



**TERMS OF REFERENCE
OF THE
FINANCIAL INSTITUTIONS FRAUD AND
SECURITY COMMITTEE (FIFSC)**

Contents

1. INTRODUCTION	3
2. DEFINITIONS.....	3
3. COMMITTEE NAME	3
4. MISSION STATEMENT	3
5. FORMATION AND RESPONSIBILITY OF THE COMMITTEE.....	3
6. MEMBERSHIP OF THE COMMITTEE	4
7. POWERS OF COMMITTEE MEMBERS.....	5
8. APPOINTMENT OF THE CHAIRPERSON AND DEPUTY	5
9. POWERS AND RESPONSIBILITIES OF THE CHAIRPERSON	5
10. RESPONSIBILITIES OF THE PAYMENTS OF ASSOCIATION REPRESENTATIVES ON THE FIFSC	6
11. COMMITTEE MEETINGS.....	6
12. REPRESENTATION AT MEETINGS	7
13. VOTING AT MEETINGS.....	7
14. SECRETARIAT	7
15. ESCALATION AND APPEAL.....	7
16. ACCOUNTABILITY.....	8
17. CONFIDENTIALITY	8
18. AMENDMENTS TO THIS TERMS OF REFERENCE	8
19. APPROVAL	8
Annexure A	9

1. INTRODUCTION

The Financial Institutions Fraud and Security Committee (FIFSC) is a forum constituted between PAN and the banking industry but also includes other stakeholders such as law enforcement and regulatory bodies, whose collective mandate is to promote the security of financial institutions' staff, customers and members, help reduce crimes committed against financial institutions and increase public awareness of fraud and security related offences.

Its objectives include the effective detection and reporting of fraud, economic crimes and security risks to regulatory and law enforcement agencies; ensuring appropriate actions are taken against the perpetrators of fraud, economic crimes and security related offences and providing a dedicated forum that addresses current and future fraud related challenges and allows members to share experiences and information.

2. DEFINITIONS

In this document, unless the context indicates otherwise, the words and expressions used herein shall have same meaning assigned to them in the Payment System Management Act, 2003 (Act No. 18 of 2003), Banking Institutions Act, 1998 (Act No. 2 of 1998, Payment Association of Namibia Terms of Reference and cognate expressions shall have corresponding meanings.

“Committee” means the Financial Institutions Fraud and Security Committee (FIFSC).
“Member Institutions” means financial institutions, financial services and law enforcement agencies.

3. COMMITTEE NAME

The Committee shall be called the Financial Institutions Fraud and Security Committee (FIFSC).

4. MISSION STATEMENT

4.1 The primary aim of the Committee, in consultation with the Bank of Namibia (BoN) and the Payments Association of Namibia (PAN), is to help reduce crimes committed against financial institutions, and in so doing, promote the security of financial institution staff, customers and members.

4.2 Secondary objectives of the committee include the effective detection and reporting, to regulatory and law enforcement agencies, of fraud and security risks; ensuring appropriate actions are taken against the perpetrators of fraud, economic crimes and security related offences and providing a dedicated platform that addresses current and future fraud related challenges and allows members to share experiences and information.

5. FORMATION AND RESPONSIBILITY OF THE COMMITTEE

5.1 Formation

The committee shall be formed by the registered financial institutions especially Payments Association Namibia members, financial services, law enforcement agencies and regulatory bodies, that are committed to curbing fraud and security related offences.

5.2 Responsibility

5.2.1 The committee shall ensure and be responsible and accountable for the management of the practical and standards implementation of the principles, rules and procedures contemplated in the relevant strategy/agreement.

- 5.2.2 Identify the systemic lacunae, if any, that facilitate the perpetration of the fraud and security related offences and put in place measures to plug the same;
- 5.2.3 Identify the reasons for delay in detection frauds, if any, and reporting to top management of the institution and BoN;
- 5.2.4 Liaise on the progress of investigations of matters reported to the law enforcement agencies;
- 5.2.5 Ensure that staff accountability is examined at all levels in all cases of fraud and security related offences, if required, and that such examination is completed quickly;
- 5.2.6 Review the efficacy of the remedial actions taken to prevent recurrence of fraud and security related offences, such as strengthening of internal controls; and
- 5.2.7 Establish relevant measures to strengthen existing measures to prevent fraud and security related offences.
- 5.2.8 Provide educational resources through training programs;
- 5.2.9 Provide immediate fraud and security risk alert information to financial institutions and to the public;
- 5.2.10 Continue to encourage all financial institutions to support the Committee;
- 5.2.11 Continue to provide front-line staff training in fraud and security related offences throughout the year at various locations around Namibia;
- 5.2.12 Continue to explore and promote all types of fraud and security risk deterrent systems;
- 5.2.13 Continue to monitor and, if appropriate, attempt to direct legislative efforts as they relate to fraud and security related offences against financial institutions.
- 5.2.14 Increase awareness of fraud and security related offences;
- 5.2.15 Discuss crimes committed against financial institutions;
- 5.2.16 Identify and mitigate current and emerging fraud and security related offences;
- 5.2.17 Support financial institution employees that are victims of crimes;
- 5.2.18 Liaise with international and national institutions with similar objects as the Committee in the combating of fraud and security related offences; and
- 5.2.19 Promote best practice in countering fraud and security related offences.
- 5.2.20 Increasing public awareness and participation in fraud awareness campaigns by removing the stigma of talking about fraud and security related offences;
- 5.2.21 Sharing information and promoting networking;
- 5.2.22 Promoting discussions, obtaining practical outcomes and taking forward a common vision;
- 5.2.23 Obtaining new ideas from public and private sector organisations; and;
- 5.2.24 Organising conferences and seminars on subjects relating to the objectives.

6. MEMBERSHIP OF THE COMMITTEE

- 6.1 The Committee membership is open to all registered financial institutions, financial services, law enforcement agencies and regulatory bodies that are committed to reduce fraud and enhance security to any related offences.
- 6.2 Representatives to the Committee must be duly appointed on an annual basis;
- 6.3 The appointment of a representative to the committee, and any subsequent changes to such appointment, shall be made in writing from the members' Executive Management or Council representative.
- 6.4 Representatives' names (principal, an alternate and, where necessary, subject matter experts) will be registered with the PAN Executive office by the member's official PAN Executive Office contact. Should the representative and/or contact particulars of any representative change, notification in writing must be given to the Chairperson and lodged with PAN within 5 business days.
- 6.5 Changes by word of mouth or via other forms of communication are to be deemed null and void.

- 6.6 Each Member shall endorse and embrace the aims and objectives of the Committee and comply with any directive given to it from time to time; and
- 6.7 All members shall: a) accept and acknowledge mandatory full participation by attending meetings, and b) abide by the protocols, conduct and best practices governing data or information exchange or any other information that comes into their possession as a result of their participation.
- 6.8 Notwithstanding the above, invitations to individual committee meetings may be extended to non-members of the committee, such as relevant industry stakeholders or subject matter experts whose participation on the committee discussions will enable it to advance its goals and objectives. Such non-members will have no voting rights on the committee.

7. POWERS OF COMMITTEE MEMBERS

- 7.1 The Committee members may change these Terms of Reference (ToR) as provided for in clause 18 of this ToR but it must always, at a minimum, be based upon and subject to the terms and conditions of the relevant agreement. The Committee agreement will prevail in the event of conflict between this ToR.
- 7.2 The committee, following the move of a motion by any of its members, may terminate a chairperson's term of office at any time before the expiry of his/her term of office, in terms of a decision taken by at least 70% of the voting members of the Committee.
- 7.3 The representatives on the committee shall have the right to establish sub-groups or working groups, at such groups' own cost, that are deemed necessary to assist the committee with the performance of its functions or the fulfillment of its mission.

8. APPOINTMENT OF THE CHAIRPERSON AND DEPUTY

- 8.1 A Chairperson and Deputy Chairperson from representatives of members, shall be appointed by the committee in its first meeting of each year;
- 8.2 The serving term of office shall be one calendar year;
- 8.3 Election of Chairperson and Deputy Chairperson will be on a rotational basis with all members of PAN and with all the institutions involved.
- 8.4 The deputy chairperson will automatically take up the role of the Chairperson the following year and a new deputy chairperson will need to be elected at the first meeting; or
- 8.5 The election process shall be conducted either by a show of hands or by ballot.
- 8.6 The Chairperson and or the deputy elected in terms of section 8.1 above, shall not be a member of the PAN management council.

9. POWERS AND RESPONSIBILITIES OF THE CHAIRPERSON

- 9.1 The Chairperson or, in his absence, the Deputy Chairperson shall preside over Committee meetings which shall include but not only to:
- a) Ensuring that meetings are properly constituted;
 - b) Oversee decision-making and voting proceedings;
 - c) Ensure that every meeting has an appropriate agenda and action list;
 - d) Ensure that the minutes of previous meetings are reviewed and approved.
 - e) Guide the meeting according to the agenda and time available;
 - f) Ensure that all discussion items end with either a decision, action or definite outcome;
 - g) Ensure that members participate in the proceedings on an equitable basis.
 - h) Ensure that a comprehensive activity report is compiled and submitted to PMC on quarterly basis.

- i) Ensure that the risk log is timeously reviewed and updated with the status of the committee's identified risks.
- 9.2 The chairperson or deputy chairperson shall lead/facilitate the meetings of the forum, inclusive of any related sub-committee and/or workshops for such committee.
- 9.3 The chairperson and deputy chairperson shall represent the interests of all members and not necessarily those of sponsoring members.

10. RESPONSIBILITIES OF THE PAYMENTS ASSOCIATION REPRESENTATIVES ON THE FIFSC

The PAN principal representative on the FIFSC forum and PAN meetings coordinator shall be responsible for the following:

- 10.1.1 Ensure that members receive timeous notice of all meetings, and that the relevant escalation procedures are followed for non-attendance by members or their designate.
- 10.1.2 Review and approve the draft Minutes before distribution to the other members.
- 10.1.3 Ensure the distribution of the meeting papers sufficiently in advance of meetings to allow members to prepare for the meeting.

11. COMMITTEE MEETINGS

- 11.1 A quorum at a meeting shall be at least 70% of the members, in failing, the meeting shall be adjourned and a further meeting (follow on meeting), shall be called on a date which will be no more than 10 (seven) business days after the date of the first meeting, with notice of no less than 5 (seven) business days prior to such date.
- 11.2 Communication may be done by way of electronic mail as a formal means of communication.
- 11.3 A copy of the agenda and the minutes for the previous meeting and all relevant documentation shall be made available to the meeting attendants at least 5 working days before its sitting.
- 11.4 PAN executive office will be the secretariat of the Committee meetings. Minutes shall be kept in the format approved by PAN.
- 11.5 The Chairperson, the Deputy Chairperson, or any 6 or more members may convene special meetings at any time.
- 11.6 An attendance register signed by all the standing members of the Committee shall be deemed to be a recording of a meeting.
- 11.7 In the event of a virtual meeting, the list of meeting attendants shall be extracted from the virtual meeting platform used to conduct such meeting and transcribed on the drafted minutes of the meeting. Such list and subsequently transcribed attendance list on the meeting minutes shall be deemed to be a recording of meeting attendance.
- 11.8 The Chairperson and or Deputy Chairperson shall preside over Committee meetings. In the absence of both of them, one of the representatives present at the meeting shall be elected by the meeting to preside.
- 11.9 PAN shall ensure the safe keeping all records, including virtual meeting recordings, minutes, agendas, and all other records generated and obtained by the committee.
- 11.10 Members of the Committee will keep information discussed at the Committee meetings strictly confidential unless disclosure is otherwise required by law or agreed by members.

12. REPRESENTATION AT MEETINGS

- 12.1 Each member bank and required institutions shall appoint, at minimum, a principal, and an alternate representative to the committee, who shall be a person in the permanent employment of such in Namibia.
- 12.2 The appointment of a representative shall be in writing in the form called representation in PAN structure.
- 12.3 Should neither the principal nor the alternate representative be unable to attend a meeting:
- a) a temporary representative may be appointed under authority of the principal or alternate representative, in writing,
 - b) which appointment shall include all rights vested in the principal representative and more specifically the right to vote and the right to be counted as part of the quorum, and;
 - c) which authority shall be notified to the Chairperson at the commencement of the meeting;
 - d) The temporary representative's appointment shall be for one meeting only unless the principal representative is unable to appear at the next meeting.
 - e) Members shall ensure that temporary representatives are suitably briefed so as not to compromise the effectiveness of the meeting.
 - f) The alternate representative, who shall give notice at the commencement of the meeting, shall represent a member in the absence of the main representative.
- 12.4 Members not represented at a duly called meeting, are bound by decisions taken at such meeting and each member is therefore obliged to ensure that it is permanently represented on the committee, and that any vacancy is filled by such member immediately upon the termination of the mandate of its representative for any reason whatsoever.

13. VOTING AT MEETINGS

- 13.1 Each member shall through its representative at the meeting, have the right to one vote at meetings.
- 13.2 Representatives of members shall vote by poll in such a manner as the Chairperson directs.
- 13.3 Representatives of members may only vote on issues, which have been reflected as an agenda item, and on which agenda item, proper prior notice has been given in terms of both agenda and supporting documentation relative to such agenda item.
- 13.4 The Chairperson shall immediately declare the result of the vote
- 13.5 PAN may participate in meetings but shall have no voting rights
- 13.6 A quorum for decisions passed at a meeting shall be at least 70% of the members in attendance of such meeting.

14. SECRETARIAT

PAN Executive office will act as a secretariat of the committee and will also fulfil secretariat functions, as may be expected from the committee and its Chairperson

15. ESCALATION AND APPEAL

- 15.1 The committee's decisions shall preferably be reached by consensus of all the members' representatives represent. Where consensus could not be reached, any dispute between the members of the Committee shall be referred or escalated by the Chairperson in terms of the PAN Dispute Policy.

15.2 If a committee member reasonably considers any decision made by the committee to be unfair or prejudicial to its interests, such member's objection must be recorded in the minutes of the meeting where the decision is taken.

16. ACCOUNTABILITY

- 16.1 The Committee reports to PAN on the work undertaken.
- 16.2 The Committee shall be accountable for all the activities as stipulated in the committee strategic document and ensure that such activities are actioned as planned.
- 16.3 PAN is responsible for ensuring that the actions for it emanating from the Committee are addressed, by allocating the appropriate resources to address them.

17. CONFIDENTIALITY

- 17.1 Any information gathered at or after the Committee is for the sole use of the Member institutions and their representatives only and the source or content should not be disclosed or otherwise made available to any third parties without the prior written consent of the Committee.
- 17.2 Member institutions are required to respond to reasonable requests for information from other Member institutions and should do so honestly and to the best of their knowledge provided the disclosure of information is not contrary with the common law or legislation applicable in the Republic of Namibia.
- 17.3 Confidentiality document (non-disclosure agreements) shall be signed annually by all duly appointed representatives of the financial institutions.

18. AMENDMENTS TO THIS TERMS OF REFERENCE

- 18.1 The Terms of Reference must be reviewed as and when required but at least once every 2 (two) years.
- 18.2 The Terms of Reference can also be amended by way of resolution passed by majority of the representatives of the Committee entitled to vote, but subject to ratification by the Council before implementation.

19. APPROVAL

The Financial Institution Fraud Security Committee is hereby approved.

CERTIFIED AS APPROVED BY THE PAN MANAGEMENT COUNCIL

ON THE 15th DAY OF June 2021



**SIGNATURE
Dr KOOS KEYSER
CHAIRPERSON: PAN MANAGEMENT COUNCIL**

Annexure A

PAYMENTS ASSOCIATION OF NAMIBIA

ACKNOWLEDGEMENT OF RECEIPT

FINANCIAL INSTITUTIONS FRAUD AND SECURITY COMMITTEE TERMS OF REFERENCE

Kindly acknowledge receipt hereof by signing and returning this receipt as soon as possible but no later than by completing the below receipt template.

I acknowledge receipt of the **FINANCIAL INSTITUTIONS FRAUD AND SECURITY COMMITTEE TERMS OF REFERENCE**

Signed at **Windhoek** on _____

Name of Institution

Chief Executive Officer/Managing Director/ Risk Head

Please return the acknowledgement receipt to:

Chief Executive Officer
Payments Association of Namibia
P O Box 134
WINDHOEK
info@pan.org.na