

THE LINK

e-Newsletter



MAY 2025

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“NBFIRA....Working Towards Financial Stability”

ABOUT NBFIRA

MANDATE

The Regulatory Authority derives its mandate to regulate and supervise Non-Bank Financial Institutions (NBFIs) from Section 4 of the NBFIRA Act, 2023 (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 business conduct by the NBFIs;
- ✓ Fairness, efficiency and orderliness of the NBFI 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 organisation.

VISION:

- ✓ To be an effective and efficient NBFi regulatory and supervisory authority in line with international best practice.

MISSION:

- ✓ To regulate and supervise 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.

Consumer Protection

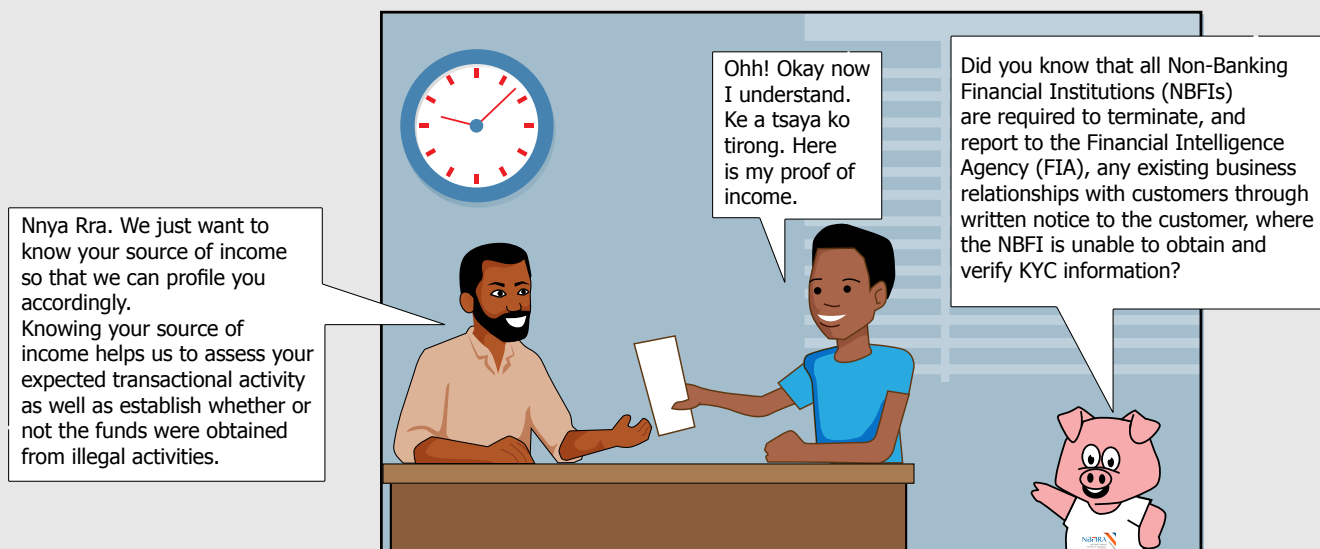
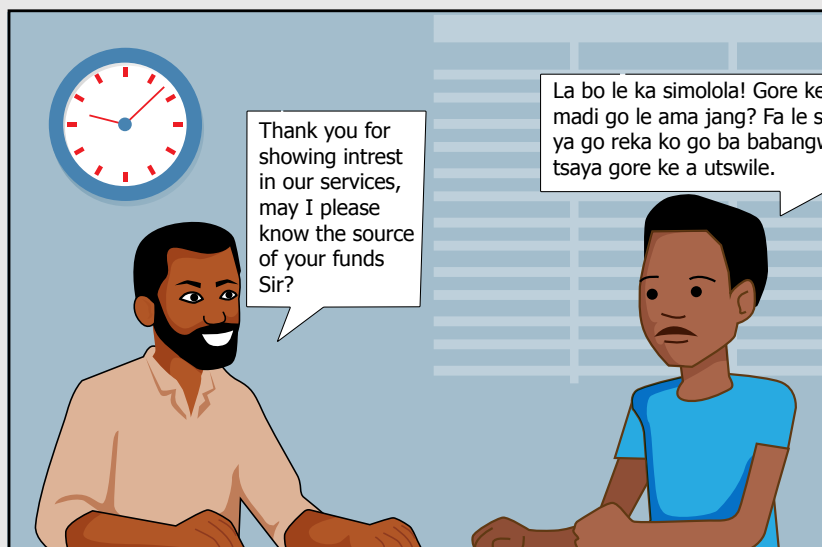


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The Regulatory Authority has the responsibility to protect consumers by mediating complaints between members of the public and regulated entities, where the concerned parties have failed to reach an amicable solution.

Do you have a Complaint? Exhaust all complaint channels within the entity and then follow NBFIRA complaints procedures available on our website.

Know Your Customers (KYC)



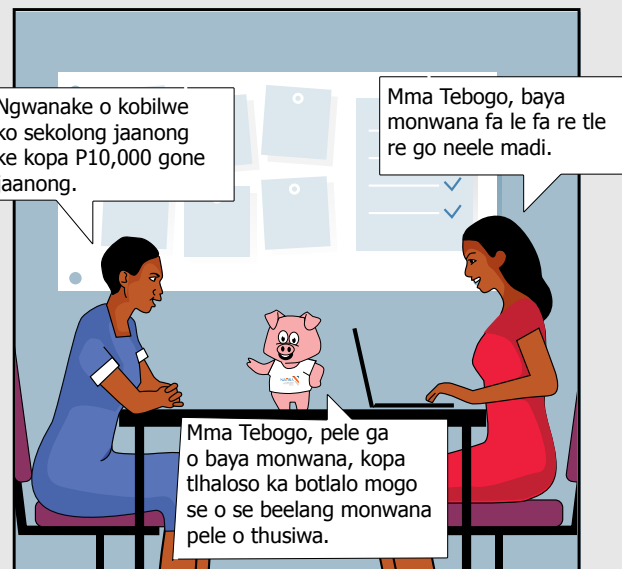
ANTI MONEY LAUNDERING & COUNTERING THE FINANCING OF TERRORISM AND PROLIFERATION (AML/CFTP)

Termination of KYC non-compliant business relationships (Sections 26 (1) (b) & 26 (2)) of FI Act 2019)

Did you know that all non-bank financial institutions are required to terminate, and report to the Financial Intelligence Agency, any existing business relationships with customers through written notice to the customer, where the non-bank financial institution is unable to obtain and verify KYC information.

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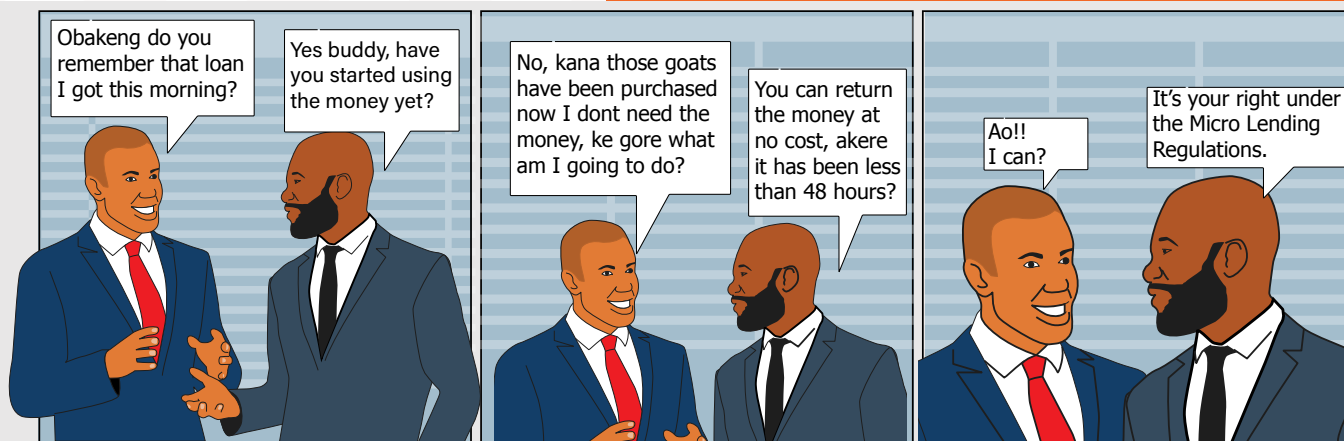
Loan Agreement Requirements



BE ADVISED:

1. A Micro Lender means an entity that provides access to short term credit to a borrower.
2. Make sure you read and understand the loan agreement before you sign.
3. Microlending Regulation 11 (1) states that a Micro Lender shall ensure that a loan agreement concluded with a borrower:
 - ✓ Is written in clear and simple English or Setswana; and
 - ✓ Is clearly interpreted to the borrower where the borrower cannot understand the language used in the agreement.
4. Regulation 11 (4) states that a micro lender shall, before concluding a loan agreement with a borrower;
 - ✓ Provide the borrower, with an opportunity to read the loan agreement, or have it read to him or her where the borrower is illiterate; and
 - ✓ Explain to the borrower in a language understood by the borrower, the essential terms of the loan agreement so as to ensure that the meaning and the consequences of the loan agreement are understood.

Cooling Off Period



BE ADVISED:

1. A Micro Lender means an entity that provides access to short term credit to a borrower.
2. Regulation 12: A Micro Lender shall, in terms of the provisions of the loan agreement allow the borrower to terminate the agreement within at least two days after the signing of the loan agreement or approval and shall not charge the borrower any fee for the termination, provided that:
 - ✓ Where the principal amount has been advanced to the borrower, the borrower shall simultaneously repay the amount advanced; and
 - ✓ The micro lender is entitled to charge the borrower the prorated cost of credit.
3. Do not sign up for something you do not understand.

Cooling Off



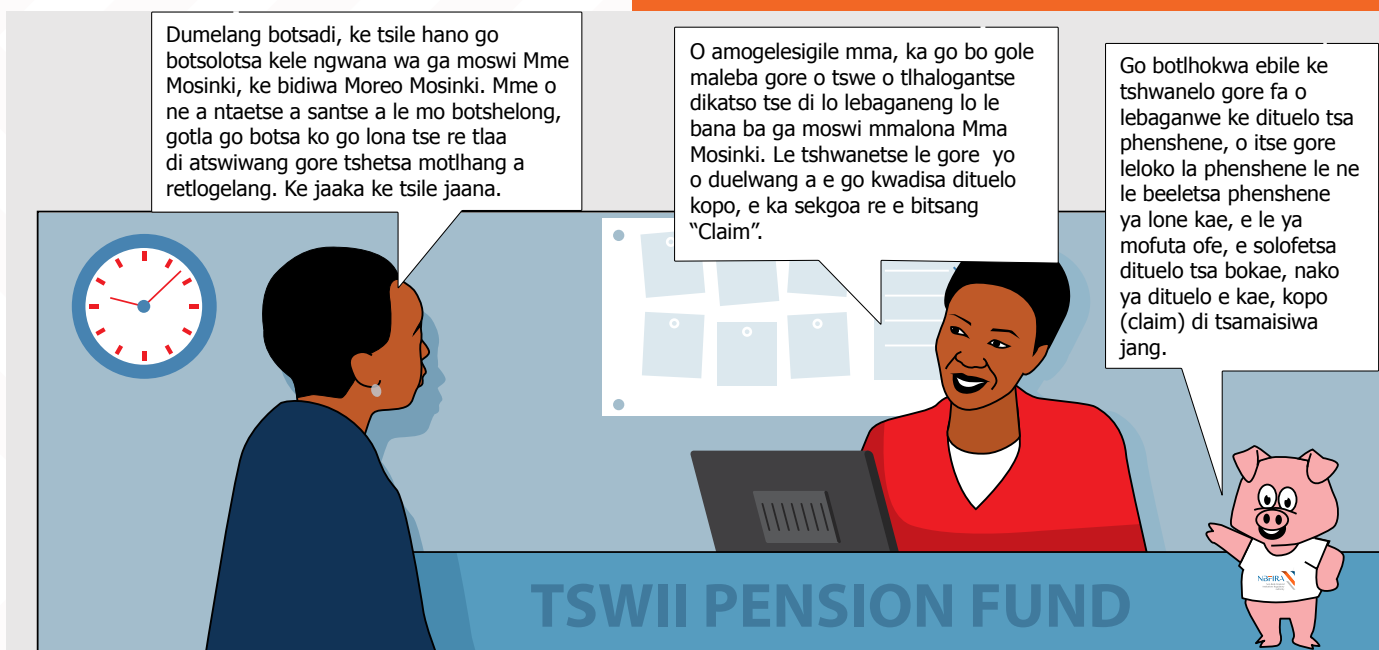
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Regulation 12

A micro lender shall, in terms of the provisions of the loan agreement, allow the borrower to terminate the agreement within at least two days after the signing of the loan agreement or approval, where that happened earlier, and shall not charge the borrower any fee for the termination:

"You have 48 hrs to change your mind with no termination cost and interested prorated to interest for two days"

Pension Member and Beneficiary Pay Out



BE ADVISED:

- ALLOWABLE DEDUCTIONS:** Section 52 (1) (a) of the Retirement Funds Act (2022) provides the criteria for allowable pension deductions to a member. Regulation 29 sets out the criteria for payment of death benefits to a member's nominees and beneficiary, in the event of the death of a member.
- INFORMATION PERTAINING TO BENEFICIARIES:** The Retirement Funds Regulations 37 and 38 provide guidance on information required from beneficiaries and information for beneficiaries respectively.
- ACCESS TO OR DISCLOSURE OF BASIC INFORMATION:** Pension Fund Rules (PFR10) - Members and beneficiaries of pension funds, as well as potential fund members, have a legal right to access to or disclosure of basic information about the pension plan including adequate information regarding their rights of access and waiting periods, anticipated contribution and/ or benefit actual rates, claims processes or procedures etc.

Are You a Member of a Pension Fund?

- ☒ **Active Member-** is a member who is still actively contributing (saving) towards their retirement, within a pension fund.
- ☒ **Deferred Member-** is a member who no longer contributes to the fund, but who still has their benefits preserved and has preserved pension rights within the fund.
- ☒ **Pensioner Member-** is a member who has reached retirement age and/or end of their term of service where applicable and/or is receiving their monthly pension income.

Remember

- As a pension fund member, it is important to understand which type of membership you have within a particular pension fund.
- Make sure to provide up to date information to your pension fund.
- Ensure that your tax clearance is up to date so that the processing of your pension payout is not delayed.
- Keep yourself informed of the new changes applicable to your membership type.

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Understand the Terms and Conditions for Retail Investors

Ke bidiwa Mma Motse. I am a retiree and I am interested in finding out about the investments products on offer. I am delighted to also see that you are licensed with NBFIRA. Am i in the right place?

Dumela Mme, ke bidiwa Babedi and I will be your investment adviser. I will take you through the investments products we offer and their Terms and Conditions. This way you will be able to make informed decisions that will suite your investment needs.

Mme Mmamotse, we have a range of medium-term investment products. The prospectus discloses all costs associated with investment of your choice including administration costs, expected return on investments as well as T's and C's for redeeming or existing investments.

You are most welcome Mme Motse. If you need any further clarity, you may reach us on the contact details provided. We're also able to assist you online to maintain social distancing during the times of social distancing.

Before taking any investment product ensure that the entity is licensed with NBFIRA, you know the Ts and Cs of the product you are to take, and the return on investment.



PRINCIPLES:

1. The purpose of an investment is to get a return on funds invested, whether in the short, medium or long term.
2. Ensure to ask your investment adviser sufficient questions about an investment prospectus until you are satisfied that the information you have been provided with will enable you to make an informed investment decision.
3. Do not sign up for something you do not understand.
4. Before investing, understand the Terms and Conditions required to redeem, or exit the investment.



FREE - Call Number

16133

Accessible to all local networks

NBFIRA@tip-offs.com
www.tip-offs.com

Make the right choice and report.

Be Part Of The Solution

Integrity | Transparency | Fairness | Accountability | Diligence



NBFIRA
Non-Bank Financial
Institutions Regulatory
Authority

Managed by:
Deloitte.

ETHICS HOTLINE

Working Towards Financial Stability

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:

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