



**Financial Intelligence Centre  
Republic of Namibia**

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# **RESTRICTING ACCESS TO BANKING SERVICES BY UNLICENSED AND UNREGISTERED VIRTUAL ASSETS SERVICE PROVIDERS (VASPs)**

**TO: CHIEF EXECUTIVE OFFICERS OF ALL BANKS**

**CC: HEADS OF AML FUNCTIONS**

**Date: 26 September 2023**

## **1. INTRODUCTION**

The Financial Intelligence Centre (FIC) is tasked with the coordination of Namibia's Anti-Money Laundering, Combatting the Financing of Terrorism and Proliferation (AML/CFT/CPF) activities. In furtherance of this mandate, the FIC's responsibility includes supervision of Virtual Assets Service Providers (hereinafter referred to as VASPs).

This directive is issued in terms of section 9(2)(c) read with 54(2) of the FIA to help mitigate risks emanating from or relating to Virtual Assets (VAs). While Directive 06 of 2023 was issued publicly to all VASPs, this version directs banks to update their VASP risk assessments in view of persons that may be operating as VASPs but have yet to register with the FIC.

## 2. LICENSING OF VASPs

The Virtual Assets Act, 2023 (Act No. 10 of 2023) was passed in July 2023. Sections 7 to 10 of such Act require VASPs to be licensed and registered with the Bank of Namibia (BoN) as the prudential regulatory authority. The Virtual Assets Act, 2023 can be accessed via:

<https://www.bon.com.na/CMSTemplates/Bon/Files/bon.com.na/90/90d8c518-f9a2-4e6d-98a4-b192c1a93253.pdf>

VASPs are Accountable Institutions in terms of the Financial Intelligence Act, 2012 (The FIA) and should equally register to fall under the supervision framework geared towards combatting Money Laundering (ML), Terrorism Financing (TF) and Proliferation Financing (PF) risks. Persons or entities not licensed but offering such services are thus contravening the said laws. This unduly exposes the financial system to potential ML, TF and PF risks.

## 3. DIRECTIVE TO ALL BANKS

This directive calls on all Banks to conduct the necessary due diligence to detect or establish clients who may be part-taking in VA activities without BoN Licensing and FIC registration. **Annexure A** lists entities registered with the FIC as VASPs while **Annexure B** lists persons and entities suspected to have participated in or availed VA services, based on FIC STR records. This information is availed to help banks identify potential VASPs operating without due licensing and registration. If banks identify such VASPs or persons, banks must ensure the following:

- a. **immediately implement actions to mitigate risks:** in particular, limiting movement and further depletion of assets or access to financial services, to reduce further exposing the financial system to ML, TF and PF risks;
- b. avail a list of such VASPs/persons to the FIC as soon as possible but not later than **Friday, 13 October 2023**. Such list must equally explain the risk management actions taken, for each such client, to reduce risk exposure. Please use Annexure B attached hereto in this regard. You may provide other additional risk management information; and
- c. direct such VASPs/persons to ensure BoN Licensing and FIC registration by no later than **Friday, 13 October 2023**. After such deadline, risk exposure will be managed

on an entity-by-entity basis, in direct engagements between the FIC and each respective Bank.

In line with the FIA, the FIC will enforce compliance by all non-complying VASPs beyond the said deadline. Such may include fines, orders to cease operations and instructing banks to deny non-complying VASPs access to financial services, amongst others.

#### **4. CONCLUSION**

Note that FIC registration is **free and can be finalised within a week**, provided all requirements are met. A letter confirming registration is issued to an entity when registration is completed.

A handwritten signature in black ink, appearing to read 'P.P. K. Barry', with a stylized flourish at the end.

**Z. BARRY**  
**ACTING DIRECTOR: FINANCIAL INTELLIGENCE CENTRE**

#### **ALL CORRESPONDENCE MUST BE ADDRESSED TO:**

The Acting Director, Financial Intelligence Centre

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