

**REQUIREMENTS FOR REGISTRATION AS A FRIENDLY SOCIETY**

**An application for registration as a Friendly Society in terms of** **the Friendly Societies Act, 1956 (Act No. 25 of 1956) (“the Act”) must comply with the requirements and be accompanied by the information and documentation set out herein:**

1. **INFORMATION & DOCUMENTATION:**

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| **APPLICATION FORM & ATTACHMENTS:** | |
| 1 | Application Form (Form FS1) |
| 2 | Management Committee's Resolution approving the establishment and name of the friendly society |
| 3 | Management Committee's Resolution approving the appointment of the Principal Officer |
| 4 | Two (2) copies of the Proposed Rules of the friendly society duly signed by the Chairman and co-signed by one other Management Committee Member  NB: Please pay special attention to section 13 of the Act |
| 5 | A schedule with full details of the proposed management committee members i.e. full names, ID numbers, addresses and contact numbers |
| 6 | Full details of those who will be participating employers for the society (if applicable) |
| 7 | Full details of the proposed auditor |
| 8 | Curriculum Vitae and original certified copies of Identification Documents of the proposed Management Committee members |
| 9 | Curriculum Vitae and original certified copies of Identification Document of the Principal Officer |
| 10 | Original certified copies of proof of Namibian citizenship or permanent residence of Principal Officer |
| 11 | A statement explaining the basis on which the society will operate and a certificate of the valuator as to the financial soundness of the friendly society |
| 12 | A statement of the present rights, obligations, assets and liabilities of the friendly society (if any) and of any assets held in trust for the friendly society as contemplated in section 44 (1) (c) of the Act |
| 13 | Code of Conduct for the members of the Management Committee |
| 14 | Copy of the proposed administration agreement between the Society and the administrator (if applicable) |
| 15 | Latest audited financial statements of the Administrator (if applicable) |
| 16 | Copy of all reinsurance agreements relating to the Society (if applicable) |
| 17 | Copy of any other agreements between the Friendly Society and any other party (e.g. Funeral service provider, etc.) |
| 18 | Full details of the infrastructure, computer facilities and expertise in terms of which the business of the Society is to be conducted or administered (this may be included in the business plan) |
| 19 | Copy of the Business Plan |
| 20 | Proof of payment of the prescribed application fee of N$20.00 |
| 21 | Actuarial Report (viability, projections & capital requirements) |

All friendly societies are required to comply with the provisions of the Financial Intelligence Act, 2012 (Act. No. 13 of 2012)(“FIA”) and should therefore submit:

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| **FIA FORM & ATTACHMENTS:** | | |
| 1 | Legal Persons (LP) Fit and Proper (FAP) Requirements Form (Friendly Societies) | The LP FAP Requirements Form should be completed by the proposed Principal Officer on behalf of the proposed Friendly Society.  The LP FAP Requirements Form must be initialed on every page and signed in the presence of an independent Commissioner of Oaths (or a Notary Public, if signed outside Namibia), together with certified supporting documents evidencing all information provided in the statement. |
| 2 | Original certified copies of the applicant’s memorandum of association and articles of association or trust deed and / or any other instrument constituting or defining the constitution of the corporate entity / trust. | Only applicable if the proposed friendly society is a corporate entity / trust. |
| 3 | Certified copies for proof of source of funding with regards to the proposed friendly society’s start-up capital | Applicants are required to satisfy NAMFISA that the funds for capital emanate from a legitimate source and that these funds were obtained through lawful means and are still available. |
| 4 | Financial Intelligence Centre (FIC) Registration Form |  |
| 5 | FIA Compliance Program |  |
| 6 | Natural Persons (NP) Fit and Proper (FAP) Requirements Form (Friendly Societies) | The NP FAP Requirements Form for natural persons should be completed by the proposed Principal Officer and every members of the Friendly Society’s interim Management Committee.  The NP FAP Requirements Form for natural persons must be initialed on every page and signed in the presence of an independent Commissioner of Oaths (or a Notary Public, if signed outside Namibia), together with certified supporting documents evidencing all information provided in the statement. |
| Supporting documents (to be submitted for the Principal Officer and every member of the interim Management Committee): | | |
| 7 | Up-to-date Curriculum Vitae | As this is also a required attachment to the application for registration form, it is not necessary for applicants to submit more than one copy. |
| 8 | Original certified copies of Identity Document/Passport | As this is also a required attachment to the application for registration form, it is not necessary for applicants to submit more than one copy. |
| 9 | Original certified copy of the Certificate(s) of Conduct | Not older than 12 months.  Certificate(s) of Conduct must be provided for all jurisdictions the person lived in the past 10 years. |
| 10 | Original certified copies of the educational qualifications |  |
| 11 | Original certified copies of certificates or letters of service from employers |  |
| 12 | Signed Declaration of Interests |  |

1. **REQUIREMENTS**

Below are extracts of the following sections of the Act, however applicants will need to familiarise themselves with the entire Act to ensure compliance with all sections:

* Section 2 – Objects of a friendly society
* Sections 5 & 7 – Registration
* Section 12 – Business which may be carried on
* Section 13 – Matters to be included in the rules

**Section 2:**

**Objects for which friendly societies may be established**

2 (1) A friendly society may, subject to the provisions of sub-section (2), be established for one or more of the following objects, namely –

1. the relief or maintenance during minority, old age, widowhood, sickness or other infirmity, whether bodily or mental, of members or their husbands, wives, widows, widowers, children or other relatives or dependants;
2. the granting of annuities, whether immediate or deferred, to members or to nominees of members, or the endowment of members or nominees of members;
3. [paragraph (c) deleted by Act 43 of 1975]
4. the insurance of a sum of money to be paid or other benefit to be provided –
5. on the birth of a member’s child; or
6. on the death of a member or any other person mentioned in paragraph (a) or in the form of an endowment insurance on the life of a member or such a person; or
7. towards the expenses in connection with the death or funeral of any member or any such person; or
8. during a period of confined mourning by a member or such a person;
9. the insurance against fire or other contingencies of the implements of the trade or calling of any member;
10. the provision of a sum of money on a member’s leaving the service of his employer owing to dismissal, resignation or otherwise, unless in the opinion of the registrar the principal object is the provision of a sum of money on a member’s leaving such service because of marriage or intended marriage;
11. the relief or maintenance of members, or any group of members, when unemployed or in distressed circumstances otherwise than in consequence of the existence of a strike or lockout as defined in section one of the Industrial Conciliation Act, 1956 (Act No. 28 of 1956);
12. the provision of sums of money for the advancement of the education or training of members or of the children of members;
13. such other business as the Governor-General may by proclamation in the Gazette declare to be business in respect of which a friendly society may be established.

(2) No association or business shall be regarded as a friendly society -

1. if none of the persons entitled to the benefits specified in sub-section (1) contributes to such association or business; or
2. if any of its activities fall within the objects of a pension fund organization as set out in paragraph (a) or (b) of the definition of “pension fund organization” in section one of the Pension Funds Act, 1956; or
3. if in terms of its rules each member is entitled at all times to withdraw the full amount of his contributions, subject to such notice as may be prescribed in its rules; or
4. if the benefits mentioned in sub-section (1) are provided exclusively by way of loans which in terms of its rules must be repaid.

**Section 5**

**Registration of friendly societies**

5 (1) Every friendly society shall apply to the registrar for registration under this Act.

1. An application under sub-section (1) shall be accompanied by particulars of the name and address of the person charged with the management of the affairs of the society to which the application relates, and a copy of the rules of such society, together with a certificate by a valuator as to the soundness of such rules from a financial point of view or, if no valuator has been employed, such information regarding their financial soundness as the applicant may possess, and the registration fee prescribed by regulation, and, in the case of a society in existence at the commencement of this Act –
2. a statement in detail of the revenue and expenditure of the society in question for the last financial year for which accounts have been prepared, and a copy of its balance sheet as at the end of that year; and
3. a statement showing in detail the latest valuation of assets and liabilities made by a valuator, including particulars as to the principles applied in making such valuation, or, if no such valuation has been made, such particulars regarding the financial condition of the society as the applicant may possess.
4. Upon receipt of the documents referred to in sub-sections (1) and (2) the registrar shall, if the society has complied with such requirements as the registrar may have prescribed and he is satisfied that the registration of the society is desirable in the public interest, register the society provisionally and forward to the applicant a certificate of provisional registration.
5. If after considering any such application, in respect of a society which has been provisionally registered, the registrar is satisfied -
6. that the rules of the society are not inconsistent with this Act and are based on sound financial principles;
7. that the methods according to which business is or is proposed to be transacted by the society are not undesirable;
8. that the society is in a financially sound condition; and
9. that, having regard to all the circumstances, the rules of the society are not unduly inequitable as between different members or groups of members, he shall register the society as a friendly society and transmit to the applicant a certificate of registration as well as a copy of the rules of the society bearing an endorsement of the date of registration, and thereupon the society shall cease to be provisionally registered.
10. If after considering any such application, the registrar is not satisfied as regards all the matters in respect of which he is in terms of sub-section (4) required to be satisfied, he shall in writing indicate to the applicant the requirements to be complied with in order that he may be so satisfied.

(5) *bis*

1. When the registrar indicates in terms of sub-section (5) to the applicant any requirements to be complied with the registrar may at the same time determine a period within which such requirements shall be complied with.
2. The registrar may at any time before the expiration of any period determined under this sub-section modify any requirements indicated to the applicant in terms of sub-section (5) or determine a different period in substitution of the existing period (which shall not be shorter than the unexpired portion of the existing period) within which the requirements, or the requirements as modified in terms of this paragraph, shall be complied with.

[subsection (5)*bis* inserted by Act 60 of 1963]

1. The provisional registration of a society under subsection (3) shall be valid for a period of five years, but may, where the registrar is satisfied that the society has made all reasonable efforts to meet his requirements, as indicated in terms of this section, and the requirements prescribed in this Act, in the discretion of the registrar, and subject to such conditions and limitations as he may consider desirable, be renewed from time to time for periods not exceeding twelve months at a time and not exceeding in the aggregate –
2. in the case of a society which has complied with the requirements set out in sub-section (4), except the requirements set out in paragraph (c) of that sub-section, and which may in the opinion of the registrar be expected to attain a sound financial condition within a reasonable period -
3. if the principal object or one of the principal objects of the society is the insurance of sums of money payable on the death of members or other persons, or the provision of endowment insurance on the lives of members or other persons, a period ending twenty years after the commencement of this Act; or
4. if none of the objects mentioned in sub-paragraph (i) constitutes a principal object of the society, a period ending twelve years after such commencement;
5. in any other case a period of five years.
6. [subsection (7) amended by Act 60 of 1963 and deleted by Act 67 of 1965]
7. Whenever a society which is provisionally registered under this section has complied with all the requirements specified in sub-section (4), the registrar shall register the society and transmit to it a certificate of registration as well as a copy of its rules with the date of registration duly endorsed thereon, and thereupon the society shall cease to be provisionally registered.
8. The rules of a society shall not be regarded as based on sound financial principles if they exclude from actuarial scrutiny any part of the business of the society which in the opinion of the registrar should be subject to such scrutiny, unless the registrar is satisfied that the expense and practical difficulties likely to be involved in such scrutiny would outweigh the value of the advantages to be derived therefrom.
9. No society shall be registered or provisionally registered under this Act except as provided in this section.

**Section 7**

**Effect of registration of friendly society**

7 (1) Upon the registration under this Act -

1. of a society which is a friendly society in terms of paragraph (a) of the definition of “friendly society” in sub-section (1) of section *one,* the society shall, under the name by which it is so registered, and in so far as its activities are concerned with any of the objects set out in section *two,* become a body corporate capable of suing and being sued in its corporate name and of doing all such things as may be necessary for or incidental to the exercise of its powers or the performance of its functions in terms of its rules;
2. of a society which is a friendly society in terms of paragraph (b) of the said definition, all the assets, rights, liabilities and obligations pertaining to the business of the society shall, notwithstanding anything contained in any law or in the memorandum, articles of association, constitution or rules of any body corporate or unincorporate having control of the business of the society, be deemed to be assets, rights, liabilities and obligations of the society to the exclusion of any other person, and no person shall have any claim on the assets or rights or be responsible for any liabilities or obligations of the society, except in so far as the claim has arisen or the responsibility has been incurred in connection with transactions relating to the business of the society;
3. of any friendly society, the assets, rights, liabilities and obligations of the society (including any assets held in trust for the society by any person) as existing immediately prior to its registration, shall vest in and devolve upon the registered society, without any formal transfer or cession.
4. *bis*

The officer in charge of a deeds registry in which is registered any deed or other document relating to any asset or right which in terms of paragraph (c) of subsection (1) vests in or devolves upon a registered society, shall, upon production to him by the society of its certificate of registration or of provisional registration, as the case may be, and of the deed or other document aforesaid, without payment of transfer duty, stamp duty, registration fees or charges, make the endorsements upon such deed or document and the alterations in his registers that are necessary by reason of such vesting or devolution.

1. All moneys and assets belonging to a friendly society shall be kept by that society and every society shall maintain such books of account and other records as may be necessary for the purposes of such society.

**Section 12**

**Business which may be carried on**

12. No registered society shall carry on any business other than the business connected with the objects for which a friendly society may be established as set out in section *two:* Provided that the registrar may approve of a society carrying on such other business on such conditions and for such period as he may determine if the registrar is satisfied that this is necessary in order to safeguard an investment made by the society.

**Section 13**

**Matters to be included in rules**

13. The rules of a friendly society shall be in one of the official languages of the Union and shall contain provision in regard to the following matters, that is to say –

1. the name of the society and the situation of its registered office;
2. the objects of the society;
3. the manner in which funds are to be raised and collected and the purposes for which they are to be applied;
4. the various classes (if any) of members and the requirements for admission to membership and the circumstances under which membership is to cease;
5. the conditions under which any member or other person may become entitled to any benefit and the nature and extent of any such benefit;
6. the fines and forfeitures (if any) to be imposed on any member and the consequences of non-payment of any contribution or fine;
7. the appointment, removal from office, powers and remuneration (if any) of officers of the society;
8. the powers of investment of funds;
9. whether or not any part of the business of the society is subject to actuarial scrutiny, and, if so, which kinds of business are so subject;
10. the maintenance of accounts relating to such kinds of business as are subject to actuarial scrutiny separately from accounts relating to any other business;
11. whether or not a separate account is to be kept in respect of any particular kind of business other than as required in terms of the preceding paragraph, and, if so, in respect of which kinds;
12. if the society is entitled to receive contributions from its members towards the expenses of management, and if such contributions are payable under a separate table, the maintenance of a separate account of such expenses and contributions;
13. if separate accounts are kept in respect of any particular kind of business, or in respect of expenses of management and contributions towards such expenses, the circumstances in which and conditions upon which amounts may be transferred from one such account to another;
14. the manner of determining profits and losses and of disposing of such profits or providing for such losses;
15. the manner in which contracts and other documents binding the society shall be executed;
16. the custody of the securities, books, papers and other effects of the society;
17. the manner of altering and rescinding any rules, and of making any additional rule;
18. the manner of deciding disputes between a member or former member or any person whose claim is derived from a member or former member and the society or any officer of the society;
19. in the case of a society with share capital, the amount of such share capital and the division thereof into shares of a fixed amount, whether the liability of a shareholder for the debts of the society is limited or unlimited, the conditions relating to participation in the profits of the society by the shareholders (subject to the condition that such participation shall not in any one year exceed an amount equal to five per cent of the paid-up share capital), the conditions of redemption or repayment of shares, the conditions relating to calls on shares, the manner of transfer and transmission of shares, the manner of forfeiture of shares, and the manner of alteration of share capital;
20. the appointment of the auditor of the society and the duration of such appointment;
21. subject to the provisions of this Act, the manner in which and the circumstances under which a society shall be terminated or dissolved;
22. the appointment of a liquidator in the case of a voluntary dissolution;
23. the manner of calling the annual general meeting and special general meetings of members, the quorum necessary for the transaction of business at such meetings and the manner of voting thereat;
24. such other matters as the registrar may approve.

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