skills development training. Please, note it is rather clause 7(3)(c), which has been effectively deleted. Staff	

	<p>must prescribe on financial services design and distribution thereof at a minimum by –</p> <p>... engaging in capacity development initiatives for the staff to be able to appropriately deliver the products and services.</p>			<p>training is addressed under clause 6 to achieve outcome on fair treatment culture.</p>	
Orion Namibia	<p>7 (3) (c) engaging in capacity development initiatives for the staff to be able to appropriately deliver the products and services.</p>	<p>See previous comments about staff of funds. Mis-selling of the fund and its benefits will be a major concern area for umbrella and retail funds. They will have to address it under their outsourcing, risk management and marketing policy statements.</p> <p>This has cost implications for umbrella and retail funds who will have to budget for the training of staff employed at entities that can be regarded as the fund's</p>	Take the matter under review	<p>clause 3© is deleted and no longer applicable. The obligation in terms of the remaining part of clause 7 does however not fall away irrespective of the relationship between employees and the fund as it will apply in as far possible as possibly/reasona</p>	



		distributions partners. We will see the rise of "tied" benefit consultants and intermediaries since the funds cannot risk their "products" being mis-sold.		bly can to the umbrella fund. Note further that, to achieve outcome on fair treatment culture, staff training is addressed under clause 6.	
RFIN	Clause 7(3)(c)	<p>The clause requires intervention into the employment relationship and development initiatives attached thereto, hence NAMFISA cannot override employment provisions in as far as provisions not catered for the Labour Act 11 of 2007 is concerned,</p> <p>The effect of the clause can be obtained by the insertion of the fair treatment of customers and proper governance of the fund concerned,</p>	<p>This provision encroaches on the terms and condition of employment which may give rise to disputes of interest and disputes of rights if accepted as being such, which has to be dealt with by the Labour Act. FIMA subordinate legislation cannot override employment provisions and make more stringent requirements as the development of staff are concerned.</p> <p>Clause should be deleted if the above cannot be amenable addressed or merely refer to ensuring appropriate training for staff to allow then to appropriately deliver on the agreements entered into for the services to be rendered.</p>	<p>Agreed and 3(c) has been deleted.</p> <p>Staff training requirement is addressed under clause 6 to ensure the achievement if fair treatment culture.</p>	
PSG Wealth Namibia	Clause 7 (3)(c)	<p>Capacity development initiatives for staff to be able to appropriately deliver the products and services.</p> <ul style="list-style-type: none"> <li>• No indication of what this entails or how it will be measured. The risk of this is that it is open to</li> </ul>	<ul style="list-style-type: none"> <li>• Consider providing FI's with guidance on what these capacity development initiatives entails and how it will be measured.</li> </ul>	<p>Agreed and deleted 3(c) Staff training requirements is addressed under clause 6, to ensure the entities achieve</p>	

		interpretation which may lead to compliance arbitrage and later warrant further guidance notes from the Regulator.		outcome on fair treatment culture.	
Alexforbes	Clause 8	Clause states that Financial institutions and financial intermediaries must provide a period to consumers during which they can rescind a contract, in a relevant industry, and still have any fees and advances returned	It is suggested that the proposal be given to the consumer a certain period of time before signing the contract. Alternatively, the period should be defined.		Disagree, clause 7 correctly addresses the cooling off period and that the entity should tell the customer what that period is. The period is not stated because each industry should determine the period as per their norm. Clause8 however talks to instance where the contact has been duly rescinded and customer right to a refund and the entity's obligations towards the customer where applicable. industry's practice.
Alexforbes	Section 8 – Clause 1	This clause ensures that consumers are given clear and relevant information, and that they are appropriately informed about all the terms and conditions relating to a	Terms and conditions must be provided before or as necessary afterwards. It is hereby proposed to remove the terms “during and after” and keep it as “before point of sale.”	Agree, and is amended as during and after point of sale are also found under section 8(2)-(5). So, better to limit	

		financial service before, during and after the point of sale.		this clause to before point of sale.	
RFIN	Clause 8	Before taking action pursuant to clause 7, NAMFISA must give notice to the individual, key person or entity of its intention to take the action, together with reasons therefore, and must give the individual, key person or entity a reasonable opportunity to be heard by specifying a period of not less than 21 days during which period the individual, key person or entity may make representations to NAMFISA about the matter	This is an unreasonable and short period that a key person or entity would be given to make representations to NAMFISA about the matter.  Consider extending the period to be reasonable period in which consultations would be allowed with relevant stakeholders.		Disagree, the 21 days notice period requirement is with regard to change in key facts of TCs and not time given entity to make representation. The comment appears to be misplaced
Hollard Namibia	Clause 8(1)	The requirement that insurers must “ensure” that their consumers are “appropriately informed” about the financial products and services is in order as a principle.	As processes and tools but not as a Standard,		Disagree. The cluse cannot be removed nor is it irrelevant because its a principle and not a process and tool in the standard. A process is a step-by-step way of doing something to achieve an objective. The clause herein, is a principle that requires an entity to do something to

					ensure the outcome is achieved. The clause is not stating how and what the entity must do to achieve the outcome.
Orion Namibia	8 (1) appropriately informed about all the terms and conditions... before, during and after point of sale.	The employer will have to do this for the fund, but do they have the staff and skills to do this? It's not as simple as design a brochure and make sure HR gives one to every new member.	Take the matter under review, there are practical implications to be considered		Disagree, the standard will apply everywhere and in all circumstances where exists customer relationship. Funds are not exempt; they have customers who are the members of the fund and the clause will apply in as far as it possibly can. The Trustees have an obligation to ensure that the relevant information is given members whether through employer HR or other intermediaries.
RFIN	Clause 8(1) and 8(2)	Reference is made to benefits, but it remains unclear as to what benefits these clauses re referring to exactly,	Clarity is needed in terms of the type of benefits that would be applicable, it only retirement benefits or death benefits also.	The word "benefits" in the	

			<p>Where does the accountability rest to ensure clear and truthful communication lie, with the fund or the Intermediary, clarity is sought.</p>	<p>statement must be read in the context in which it is used and carries a dictionary meaning unless otherwise stated. In this context for example, it means the “value” to be derived from the product or services that is offered to the customer. It is important that the service provider informs the customer what value /benefits the customer is going to derive from the product.</p> <p>The obligation to ensure that the outcome is achieved lies with the service provider, in this case the fund and its trustees have an obligation towards its members to</p>	
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				ensure that the information is reaching its members and the channel of distribution or how that is achieved is left to trustees discretion. The fund will have to demonstrate that this outcome is achieved.	
Orion Namibia	8 (2) maintain accurate and retrievable records of information provided to consumers at and after the point of sale, including information used during marketing and promotion, which must be clear, appropriate, and relevant to the consumer.	Very difficult for retirement fund to manage this. It will have to ensure that other parties such as the employer, an intermediary or a benefit consultant keep these records. How will the fund assess that the information provided was appropriate and relevant to the consumer? In the context of an occupational retirement fund, consumers differ vastly. The Board does not have all the knowledge about consumers/potential consumers that it would need to enforce compliance with this. How will service providers and the employers report to the Board on this?	Take the matter under review	The Funds are required to ensure that the outcome is achieved in as far as it is applicable to the business of the Fund. The Fund must identify who their customers are, to whom they will have an obligation as per this outcome. The fact that intermediaries or consultants are used in the process, i.e. to keep the information does	

				not exempt the Fund from its obligation to provide their customers with relevant information as per this outcome. It is expected that the fund demonstrates how the outcome is achieved irrespective or how and whom is carrying out the function. The Trustees should understand their product offering and provide the relevant information to the contracted advisor. The role of product provider as product information source should not be relaxed in the entire financial services value chain	
Hollard Namibia	Clause 8(3)	In clause 8(3) the draft becomes vaguer.	Too vague to enforce please provide clarity.	The financial institution or	

		<p>“Maintaining mechanisms” for confirming that products are understood in the “target market” is itself inappropriate to a Standard or at all. The target market consists of many individual consumers and the market itself does not have an “understanding”.</p> <p>The remaining sections in clause 8(3) state general outcomes and principles which boards will adopt in accordance with other regulatory common law and governance requirements and need not be stated here.</p>		<p>intermediary will have to demonstrate what it is that they have put in place to ensure that their customers (as the targeted market for their products) understand the products. As opposed to the mere tick boxes compliance exercise. This should be done in order to protect both the service provider and customer from selling and buying non-value addition and mismatched products to customer needs.</p>	
Nedbank Namibia	Clause (8)(3)(a)	<p>Under this Outcome, financial institutions and financial intermediaries must, at a minimum -</p> <p>(a) provide clear and truthful information to consumers at and after the point of sale</p>	<p>Clarity required on whether for example this provision would entail that verbal discussions with consumers should be recorded and/or whether everything must be in writing.</p> <p>To whose standard is “clear and truthful” benchmarked against?</p>	<p>Agree, it is expected that relevant information shared with customers that is of a binding nature and terms and conditions on</p>	



				<p>the contractual obligations if verbally discussion be followed up with writing either soft or hard copy. Such terms and conditions about the service are normally written and should be explained to the consumers at and after the point of sale. Clear and truthfulness is not benchmarked against anything because it is circumstantial. The service provider will have to demonstrate how they make the information shared with the customer clear and truthful.</p>	
First Rand Namibia	8(3)(b)	<p>1. Mechanisms to be maintained is vague and left for interpretation, if there is a specific requirement then it should rather be stated i.e. would a signed declaration suffice? Or would one need</p>	<p>1. Specify exact requirement with regards to the provision of evidence of understanding 2. Remove target market and replace with customers.</p>	<p>Agree to the suggestion and clause 3(b) is amended to insert word "customer" but Namfisa cannot define all</p>	

		<p>copies of voice recordings etc?</p> <p>2. The word “target” market, to be removed and rather specify consumers, as one cannot obtain understanding necessarily from the full target market but only those clients who are onboarded.</p>		<p>possible ways, processes or mechanism applicable across the entire NBFIs<sup>1</sup> and this is still left for the industry to determine as it suits their business models in each specific market. However, an example is given such as keeping or obtaining signed declarations by customers to show proof that they understood facts or TCs. The intention of the standard is to be principle based and set minimum expectations. And also agree to include consumers in clause 3(b) and not customers as that is the term being used</p>	
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<sup>1</sup> Non-bank financial institutions

					consistently in this standard.	
King Price Namibia	Clause 8: Outcome 3: (3) (b)	Financial products, i.e. Short-term insurance consists of an agreement/policy schedule between the financial institution and the customer. It is uncertain what is required by this clause in terms of "terms and conditions associated with the financial service are understood" Clearly going through the entire contract with the client is not practical.	The Regulator to Advise.	Agreed This outcome is trying to ensure that customers do not sign contracts with terms and conditions they do not understand, hence placing the obligation on financial institutions and intermediaries to have processes/mechanisms or tools in place that ensure that this kind of practice ceases, that the service providers should be able to demonstrate how that is achieved. for example, a policy schedule must be provided and explained to the consumer. It is important that consumers understand key facts about the		

				product they intend to acquire. Industry is advised that this is a general standard which can be adopted the way it suits each business model as sector specific provisions required under certain industries are normally provided for under sector specific standards.	
Nedbank Namibia	Clause (8) (3)(b)	Under this Outcome, financial institutions and financial intermediaries must, at a minimum - (b) maintain mechanisms for confirming that the terms and conditions associated with the financial service are understood in the target market;	Clarity is required on what would constitute mechanisms – recording all conversations and/or signing an acknowledgement that the terms and conditions were understood. The provision is vague, and interpretation might be an issue therefore, it is recommended that more clarity be provided on what “mechanisms” would satisfy requirements of the provision. Recommended that target market be replaced with consumer.	Agreed to use word customer accordingly. The word “mechanism” under this clause means ways, or process that a financial institution or intermediary should employ to ensure that customers confirm that they understand the product and entity is required	

				to maintain or show proof thereof. The signed declaration can be such guideline but is not limited to that hence because it is a principle the service provider will have to demonstrate how they are ensuring that this requirement is met. It is a principle set and cannot prescribe what type of mechanism a financial institution or intermediary should employ but rather the entity should determine which mechanism to employ to best achieve the outcome.	
Orion Namibia	8 (3) (b) maintain mechanisms for confirming	Difficult for retirement funds.	Clarity is sought	The Fund has a responsibility to ensure that their members	

	that the terms and conditions associated with the financial service are understood in the target market;			understand the TCs of the benefits the Funds has promised/offered to them, whether they do that directly or through a third party acting on their behalf that is at their discretion. The Fund will have to demonstrate what it is or processes, mechanism it employs to confirm that the TCs are understood by members. Collecting signed declarations is but simply one such example.	
RFIN	Clause 8(3)(b)	Clause requires for the maintenance of mechanisms but is stated in a vague manner.	Specific clarity as to who is required for the provision and maintenance of the mechanisms relating to the product or service provided	the requirements extends to all financial institutions and intermediaries as applied whether directly or indirectly through agents or thirds	

				parties acting on behalf of the Funds. S395 FIMA requires the Board	
PSG Wealth Namibia	Clause 8 (3)(b) and (c)	<p>...(b) maintain mechanisms to confirm that the T&amp;C's are understood in the target market....(c) information to consumers should be 'easily understandable'...</p> <ul style="list-style-type: none"> <li>• (b) It is not clear what is meant by mechanisms.</li> <li>(c) Easily understandable could lead to confusion as consumers have varying literacy levels.</li> </ul>	<ul style="list-style-type: none"> <li>• Please provide clarity on how this must be done to ensure consistency and remove uncertainty.</li> <li>• This provision should rather state that the information must be in plain language to remove uncertainty and confusion.</li> </ul>	The financial institution or intermediary should employ ways, processes etc to ensure that customers confirm that they understand the product and entity is required to maintain or show proof thereof. The signed declaration can be such a guideline but is not limited to that hence because it is a principle the service provider will have to demonstrate how they are ensuring that this requirement is met. It is a principle set and cannot prescribe what type of	Disagree with replacing the word with plain language." easily understandable" should be read in context of the word usage in the sentence and it further expands the context in which the requirements relate. It simply means simple and not confusing information should be given to the customer and should take into account the customer literacy level.

				mechanism a financial institution or intermediary should employ but rather the entity should determine which mechanism to employ to best achieve the outcome.	
ICAN	Section 8(3)(c) Under this Outcome, financial institutions and financial intermediaries must, at a minimum – ... ensure that information provided in promoting a product is easily understandable, clearly outlining to consumers the cost, benefits and limitations of a specific	Regarding information on the limitations of the product or service, the intention of the standard is clear, however, the practicality of implementing the requirement is doubtful in our view.	It would be helpful to clarify what limitations that standard refers to in order to guide institutions and intermediaries in fulfilling this requirement.	The word "limitation" in Clause 7(2)(b) used to describe the product or service restrictions, ceilings or cuppings placed on benefits offered while "exclusions" refer to benefits not offered or omitted.	



	product or service;				
RFIN	Clause 8(3)(c)	Clause requires the ultimate promotion and disclosure of information outlining costs and benefit and limitations	<p>Clarity is required as to who remains ultimately accountable for the ensuring the compliance with the clause, is the fund, product owner or intermediary?</p> <p>Further, will it be at the discretion of the Financial Institution or Intermediary to determine the frequency and/or intervals at which such information or updates will be provided to clients – bearing in mind that it must be reasonable and practical?</p> <p>Provide clarity as to how this would play out in practice.</p>	<p>The standard applies to all financial institutions and intermediary, whether directly or indirectly customer facing, offer products and service providers to the customers as defined under clause 2 The Fund is responsible for the members whether directly or indirectly for ensuring that the members receive relevant and clear and relevant information. S395 FIMA places the obligation on the Board to ensure TCF principles are complied with.</p>	
First Rand Namibia	8(3)(d)	Clarity / confirmation to be provided on “bundled products” – does it mean investment products with unit trusts and insurance elements?	Clarify / define.	The clause refers to bundled financial services and not product. The term is however	

				defined under clause 1 to mean a designated group of services offered to consumers in a set package at a set price, and it may consist of regulated and non-regulated services.	
Nedbank Namibia	Clause (8)(3)(d)	Under this Outcome, financial institutions and financial intermediaries must, at a minimum - (d) ensure that disclosure around bundled products enables consumers to understand the different components of the bundle	Clarity is required on what constitutes disclosure and/or the method to be used to measure disclosure.  Clarity is required on whether there is a difference between combined product offering and bundled products.	Agree, subclause is amended to simplify the meaning and there is no difference the two terms "combined" and "bundled."  The clause refers to bundled financial services and not product. The term is however defined under clause 1 to mean a designated group of services offered to consumers in a set package at a	

				<p>set price, and it may consist of regulated and non-regulated services.</p> <p>The word disclosure is not used however it would carry its common dictionary meaning and would have to be read in the context of the sentence and manner it is used, i.e. making known of something.</p>	
RFIN	Clause 8(3)(d)	Clause requires consumers to understand the components of the bundled products	<p>Identify the aim of these interventions.</p> <p>Clarity required as to combined product offerings and bundling or products in a portfolio.</p>	<p>Agree, and aim is to ensure that consumers know and understand what constitutes the service they are buying. bundled or combined product simply refers to a product that packaged together and sold as one product</p>	

				but consist of more than one product/component. i.e. death insurance bundled with disability or funeral.	
First Rand Namibia	8(3)(e)	To provide information as it relates to continuing to meet consumer needs and expectations poses a challenge in certain instances.	Suggested to reword to: "Provide consumers with ongoing relevant information"		Disagree as clause 3(e) is as it has been suggested.
MMN Group	Section 8(3)(e)	"provide consumers with ongoing relevant information to enable them to monitor whether the product or service continues to meet their needs and expectations" Will it be at the discretion of the Financial Institution or Intermediary to determine the frequency and/or intervals at which such information or updates will be provided to clients – bearing in mind that it must be reasonable and practical?	Kindly clarify.	Agree, yes, it is at the discretion of the financial institution or intermediary as long as it achieves the outcome. In other words, customers are able to determine if their needs and expectations are being met.	
NASIA	8(3)(e)	Outcome Three: Clear and Relevant Information Under this Outcome, financial institutions and financial intermediaries must, at a minimum -	Will it be at the discretion of the Financial Institution or Intermediary to determine the frequency and/or intervals at which such information or updates will be provided to clients – bearing in mind that it must be reasonable and practical? Kindly clarify	Agree, and the frequency is at the discretion of the service provider and dictated by type of service and	

		(c) ensure that information provided in promoting a product is easily understandable, clearly outlining to consumers the cost, benefits and limitations of a specific product or service; (e) provide consumers with ongoing relevant information to enable them to monitor whether the product or service continues to meet their needs and expectations.	Practically how would one do this?	industry practice or norm or may also be stated in TCs of the specific contract.	
Nedbank Namibia	Clause (8)(3)(e)	Under this Outcome, financial institutions and financial intermediaries must, at a minimum - (e) provide consumers with ongoing relevant information to enable them to monitor whether the product or service continues to meet their needs and expectations	This requirement is very subjective (“them to monitor”) and might differ from client to client. Does it thus require regular interaction with consumers or only when the consumer follows up after a newsletter or monthly statement or ad hoc? Clarity is required on who is responsible provide consumers with ongoing relevant information (i.e. service provider, fund or intermediary). Propose that a distinction be made between group products and individual products and how to treat each kind of product.	Regarding the supply of information, it is the responsibility of the licensed service provider to ensure information pertaining to the licensed business model is provided as required by law.	Disagree, does not matter whether a group or individual service is rendered, and is subjective to allow the same or different concerns to be addressed as they get raised by different or the same consumer/s.
Orion Namibia	8 (3) (e) provide consumers with ongoing relevant information to	How will this play out in the context of an occupational retirement fund where membership is a condition of employment?	Clarity is sought	The Fund has an obligation to treat their customers fairly, whether direct or indirectly faced. The Fund	

	enable them to monitor whether the product or service continues to meet their needs and expectations;			should demonstrate the mechanisms or ways, steps put in place to ensure that them directly or through their consultants or third party agreements that the requirements are met.	
RFIN	Clause 8(3)(e)	Clause requires consumers to be provided with ongoing relevant information without stating what relevant information would entail as far as monitoring of the product in terms of expectations are concerns. Expectations may differ from person to person based on literacy levels.	Clarity is sought as to who the responsible party is to prove the information to the consumer and to what level plain and simple language is to be applied as far as the level of education of the member is concerned`?	Clause 2 states to whom the standard applies, that is all financial institutions and intermediaries. If the entity has customers that meet the definition of customer under clause 2 , then the requirements shall apply in terms of S395, which places the responsibility on the Board of the financial institutions and intermediaries.  The level of plain language to be	

				used should be aligned to the requirements in standard No. GEN.S.10.17, Plain Language.sure Regarding what should constitute relevant information, this cant not be prescribed as the products offered differ and hence critical under outcome 2 for the entity to identify and define their target market, to tailor the product specifications to needs and circumstances.	
Alexforbes	Clause 8 (3)(f)	Clause provides that financial institutions must maintain general records of information provided to consumers as long as the service remains active in the market. There is no time limit set as to how long the records should be kept for	NAMFISA to indicate the period for record retention.		Disagree, as the time limit is already determined by the active participation by the entity in providing such services as licensed under NAMFISA.
Orion Namibia	8 (3) (f)	Does this mean that a retirement fund and beneficiary fund must maintain general	Clarity is sought		Disagree, this only applies to active members and

	records of information provided to consumers as long as the service remain active in the market;	maintain these records for the fund's lifetime, despite the consumer having long since ceased to be a member?			subject to the national legal requirements on archives, and therefore this subclause has been refined.
First Rand Namibia	8(3)(g)	Reword the sentence as unclear. A drafting issue, content acceptable as it may refer to a complaints or dispute resolution mechanism	Suggested wording: "provide a after sales platform at all times to allow for follow-up queries, disputes, or complaints"	Agree and amended clause 3(g)	
NASIA	8(3)(g)	(g) provide a platform, at all times, after sale, follow-up queries on financial services sold.	Sentence seems to be missing words and is not coherent – reword to clarify as follows:  “(g) provide a platform, at all times after conclusion of the sale, to address follow-up queries on the financial services sold.”	Agree and amended clause 3(g)	
RFIN	Clause 8(3)(g)	Clause provides for a platform at all times, after sale, follow-up queries on financial services sold.	Propose the following wording:  provide a platform, at all times after conclusion of the sale, to address follow-up queries on the financial services sold.”	Agreed.	
NIBA	GEN S 2-21 (8)(4): Outcome 3 – Clear and Relevant Information	An insurance broker must ensure that consumers be issued with clear and comparable summaries of the key facts statements used within a specific sector across all financial institutions as key terms and conditions to a	Namfisa to clarify who would be responsible for the development and implementation of the required generic template	Amended clause to remove requirement for template, however the key facts statements to be provided	



		<p>financial service when they are shopping around and at the contractual stage <u>in a template used</u> for the disclosures of such key terms and conditions.</p> <p>Will Namfisa provide the insurance industry with such template or who will be made responsible for the development of such template?</p>		<p>must allow for comparability. Clause 8(5)d for example states type of information to be disclosed and example of information that should be disclosed in a comparable manner, as it is key in assisting customer to arrive at a decision.</p>	
Alexforbes	Clause 4(a)	<p>Clause requires issuance of periodic statements of account, transaction receipts, if possible – in a local language</p>	Deletion of “local language”.	<p>Agree and amended the clause to remove reference to local language, it will suffice if the statements of type of information provided adhere to the requirements under the Standard on plain language and the language the customer understands..</p>	

<p>ICAN</p>	<p>Section 8(4)(a), b), c) and d) Other requirements that the financial institution and intermediary must adhere to in their conduct when providing financial services include - (a) the issuance of periodic statements of account, transaction receipts, and if possible in a local language; (b) the arrangement that all the disclosed documents must be provided in a form that the consumer can</p>	<p>a) Promoting local languages may be considered a promotion of tribalism and is contrary to the spirit of one official language. b) Would an SMS for example be considered an appropriate form? c) This requirement could be a challenge for example, where the interest rate is a floating rate based on the REPO rate, the change could only be communicated once the announcement of the change is made. d) We are concerned with the practicality of this requirement considering the access that a financial institution will have to this information. Would this information be made available by NAMFISA to financial institutions for this purpose?</p>	<p>a) We recommend striking this from the Standard. b) we recommend that examples of the types of communication that are appropriate be provided, or perhaps it may be easier to provide a list of those that are not appropriate. c) We recommend that the standard allows for a maximum number of days within which the communication should take place after the change has occurred. d) We recommend that should NAMFISA retain this requirement, that put processes in place to collate and provide such information to financial institutions on a regular basis.</p>	<p>Agree and have amended clause 4(a).  Agree and have amended clause 4(b).  Agree and have amended clause 4(C).</p>	
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	<p>readily access and keep for later reference;</p> <p>(c) that a notice of any change to the key facts statements summarizing terms and conditions pertaining to any type of premium, contribution, fee, commission, interest rate, finance charge and claim be issued to the consumer prior to the effective date of the notice;</p> <p>and</p> <p>(d) that consumers be issued with clear and comparable summaries of the key facts statements</p>				
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	used within a specific sector across all financial institutions as key terms and conditions to a financial service when they are shopping around and at the contractual stage in a template used for the disclosures of such key terms and conditions.				
First Rand Namibia	8(4)(a)	<p>1. It is required that a financial intermediary provide periodic statements, transaction receipts etc in a local language. Certain financial intermediaries would not always be able to provide this information as it would be provided by the financial institution.</p> <p>2. It is required that the above be provided in a “local language” – this is not defined, and it would not always be possible to provide</p>	<p>1. It is recommended to include the words “where applicable”</p> <p>2. Recommend changing to plain language and at least in the official English language.</p>	<p>Agree to include where applicable and clause 4(a) is amended.</p> <p>Amended and referral to plain language or languages which customer understands used</p>	

		<p>receipts, statements in various languages.</p> <p>The “if possible” creates an expectation in the industry, where as this, if provided by a registered person, should be at their discretion and to their client’s advantage but should not be prescribed.</p>			
PSG Wealth Namibia	Clause 8 (4)(a)	<p>Definition of Local language English is the official language in Namibia &amp; the language of business. Adopting an unofficial local language in business could lead to chaos.</p>	<p>Consider rephrasing to the issuance of periodic statements of account, transaction receipts and if possible, in a local language in English, the official language.</p>	<p>Agreed.and amended</p>	
MMN Group	Section 8(4)(a)	<p>“the issuance of periodic statements of account, transaction receipts, and if possible in a local language”  What about risk products, such a life policies or funeral cover that remain consistent and do not vary in value. Respectfully, in such instances a statement would not be practical and would add no value.</p>	<p>Suggest that the phrase ‘if applicable’ be added.</p>	<p>Agree and amended accordingly. The aim of the provision is to ensure that relevant changes are communicated to the consumers. If there are no changes to the service that would affect the consumer, then there would not be a need to send out periodic</p>	

				statements (provided of course that an initial statement has already been provided).	
NASIA	8(4)(a)	(4) Other requirements that the financial institution and intermediary must adhere to in their conduct when providing financial services include – (a) the issuance of periodic statements of account, transaction receipts, and if possible in a local language.	<ul style="list-style-type: none"> <li>Namibia has only one official language and all formal communication must be in the official language.</li> <li>What about risk products, such a life policies or funeral cover that remain consistent and do not vary in value. Respectfully, in such instances a statement would not be practical and would add no value. Suggest that the phrase 'if applicable' be added.</li> </ul>		The intend of the Regulator is to ensure that information is provided timely to the consumer. In this regard, we did not indicate any frequency but expect that clients are informed of key information post acquiring the service or product.
RFIN	Clause 8(4)(a)	Clause requires the issuance of periodic statements of account, transaction receipts and if possible, in a local language.	<p>Namibia only has one official language within which the communication must be published.</p> <p>What reference does local language refer to and who will vet the accuracy of translated information when translated?</p>	Agreed and is deleted.	
Insurance Namibia	Gen Std 10.21 clause 8 (4) (b)	The provision provides that “the arrangement that all disclosed documents must be provided in a form that the consumer can readily access and keep for later reference”	Kindly clarify the requisite period for document retention.	and the period is aligned to the relevant and applicable law in terms of record keeping. am	
NASIA	8(4)(b)	8 (4) Other requirements that the financial institution and	An email will fall under this definition, but what about something like an sms	Agree, an email and even an SMS	

		intermediary must adhere to in their conduct when providing financial services include – (b) the arrangement that all the disclosed documents must be provided in a form that the consumer can readily access and keep for later reference;	for example? How would online secured access to a portal fit into this? Please advise/clarify	would fit into this category. So is access to online portal provided it is accessible and content can be saved by user for later use.	
First Rand Namibia	8(4)(c)	Include the word benefit	Include the word benefit	Agreed	
NASIA	8(4)(c)	8 (4) Other requirements that the financial institution and intermediary must adhere to in their conduct when providing financial services include – (c) that a notice of any change to the key facts statements summarizing terms and conditions pertaining to any type of premium, contribution, fee, commission, interest rate, finance charge and claim be issued to the consumer prior to the effective date of the notice;	Is this practical on floating interest rate? As industry only becomes aware of the change post-date of the rate change (e.g. after the repo rate increase announcement is made.) We rather suggest a post-notification period after the event (i.e. within 10 days post the announcement)		Disagree. This is a general standard and may vary per industry. The Authority's intention is for information of KFS be available to consumers prior to acquiring financial services. In the case, of changes to repo rate such changes can obviously be communicated post these changes, provided the KFS is updated.
Orion Namibia	8 (4) (c) that a notice of any change to the key facts' statements	Possible duplication- RF.S. 5.13 requiring funds to have a communications strategy already requires a fund to give members advance	Take the matter under review	Agree, and is noted. This is a general standard applicable to all financial	

	summarizing terms and conditions pertaining to any type of premium, contribution, fee, commission, interest rate, finance charge and claim be issued to the consumer prior to the effective date of the notice;	notice of any proposed amendment to the Rules of the fund. What is the notice period envisaged?		institutions and financial intermediaries and hence is principle-based, with sector specific requirements in individual chapters where necessary will take precedence. The notice period is 21 days.	
PSG Wealth Namibia	Clause 8 (4) (c-d)	Comparable table/template ...that consumers be issued with clear and comparable summaries of the key facts statements used within a specific sector across all financial institutions as key terms and conditions to a financial service when they are shopping around and at the contractual stage in a template used for the disclosures of such key terms and conditions. <ul style="list-style-type: none"> <li>• It is unclear what needs to at a minimum be included in such a key fact statement and how this will cater for different products. It will not</li> </ul>	We would like to understand what the Regulator’s rationale behind this intended process is and whether there is existing laws/guidance which contains comparable summaries of the key fact statements used across all FI’s in the industry? This is not achievable by intermediaries who sell products from various providers. The list of fees penalties and interest rates will be so voluminous that it adds no value. As an alternative intermediaries can be requested to have a rate card indicating the fees of all services they personally provide.	Agree to note the concern, as rightly outlined the expectation is for each industry to collectively develop and agree on the key terms and conditions to be used and then discuss and agree with the regulator. <p>The standard has however provided guidance under</p>	



		<p>be practical from a FI's side to build these statements as it needs to be done at an industry level.</p> <p>We can only implement what has been built by the industry in agreement with the Regulator.</p> <ul style="list-style-type: none"> <li>• This is currently open to interpretation which may lead to compliance arbitrage and later warrant further guidance notes because of subjective interpretation in the industry.</li> </ul>		<p>8(4)(c ) and (d) and 5(d) of KFS.</p> <p>The Authority's intention is for information of KFS to be made available to customers prior to acquiring financial services, and thus information must be comparable. It is also common that products from the same industry will contain similar key basic information inherent to the types of products or services. Nevertheless, clause 8(4) (c ) and (5)(d) gives example of such key fact information but not limited to the prices, premium rates, fees etc. It is therefore vital that the statements given contain such at a</p>	
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				minimum information so that the customer can compare for themselves. In cases where the specific industry has not adopted a practice of having a uniform comparable sheet or template the basic key facts information as guided in the standard should be at minimum complied with.	
RFIN	Clause 8(4)(c)	Clause requires that the changes to key facts be communicated to members but does not include the change in benefit structure/	Include the change in benefit structures to be communicated to members as well.  Consider notification after issuance of the policy or related event.	Agreed and inserted and notification of 21 days is required.	
First Rand Namibia	8(4)(d)	Will this template be provided by NAMFISA? Or will a template be required to be created by industry and used across all financial institutions and intermediaries to ensure comparability?  Furthermore, clarity to be provided to who should provide this information? As	Clarity sought Financial intermediaries include various categories of regulated persons in which this provisions would not always be possible given the nature of what they do. It is therefore recommended to either speak to the specific categories or include the words “where appropriate / relevant”.	Agree to include where applicable and clause 4(a)(d) is amended.  Clause 8 (4) and (5) has provided guidance in terms of what the KFS should contain	Disagree, Namfisa will not provide the template to the industry, but the industry can create one for themselves, where necessary

		<p>one service provider cannot provide a comparable summary of its product that is similar to products by another service provider. Only a broker would be able to that and/or securities advisors. Examples of this are insurance agents, trustees, investment managers, managers, authorised representatives and/or authorised users.</p>		<p>but the list is not exhausted, hence the entities in a specific sector can create own uniform statement or template to use, if not the minimum KFS as per the guidelines in the standard a=must be provided by the service providers to their customer as required.</p>	
MMN Group	Section 8(4)(d)	<p>“that consumers be issued with clear and comparable summaries of the key facts statements used within a specific sector across all financial institutions as key terms and conditions to a financial service when they are75hoping around and at the contractual stage in a template used for the disclosures of such key terms and conditions.”</p> <p>It is unclear exactly what the expectations or requirements here would be. Is it the intention that Industry needs to formulate such is closures as an</p>	Kindly advise what is required by this provision	<p>Agree to take note of the concern raised. It the discretion of the financial institutions to get organized and develop such a factsheet template. Once agreed within the industry then can be discussed with the regulator.</p> <p>The Authority’s intention is for information of KFS to be made available to</p>	

		<p>industry? How would we know what disclosures are required across a specific sector? One Institution may regard one aspect of a service as necessary for disclosure whilst another does not regard same as relevant.</p>		<p>customers prior to acquiring financial services, and thus information must be comparable. It is also common that products from the same industry will contain similar key basic information inherent to the types of products or services. Nevertheless, clause 8(4) (c ) and (5)(d) gives example of such key fact information but not limited to the prices, premium rates, fees etc. It is therefore vital that the statements given contain such at a minimum information so that the customer can compare for themselves. In cases where the specific industry</p>	
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				has not adopted a practice of having a uniform comparable sheet or template the basic key facts information as guided in the standard should be at minimum complied with.	
NASIA	8(4)(d)	(d)that consumers be issued with clear and comparable summaries of the key facts statements used within a specific sector across all financial institutions as key terms and conditions to a financial service when they are shopping around and at the contractual stage in a template used for the disclosures of such key terms and conditions.	<p>It is unclear exactly what the expectations or requirements here would be. Is it the intention that Industry needs to formulate such disclosures as an industry? How would we know what disclosures are required across a specific sector? One Institution may regard one aspect of a service as necessary for disclosure whilst another does not regard same as relevant. Kindly advise how one would practically comply with this provision.</p> <p>Alternatively, NAMFISA should give guidance on the minimum disclosure (per sector) i.r.o. fund fact sheets. (perhaps link this to the minimum disclosures under the CIS standard) The point here is really that this is not possible to do across all financial institutions. For example, this might work for microlenders but not necessarily the insurance brokers and agents. This is possibly in breach of the</p>	<p>Agree to take note The expectation has been to use commonly used terms and conditions that are applicable in each sub-sector. Clause 8(4) and (5)provides guidance to KFS information that must be disclosed and in a comparable form, The information needs to be given to the customer so that they can be assisted to make informed decision and exercise freedom of choice, hence a</p>	

			<p>competition law, as agents will not be able to do this nor brokers.</p> <p>This should therefore be aligned to only financial entities that would not breach competition laws whilst complying with this provision. Redraft this section to state that: “Financial institutions should issue key terms and conditions to enable customers to make their decision when shopping around, and at contractual stage. “</p>	summary of KFS is required.	
Hollard Namibia	Clause 8(4)(d)	<p>A good example of how vague the requirements are is found in clause 8(4)(d). The requirement that insurers “must” provide “clear and comparable summaries of key facts statements used within a specific sector across all financial institutions as key terms and conditions” etc. is too vague to be part of any regulatory instrument nor is the requirement understandable nor possible to implement.</p>	<p>Too onerous for insurers – please review</p>	<p>The responsibility is placed on service providers to ensure that there is adoption of good market conduct practices in the financial services market where customers are protected by ensuring customers are treated fairly . To achieve that entities will have to demonstrate that they meet the 6 TCF outcomes through ensuring that customers are given clear and relevant</p>	

				information before and during time of contract relationship. It should therefore not be expected for standard to prescribe step by step processes on how they achieve the outcomes but rather provide guidance and then leave it to the entities to demonstrate how they ensure the objectives are met. The customers ought to be given information that is comparable for similar products and services key facts in order to have freedom of choice.	
RFIN	Clause 8(4)(d)	Clause requires many specific comparable summaries of key facts to be included in the statement, but all these facts in one statement might become cumbersome and there is no indication as who is responsible for the	Differentiate between the responsible parties who should communicate which portion of the information as mentioned in the clause.  Provide industry with a template of how these statements should look to avoid cumbersome and overcrowded	Agreed to note the concern. The expectation has been to use commonly used terms and	

		<p>provision of this information to the member.</p>	<p>statements and graphs which may not be interpretable by average members.</p> <p>Will an email also suffice?</p> <p>It is unclear exactly what the expectations or requirements here would be. Is it the intention that Industry needs to formulate such disclosures as an industry? How would we know what disclosures are required across a specific sector? One Institution may regard one aspect of a service as necessary for disclosure whilst another does not regard same as relevant. Kindly advise how one would practically comply with this provision.</p> <p>Alternatively, NAMFISA should give guidance on the minimum disclosure (per sector) i.r.o. fund fact sheets. (Also look at the CIS standard)</p> <p>Furthermore, it is noted that this is not possible to do across all financial institutions. For example, this might work for microlenders but not necessarily the insurance brokers and agents. This is possibly in breach of the competition law-agents will not be able to do this nor brokers. This should therefore be aligned to only financial entities that would not breach competition laws whilst complying with this provision. Redraft this section to state that: "Financial institutions should issue key terms and conditions to enable customers to make their</p>	<p>conditions that are applicable in each sub-sector. Clause 8(4) and (5)d provides guidance regarding KFS information that must be disclosed and in a comparable form,</p>	
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			decision when shopping around and at contractual stage. “		
Hollard Namibia	Clause 8(5)	The requirements of clause 8(5) are already dealt with in General Standard No 10.17 regarding plain language and elsewhere in the existing laws.	Dealt with in General Standard No 10.17		Disagree, there is a difference between the two. Here emphasis is on communication, transparency and full disclosure, while under Gen.S.10-17 focus is on the way of writing, for example on the font and language type used.
ICAN	Section 8(5) a) and b) Financial institutions and financial intermediaries must ensure that in their communications, transparency and full disclosure principles are adopted on the terms and conditions about the financial	a) We believe the word “descripting” may be the incorrect term. b) This may be a challenge with the consistency of phrasing and definition between institutions.	a) We recommend replacing “discripting” with “describing”. b) We recommend that NAMFISA provide standardised definitions and key terminology for use by all institutions.	Agree and have amended clause 5(a).  Agree to the need for a standardized definition, under clause 5(b) but do not understand how this is a challenge for each business model. We expect that different financial institutions has legal and technical terms that are not the same compared	

<p>services so that - (a) terms and conditions are in a clear, concise and in simple language as articulated under General Standard No. 10.17 outlining provisions describing plain language requirements; (b) as provided for under General Standard No. 10.17 on plain language descriptions, complicated legal, technical terms or abbreviations must only be used with proper explanations in short sentences and</p>			<p>to those commonly used in the other industries. For example, common terms under insurance or asset management surely will be different from pension or medical aid funds terminologies. So, NAMFISA cannot prescribe this but rather industry can develop terminology template peculiar in their space as commonly used in their space.</p>	
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	paragraphs must have clear headings;				
Alexforbes	Clause 5(d)	Clause provides all finance charges be displayed at the premises of the financial institution as well as on the websites and are in a form that is comparable to other financial institutions within the same industry	This should be disclosed to the client in a language that the client understands and not merely be displayed on the website and premises. Proposal that this provision be revised	Agree, and amended section 8(5)(d)	
MMN Group	Section 8(5)(d)	all finance charges including commissions, fees, penalties, interest rate, etc., are displayed at the premises of the financial institutions and financial intermediaries, as well as on their respective websites, and are in a form that is comparable to other financial institutions and financial intermediaries within the same industry.” We agree that disclosure of fees and penalties is required in the official documentation given to the client, and to an extent on the website as well. However, a number of these charges depend on the product and it is therefore not practical to have all of these displayed at our premises. It would perhaps be better to display generic	Suggest that this provision be amended to state that there is an obligation to disclose, in a visible and easily accessible manner, the costs and charges – without being prescriptive about where or how these are to be disclosed.	A.	Disagree, finance charges is the term well suited to use in the sentence, if the word costs is used, we will require to explain if not list the costs. The clause further just gives examples but is not limited to the examples given and is not prescribing the list as such, hence the use of such as and etc.

		type charges and to add a number or reference that they can contact should they require more information.			
NASIA	8(5)(d)	(d)all finance charges including commissions, fees, penalties, interest rate, etc., are displayed at the premises of the financial institutions and financial intermediaries, as well as on their respective websites, and are in a form that is comparable to other financial institutions and financial intermediaries within the same industry.	<p>We agree that disclosure of fees and penalties is required in the official documentation given to the client, and to an extent on the website as well. However, a number of these charges depend on the product, and it is therefore not practical to have all of these displayed at the premises of our members. It would perhaps be better to display generic type charges and to add a number or reference that they can contact should they require more information.</p> <p>Suggest that this provision be amended to state that there is an obligation to disclose, in a visible and easily accessible manner, the costs and charges – without being prescriptive about where or how these are to be disclosed.</p>	Agreed to not being prescriptive and the statement is not prescriptive but rather giving example by using the words “such as” and etc. The words “where applicable are inserted into the clause to show that there may be instances where is not possible to do so. It must be noted however that, this being a principle, the entities will have to show proof of how they are disclosing or giving clear and relevant information to customers.	
Orion Namibia	8 (5) (d) and are in a form that is comparable to	This may prove difficult for retirement funds.	Take the matter under review	The requirement applies where possible, the Funds should be	

	<p>other financial institutions and financial intermediary within the same industry.</p>			<p>able to communicate the finance charges to their members. And they can do so on different platform in a manner that is easily accessible, and comparable and in a language that members understand i.e. website or industry statements if any. This will apply for both direct and indirect customer entities. The Fund will need to demonstrate how that the requirement is met, whether directly or through thirds parties. Further, Section 395 FIMA places the responsibility on the Board to ensure that its customers are treated fairly and that the Fund has</p>	
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				processes and tools in place to ensure TCF principles are met,	
PSG Wealth Namibia	Clause 8 (5) (d)	<p>All finance charges including commissions, fees, penalties, interest rate etc...are displayed at the premises of the financial institutions and financial intermediaries as well as on their respective websites...in a form that is comparable to other FI's...</p> <ul style="list-style-type: none"> <li>• We do not agree with this proposal, it is impossible for a FI to display a list of all website. Fees differ from product to product and FI's/intermediaries offer multiple products and services.</li> <li>• Our research indicates that this is not a requirement across other jurisdictions, possibly due to the changing nature and complexity of the information.</li> </ul>	Should the Regulator feel strongly about this requirement and since product suppliers determine product supplier fees, we believe that the liability should rest with the product supplier to provide the intermediaries and FI's with such a list in the correct format, i.e. comparable to other FI's.	The requirements apply to every financial institution and intermediary that is providing products or services to customers in as is applicable. For intermediaries for example, they would have to disclose their finance charges on the services extended to their customers in the same manner, a financial institution that is supplying financial products will do.	

RFIN	Clause 8(5)(d)	<p>All information needed may cause confusing statements and summaries.</p> <p>d)all finance charges including commissions, fees, penalties, interest rate, etc., are displayed at the premises of the financial institutions and financial intermediaries, as well as on their respective websites, and are in a form that is comparable to other financial institutions and financial intermediaries within the same industry.</p>	<p>Propose that NAMFISA issue a template with minimum requirements of how the mentioned information should be displayed to allow for uniform reporting to members across the industry.</p> <p>We agree that disclosure of fees and penalties is required in the official documentation given to the client, and to an extent on the website as well. However, a number of these charges depend on the product, and it is therefore not practical to have all of these displayed at the premises of our members. It would perhaps be better to display generic type charges and to add a number or reference that they can contact should they require more information.</p>	<p>NAMFISA does not need to issue minimum benefits nor regulate how much Funds should pay. However, the clause requires disclosure of finance charges to customers, so that they are well informed. Guidance is given under clause 8(5)(d) of what to disclose and form and manner of disclosure i.e on websites in a comparable and language that the customer understand.</p> <p>NAMFISA will not prescribe the template as guidance is provided in the standard, therefore the discretion of format and tool of disclosure is left to the entities to decide while the standard has provided guidance on what must be disclosed or</p>	Disagree and is the.
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				objective to be achieved.	
NASIA	8(5)(8)	Financial institutions and financial intermediaries must provide a period to consumers during which they can rescind a contract, in a relevant industry, and still have any fees and advances returned.	<p>What does this mean?  An asset manager or a unit trust would not possibly be able to do this. If a customer cancels a contract in a unit trust situation, that is a redemption and the deed prevails and similarly if an asset management client cancels a portfolio management agreement, fees will not be returned. Why would fees need to be returned if a service has been rendered?  We recommend that the section clearly stipulate that this should apply strictly to an industry that makes sense (e.g. long-term insurance products). Furthermore, it should be limited to a specific timeframe. Fort example a 30-</p>	Agree and clause is amended by inserting words "where applicable" so that it carters for the different treatment of products and services to which the requirement for cooling off period is not possible.	



			day cool-off period as it is with the current practice.		
Alexforbes	Clause 6	Clause states that terms and conditions not disclosed to the consumer, which unfairly causes prejudice to the consumer, shall be invalid and unenforceable. It is not clear how this will be determined	NAMFISA to provide clarity on whether this determination will be made by an adjudicator.	Agreed and is deleted.	
First Rand Namibia	8(6)	If a client signs acknowledgement that he/she has read all the terms and conditions, will this section then still apply should he state that he was not aware or that details were not specifically disclosed to him.	Clarity sought	Agreed and is deleted.	

Orion Namibia	8 (6) Terms and conditions not disclosed to the consumer, which unfairly causes prejudice to the consumer, shall be invalid and unenforceable against the consumer.	Huge risk implications for funds. Funds will have to ensure that employers, consultants, and intermediaries can indemnify the funds against possible losses in this regard.	Take the matter under review	Agreed and is deleted.	
PSG Wealth Namibia	Clause 5(6)	Terms and conditions not disclosed to the consumer, which unfairly causes prejudice to the consumer, shall be invalid and unenforceable against the consumer. • It is not clear to what extent such terms and conditions must be disclosed, it is impossible to highlight each and every term in a contract.	Please provide clarity on what level of disclosure will be considered sufficient?	Agreed, it is redundant and therefore has been deleted.	
Hollard Namibia	Clause 8(6)	The attempt in clause 8(6) to declare things which “unfairly cause prejudice to the consumer” invalid and unenforceable cannot be included in TCF processes and tools nor in a Standard. Enforceability of contracts is a matter for the courts to determine and courts could	Too vague to enforce -please provide clarity.	Agreed and is deleted	

		not do so on the basis of any test as vague as “unfairly causes prejudice” nor can that vague text be an enforceable nor a lawful regulatory requirement.			
RFIN	Clause 8(6)	Clause invalidates any of the terms and conditions which were not disclosed to the consumers, and which caused unfair prejudice to the consumer.	This clause to too subjective and any consumer may claim to have been informed when the claim is denied, clarity is thus needed whether the signing of a statement by the consumer would suffice in meeting the requirements of this clause.	Agreed and is deleted.	
ICAN	Section 8(8) Financial institutions and financial intermediaries must provide a period to consumers during which they can rescind a contract, in a relevant industry, and still have any fees and advances returned.	What would be considered an appropriate amount of time? Fees and advances may be used to cover the cost of quoting and delivery. It is not appropriate to require the institution to bear these costs. We believe that consideration should be given to the fact that the “cooling-off” across the different sectors would need to be dealt with differently. For example, Medical Aid Funds routinely require waiting periods to avoid taking on excessive risk. Contributions in the waiting period are used to offset the possible claims that may arise when the member has	We recommend, should NAMFISA retain the sub-section as is, that there be a clarification on how much time would be considered appropriate in terms of this clause. This sub-section should differentiate between the types of fees and advances that are required to be returned and not refer to fees and advances in general. In addition, the types of fees and advances would be different between the different sectors. NAMFISA may need to engage the various sections to understand the types of cooling-off period provisions that are applied as well as the types of fees and advances charged during these periods in order to draft a section that is more practical.	Agree to the concern raised under this clause and is clear that the modalities would differ across the different types of business models. The clause has been amended by inserting the words “where applicable” however the cooling off period has not been expressed and will be depended on the industry and product type	

		<p>completed the waiting period.</p> <p>This clause seems to imply that the fund would need to refund all contributions in this “cooling-off” period.</p>			
NASIA	8(8)	<p>Financial institutions and financial intermediaries must provide a period to consumers during which they can rescind a contract, in a relevant industry, and still have any fees and advances returned.</p>	<p>Please indicate how long such a period should be – what about the costs involved in the quoting and delivery?</p>	<p>Agree to the concern raised under this clause and is clear that the modalities would differ across the different types of business models. The clause has been amended by inserting the words “where applicable” however the cooling off period has not been expressed and will be depended on the industry and product type</p>	
Orion Namibia	8 (8) Financial institutions and financial intermediaries must provide a period to consumers during which they can	<p>How will this work in an occupational retirement fund?</p> <p>Who will bear the costs of the cooling off period under a beneficiary fund/ retirement annuity/preservation fund?</p>	<p>Clarity is sought</p>	<p>Agree to the concern raised under this clause and is clear that the modalities would differ across the</p>	

	rescind a contract, in a relevant industry, and still have any fees and advances returned.			different types of business models. The clause has been amended by inserting the words “where applicable” however the cooling off period has not been expressed and will be depended on the industry and product type	
PSG Wealth Namibia	Clause 8 (8)	<p>Financial institutions and financial intermediaries must provide a period to consumers during which they can rescind a contract, in a relevant industry, and still have any fees and advances returned...</p> <ul style="list-style-type: none"> <li>• While we agree that a period must be provided to a consumer to rescind the contract, we believe that the period and limitations of such rescission are not clear. In its current form, it is open to abuse from a client.</li> </ul>	<p>We recommend that wording to the following effect be included:  Financial institutions and financial intermediaries must provide a period of <b>xxx</b> days to consumers during which they can rescind a contract and still have any fees and advances returned.  This is in a relevant industry, subject to the deduction of the cost of any risk cover actually enjoyed and/or any market loss where the market value of the investments made has decreased in the intervening period due to prevailing market conditions.</p>	<p>Agree to the concern raised under this clause and is clear that the modalities would differ across the different types of business models. The clause has been amended by inserting the words “where applicable” however the cooling off period has not been expressed and will be depended on the industry and product type</p>	

Hollard Namibia	Clause 8(8) & (9)	Similarly, clauses 8(8) and 8(9) set out TCF outcomes and principles in the form of specific requirements which are too vague and have no place in a Standard nor even in TCF tools and processes.	Too vague to enforce – please provide clarity.		Disagree, and the aim is not to prescribe a general period as we cognizant of product feature differences and the contract variations that exists. The clause only requires that the “cooling off” period be given and only where its applicable and possible to do so. The entity will have to demonstrate that the time was given as per the industry norm or contract types.
NHP	GEN S 2-21 (8)(8): Outcome 3 – Clear and Relevant Information	A Medical Aid Fund (MAF) is required to provide members with a cooling off period during which they may rescind a contract, and still have any fees and advances returned.	Consideration should be made whether this is practical in relation to the operations of medical aid funds.		Disagree as the practicality under principle based approach is to allow flexibility such that if it does not apply to a specific business model then that is the case and should not be imposed.
NIBA	GEN S 2-21 (8)(8): Outcome 3 – Clear and	An insurance broker is required to provide members with a cooling off period during which they may	It is suggested that provision be made for the deduction of cost of cover measured against time on risk, in the case of rescission of a contract within	Agree, and amended to account for where the cooling off will	

	Relevant Information	rescind a contract, and still have any fees and advances returned.	<p>the period provided for rescission. Premiums received and commissions paid, thus to be refunded after deduction of the cost of cover / time on risk.</p> <p>Moreover, for the avoidance of doubt, the use of the terms “fees” and “advances” against the concept of premiums and commissions, require further explanation / clarification. It is suggested that plain language, known to the industry, and in line with definitions allocated by the FIMA, be used in the Standard as well.</p>	<p>and will not be applicale but the period will depend on the product type</p> <p>Clarity has been provided in the standard where necessary..</p>	
RFIN	Clause 8(8)	Clause requires that financial institutions and financial intermediaries must provide a period to consumers during which they can rescind a contract, in a relevant industry, and still have any fees and advances returned.	Please indicate how long such a period should be – what about the costs involved in the quoting and delivery?	. The timelines for “cooling off” will not be stated but rather product supplier to indicate depending on norm or contract type.	
Orion Namibia	8 (9) if appropriate, refund any money that the consumer has paid under the contract before the expiry of any applicable notice-period;	Presumably this relates only to termination in the cooling off period and not to any other form of termination of membership of a retirement or beneficiary fund.	Clarity is sought	the aim is not to prescribe a general period as we cognizant of product feature differences and the contract variations that exists. The clause only requires that the “cooling off” period be given	

				and only where its applicable and possible to do so. The entity will have to demonstrate that the time was given as per the industry norm or contract types. e	
Orion Namibia	9 When a contract for a financial service is duly terminated by both parties, the financial institution and financial intermediary must .....	Is this relevant in the context of a retirement fund other than a retirement annuity fund? Do retirement funds other than retirement annuity funds and preservation funds "sell" financial services? Do umbrella funds "sell" financial services?	Clarity is sought	Agree and clause is made to apply where applicable.	
NASIA	9(1)	Where advice is given, it is suitable to the consumer and takes account of the consumer's circumstances." (Own emphasis)	Does this mean that the giving of advice is optional? If intent is that advice must always be given, this can be reworded to clarify that, otherwise please confirm that advice does not have to be given in all circumstances.	Agree and the clause is amended by deleting the word "where".	
RFIN	Clause 9(1)	Clause requires that the circumstances of the consumer be taken into account but how would this be done in the event of a group benefit where circumstances of the	The clause needs to consider the group or fund scenario as opposed to only looking at the individual scenario for determining the requirements.	It is expected that only customers with similar needs are grouped together and hence the product sold is in essence	



		<p>individual within the groups will by default be different.</p>	<p>Mention how the advice to a group would be considered to be suitable in the context of a fund set up.</p>	<p>customized to meet the group needs, and it is assumed the individual needs are summed up as one as only one product type will be designed for the members, although some may have a few group variable but generally similarities either in risk, needs or behavior etc must be present, otherwise it would not make sense to have group products. The principles however remains the same for group or individual. Since when grouping customers it is implied that they have similar needs and will likely consume the same product. So when advise is given it is at the</p>	
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				group level but is expected to be cascaded down to individuals needs of members of the group. The outcome considers that at the design and distribution, phase 2 the needs of the target customers are identified and taken into account. Hence when advise is given it is given on the background of the group customer needs and circumstances,	
First Rand Namibia	9(3)	Certain categories of financial intermediaries i.e. Trustees, Insurance agents, Investment managers and unit trust companies would not be in a position to consider/assess the ability of a prospective customer to meet their financial obligations and not cause financial difficulty. Would a statement that this is not “appropriate” be	Clarity sought Financial intermediaries include various categories of regulated persons in which these provisions would not always be possible given the nature of what they do. It is therefore recommended to either speak to the specific categories or include the words “where appropriate / relevant”.	Agreed and “where applicable” inserted and is amended. Clause 3 just requires the entity giving advise to ensure that they understand the customer needs prior to giving the advise. It applies	

		deemed sufficient for these financial intermediaries?		<p>both direct interfacing and indirect facing interactions with customers.</p> <p>Further, s395 FIMA still requires that the Board put in place processes and tools to ensure that the TCF principles are followed. This can for example be achieved by either checking that the consulted third adheres to the principles.</p> <p>Generally a distributor should be responsible for the ensuring the suitability or appropriateness for own advice being given and the product developer or owner will have that as an end goal under phase 2, at product design stage.</p>	
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King Price Insurance	Clause 9: Outcome 4: (3) (a)	This would be difficult to apply to short-term insurance as the institution would require detailed information i.e earning and expenses and consumers are reluctant to provide this type of personal financial information. The capacity to honor the commitment is circumvented and aligned with any other services and goods rendered. In the event client opts not to pay, he will not be covered.	ITC is the only real tool to ascertain financial capabilities, however it is proposed that this measure be relaxed for short-term insurance.  The Regulator to clarify.	Agree to just note the difficulty under short term but the fact that such an assessment is conducted satisfies this requirement.	
NASIA	9(3)	Financial institutions and financial intermediaries must - (a) carry out consumer financial capability assessments to determine whether consumers have the capacity to honor financial obligations without facing undue financial difficulties; and (b) offer appropriate advice to consumers when selling a financial service.	There has been no regard to the type of service offered by the various entities. It is also not the job of a financial institution to perform a check which appears to be along the lines of a credit check in the sense of testing if a client is over indebted. A financial advisor MUST perform a needs analysis and a suitability analysis. This provision must be limited in that regard. Requiring an assessment into the ability to meet financial obligations is stepping into the ambit of a credit provider. Please consult other jurisdictions on national credit law.  If the intention is to limit to microlenders, please indicate same. (3) Financial institutions and financial intermediaries who dispense advice directly to retail customers must -	Agree and amended to include a needs and affordability assessment to check suitability and the formulae or manner of assessment shall be decided by the entities. Note that clause is applicable where possible. Note that the entities will have to demonstrate how they have ensures that the assessments are or were done on their customers	

			(a) carry out a needs analysis <del>consumer financial capability assessments to determine whether consumers have the capacity to honor financial obligations without facing undue financial difficulties;</del> and (b) offer appropriate advice to consumers when selling a financial service.	before entering into any contracting..	
NHP	GEN S 2-21 (9)(3)(a): Outcome 4 – Proper Advice	A MAF must carry out affordability assessments on members’ financial capability to honor financial obligations without facing undue financial difficulties	Consideration should be made whether this is practical, in light of the majority of membership derived from employer groups. Funds may also not have the capacity to perform such affordability tests.  Propose the following amendment (insertion): 9(3) Financial institutions and financial intermediaries must <b>“take reasonable steps to”</b> ..... (a).....	Agree and amended to include a needs and affordability assessment to check suitability and the formulae or manner of assessment shall be decided by the entities.	Disagree as the practicality under principle based approach is to allow flexibility such that it does not only apply to a specific business model and should not be imposed.
NIBA	GEN S 2-21 (9)(3)(a): Outcome 4 – Proper Advice	An insurance broker and the insurer must carry out affordability assessments on members’ financial capability to honor financial obligations without facing undue financial difficulties	It is proposed that the following change be considered by inserting the words underlined:  9(3) Financial institutions and financial intermediaries must <b>“take reasonable steps to”</b> ..... (a).....	Agree and amended to include a needs and affordability assessment to check suitability and the formulae or manner of assessment shall be decided by the entities.	
Old mutual holdings	Standard No. GEN.S.10.21 Clause 9(3)(a)	Should not be applicable to Investment Managers or CIS	Reword to exclude Investments Managers or CIS		Disagree on exclusion but made to apply as far as it

					possibly can because even if the entity is not directly customer facing they still have to consider the impact of their product design on the customer. They are likely to have a role providing communications to those firms which sell their products to customers or to the customers themselves and post-sale service where they acquire an ongoing contractual relationship. Product distributors for their part will generally be responsible for the sale including information provided and for the suitability of any advice.
PSG Wealth Namibia	Clause 9 (3) (a)	Financial institutions and intermediaries must carry out consumer financial capability assessments to	<ul style="list-style-type: none"> <li>• Please provide clarity on the level and extent of consumer financial capability assessments.</li> </ul>	. Agree and amended to include a needs	

		<p>determine whether consumers have the capacity to honor financial obligations without facing undue financial difficulties...</p> <ul style="list-style-type: none"> <li>• While we understand this requirement to mean both affordability of a client as well as financial savviness, there is no clear indication of the level or type of assessment that must be carried out.</li> </ul> <p>Again, the risk of open interpretation results in possible compliance arbitrage.</p>		<p>and affordability assessment to check suitability and the formulae or manner of assessment shall be decided by the entities.</p> <p>The standard does not prescribe the level and extent of financial capability as that will vary greatly according to customers' needs and circumstances.</p>	
RFIN	Clause 9(3)	<p>Financial institutions and financial intermediaries must -</p> <p>(a) carry out consumer financial capability assessments to determine whether consumers have the capacity to honor financial obligations without facing undue financial difficulties; and</p> <p>(b) offer appropriate advice to consumers when selling a financial service.</p>	<p>There has been no regard to the type of service offered by the various entities. It is also not the job of a financial institution to perform a check which appears to be along the lines of a credit check in the sense of testing if a client is over indebted. A financial advisor MUST perform a needs analysis and a suitability analysis. This provision must be limited in that regard. Requiring an assessment into the ability to meet financial obligations is stepping into the ambit of a credit regulator/provider. Please consult other jurisdictions on national credit law.</p>	<p>The outcome speak to giving of financial advise, and its has to be complied with where and when the entity (who may be the product provider) or its representative (who may be the intermediary selling the product) is providing advice,</p>	<p>Disagree as suitability should also be sensitive to affordability and consumer must be sensitive to amounts that would go up with time so that commitments are also forward looking. We know that credit laws apply the same principle which should not be</p>

				<p>they must make sure the advise is proper by taking into account the customer needs and suitability of the product..</p> <p>TCF is applicable all registered financial institutions and intermediaries as financial service providers. The actions FIs and decisions have an impact on the end consumer.</p>	<p>different to any financial obligation.</p>
NASIA	Clause (9)(3)(a)	<p>Financial institutions and financial intermediaries must –</p> <p>(a) carry out consumer financial capability assessments to determine whether consumers have the capacity to honor financial obligations without facing undue financial difficulties;</p>	<p>Should not be applicable to Investment Managers or CIS. Please reword to exclude Investments Managers or CIS.</p>		<p>Disagree as TCF is applicable all registered financial institutions and intermediaries as financial service providers. The actions FIs and decisions have an impact on the end consumer. . The financial affordability test herein forms part of suitability and where applicable the test must be done.</p>



First Rand Namibia	9(4)(a)	<p>1. The term “proper advice” can be subjective.</p> <p>2. It will be difficult to prove the level of financial knowledge of a customer in all instances.</p>	<p>1. Recommend defining or indicate that a guideline will be provided as to what proper advice should be at a minimum.</p> <p>2. Recommend removing or include the words “as best possible”</p>	<p>Agree, but its parameters or guidelines are given under section 9(1)-(2), and therefore is not subjective.</p>	<p>Disagree, no amendment is required for clause 4(a) is amended. Affordability forms or is a component of suitability must constitute proper advice.</p>
Hollard Namibia	Clause 9(4)(a)	<p>It is not possible in the context of consumer insurance to have rules which “must” be followed regarding each consumers financial knowledge and capability to honour obligations.</p>	<p>Too onerous – please review</p>	<p>the advice given has to take into account the customer needs and financial circumstance in order to constitute suitable or proper advice. S395 FIMA requires boards of Fis to have in place processes and tools to ensure TCF principles are met. The objective of the standard and this specific outcome is to ensure proper advice is provided to customer to help them make informed choices. Financial services</p>	

				products and services are bought or sold out of needs and designed to meet identified need in society, therefore there's an alignment	
NASIA	9(4)(a)	(a) ensure that proper advice provided is based on the consumer's financial knowledge and capability to honor financial obligations;	What constitutes financial advice should be an objective question and be based on (a) what the client actually needs (needs analysis), what is recommended to address the identified need (product/solution) and what the client can afford. To base advice on the customer's financial knowledge, apart from being almost impossible to accurately know, will lead to customers getting proper advice simply because they do not understand well. Level of understanding should only influence point-of-sale disclosures and explanations, not what constitutes proper advice.	Agree to amend the clause by deleting reference to customer financial knowledge and capability as a measure of proper advice. The advice is not based on the customer's financial knowledge but proper advice is rather constituted by the evidence that the customer's needs and financial circumstances were taken into account prior to providing advice.	

RFIN	Clause 9(4)(a)	<p>Clause requires that proper advice be provided based on the consumer's financial knowledge and capability to honour financial obligations.</p>	<p>The requirements would be attainable in the individual set up but not necessarily in a group or fund setting. How will the responsible party ascertain the level of financial knowledge of each individual member in the group and ensure that the level of financial literacy is adequate for the information provided.</p> <p>Clause should provide guidance to Trustees of funds to gauge level of financial literacy to ensure that minimum levels are present for the majority of the group at least. Surely there should be responsibility on the consumer to ensure that they understand the product they are in at the time when taking such product and this should also be highlighted in terms of asking the right questions and ensuring understanding of what they are signing for essentially.</p> <p>Clarity is needed in the pension fund arena to determine what the responsibility of the Intermediary is and what the responsibility of the consumer is.</p>	Agree and is tweaked.	
Hollard Namibia	Clause 9(4)(b)	<p>Outcome 4 goes on in clause 9(4)(b) to require insurers to "consider factors" such as the complexity of the service. This vague requirement is also inappropriate to Standards or regulatory instruments.</p>	Too vague to enforce – please provide clarity		Disagree, as the concern has no merit, we do get simple and straight forward products and products that are complex depending on

					customer literacy levels for example. The clause simply requires that different levels of product complexity be considered when giving advice, and hence simplicity and plain language requirement compliance relevant and to be read with inline with TCF principles, .
First Rand Namibia	9(4)(d)	Competent staff is not defined.	Define or refer to registered persons? Define competency or indicate that this will be defined for various identified roles at a future date.	Agree and clause is amended by deleting competency to avoid ambiguities	
Old Mutual Holdings	Standard No. GEN.S.10.21 Clause 9(4)(d)	What is the matrix for 'competent staff'?	Provide clarity.	Agree and word "competence" is deleted.	
Orion Namibia	10 The aim under this outcome is to ensure that financial services must perform the way consumers expected and were led to	This is highly subjective. A retirement fund must perform according to its stated objective as derived from FIMA.  In DC funds no investment guarantees are given, and this is clearly stated in the Act and in various FIMA standards.	Take the matter under review	Agree and tweaked.	Disagree however as we are not arguing only for the contrary, but how each business model operates. If no investment guarantee then the consumer should be informed accordingly as a

	<p>expect, and that the financial services rendered must be according to an acceptable standard.</p> <p>...keep their promises to the consumer...</p>	<p>Highly subjective, unrealistic and could prove highly prejudicial to the consumer, other consumers, and the financial institution.</p>			<p>nature of the instrument to be contracted into as fairness is according to the law, which by extension even the law cannot dictate what is not the norm. there requirement meets and applies to all Fis, in terms of ensuring that product performs or fulfils a customer expectations, therefore what is promised should delivered.</p>
<p>First Rand Namibia</p>	<p>10(1)</p>	<p>Financial institutions and intermediaries (where appropriate) should be obligated to meet the promised performance objectives of a financial service as led to be expected in the contract or mandate. Expectations of all parties including the customer must be set out in an agreement to remove subjectivity of “consumer expectations”. “consumers expected and were led to expect”</p>	<p>Expectations of all parties including the customer must be set out in an agreement to remove subjectivity of “consumer expectations”. Remove “consumers expected” and only keep “led to expect”</p>	<p>Agree and amended in order for the industry to be accountable.</p>	

Hollard Namibia	Clause 10(1)	Clause 10(1) requires financial services to be rendered “according to an acceptable standard”. That vague requirement has no place in a Standard and it is too vague to be enforceable in any regulatory instrument.	Too vague to be enforceable – please provide clarity	Agree and is amended.	
MMN Group	Section 10(1)	“The aim under this outcome is to ensure that financial services must perform the way consumers expected and were led to expect, and that the financial services rendered must be according to an acceptable standard.” Kindly advise what is meant by an acceptable standard? Acceptable to whom?	Kindly clarify	Agree and is amended.	
NASIA	10(1)	The aim under this outcome is to ensure that financial services must perform the way consumers expected and were led to expect, and that the financial services rendered must be according to an acceptable standard.	Kindly advise what is meant by an acceptable standard? Acceptable to whom? Kindly clarify	Agree, and has been deleted.	
NASIA	10	10. (1) The aim under this outcome is to ensure that financial services must perform the way consumers expected and were led to expect, and that the financial services rendered must be according to an acceptable standard.	Does this mean that a financial institution cannot sell on future earnings? This have a lot of negative repercussions (e.g. in the asset management business because the performance of markets are highly unpredictable and one cannot make a promise on that). If the intention is to target other participants other than		Disagree, the can sell on future earnings, and the concern is covered for under section 10(3)(b). However, 10(3)(a) is now amended accordingly to read

		<p>(2) Financial institutions and financial intermediaries must ensure that the consumer's expectations about the desired benefits to be derived from the financial service is according to the standards of the services as communicated at the point of sale.</p> <p>(3) Financial institutions and financial intermediaries must -</p> <p>(a) keep their promises to the consumer by ensuring that they offer financial services that perform the way the consumer has been told; and</p> <p>(b) provide, where relevant, clear cautionary advice concerning possible adverse effects that could arise after the consumer acquires the financial service.</p>	asset managers, kindly exclude asset managers.		<i>"... keep their promises, where relevant..."</i>
PSG Wealth Namibia	Clause 10(1)	<p>Clause requires that the financial service must perform in the way the consumer expects it to, but this is a subjective view and may differ from consumer to consumer at times with conflicting views and expectations. We need to get synergy between the attainment of reasonability</p>	<p>Propose that the clause ties into the definition of what a financial service under sec4(a) of FIMA entails as this would clarify the position.</p> <p>Reword the provision to remove subjectivity and include reasonableness in as far as the portfolio can obtain.</p>	Agree and is tweaked.	

		and the meeting of expectations.			
MMN Group	Section 10(2)	<p>“Financial institutions and financial intermediaries must ensure that the consumer’s expectations about the desired benefits to be derived from the financial service is according to the standards of the services as communicated at the point of sale.”</p> <p>Respectfully, Industry cannot be required to manage the expectations of clients. We agree that we need to disclose all relevant facts to clients so that they are fully aware of what to expect under a product or service BUT if a client, having been provided with the full and accurate facts, still has expectations that are unreasonable or unrealistic, it would not be fair to expect us to be accountable therefore.</p> <p>It also creates an overtly onerous burden of proof and untenable situation whereby institutions or intermediaries are required to prove that the clients expectations were met.</p>	<p>It is proposed that the wording be amended as follows:-</p> <p>“Financial Institutions and financial intermediaries must ensure that the consumer is informed about the benefits to be derived from the financial service and that same is according to the standards as communicated at the point of sale.”</p>	Agree and is amended	



		'Expectation' is highly subjective in nature.			
NASIA	10(2)	Financial institutions and financial intermediaries must ensure that the consumer's expectations about the desired benefits to be derived from the financial service is according to the standards of the services as communicated at the point of sale.	Respectfully, Industry cannot be required to manage the expectations of clients. We agree that we need to disclose all relevant facts to clients so that they are fully aware of what to expect under a product or service, but if a client, having been provided with the full and accurate facts, still has expectations that are unreasonable or unrealistic, it would not be fair to expect us to be accountable, therefore. It also creates an overly onerous burden of proof and untenable situation whereby institutions or intermediaries are required to prove that the clients' expectations were met. 'Expectation' is highly subjective in nature. It is proposed that the wording be amended as follows:- "Financial Institutions and financial intermediaries must ensure that the consumer is informed about the benefits to be derived from the financial service and that same is according to the standards as communicated at the point of sale."	Agree, and is adopted in full	
Hollard Namibia	Clause 10(3)(b)	Another example of unenforceable vagueness is clause 10(3)(b) according to which the insurer "must provide, where relevant, clear cautionary advice concerning possible adverse effects that could arise after	It is not possible to know all the possible adverse effects that could arise for a consumer after buying a policy – the provision is too onerous – please review		Disagree as the clause does not say all possible adverse effects.

		the consumer acquires the financial service”. This is not a reasonable, rational, lawful requirement in a Standard or even in a tool or process.			
NASIA	11	General- Outcome Six: No unreasonable post sale barriers	How will such unreasonable post-sale barriers be controlled or managed? Please provide clarity.	Agree, and is deleted	
Old Mutual	Standard No. GEN.S.10.21 Clause 11	How will such unreasonable post-sale barriers be controlled or managed?	Provide clarity.	Agree and word “unreasonable” is deleted.	
RFIN	Clause 11	If NAMFISA is, on reasonable grounds, satisfied that an individual, key person, entity, listed individual, listed entity or listed company fails to demonstrate eligibility for rehabilitation in terms of clause 10, such individual, key person or entity must serve out the remaining period of his/her/its disqualification imposed in terms of clause.	If the rehabilitation terms have been met, is listed individual automatically rehabilitated, or is there need for an application process to prove the above? Clarity is needed.		Disagree and question is rather a Fit and Proper contextualized.
Hollard Namibia	Clause 11	Clause 11 incorporates complaints handling procedures which are not appropriate as requirements for the tools and processes in TCF documents. It includes what are called “imperative principles” and TCF processes are not the place for such imperatives.	Please review applicability		Disagree and the concern is not well articulated as to why complaints which is a cornerstone in treating customers fairly is concerning to Hollard.

Orion Namibia	11 (1) unreasonable post-sale barriers that will inhibit consumers to change products, switch financial institutions and financial intermediaries	What about occupational retirement funds where membership is a condition of service?	Clarity is sought	Agree, and tweaked with this highly important observation.	
Hollard Namibia	Clause 11(4)	Does the FI need to communicate who assumes responsibility to NAMFISA?	Please give clarity.		Disagree, that is not required but this is a responsibility to take note by the industry.
Alexforbes	Section 11 – Clause 5(d)	Clause provides that records of consumer complaints must be maintained by the financial institutions and financial intermediaries for a period prescribed by law, inclusive of how each complaint has been resolved. The law may require periodic reporting of data on consumer complaints and monitoring of the complaint handling processes.	This period should be provided in the Standard. NAMFISA to clarify whether this law is FIMA or outside FIMA?		Disagree, it is not limited to FIMA but also any other applicable law. This implies the law on archives as well to deal with the requirements on storage of records.
NHP	GEN S 2-21 (11)(5)(d): Outcome 6 – No Unreasonable	The “period prescribed by law” is not defined	For the avoidance of doubt, record keeping period for records of consumer complaints must be defined in the law / in the Standard itself		Disagree, as this is provided for in another separate law on archives, and cannot

	Post Sale Barriers				prescribe the period here.
NIBA	GEN S 2-21 (11)(5)(d): Outcome 6 – No Unreasonable Post Sale Barriers	The “period prescribed by law” is not defined	For the avoidance of doubt, record keeping period for records of consumer complaints must be defined in the law / in the Standard itself		Disagree, as this is provided for in another separate law on archives, and cannot prescribe the period here.
Prosperity Life	Gen Std 10.21 clause (11) (5) (d)	The Standard requires, under records and reporting that “records of consumer complaints must be maintained by the financial institution (hereafter “FI”) for a period prescribed by law.	There is a duality of law that may be relied on in this regard being FSA Bill and NAMFISA Act, amongst others. Please confirm this conflict of provisions.		Disagree, as the law on record keeping or retention would take precedence.
Alexforbes		Section 12 – Clause 2(b)	Clause provides that Financial institutions/intermediaries should be allowed to collect types of consumer data that can be collected within the established legal limits. It is not clear what these legal limits are	NAMFISA to clarify legal limits	Agree, to amend. These are legal limits specified in relevant laws especially on data protection law.
Alexforbes	Clause 12(c)	Clause provides that a consumer’s consent is required when sharing data with a third party, except in circumstances exempted by law.	This law needs to be cited in order to ensure certainty.	Agree, to include data protection law. However, note that the laws change over time and therefore including the name in the standard would mean having to change the standards all the time it happens.	

Hollard Namibia	Clause 12	To the extent that this may become part of the tools and processes for TCF, it should be in place only until the data protection laws are passed as they will cover privacy issues. All that the TCF tools and processes should state is that the Data Protection Act and privacy laws should be complied with.	Cross-reference to incoming Data Protection Law	Agree and amended under clause 2(b)-(c)	
Prosperity Life	Gen Std 10.21 clause 12	Provisions relating to Privacy and Data Protection	How would principles under these provisions be enforced without the parameters of legislation affording such protection and rights to clients and service providers alike? Consider inclusion of definitions under Standard defining provisions such as what relates to personal information, processing of data and the rights of recourse against third parties sharing such information without consent. Especially within the context that Namibia does not have legislation such as POPIA in South Africa and the Data Protection Bill remains in limbo.		Disagree, what is mentioned are standard provisions under any data protection law, and expect the same for Namibia.
FASHION RETAILERS (PTY) LTD	GEN.S.10.21	Outcome 7 – Privacy provisions should be dealt with in terms of privacy legislation. In addition, the attempt to deal with records retention in this Standard will cause confusion.	Clarify what is “information consent” in clause 12(1). Re-consider the inclusion of privacy in this outcome, in its entirety.	Agree and is tweaked.	

		In addition, the Access to Information Act is sufficient to deal with access issues.			
PSG Wealth Namibia	Clause 12 (2) (b)	Financial institutions and intermediaries should be allowed to collect types of consumer data that can be collected within the established legal limits inclusive of the required consumer consent when data is shared with third parties... • It is not clear what is meant by established legal limits. If this refers to existing data protection laws in the country, how would this work in practice given that the data protection laws of Namibia have not yet been finalised.	<ul style="list-style-type: none"> <li>• Please provide clarity on what is meant by established legal limits to ensure consistency and remove uncertainty and which existing laws do we consult to guide us in complying.</li> </ul>	Agree, and anticipate the law would be established by the time FIMA is enforceable. If not by then this a matter that be addressed by then.	
ICAN	Section 12(2)(c) Financial institutions and financial intermediaries should be allowed to collect types of consumer data: ... but except in certain circumstances	To what extent would this sub-clause relate to instances where an institution is required to share information with external auditors, statutory actuaries, or clinical advisors?	It is recommended that the standard clarify that in the case of external auditors, statutory actuaries, and clinical advisors, the information may be shared.	Agree and in that case sharing with auditors for example is in accordance with the law	

	exempted by law, consumer's consent is required when sharing with a third party.				
NHP	GEN S 2-21 (12)(2)(c): Outcome 7 – Privacy and Data Protection	There appears to be a typing / grammatical error, not reflecting the intent, i.e., to provide for exemptions from data protection requirements, if permitted by law.	It is proposed that GEN S 2-21 (12)(2)(c) be amended to read as follows:  “but except in certain circumstances exempted by law, consumer's consent is <b>not</b> required when sharing with a third party.”		Disagree, as intention is not to share confidential information with third parties unless when allowed by law.
NIBA	GEN S 2-21 (12)(2)(c): Outcome 7 – Privacy and Data Protection	There appears to be a typing / grammatical error, not reflecting the intent, i.e., to provide for exemptions from data protection requirements, if permitted by law.	It is proposed that GEN S 2-21 (12)(2)(c) be amended to read as follows:  “but except in certain circumstances exempted by law, consumer's consent is <b>not</b> required when sharing with a third party.”		Disagree, as intention is not to share confidential information with third parties unless when allowed by law.
Orion Namibia	12 (3) (a) minimum period for which all consumer records must be retained and the right of consumers to have easy access to such records at no cost	Who will bear these costs in a DC fund, particularly for archived records stored off-site?	Clarity is sought	Agree, and tweaked.	

	throughout the duration of the financial service being offered to the consumer;				
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