

# **SUPPLEMENT TO**

# **THE**

# **ESWATINI GOVERNMENT**

# **GAZETTE**

---

**VOL. LXI]**

**MBABANE, Friday, JUNE, 09<sup>th</sup>, 2023**

**[No. 71**

---

## **CONTENTS**

| <b>No.</b>                                                              | <b>Page</b> |
|-------------------------------------------------------------------------|-------------|
| <b>PART B - ACT</b>                                                     |             |
| 4. The Reinsurance Act, 2023 .....                                      | S1          |
| 5. The National Payments System Act, 2023 .....                         | S27         |
| <b>PART C - LEGAL NOTICE</b>                                            |             |
| 119. The Appointment of Acting Principal Secretaries Notice, 2023 ..... | S64         |
| 120. The Stock Disease Regulations, 1933 Notice, 2023 .....             | S66         |

# PART B

S1

## THE REINSURANCE ACT, 2023

(Act No. 4 of 2023)



I ASSENT

**MSWATI III**  
KING OF THE KINGDOM OF  
ESWATINI

....., 2023

### AN ACT ENTITLED

AN ACT to provide for the establishment, promotion and regulation of the reinsurance business in the insurance industry and other incidental matters.

**ENACTED** by the King and the Parliament of the Kingdom of Eswatini.

### ARRANGEMENT OF SECTIONS

#### PART I PRELIMINARY PROVISIONS

1. Short title and commencement.
2. Interpretation

#### PART II ADMINISTRATION

3. Administrative authority
4. Functions of the Authority
5. Chief Executive Officer
6. Duties of the Chief Executive Officer
7. Powers of the Authority
8. Examination of reinsurance arrangements, treaties and other documents
9. Investigations by the Authority
10. Appointment of Investigators
11. Powers of Investigators
12. Protection for persons complying

- 13. Reports by an investigator
- 14. Directives to person investigated

**PART III  
LICENSING**

- 15. Prohibition of unlicensed reinsurers
- 16. Application and Licensing of Reinsurers
- 17. Additional requirements for licensing of a reinsurer
- 18. Cancellation of the licence of a reinsurer
- 19. Prohibition of unlicensed reinsurance brokers
- 20. Application for license as a reinsurance broker
- 21. Qualifying requirements for licensing as a reinsurance broker
- 22. Considerations pertaining to the licensing of reinsurance brokers
- 23. Cancellation of the licence of a reinsurance broker

**PART IV  
DIRECTORS, OFFICERS OF REINSURERS AND REINSURANCE BROKERS**

- 24. Fit and proper requirements
- 25. Authority to approve certain appointments and terminations

**PART V  
REINSURANCE BUSINESS**

- 26. Limitations on ownership of reinsurers
- 27. Appropriate reinsurance arrangements
- 28. Right to reinsure
- 29. Modifications in insurers net retention
- 30. Prohibition of contracts with certain reinsurance companies
- 31. Negotiations not to be in personal capacity
- 32. Mandatory cessions

**PART VI  
FINANCIAL MATTERS AND RELATED ISSUES**

- 33. Submission of audited financial statements and returns
- 34. Appointment, powers and duties of an auditor
- 35. Appointment, powers and duties of a valuator

- 36. Assets
- 37. Investment of assets of a reinsurer
- 38. Prohibition of use assets
- 39. Valuation of liabilities for reinsurance
- 40. Maintenance of a financially sound condition
- 41. Failure to maintain financially sound condition

**PART VII  
AMALGAMATION OF BUSINESS**

- 42. Authority to approve any amalgamation of business between reinsures
- 43. Obligations pertaining to Application
- 44. Withholding of Approval
- 45. Variation of Approval
- 46. Costs of Application
- 47. Authority to approve acquisition of interest in the insurer

**PART VIII  
JUDICIAL MANAGEMENT AND WINDING UP**

- 48. Application for judicial management or winding up of a reinsurer
- 49. Judicial management of a reinsurer
- 50. Winding up of a reinsurer

**PART IX  
FINAL PROVISIONS**

- 51. Regulations
- 52. Offences and penalties
- 53. Transitional provisions

**PART I  
PRELIMINARY PROVISIONS**

***Short title and commencement.***

- 1. (1) This Act may be cited as the Reinsurance Act, 2023.

(2) This Act shall come into force on a date the Minister may determine, by notice in the Gazette.

***Interpretation***

- 2. In this Act, unless context otherwise requires -

“Authority” means the Financial Services Regulatory Authority established under the Financial Services Regulatory Authority Act, 2010;

“insurance business” means the definition provided for in the Insurance Act No.7 of 2005 or its successor;

“insurer” means a person as defined under the Insurance Act No.7 of 2005 or its successor;

“Minister” means the Minister responsible for Finance;

“person” means a natural or juristic person;

“principal officer” means the chief executive officer of the organisation or such equivalent post;

“reinsurance business” means the business of insuring any insurer or reinsurer in respect of the insurer’s or reinsurer’s contractual obligation under any policy or reinsurance contract and includes a retrocession;

“reinsurance broker” means a person other than an employee of a reinsurer who negotiates reinsurance arrangements on behalf of an insurance company and receives commission based on the ceded premium;

“reinsurer” means a person who carries on reinsurance business and includes a retrocessionaire;

“retrocession” means the reinsurance of reinsurance business accepted by a reinsurer; and

“retrocessionaire” means a person reinsuring a reinsurer.

## **PART II ADMINISTRATION**

### ***Administrative authority***

3. (1) The Financial Services Regulatory Authority as established by the Financial Services Regulatory Authority Act, 2010 shall be the responsible body to administer this Act.

(2) This Act shall be a financial services law for the purposes of the Financial Services Regulatory Authority Act, 2010 or its successor.

### ***Functions of Authority***

4. The objects and functions of the Authority shall, in addition to those specified under the Financial Services Regulatory Authority Act, 2010, be to –

- (a) ensure the effective administration, supervision, regulation and control of reinsurance business in the Kingdom of Eswatini;
- (b) formulate and enforce standards for the conduct of insurance and reinsurance business in the Kingdom of Eswatini;
- (c) license all persons involved in or connected with insurance business, including insurance and reinsurance companies, insurance and reinsurance intermediaries;
- (d) protect the interests of insurance policy-holders and insurance beneficiaries in any insurance or reinsurance contracts;
- (e) promote the development of the reinsurance industry;

- (f) advise the Government on the national policy to be followed in order to ensure adequate insurance protection and security for national assets and national properties;
- (g) issue supervisory guidelines and prudential standards from time to time, for the better administration of the insurance business of persons licensed under this or other applicable Act;
- (h) share information with other regulatory authorities and to carry out any other related activities in furtherance of its supervisory role; and
- (i) undertake such other functions as may be conferred on it by this Act or by any other written law.

#### ***Chief Executive Officer***

5. (1) The Chief Executive Officer appointed in terms of section 5 of the Financial Services Regulatory Authority Act, 2010 shall be the Chief Executive Officer for the purposes of this Act.

(2) The Chief Executive Officer shall perform the functions as are provided for under section 8(3) of the Financial Services Regulatory Act, 2010, including ensuring that the Authority performs its functions under this Act.

#### ***Duties of the Chief Executive Officer***

6. (1) The Chief Executive Officer shall be responsible for the -

- (a) implementation of the objects and functions of the Authority; and
- (b) administration of this Act and other related laws.

(2) The Chief Executive Officer may appoint, where necessary, technically qualified personnel for the effective administration of this Act.

(3) The Chief Executive Officer may, by notice in writing, require a member of the insurance industry to supply the Chief Executive Officer with information relating to that insurance business and section 61 of the Financial Services Regulatory Authority Act, 2010 shall apply.

(4) The member of the insurance industry, specified under subsection (3), shall comply with the requirement within such period after receipt of the notice as may be specified therein failing which that person shall be deemed to have failed to comply with the provisions of this Act.

(5) Information supplied under this section shall be certified by a principal officer of that member of the insurance industry in question and, if the notice so requires, also by an auditor or an actuary.

(6) The Chief Executive Officer may by notice in writing require a member of the insurance industry, or a person in custody of same, to produce, at such time and place as the Chief Executive Officer may specify, such books or documents as the Chief Executive Officer may specify and section 61 of the Financial Services Regulatory Authority shall apply.

(7) Where any person from whom production of a document is required claims a lien on the document produced by that person, the production shall be without prejudice to the lien.

(8) A person who in purported compliance with a requirement imposed under this section furnishes information which that person knows to be false in a material particular or who recklessly furnishes information which is false in a material particular or who, having been required to produce a book or document for examination, alters, mutilates, damages, destroys, conceals or removes it without the written consent of the Chief Executive Officer, commits an offence and shall, on conviction, be liable to a fine not exceeding two hundred and fifty (E250,000) thousand Emalangeni or imprisonment for a term not exceeding two (2) years or to both.

(9) Subject to this Act, the duties of the Chief Executive Officer shall include –

- (a) directing insurers and reinsurers on the standardisation, where possible of certain provisions of contracts of insurance and reinsurance;
- (b) directing an insurer or a reinsurer, where the Chief Executive Officer is satisfied that the wording of a particular contract of insurance issued by the insurer or reinsurer is obscure or contains ambiguous terms or terms and conditions which are unfair or oppressive to the policy-holders, to clarify, simplify, amend or delete the wording, terms or conditions, as the case may be, in respect of future contracts.

#### ***Powers of the Authority***

7. (1) The Authority may, by notice in writing, require a person investigated to comply by such date or within such period as may be specified therein, with such directives as the Authority considers necessary in connection with any matter arising out of the operation of this Act or the Insurance Act, 2005.

(2) Without prejudice to the generality of subsection (1), as permitted under section 65(1) (c) of the Financial Services Regulatory Authority Act, 2010, the Authority may, where the person investigated is an insurer or reinsurer, issue any one or more of the following directives –

- (a) that the insurer or reinsurer shall not issue new policies or undertake liability under new contracts of insurance or reinsurance;
- (b) that the insurer or reinsurer shall not renew existing policies;
- (c) that the insurer or reinsurer shall not issue or accept policies in respect of a class of insurance or reinsurance business specified in the directive or undertake liability under contracts of insurance or reinsurance included in a class of contracts of insurance or reinsurance so specified; and
- (d) that the insurer or reinsurer shall not renew existing policies in respect of a class of insurance or reinsurance business specified in the directive.

(3) Without prejudice to the generality of subsection (1), the Authority may, where the person investigated is an insurer or reinsurer issue any one or more of the following directives –

- (a) that the insurer or reinsurer shall not dispose of or otherwise deal with an asset of the insurer or reinsurer, or an asset of the insurer or reinsurer included in a class of assets specified in the directive;
- (b) that the insurer or reinsurer shall dispose of an asset of the insurer or reinsurer included in a class of assets specified in the directive, in such manner and within such period after the giving of the directive, not being less than twenty-one (21) days, as the Authority so specifies;

- (c) that the insurer or reinsurer shall, within such period after the giving of the directive, not being less than twenty-one (21) days, as the Authority specifies in the directive, make in the accounts such provision or further provision as the Authority so specifies in respect of unearned premiums or claims or in respect of both unearned premiums and claims;
- (d) that the insurer or reinsurer shall, within such period after the giving of the directive, not being less than twenty-one (21) days, as the Authority specifies in the directive, adjust one or more of the reserves and make appropriate investment in connection with such reserve or reserves, as the case may be;
- (e) that the insurer or reinsurer shall make such arrangements with respect to reinsurance as so specified;
- (f) that the insurer or reinsurer shall increase, so far as it is able to do so, the paid up capital whether by calling up such uncalled capital as is available to be called up and otherwise;
- (g) that the insurer or reinsurer shall not, except with the consent of the Authority-
  - (i) enter into an arrangement or agreement for the sale or disposal of the business by amalgamation or otherwise or for the carrying on of the business in partnership with another body corporate; or
  - (ii) effect a reconstruction of the insurer or reinsurer.
- (h) that the insurer or reinsurer shall, within such period after the giving of the directives, not being less than six (6) months, as the Authority specifies in the directive, effect a reconstruction of the insurer or reinsurer.

(4) Where a body corporate in respect of whom a directive has been given under subsection (1), (2) or (3) is commenced to be wound up, the directive shall cease to have effect unless the court directs otherwise.

(5) If, as a result of a report by an investigator, the Authority considers that it is necessary in the interests of policy-holders that the person investigated be wound up, or if the person investigated fails to comply with any directive issued under this section, the Authority may, after giving the person investigated a reasonable opportunity of making representations, apply to the court for an order for the winding up of the person investigated, in which case the provisions of the Companies Act relating to the winding up of a company shall apply.

#### *Examination of reinsurance arrangements, treaties and other documents*

8. (1) The Authority may -

- (a) call upon an insurer or reinsurer to submit for examination, all reinsurance arrangements, treaties and other reinsurance contracts entered into by the insurer or reinsurer;
- (b) by notice in writing, require an insurer or reinsurer to supply the Authority with copies of any of the documents referred to in paragraph (a) certified by a principal officer of the insurer.

(2) If on the scrutiny of a document referred to in subsection (1) or otherwise the Authority considers that any reinsurance treaty, contract or arrangement or any terms or conditions therein are not favourable to the insurer or are not in the interests of the economy or the insurance industry or in the interests of policy holders, the Authority may in writing direct the insurer or reinsurer -

- (a) to make modifications in its terms and conditions of the contract as may specify, at the time of the renewal of the contract of a reinsurance contract;
- (b) not to renew the contract, if the terms and conditions of the contract are not favourable to the insure or are not in the interest of the economy of the Kingdom of Eswatini or the reinsurance industry or are not in the public interest.

(3) A person who fails to comply with, or contravenes any requirement imposed under this section commits an offence and shall, on conviction, be liable to the punishment specified under section 50 of this Act.

(4) In addition to the criminal proceedings envisaged under subsection (3), section 68 of the Financial Services Regulatory Authority Act, 2010 shall apply.

#### ***Investigations by the Authority***

9. (1) Where the Authority –

- (a) has reason to believe that –
  - (i) an offence under this Act or default in complying with any of the provisions of this Act, the Insurance Act, 2005, the Financial Services Regulatory Act, 2010 or any subsidiary legislation made under any of these Acts has been or is likely to be committed by a member of the insurance industry; or
  - (ii) the affairs of any member of the insurance industry are being conducted in a manner which is detrimental or prejudicial to the interests of that member, any policy-holder, the economy or the insurance industry; or
  - (iii) an insurer or reinsurer may be unable or is likely to become unable to meet that insurer's or reinsurer's obligations or, in the case of long term insurance business, to fulfil the reasonable expectation of policy-holders or potential policy-holders; or
- (b) receives a requisition signed by not less than one-tenth of the shareholders holding not less than one-tenth of the issued share capital of a reinsurer, that an investigation be held into the reinsurer's affairs, the Authority may cause investigations to be carried out.

(2) All expenses of, and incidental to, an investigation under this section shall be defrayed by the member of the insurance industry and if they are not paid by the member within a period of one month after the Authority makes a demand to the member, the unpaid expenses shall constitute a civil debt recoverable summarily by the Authority.

#### ***Appointment of investigators***

10. (1) The Authority may, in writing appoint an investigator to carry out an investigation as it considers appropriate for the due administration of this Act, and a person appointed as an investigator shall–

- (a) not be a disqualified person;
- (b) not have any interest in respect of the subject matter of the investigation; and
- (c) have the appropriate specialist skills and expertise to carry out the investigation.

***Powers of investigators***

11. (1) An investigator may, by notice in writing, require any person who is or has at any time been a director, managing director, secretary, principal officer, manager, officer, employee, agent, accountant, broker, auditor or actuary of the person being investigated to -

- (a) give to the investigator all reasonable assistance in connection with the investigation; or
- (b) appear before the investigator for examination concerning matters relevant to the investigation; or
- (c) produce any books or documents that relate to the affairs of the person being investigated.

(2) Where books or documents are produced to an investigator under this section, the investigator may take possession of them for such period as the investigator thinks necessary for the purposes of the investigation and may make copies of and take extracts from them, but shall permit a person who would be entitled to inspect any of them, if they were not in the possession of the investigator, to inspect at all reasonable times such of those books as that person would be so entitled to inspect.

(3) No person shall -

- (a) refuse or fail to comply with a requirement of an investigator that is applicable to that person, to the extent to which the person is able to comply with it; or
- (b) in purported compliance with such a requirement, furnish information or make a statement that the person knows to be false or misleading in a material particular; or
- (c) when appearing before an investigator for examination in pursuance of such a requirement, make a statement that the person knows to be false or misleading in a material particular; or
- (d) obstruct or hinder an investigator in the exercise of the investigator's powers under this Act.

(4) A person who acts in contravention of subsection (3) commits an offence and shall be liable, on conviction, to a fine not exceeding E10,000 (Emalangen ten thousand) and, in the case of a continuing offence, to a further fine of E5,000 (Emalangen five thousand) for every day or part thereof during which the offence continues.

(5) A person being examined by an investigator shall not be excused from answering a question put to that person by an investigator on the ground that the answer might tend to incriminate that person but, where the person informs the investigator before answering the questions that the answer might tend to incriminate the person, neither the question nor the answer shall be admissible in evidence against the person in criminal proceedings other than proceedings in relation to an offence under subsection (3).

***Protection for persons complying***

12. A person who complies with a requirement of an investigator under this Act shall not incur liability to any other person by reason only of that compliance.

***Reports by an investigator***

13. (1) An investigator may make one or more reports in writing to the Authority during the investigation of the whole or a part of the affairs of a person and shall, if so directed in writing by the Authority, make such reports as are specified in the directive.

(2) A report made on the completion of the investigation shall include –

- (a) a statement of the opinion of the investigator in relation to the grounds for investigation and the facts on which that opinion is based and recommendations made by the investigator;
- (b) the recommendations may be with respect to –
  - (i) the question whether the person investigated should continue to be permitted to carry on business;
  - (ii) any directives that should be given under section 15 to the person investigated;
  - (iii) the question whether the affairs of the investigated person should be reorganized; and
  - (iv) such other matters, affecting the person investigated or otherwise in the public interest in relation to the business carried on by the person investigated, as the investigator thinks fit.

(3) An investigator shall not include in a report a recommendation relating to the institution of criminal proceedings or a statement to the effect that, in the investigator's opinion that a specified person has committed a criminal offence.

(4) The Authority shall give a copy of a report made to the Authority under this section to the person investigated.

***Directives to person investigated***

14. (1) The Authority may, by notice in writing, require a person investigated to comply by such date or within such period as may be specified therein, with such directives as the Authority considers necessary in connection with any matter arising out of a report made under section 14.

(2) Without prejudice to the generality of subsection (1), the Authority may, where the person investigated is a member of the insurance industry, issue any one or more of the following directives –

- (a) that the member of the insurance industry shall not issue new policies or undertake liability under new contracts of insurance;
- (b) that the member of the insurance industry shall not renew existing policies;
- (c) that the member of the insurance industry shall not issue policies in respect of a class of insurance business specified in the directive or undertake liability under contracts of insurance included in a class of contracts of insurance so specified;
- (d) that the member of the insurance industry shall not renew existing policies in respect of a class of insurance business specified in the directive.

(3) Without prejudice to the generality of subsection (1), the Authority may, where the person investigated is a member of the insurance industry issue any one or more of the following directives, being that, the member of the insurance industry –

- (a) shall not dispose of or otherwise deal with any of its asset or an asset included in a class of assets specified in the directive;
- (b) shall dispose of an asset of the member included in a class of assets specified in the directive, in such manner and within such period after the giving of the directive, not being less than twenty- one (21) days, as the Authority so specifies;
- (c) shall, within such period after the giving of the directive, not being less than twenty-one (21) days, as the Authority specifies in the directive, make in its accounts such provision or further provision as the Authority so specifies in respect of unearned premiums or claims or in respect of both unearned premiums and claims;
- (d) shall, within such period after the giving of the directive, not being less than twenty-one (21) days, as the Authority specifies in the directive, adjust one or more of the reserves and make appropriate investment in connection with such reserve or reserves, as the case may be;
- (e) shall make such arrangements with respect to reinsurance or retrocession as the Authority so specifies;
- (f) shall increase, so far as the insurer is able to do so, the paid up capital whether by calling up such uncalled capital as is available to be called up or otherwise;
- (g) shall not, except with the consent of the Authority –
  - (i) enter into an arrangement or agreement for the sale or disposal of the business by amalgamation or otherwise or for the carrying on of the business in partnership with another body corporate; or
  - (ii) effect a reconstruction of the insurer or reinsurer; and
- (h) shall, within such period after the giving of the directives, not being less than six months, as the Authority specifies in the directive, effect a reconstruction of the insurer.

(4) Where a body corporate in respect of whom a directive has been given under subsection (1), (2) or (3) is commenced to be wound up, the directive shall cease to have effect unless the court directs otherwise.

(5) If, as a result of a report by an investigator, the Authority considers that it is necessary in the interests of policy-holders that the person investigated be wound up, or if the person investigated fails to comply with any directive issued under this section, the Authority may, after giving the person investigated a reasonable opportunity of making representations, apply to the court for an order for the winding up of the person investigated, in which case the provisions of the Companies Act relating to the winding up of a company shall apply.

### PART III LICENSING

#### *Prohibition of unlicensed reinsurers*

15. (1) A person shall not carry-on reinsurance business in the Kingdom of Eswatini unless that person is licensed as a reinsurer under this Act.

(2) Despite subsection (1), the Authority may, if satisfied that no licensed reinsurer is able, in any particular case, to provide policy benefits under a policy on equitable terms, grant an exemption to any reinsurer and reinsurance broker licensed in terms of this Act to source reinsurance outside Eswatini.

(3) A person who contravenes the provisions of this section commits an offence and is liable, on conviction, to a fine not exceeding two million Emalangeni (E2,000,000) or to imprisonment for a term not exceeding ten (10) years or both.

#### ***Application and Licensing of Reinsurers***

16. (1) In order to qualify for a licence as a reinsurer a person shall meet the following requirements-

- (a) the applicant shall be a public company registered in terms of the Companies Act, 2009;
  - (b) the primary business activity of the applicant shall be the conducting of reinsurance business and operations arising directly from the reinsurance business;
  - (c) at least 25% of the issued shares of the applicant shall held by a person who -
    - (i) if he is a natural person, is a citizen of Eswatini;
    - (ii) if he is a juristic person, then-
      - (aa) at least 51% of the issued voting share of that person is owned by a person who is a citizen of Eswatini;
      - (bb) at least 51% of the interest in that person is owned by a person who is a citizen of Eswatini;
      - (cc) Where the person is a retirement fund, at least 51% of its members must be citizens of Eswatini.
    - (iii) if an association of person established for the mutual benefit of its members only, at least 80% of its members must citizens of Eswatini and the aforementioned members must have a claim to at least 51% of the association assets.
  - (d) at least 25% of the directors of the applicant shall be citizens of Eswatini.
- (2) An application for licensing as reinsurer under this Act shall be accompanied by-
- (a) the Memorandum and Articles of Association endorsed by the Registrar of Companies under the Companies Act, 2009;
  - (b) a certificate of incorporation issued by the Registrar of Companies under the Companies Act, 2009; and
  - (c) a certificate of an actuary certifying that the intended business plan of the company covering a period of five (5) years is reasonable and would result in the company maintaining a sound financial position.

(3) The Authority may request an applicant to submit additional information as the Authority may require to make a decision.

(4) Where the Authority is satisfied that the person referred to in subsection (1) has complied with all the requirements under this section 16, the Authority may license that person and issue that person with a licence.

(5) The Authority may refuse to license a company as a reinsurer where-

- (a) the requirements under this section and sections 16 or any request that the Authority may have made in terms of subsection (3) have not been fulfilled;
- (b) the Authority considers it to be in the public interest; or
- (c) the Authority may attach any conditions to the licensing of a reinsurer that the Authority considers to be in the public interest.

(6) A reinsurer who intends to carry on an additional class of business shall apply for approval to the Authority.

***Additional requirements for licensing a reinsurer***

17. (1) A company shall not be licensed as a reinsurer unless it-

- (a) has in place the minimum paid up share capital as prescribed in the schedule.
- (b) proves, to the satisfaction of the Authority, that it-
  - (i) shall not carry on any business other than the business which generally pertains to reinsurance business or is a part of the normal activities of a reinsurance business;
  - (ii) has sufficient resources to enable it to conduct the business;
  - (iii) shall comply with the requirements of this Act and any conditions attached by the Authority to the licence; and
- (c) meets and shall continue to meet the capital adequacy requirements prescribed by the Authority.

(2) Each licensed reinsurer shall cede such portion of its paid-up capital as may be prescribed by regulation to the Authority and shall not withdraw the cession without the consent of the Authority.

***Cancellation of the licence of a reinsurer***

18. (1) The Authority may, cancel the licence of a reinsurer -

- (a) if the reinsurer has failed to commence carrying on reinsurance business within a reasonable period after licensing; or
- (b) if the Authority is satisfied that the reinsurer has ceased to carry on reinsurance business.

(2) The Authority may cancel the licence of a reinsurer to carry on reinsurance business if as a result of an investigation by the Authority, he has found cause to do so provided that no cancellation shall be carried out until the reinsurance business has been wound up in terms of section 49 of this Act.

(3) The Authority may cancel the licence of a reinsurer to carry on reinsurance business at the reinsurer's request provided that-

- (a) the reinsurer shall submit a scheme to the Authority setting out how he intends to address the expectations of current reinsured;
- (b) the Authority is satisfied that current reinsured and policyholders will not be prejudiced by such cancellation; and
- (c) the cancellation shall not be valid until all obligations to current reinsured and policyholders have been discharged.

(4) A court may order the cancellation of a reinsurer's licence to carry on reinsurance business if the court considers this to be in the public interest provided that no such cancellation shall be valid until the reinsurance business has been wound up in terms of PART VIII of this Act.

***Prohibition of unlicensed reinsurance brokers***

19. A person shall not carry on the business of a reinsurance broker unless that person is licensed under this Act and in the manner provided or prescribed in the regulations.

***Application for license as a reinsurance broker***

20. (1) A person who intends to carry on the business of a reinsurance broker shall apply to be licensed to conduct that business under this Act.

(2) Where the Authority is satisfied that-

- (a) the person has complied with all the requirements of the regulations and any other requirement imposed by this Act; and
- (b) the person has complied with any other request that the Authority has made, the Authority shall license that person as being authorised to carry on the business of a reinsurance broker and issue that person with a licence.

(3) Notwithstanding subsection (2), the Authority may refuse to licence a person where the Authority considers this to be in the public interest, and the Authority shall, in writing, inform the applicant of the reasons for the refusal.

(4) The Authority may impose any conditions in respect of a licence issued under this section that the Authority considers appropriate.

***Qualifying requirements for licensing as a reinsurance broker***

21. (1) A company shall not be licensed as a reinsurance broker unless-

- (a) the applicant is a company registered in terms of the Companies Act, 2009;
- (b) the applicant proves, to the satisfaction of the Authority, that the company-
  - (i) has sufficient resources to enable it to conduct the business;
  - (ii) shall comply with the requirements of this Act and any conditions attached by the Authority to the licensing; and

(iii) the applicant meets and will continue to meet capital adequacy requirements prescribed by the Authority;

(c) at least 51 % of the interest in the company shall be owned by one or more citizens of Eswatini; and

(d) a person who acquires an interest in the applicant, which results in that person either alone or together with affiliates or associates becoming a significant shareholder, shall notify the Authority of that acquisition and the acquisition shall be of no force until the Authority approves the acquisition, in writing.

(2) The Authority may attach any condition that the Authority deems to be in the public interest to any acquisition referred to in subsection (1)(d).

(3) The Authority may reject any acquisition that the Authority deems not to be in the public interest and may apply to the court for an order directing a person to dispose of that acquisition.

(4) Notwithstanding the provisions of subsection (1)(d), an insurer or any subsidiary, director or officer of a reinsurer, or any affiliate or associate of any such person, shall not, directly or indirectly, acquire an interest or hold shares in a reinsurance broker.

***Considerations pertaining to the licensing of reinsurance brokers***

22. Before issuing a licence to carry on the business of a reinsurance broker, the Authority shall ensure that the granting of the licence shall not be against public interest by considering whether-

(a) the officers of the applicant have sufficient knowledge and skill to operate the business as demonstrated by the curriculum vitae of each officer required to be submitted in terms of the regulations;

(b) the applicant has provided proof, to the satisfaction of the Authority, that it-

(i) is a company incorporated in terms of the laws of Eswatini whose main object is carrying on the business of reinsurance intermediation;

(ii) has sufficient resources to enable it to conduct and administer the business from its office in Eswatini;

(iii) meets and shall continue to meet the capital adequacy and solvency requirements prescribed by the Authority;

(iv) has a paid up share capital of fifty thousand (50,000) Emalangeni; and

(v) shall comply with the requirements of this Act and any conditions attached by the Authority to the licence;

(c) the name under which the applicant has requested to be licensed is-

(i) not identical or a close resemblance to the name of a person already licensed under this Act;

(ii) not a name containing the words "Royal" or "King" or any other word suggesting Royal patronage or support, unless the written consent of the King is obtained;

- (iii) not a name containing the word "Government" or "National" or any other word suggesting Government patronage; or
- (iv) not likely to mislead the public;
- (d) the directors and officers of the applicant meet the fit and proper requirements prescribed by the Authority;
- (e) the applicant has not entered into an agreement relating to the preferential offer of reinsurance business with any person conducting a reinsurance business such as to impair the impartiality of the applicant in placing reinsurance business.

***Cancellation of the licence of a reinsurance broker***

23. (1) The Authority may cancel the licence of any reinsurance broker where the Authority determines that the reinsurance broker has-

- (a) ceased to carry on a reinsurance business in Eswatini;
- (b) requested in writing the cancellation of the licence;
- (c) failed to commence operations within twelve months following the granting of a licence;
- (d) not adhered to the terms and conditions of the licence; or
- (e) acted in contravention of any of the provisions of this Act or other applicable law.

(2) The Authority shall give a reinsurance broker a notice of 30 days, in writing, before cancelling the reinsurance broker's licence and may defer the cancellation for a period determined by the Authority.

(3) After cancelling the licence of a reinsurance broker, the Authority shall publish a notice of the cancellation in the Gazette and any newspaper of general circulation in Eswatini.

(4) A reinsurance broker shall cease to carry on reinsurance business immediately upon being informed by the Authority of the cancellation of its licence.

(5) Notwithstanding subsections (1) and (2), where it appears to the Authority that there are justifiable reasons to do so, the Authority may impose restrictions on the activities of a reinsurance broker for a specified period, after which period the Authority may-

- (a) remove or vary the restriction if the Authority is satisfied that the conditions referred to in subsection (1) have ceased to exist; or
- (b) cancel the licence of the reinsurance broker as provided for in this section.

**PAR T IV**

**DIRECTORS, OFFICERS OF REINSURERS AND REINSURANCE BROKERS**

***Fit and proper requirements***

24. (1) A person shall not be a director, or an officer or member of an insurance industry regulated in terms of this Act where -

- (a) that person has been convicted by a court of an offence involving fraud, dishonesty, money laundering or any financial crime, unless the Authority considers the person to be rehabilitated; or

- (b) that person is an unrehabilitated insolvent.
- (c) that person is deemed to be incompetent or lacks the relevant training and experience required by the Authority.

(2) Where the Authority finds that a person is disqualified as envisaged in subsection (1) or that the person is not fit and proper in terms of this Act or any other law, the Authority shall-

- (a) prohibit the person from participating in the insurance industry;
- (b) notify the member of insurance industry, the public and the person who is the subject matter of the decision to be taken; and
- (c) direct the entity to submit an alternative appointment in the place of that person.

***Authority to approve certain appointments and terminations***

25. (1) A reinsurer and a reinsurance broker shall submit applications for approval of key persons to the Authority, and the appointment of the key persons listed below shall not take effect unless approved by the Authority in writing-

- (a) significant owners;
- (b) directors;
- (c) officers; and
- (d) any other person as determined by the Authority.

(2) The Authority may prescribe governance principles and requirements relating to-

- (a) actuarial function;
- (b) compliance function and anti-money laundering function;
- (c) risk management function; and
- (d) internal audit function.

(3) The Authority shall also approve the outsourcing of any of the functions stated in subsection

(2) and the application for the approval shall be accompanied by documents prescribed by the Authority.

(4) The Board of Directors shall be responsible for ensuring the proper performance of any outsourced functions.

(5) A reinsurer and a reinsurance broker shall inform the Authority within 14 days in writing, of the termination of the services of-

- (a) a director;
- (b) officer;
- (c) key person; and

- (d) a provider of supplemental reinsurance services and furnish the Authority with the reasons for the termination.

## PART V REINSURANCE BUSINESS

### *Limitations on ownership of reinsurers*

26. (1) A person shall not acquire shares in a reinsurer that would result in that person, either alone or together with affiliates and associates, becoming a significant shareholder of the reinsurer, increasing the voting power of a significant shareholder who does not already control the reinsurer, or acquiring control of the reinsurer without approval of the Authority.

(2) Approval under subsection (1) shall not be granted where –

- (a) the applicant or the significant shareholder is not fit and proper;
- (b) it would be contrary to the interests of the policyholders or the reinsured; and
- (c) it would be contrary to the public interest.

(3) Where the Authority is of the opinion that the retention of a particular shareholding by a particular significant shareholder is prejudicial to the reinsurer, the interests of the policyholders or the insurance industry, the Registrar may, by notice in writing –

- (a) require that shareholder to reduce, within a period set down by the Authority, such shareholding to a percentage of the stated capital of the insurer below that qualifying the shareholder as a significant shareholder; and
- (b) limit the voting rights that may be exercised by that shareholder to a percentage of the voting rights attached to all the amount subscribed in respect of the stated capital of the insurer below that qualifying him as a significant shareholder.

(4) A person who fails to comply with a notice issued under subsection (3), commits an offence and shall on conviction be liable to a fine not exceeding E10,000 (Emalangen ten thousand)

### *Appropriate reinsurance arrangements*

27. (1) A reinsurer shall submit reinsurance arrangements for the approval of the Authority.

(2) The Authority shall not approve arrangements for reinsurance made or proposed to be made unless the amount of premium and commission to be paid or the manner in which the amount of premium and commission are to be paid are specified in the contract of reinsurance.

(3) The Authority shall not approve arrangements for reinsurance where, in the opinion of the Authority, the retention limits are too low or too high.

(4) The Authority may, in determining whether to approve arrangements for reinsurance made, or proposed to be made, by an insurer, have regard to all matters that the Authority considers relevant and in particular: -

- (a) the class or classes of reinsurance business carried on or proposed to be carried on by the insurer or reinsurer;
- (b) the amount of premiums received by or due to the insurer or reinsurer during the insurer's last preceding financial year in respect of each class of reinsurance business carried on by the insurer or reinsurer;

- (c) the amount of premiums expected by the insurer or reinsurer during the next financial year in respect of each class of the insurer or reinsurance business to be carried on by the insurer or reinsurer;
- (d) the size of contingency loading which can be built into the premium rates of the insurer or reinsurer;
- (e) the amount of reinsurance commissions received by or due to the insurer or reinsurer during the last preceding financial year in respect of each class of reinsurance business carried on by the insurer or reinsurer;
- (f) the amount of reinsurance commissions expected to be received by the reinsurer during the next financial year in respect of each class of insurance business to be carried on by the insurer or reinsurer;
- (g) the price of reinsurance;
- (h) the nature and value of the assets of the insurer or reinsurer;
- (i) the capital reserves of the insurer or reinsurer and cost of servicing capital, investment policy and investment income;
- (j) probability, number and size of losses expected and risk characteristics of the insurer or reinsurer's portfolio;
- (k) inter-dependence of exposure units; and
- (l) the person or persons by whom the insurer or reinsurance is or is proposed to be undertaken.

(5) The Authority, having regard to such matters as the Authority considers relevant, may, by notice in writing, exempt a reinsurer, subject to such terms and conditions and for such period as the Authority specifies in the notice, from the requirements of subsection (1).

#### ***Right to reinsure***

28. (1) A reinsurer or insurer may reinsure all or part of the risks the reinsurer or insurer has accepted under a reinsurance contract.

(2) A reinsurer or insurer may enter into an agreement to reinsure risks undertaken by it with a reinsurer of adequate standing, taking into account the considerations of safety and financial soundness when such an agreement is made in the ordinary course of business.

(3) The Authority shall carry out research and disseminate information in the field of insurance and reinsurance business including the safety and soundness of the insurance and reinsurance business.

(4) Reinsurance contracts shall contain the minimum stipulations as determined by the Authority.

(5) In the case of reinsurance arranged through a reinsurance intermediary, the contract shall not contain any stipulation which prohibits any direct relationship between the insurer and the reinsurer.

#### ***Modification in insurers net retention***

29. (1) A reinsurer shall inform the Authority within thirty days of any modification in the amount of its net retention, in all classes of business which it undertakes.

(2) Where the Authority considers the retention submitted under subsection (1) not to be in accordance with the financial standing of the reinsurer it may request an explanation of the technical or other reasons for establishing these retentions, and on the basis of the explanation, the Authority may order the adjustment of the net retention to levels prescribed in the Regulations.

***Prohibition of contracts with certain reinsurance companies***

30. The Authority may -

- (a) after receiving reliable information that a reinsurance company –
  - (i) cannot meet the reinsurance claims;
  - (ii) has doubtful integrity in its business dealings; or
- (b) for any other reasonable cause, prohibit insurance companies and reinsurance companies from entering into reinsurance contracts with that company.

***Negotiations not to be in personal capacity***

31. An agent, director, administrator, employee or shareholder of a reinsurance broker shall not negotiate or intervene in the placement of reinsurance in that person's personal capacity.

***Mandatory cessions***

32. (1) An insurer shall, in accordance with the terms of, and with effect from a date specified in, a notice issued by the Authority, cede in reinsurance to local companies (as defined under section 15(3) of the Companies Act, 2009 whose principal business is reinsurance business a certain percentage of the reinsured business in the Kingdom of Eswatini by the insurer.

(2) The Minister may from time to time by notice in the Gazette, specify the class or classes of insurance business and the percentage of the reinsured business in respect of each class of insurance business to be ceded by every insurer.

(3) The provisions of subsection (1) shall not affect the right of a local reinsurer to accept or decline all or any part of the minimum reinsurance cessions offered to be placed by any insurer.

(4) Where local companies, acting individually, have declined the compulsory cession as permitted under subsection (3), two or more local companies in the insurance or reinsurance industry or combination thereof may core insure or take up the cession in percentages agreed amongst the companies.

(5) An insurer who fails to comply with subsection (1) commits an offence.

## PART VI FINANCIAL MATTERS AND RELATED ISSUES

***Submission of audited financial statements and returns***

32. (1) A reinsurer and reinsurance broker shall submit its annual audited financial statements as stipulated in the regulations.

(2) A reinsurer and reinsurance broker licensed under this Act shall, within sixty days from date of the quarter end submit to the Authority returns as prescribed by the Authority.

(3) The annual audited financial statements and returns shall be accompanied by such documents and information as the Authority may require.

***Appointment, powers and duties of an auditor***

34. (1) A reinsurer and a reinsurance broker shall appoint an auditor for its business.

(2) An appointment of an auditor shall not take effect unless it has been approved by the Authority.

(3) An application for approval of the appointment of the auditor shall be submitted in the manner and form prescribed by the Authority.

(4) The Authority shall not approve a person as an auditor of a reinsurer or reinsurance broker of which the person is a director or officer.

(5) The Authority may withdraw the approval of an auditor's appointment if the Authority becomes aware of any information which indicates that the auditor's appointment might prejudice the reinsured or policy holders.

(6) Where a reinsurer or reinsurance broker terminates the appointment of an auditor, the auditor shall, within thirty (30) days, submit a report to the Authority stating-

- (a) whether the auditor is aware of any irregularity, financial or otherwise, pertaining to the reinsurer or reinsurance broker;
- (b) particulars of the irregularity; and
- (c) the reason, if any, advanced by the reinsurer or reinsurance broker for the termination of the appointment.

(7) The auditor shall ensure that every financial statement of the reinsurer or reinsurance broker fairly reflects the true financial position of the entity and is drawn up in accordance with International Financial Reporting Standards.

(8) The auditor shall inform the Authority and the board of directors of a reinsurer or reinsurance broker, in writing, of any irregularity that the auditor considers harmful to the interests of the reinsured or policyholders or may lead to financial loss if not rectified and the auditor shall also express an opinion on-

- (a) the reinsurer's or reinsurance broker's compliance with capital adequacy and solvency requirements
- (b) the reinsurer's compliance with the requirements regarding the cession of capital to the Authority; and
- (c) the adequacy of the reinsurance broker's controls on the client account and confirmation that no business expenses were paid from such account.

(9) A director or officer of a reinsurer or reinsurance broker shall not hinder an auditor in the performance of the duties of the auditor and shall provide any information requested by the auditor.

***Appointment, powers and duties of valuator***

35. (1) A reinsurer shall appoint an actuary as a valuator and that appointment shall be of no force unless approved by the Authority.

(2) An application for approval of the appointment of the valuator shall be submitted in the manner and form prescribed by the Authority.

(3) The Authority shall not approve a person as the valuator of a reinsurer of which the person is a director.

(4) The Authority may withdraw the approval of a valuator's appointment if the Authority becomes aware of any information which indicates that the valuator's appointment may prejudice reinsured or policyholders or the financial condition of a reinsurer.

(5) A director or officer of a reinsurer shall not hinder a valuator in the performance of the duties of the valuator and shall provide any information requested by the valuator.

(6) If a reinsurer terminates the appointment of a valuator, the valuator shall within thirty (30) days submit a report to the Authority stating-

- (a) whether the valuator is aware of any irregularity, financial or otherwise, pertaining to the reinsurer;
- (b) particulars of the irregularity; and
- (c) the reason, if any, advanced by the reinsurer for the termination of the appointment.

(7) A valuator shall inform the Authority and the Board of Directors of a reinsurer, in writing, of any irregularity that the valuator is aware of that the valuator considers harmful to the interests of the reinsured or policyholders or the financial condition of the reinsurer.

(8) The valuator shall be required to perform the duties prescribed in the Act and to certify documents to be submitted to the Authority.

#### ***Assets***

36. (1) Assets of a reinsurer which have been pledged or encumbered in any way shall be recognized as assets by the Authority only to the extent that their value exceeds the amount pledged or the encumbrance.

(2) A reinsurer shall maintain separate registers of assets in respect of its long or short-term reinsurance business.

(3) A reinsurer shall maintain separate records in respect of the assets of each class of reinsurance business.

(4) For the purposes of subsection (3), the Authority may accept estimates to be used for reporting periods where valuations have not been done.

#### ***Investment of assets of a reinsurer***

37. A reinsurer shall ensure that assets in respect of its reinsurance business are invested in accordance with the regulations.

#### ***Prohibition of use of assets***

38. A reinsurer shall not, without the approval of the Authority-

- (a) encumber its assets;
- (b) allow its assets to be held in the name of another person on its behalf;
- (c) borrow money directly or indirectly;

- (d) issue a guarantee or create for itself any obligations under a surety; or
- (e) invest in derivative instruments, except for the purpose of reducing risk.

***Valuation of liabilities for reinsurance***

39. (1) The valuator appointed by a reinsurer under this PART shall perform an actuarial valuation of the reinsurer as at the end of each financial year, and at any other date that may be required by the Authority.

(2) The valuation report shall be submitted to the Authority not later than six months after the end of the reinsurer's financial year or as specified and/or directed by the Authority.

(3) The Authority may extend the period contemplated in subsection (2) where a request is made in writing by the reinsurer.

(4) The valuation report contemplated in subsection (1) shall be in accordance with International Financial Reporting Standards and the regulations.

(5) The Authority may reject a valuation report contemplated in subsection (2) where, in the opinion of the Authority, the valuation report does not accurately reflect the financial position of the reinsurer.

***Maintenance of a financially sound condition***

40. (1) A reinsurer shall at all times-

- (a) maintain its business in a financially sound condition in accordance with the capital adequacy and solvency requirements; and
- (b) observe corporate governance and risk management principles.

(2) A reinsurer shall, within thirty (30) days of becoming aware that it has failed to comply with subsection (1), inform the Authority of the failure.

(3) A reinsurer shall not create a distributable reserve or pay a dividend-

- (a) where the reinsurer fails to comply with the provisions of subsection (1) (a) or,
- (b) where the creation of the distributable reserve or payment of the dividend would result in the reinsurer not being able to comply with subsection (1) (a).

(4) A reinsurer shall, as part of its risk management strategy, have in place reinsurance policies and adequate reinsurance, and perform own risk and solvency assessments.

***Failure to maintain a financially sound condition***

41. (1) Where a reinsurer fails to comply with section 40 or where the Authority is of the opinion that the reinsurer might fail to comply with section 40, the reinsurer shall provide the Authority with-

- (a) information explaining the reasons for the failure or likely failure; and
- (b) a scheme to restore its compliance with section 40 or to avert failure to comply with section 40.

(2) The Authority may require the reinsurer to make any amendments to the scheme contemplated in subsection (1).

(3) The Authority may attach any conditions to the licence of the reinsurer after considering the failure to comply with section 40 and any scheme contemplated in subsection (1).

(4) The Authority may, after considering the scheme-

(a) authorise the reinsurer to proceed to implement the scheme; or

(b) act against the reinsurer in terms of Part VII where the Authority considers this to be in the policyholders' interest."

## **PART VII AMALGAMATION OF BUSINESS**

### ***Authority to approve any amalgamation of business between reinsurers***

42. Any agreement between two or more reinsurers which will result in the transfer of all or part of the business from one reinsurer to another shall be of no legal force unless the Authority has approved the agreement and his decision has been made an order of the court.

### ***Obligation pertaining to Application***

43. (1) The parties to an agreement referred to in section 42 shall, at least 30 days before lodging an application with the Authority, publish notice of their intention in any newspaper of general circulation in Eswatini.

(2) Any person may make written representations to the Authority within 25 days of the publication of the reinsurer's notice referred to in subsection (1).

(3) The reinsurer shall supply the Authority any further information that the Authority may require.

(4) The Authority may cause an investigation to be made where the Authority considers such to be necessary.

(5) Where the Authority is satisfied that the proposed agreement is;

(a) not against the policyholder's or;

(b) reinsured interest or;

(c) that of the insurance industry;

(6) The Authority shall approve the transaction and apply to the court to have transaction made an order of the court.

### ***Withholding of Approval***

44. (1) An approval shall not be granted where the requirements prescribed this Part have not been satisfied.

(2) An application under this Part shall not be approved where the application is inconsistent with this Act.

***Variation of Approval***

45. (1) A court may vary any approval which has been granted by the Authority

(2) The approval endorsed by the court shall be binding to all parties to the transaction.

(3) The Companies Act, 2009, shall be applicable to any transaction which has been approved by the court.

***Costs of Application***

46. The costs incurred by the Authority under this Part shall be borne by the parties to the agreement.

***Authority to approve acquisition of interest in the reinsurer***

47. (1) A person who intends to acquire an interest in a reinsurer which will result in him, or him and his associates, acquiring more than 25% of all the shares in the reinsurer shall notify the Authority of his intended acquisition and such acquisition shall be of no force or effect unless the Authority has approved the acquisition in writing.

(2) The Authority may attach any condition deemed to be in the public interest to any acquisition referred to in subsection (1).

(3) The Authority may reject any acquisition deemed not to be in the policyholder's or public interest.

## PART VIII JUDICIAL MANAGEMENT AND WINDING UP

***Application for judicial management or winding up of a reinsurer***

48. Notwithstanding the generality of the provisions of section 71 of the Financial Services Regulatory Authority Act, 2010, the Authority, a creditor of a reinsurer or the reinsurer may apply to the Court for an order to have the reinsurer placed under judicial management or wound up.

## PART IX FINAL PROVISIONS

***Regulations***

49. (1) The Minister, in consultation with the Financial Services Regulatory Authority and any other person the Minister deems fit, may make regulations to give effect to the objects and provisions of this Act.

(2) Regulations made under this Act may provide for offences and the imposition of penalties.

***Offences and penalties***

50. A person who fails or refuses to comply with or who contravenes a provision of this Act or subsidiary legislation made under this Act commits an offence, and where a punishment is not expressly provided, shall be liable, on conviction, to a fine not exceeding E500, 000 (Five hundred thousand Emalangeni) or to imprisonment to a period not exceeding ten (10) years or both.

*Transitional provisions*

## 51. A person who –

- (a) was carrying on reinsurance business immediately before the commencement of this Act and was licensed by the Financial Services Regulatory Authority and has within a period of thirty (30) days of such commencement informed the Authority of that person's intention to continue such business, shall, at the discretion of the Authority be granted a temporary licence which shall expire twelve (12) months after the commencement of this Act;
- (b) who was carrying on reinsurance business immediately before the commencement of this Act and was licensed by the Financial Services Regulatory Authority and has been granted a temporary licence in terms of paragraph (a), shall apply for licensing as a reinsurer in terms of Part III of this Act within sixty (60) days of being granted a temporary licence; or
- (c) who has not been granted a temporary licence in terms of paragraph (a) may apply for licensing as a reinsurer in terms of Part III of this Act.

THE NATIONAL PAYMENTS SYSTEM ACT, 2023

(Act No. 5 of 2023)



**I ASSENT**

**MSWATI III**  
**KING OF THE KINGDOM OF**  
**ESWATINI**

....., 2023

**AN ACT**  
**ENTITLED**

**AN ACT** to provide for the regulation and supervision of payment systems; the safety and efficiency of national payments system; the functions of the Central Bank in relation to payment systems; the prescription of rules governing the oversight and protection of payment systems; the financial collateral arrangements; the regulation of payment services providers; the implementation of regional integration of the national payment system of the Kingdom of Eswatini; the repeal the National Clearing and Settlement Systems Act No. 17 of 2011 and incidental matters.

**ENACTED** by the King and Parliament of the Kingdom of Eswatini.

**ARRANGEMENT OF SECTIONS**

**PART I**  
**PRELIMINARY PROVISIONS**

1. Short title and commencement
2. Interpretation

**PART II**  
**ESTABLISHMENT OF NATIONAL PAYMENTS SYSTEM**

3. Establishment of National Payment System

**PART III**  
**MANDATE, FUNCTIONS AND POWERS OF THE BANK**

4. Mandate and functions of the Bank
5. Operational functions of the Bank
6. Cooperation with other stakeholders
7. Cooperation between regulators