



CORPORATE PROFILE



Regulatory Compliance



FROM THE CEO

The global financial landscape is ever evolving and the Non-Bank Financial Institutions Regulatory Authority (NBFIRA) is committed to drive a modern, robust and agile regulatory institution for the next phase of development of the NBFi sector.

In addition to improving the financial services legal framework and supervisory processes, it is equally vital to ensure that the **Regulatory Authority** retains a strong aptitude to serve a highly versatile, technologically advanced and sophisticated local and international financial services sector and client base.

The **Regulatory Authority** aims to create a legislative environment that supports and encourages the progressive development and competitiveness of the NBFi sector through a robust and conducive financial services ecosystem.

The **Regulatory Authority** promotes an environment where regulated entities adhere to high standards of business conduct and operate in a fair, efficient and orderly manner.

Consumer protection and financial education remain important responsibilities of the **Regulatory Authority**. It is equally imperative to strive to have consumers that are sufficiently well-versed to make informed decisions when accessing products and services from the NBFi sector. The **Regulatory Authority** remains unwavering in these commitments.

I encourage you to stay connected with us through our various platforms.

Oduetse A. Motshidisi
CHIEF EXECUTIVE OFFICER



Regulations

Regulatory Authority

MANDATE

The **Regulatory Authority** derives its mandate to regulate and supervise the non-bank financial institutions (NBFIs) from Section 4 of the NBFIRA Act, 2016 (CAP 46:08). The principal objective of the **Regulatory Authority** is to foster the following:

- Safety and soundness of the NBFIs;
- The highest standards of conduct of business by the NBFIs;
- Fairness, efficiency and orderliness of the Non-Bank Financial sector;
- Stability of the financial system; and
- Reduction and deterrence of financial crime.

VISION, MISSION AND VALUES

To support its fundamental and principal objective, the **Regulatory Authority** subscribes to the following vision, mission and values statement in order to embrace a culture of a high-performance organization.

Vision: To be an efficient and effective regulatory and supervisory authority in line with international best practices.

Mission: To regulate and supervise the Non-Bank Financial Institutions for the purpose of contributing towards financial stability.

Values:

- Integrity:** Adherence to the highest ethical standards.
- Transparency:** Openness and frankness in operations.
- Fairness:** Consistent promotion of equal treatment in dealings with all stakeholders.
- Accountability:** Responsibility to stakeholders.
- Diligence:** Thoroughness and persistence in the execution of duties.



CORPORATE STRATEGIC PLAN 2021-2026

In carrying out its mandate, the *Regulatory Authority* has been employing sound risk- based supervision and is currently implementing the new Corporate Strategic Plan 2021- 2026, whose strategic theme is to establish:

-
1. Robust and Modern Regulatory Framework;
 2. Strengthened NBF1 Resilience and Governance;
 3. Strong Consumer Protection;
 4. Enhanced Operational Efficiency;
 5. Strong Stakeholder Engagement and Influence.

THE REGULATORY AND SUPERVISORY PROCESS

The **Regulatory Authority** Ensures the Safety and Soundness of the Financial Sector by Performing the following Functions



- 1. Licensing** - licenses are issued to applicants in the NBFIs sector who meet the relevant requirements of the respective license applied for. Following approval, entities are required to maintain the terms of the license and certain operating guidelines in order to retain it.
- 2. Approval of Key Personnel** - certain positions in entities require prior approval by the authority to ensure that they are fit and proper. Key personnel must be declared fit and proper.
- 3. Approval of Business Plan** - entities are required to have their business plans approved by the **Regulatory Authority** to ensure that they adhere to existing financial services legal framework.
- 4. Product Assessment** - Financial products are approved by the **Regulatory Authority**.
- 5. Off-site Monitoring** - day to day operations of entities are monitored off-site or remotely.
- 6. Inspections & Investigations** - Where necessary the **Regulatory Authority** will have an onsite inspection to verify submitted information.
- 7. Complaints** - resolving complaints between members of the public and regulated entities, where the concerned parties have failed to reach an amicable solution.
- 8. Compliance** - Ensuring effective compliance by regulated entities to applicable legislation, rules and guidelines is important for:
 - A stable NBFIs sector;
 - Ensuring growth in the revenue obtained from the NBFIs sector;
 - Investment and consumer protection;
 - Contributing to the national economy.
- 9. Enforcement** - enforcement action arises in the event of a non-compliance or breach by regulated entities. Enforcement is the act of ensuring observance of and obedience to a particular law or laws. Enforcement in the NBFIs sector comprises of imposing penalties against non-compliant regulated entities in a manner proportionate to the act of non-compliance committed.



Financial Institutions

INDUSTRIES WITHIN THE NBFI SECTOR

As at December 2020, the sector consisted of approximately 750 regulated entities, with total assets worth P132 billion, representing nearly 55 percent of the entire financial system's assets. The sector divided into four main broad industries:

Insurance - 221 Entities

The industry comprises of the following:

- Re-insurer;
- Insurer;
- Insurance Broker;
- Insurance Corporate Agents and Representatives (natural persons);
- Medical Aid Funds.

Non-Bank Lending - 376 Entities

The industry comprises of the following:

- Micro lenders,
- Finance companies,
- Leasing companies
- Pawnshops

Retirement Funds - 86 Entities

The industry comprises of the following:

- Retirement Funds;
- Trustees of Retirement Funds;
- Retirement Fund Administrators

Capital Markets - 81 Entities

The industry comprises of the following:

- Securities Businesses (including Botswana Stock Exchange, Central Securities Depository, Investment advisers, Asset Managers etc)
- Investment Institutions and Approved Funds

Other Responsibilities

Anti-Money Laundering/ Combating the Financing of Terrorism & Proliferation (AML/CFT&P) Directorate - The AML/CFT&P Directorate ensures compliance by regulated entities to local and international AML/CFT&P obligations by regulated entities within the NBF sector, in alignment with the Financial Intelligence Act of 2019.

Consumer Protection – How do I Lodge my complaint with NBFIRA?

The **Regulatory Authority** has a legal duty to protect consumers by promoting Fairness, Efficiency & Orderliness within the Insurance industry.

If you are unsatisfied with the nature or quality of service from a service provider within the Insurance Industry or are unable to amicably resolve a dispute, you may escalate the complaint to the **Regulatory Authority** through the Complaints Portal on the website www.nbfira.org.bw. Refer to the Complaints Procedure on guidelines on how to lodge a complaint.

Financial Stability Council (FSC) - The Authority is a member of the Financial Stability Council alongside the Ministry of Finance & Economic Development, Bank of Botswana and the Financial Intelligence Authority. The FSC is a policymaking platform that assess emerging vulnerabilities in the financial services sector and makes appropriate adjustments. The FSC produces the national Financial Stability Report bi-annually.

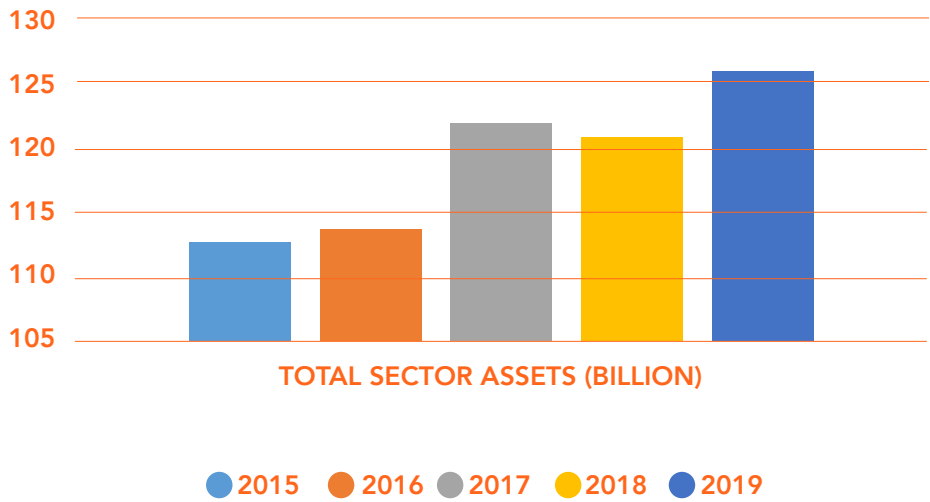
Research Department - The Research Department conducts market intelligence within the NBF sector. This is through monitoring economic developments particularly the financial sector in order to inform policy formulation review and implementation.



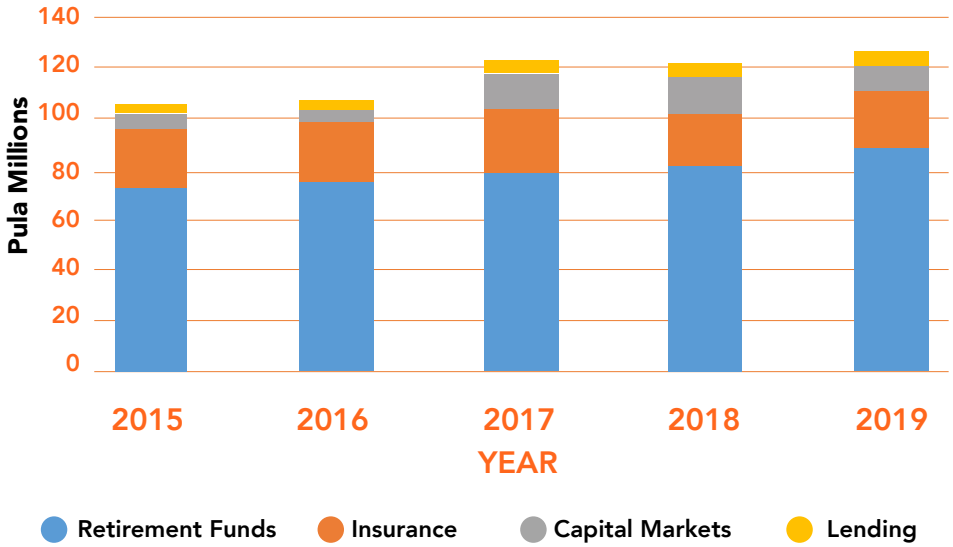


PERFORMANCE OF THE NBFI SECTOR 2015-2019

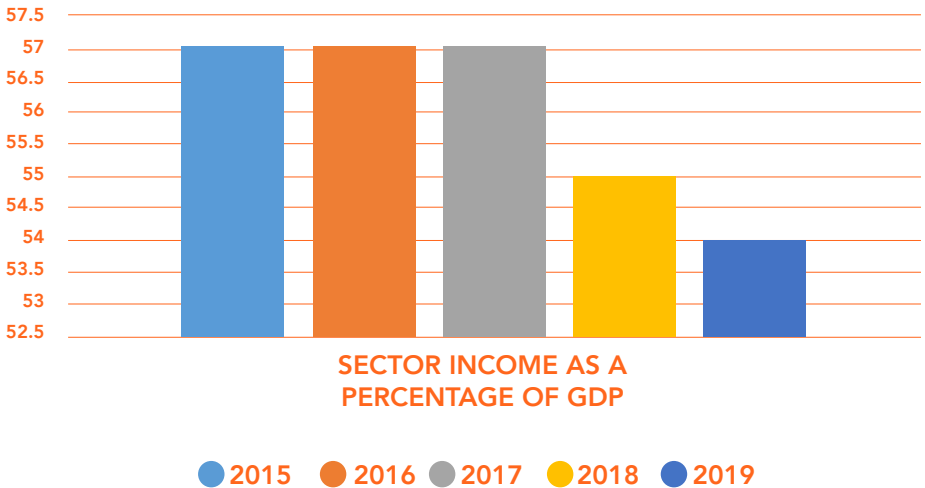
Total Sector Assets



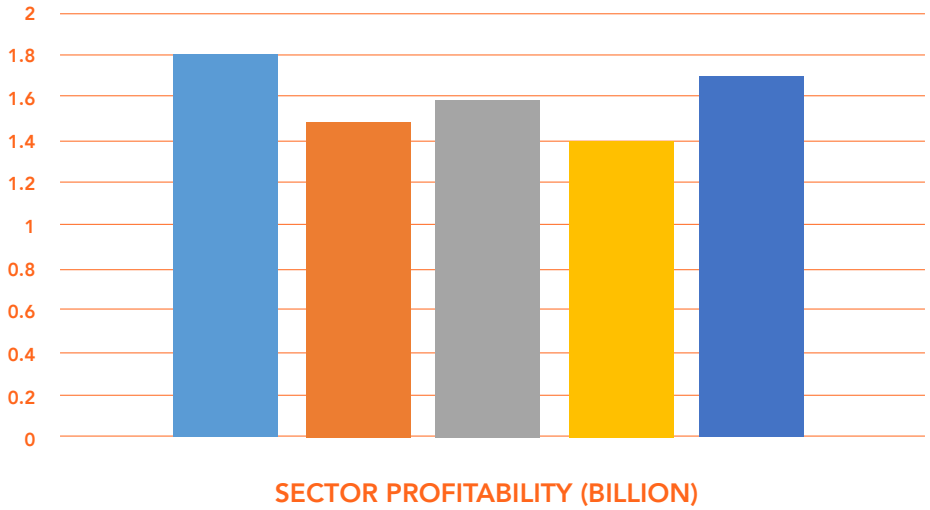
Total Assets per Industry



Total Sector Income



Sector Profitability



● 2015 ● 2016 ● 2017 ● 2018 ● 2019

Governing Bodies



MEMBERSHIP IN INTERNATIONAL STANDARD SETTING BODIES

The **Regulatory Authority** has established sound international cooperation which critical and provides the foundation for an open, fair and sound local NBFi sector. The Authority therefore a member of the following international standard setting bodies:

- Committee of Insurance, Securities and Non-banking Financial Authorities (CISNA)
- Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG)
- International Association of Insurance Supervisors (IAIS)
- International Organisation of Pension Supervisors (IOPS)
- International Organization of Securities Commissions (IOSCO)

NBFIRA ETHICS HOTLINE

The **Regulatory Authority** has introduced an Ethics Hotline platform where stakeholders are encouraged to report suspected unethical activities within the NBFi sector or within the **Regulatory Authority**.

The platform enables the detection and deterrence of unethical conduct by providing an official, safe and secure method for anonymous reports about suspected unethical activities within the NBFi sector or the **Regulatory Authority**.

This ultimately assists in the strengthening of internal processes, business ethics and corporate governance.

NBFIRA Ethics Hotline

Have you observed or suspect fraudulent or unethical activities within the NBFI sector or the **Regulatory Authority**? Be part of the solution and make an anonymous report to:

Call on the Toll-Free Number: 16133
Email to: nbfira@tipoffs.com
Website: www.tipoffs.com
Postal address: P.O. Box 448, Gaborone

NBFIRA CONTACT DETAILS

For more information, contact us on:

Private Bag 00314, Gaborone
Physical Address: 3rd floor Exponential
Building, Plot 54351 New CBD, Off PG
Matante Road, Gaborone

Tel: +267 310 2595/3686100
Fax: +267 3102376/3102353
Email: info@nbfira.org.bw
Website: www.nbfira.org.bw

NBFIRA



“NBFIRA... Working Towards Financial Stability”