



GOVERNMENT GAZETTE

OF THE

REPUBLIC OF NAMIBIA

N\$4.00

WINDHOEK - 29 August 2014

No. 5544

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General Notice

BANK OF NAMIBIA

No. 295

2014

DETERMINATION UNDER THE PAYMENT SYSTEM MANAGEMENT ACT, 2003 (ACT NO. 18 OF 2003), AS AMENDED: STANDARDS FOR A BASIC BANK ACCOUNT AND CASH DEPOSIT FEES

In my capacity as Governor of the Bank of Namibia (The Bank), and under the powers vested in the Bank by virtue of Section 14 of the Payment System Management Act, 2003 (Act No. 18 of 2003), as amended, I hereby issue this Determination on the **Standards for a Basic Bank Account and Cash Deposit Fees** within the National Payment System (PSD-5), which Determination shall become effective on **31 March 2015**.

I. SHIMI
GOVERNOR
BANK OF NAMIBIA

Windhoek, 30 June 2014

Payment System Determination (PSD-5)
STANDARDS FOR A BASIC BANK ACCOUNT AND CASH DEPOSIT FEES
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PART I: PRELIMINARY

1. **Short Title** - Standards for a Basic Bank Account and Cash Deposit Fees.
2. **Application** - This Determination applies to all banking institutions.
3. **Definitions** - In this Determination, unless the context otherwise indicates, the words and expressions used herein shall have the same meaning assigned to them in the Payment System Management Act, 2003 (Act No. 18 of 2003), as amended and cognate expressions shall have corresponding meanings:
 - 3.1 **“Act”** - means the Payment System Management Act, 2003 (Act No. 18 of 2003), as amended.
 - 3.2 **“Bank”** - means the Bank of Namibia as referred to in section 2 of the Bank of Namibia Act, 1997 (Act No. 15 of 1997), as amended.

- 3.3 **“Banking institution”** - means a public company authorised under the Banking Institutions Act, 1998 (Act No. 2 of 1998), as amended.
- 3.4 **“Basic Bank Account”** - a bank account conforming to the minimum requirements as stated in this Determination.
- 3.5 **“Cash Deposit Fees”** - means any fees or charges associated with the depositing of cash at a banking institution levied by the banking institution against the account into which the cash is being deposited.
- 3.6 **“Zero-rated or free”** - means exempt from any fees or charges.
4. **Authorization** - Authority for the Bank to issue this Determination is provided in section 14 of the Act.

PART II: STATEMENT OF POLICY

5. **Purpose** - This Determination intends to ensure that:
- 5.1 Each banking institution provides at least one bank account that conforms to the standards for a basic bank account as set out in this Determination;
- 5.2 All banking institutions are to provide zero-rated cash deposit fees for all cash deposits on all individual accounts held at the banking institution; and
- 5.3 All banking institutions are to provide zero-rated cash deposit fees on all business accounts for businesses with an annual turnover of N\$ 1,000,000 or less.
6. **Position of the Bank** - It is the Bank’s position that access to finance is a key driver for economic development. The provision of a Basic Bank Account and depositing cash free of charge are seen as initiatives that will encourage more Namibians to become part of the formal banking sector and have access to basic financial services. It is further the Bank’s position that fees and charges related to payment services should be in the public interest and promote efficiency.
7. **Scope** - This Determination applies to all banking institutions.
8. **Application of the Act** - Unless expressly stated otherwise, the provisions of the Act, as well as the related determinations and directives, shall apply to banking institutions.

PART III: IMPLEMENTATION

9. **Basic Bank Account (BBA)**
- 9.1 Each banking institution will provide at least one bank account to the public that conforms to the following minimum requirements:

Account Opening and eligibility	Must be Namibian citizen or permanent resident; Entitled to 1 BBA per individual per banking institution. Only valid ID is required to open the BBA. Only to those earning N\$2,000.00 net per month or less. Incoming deposits and credits cannot be limited but rather monitored.
Monthly fee/Account management fee	Free
First Card Issued Fee	Free, subsequent cards issued can be charged.

Debit card	Yes, card allows ATM and POS transactions.
Cheques	No cheque book facility available
Electronic deposits	Allowed (unlimited) free
Cash withdrawals	Yes
Debit order (outgoing)	Yes (unlimited)
Minimum opening balance	N\$20.00
Minimum ongoing balance	N\$20.00
Internet Banking Facility	Free. Payment instructions to other banking institutions can be charged

NOTE: Fields marked with “Yes” mean the service must be available and such services can be subjected to charges unless otherwise indicated, however these charges will be monitored to ensure the Basic Bank Account remains affordable to the target market.

- 9.2 Each banking institution will ensure that the Basic Bank Account is available to the public.
- 9.3 Branding of the BBA is at the discretion of each banking institution.
- 9.4 The BBA must be advertised at each banking institution and its branches as stipulated in the requirements in the Determination on the Disclosure of Bank Fees, Charges and Commission (BID-13).
- 9.5 Products and services not mentioned in **Section 9.1** can be added to the BBA at the discretion of each banking institution with the written approval of the Bank.
- 9.6 Banking institutions shall seek approval from the Bank for any change to their BBA, in writing, at least 60 days prior to the date on which the change is to be effected.
- 9.7 Only once approval is given shall the banking institution be allowed to communicate the changes to the public and effect the changes.

10. Cash Deposit Fees

- 10.1 All banking institutions are to provide zero-rated cash deposit fees for all cash deposits on all individual accounts, including the Basic Bank Account.
- 10.2 All banking institutions are to provide zero-rated cash deposit fees for all cash deposits on all business accounts for businesses with an annual turnover of N\$1,000,000.00 or less.

PART IV: OTHER REGULATORY REQUIREMENTS

11. Reporting Requirements

- 11.1 Banking institutions will be required to provide confirmation, as determined by the Bank, of full compliance with this Determination.
- 11.2 Banking Institutions will be required to provide information as determined by the Bank in order to monitor the implementation of this Determination.

12. Remedial Measures

- 12.1 Failure to comply with this determination, then the Bank may pursue any remedial measure/s as provided under the Payment System Management Act, 2003 (Act No. 18 of 2003), as amended, or any relevant legislation in the interest of ensuring stability in the financial system.

13. Effective date

- 13.1 The effective date of this Determination shall be **31 March 2015**.

14. Repeal of PSD-5

- 14.1 This Determination repeals and replaces the Determination on the Standards for a Basic Bank Account and Cash Deposit Fees within the National Payment System (PSD-5), published under General Notice No. 130, in the Government Gazette No. 5187 issued on 28 February 2013.

15. Enquiries

- 15.1 All enquiries related to this determination shall be forwarded to:

The Director: Payment and Settlement System Department
Bank of Namibia
P.O. Box 2882
71 Robert Mugabe Avenue
Windhoek
