

The Honourable Minister of Finance and Development Planning, Mr. Baledzi Gaolatlhe,

The Honourable Deputy Minister MFDP, Mr Samson Guma

The Permanent Secretary, MFDP, Mr. Serwalo Tumelo

Chairperson of CISNA, Mrs. Nasama Masinda and your Committee

CISNA Representatives from the various SADC member states

Distinguished Guests

Ladies and Gentlemen

1. Director of Ceremonies let me take this opportunity to first welcome our important guests from neighbouring SADC member states to our beautiful country and welcome you all to this Welcome Cocktail to mark the first CISNA meeting for 2008.
2. On behalf of the Botswana IFSC, I am both delighted and honoured to be hosting you tonight. Botswana IFSC's interest in CISNA activities is not misplaced, but rather deliberate. Allow me to deviate momentarily and elucidate the Botswana IFSC's motivation to hosting you this evening.
3. Notwithstanding Botswana's relative macro-economic success, the country continues to rely heavily on the diamond led mining sector. The Government of Botswana has responded to this challenge, by developing an economic diversification programme, which targets sectors with the potential to make significant contributions to economic activity. Some of the sectors identified are tourism, ICT, mining industry beneficiation and the financial services.

4. A significant step to the development of the financial sector was the establishment of the Botswana IFSC, which was created to develop the cross-border financial services sector to leverage on Botswana's solid macro-economic strengths and political stability. The IFSC's key objectives is to generate substantive activity that deepens the sophistication of our financial sector, generate employment, and transfer of new skills and technology.
5. Director of Ceremonies, in recognition of the fact that these initiatives need to be supported by appropriate legal and institutional frameworks, Botswana Government has embarked upon financial sector legislative reform, to align the financial services sector with international best practice, in order to enhance the industry's global competitiveness and to strengthen the soundness of the sector's regulatory environment.
6. In 2005 the Government of Botswana introduced the new insurance legislation, the International Insurance Act. In March this year, enabling regulations to support and fortify this legislation were published. Botswana Government has further taken steps to enhance the scope of regulatory oversight of the non-banking financial institutions sector, inclusive of the offshore insurance business by establishing an autonomous Non-Banking Financial Institutions Regulatory Authority.
7. The International Insurance Act is intended to provide the regulatory framework necessary to establish Botswana as a competitive location, from which international insurance services can be rendered to non resident companies and individuals in major convertible currencies. This legislation enables and facilitates the carrying out of a wide range of cross border

insurance activities such as reinsurance, insurance brokerage and captive insurance operations.

8. The International Insurance legislation enables the Regulatory Authorities in Botswana to adequately address prudential and supervisory concerns of cross border insurance activities, in order to protect the integrity of the registered insurance businesses and that of the host jurisdiction. This framework legislation will at the same time, provide the operational flexibility required for Botswana to build her competitiveness as an international insurance domicile.
9. Director of Ceremonies, international insurance activity has contributed to the success of financial centres around the world and the centres such as Bermuda, Isle of Man and Dublin have evolved into successful financial centres aided by international insurance activities, amongst other cross border financial services.
10. Botswana's new International Insurance legislation has competitively positioned the Botswana IFSC into providing international insurance services to the African and international market and take advantage of other opportunities that may exist within the industry globally. Botswana's competitiveness as an attractive international insurance domicile is further strengthened by Botswana's strong socio-economic fundamentals and the country's good standing in the international financial community.

11. Director of Ceremonies, I am reliably informed that CISNA meets twice a year, and this is the first meeting of 2008. These meetings bring together SADC member states consisting of regulators of capital markets, insurer companies, retirement funds, collective investment schemes and providers of intermediary services in SADC.
  
12. CISNA is charged with establishing sound regulatory frameworks, to promote and maintain confidence in the financial systems in the SADC region. Its main objective is also to promote the creation of a comprehensive and harmonised regulatory framework in capital markets, investment services, and insurance and retirement funds.
  
13. These noble objectives are the vital ingredients required to nurture a secure, transparent and dependable environment for international investors to have the confidence and faith to transact in the SADC region. For the Botswana IFSC such an environment would enable us to position as a safe, secure and competitive domicile for the international insurance market.
  
14. Director of Ceremonies, Ladies and Gentlemen, let me end by once again extending a warm welcome to you all. I wish you a wonderful evening and wish you a fruitful meeting.

**PULA! PULA! PULA!**