



Reference: Annual General Meeting (“AGM”), Special General Meeting (“SGM”) & Trustee election notification.

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CIRCULAR 15 OF 2018: SCHEMES NOTIFICATION FOR CONDUCTING SCHEME MEETINGS AND ELECTIONS.

BACKGROUND

The Council for Medical Schemes (CMS) is enjoined to protect the interests of the beneficiaries at all times. To this end, the CMS monitors medical schemes’ compliance with rules and the provisions of the Medical Schemes Act, No. 131 of 1998 (the Act) as well as other legislation relating to medical schemes.

The CMS continues to monitor medical schemes’ general meetings, especially against the background of incidents where meetings have previously been disrupted by members who were disgruntled with the process that schemes follow in convening general meetings; as well as meetings convened contrary to the rules of the scheme, and elections conducted in a questionable manner.

The Registrar of Medical Schemes (“the Registrar”) has, based on findings from medical scheme monitoring and inspection initiatives, and with the concurrence of the Council for Medical Schemes and the Minister of Health, declared some practices related to medical scheme practices, irregular and undesirable. Please click on the link below to view the [Notice of Declaration of Undesirable Business Practice no.41299](#)

PURPOSE OF THIS CIRCULAR

This circular forms part of a periodic call on all medical schemes to notify the CMS in writing:

- a) of a date on which a medical scheme intends to hold an AGM or SGM;
- b) of a date on which a medical scheme intends to hold trustee elections;
- c) about information regarding the costs to be incurred, and geographical area in which the scheme intends to hold its AGM, SGM or trustee election; and

This circular also reminds medical schemes about Notice 943 of 2017 dealing with the election of trustees, which was published in a government gazette on 5 December 2017.

NOTIFICATION PROCESS

1. All medical schemes are required at the beginning of every year to give written notice to the CMS *20 days before issuing notices to members, convening a meeting in terms of the scheme rules*, of a date on which they intend to hold an SGM, or AGM, or trustee election.
2. The notification shall:
 - a) state the date on which the meeting or elections will be held;
 - b) contain a framework that shall be followed by the medical scheme to convene and hold such meeting or elections, such framework must have a timeline illustrating adherence to the notice periods stipulated in the rules of a medical scheme;
 - c) state measures that a scheme intends to put in place to protect and secure the venue on the day of the meeting or elections; and
 - d) **Contain a detailed budget estimate that a medical scheme plans to expend in the holding of such meeting or elections.**
3. All medical schemes shall provide the CMS with an electronic copy of the notification as well as a meeting pack for such AGM or SGM or elections that each medical scheme sends to its members.

EFFECTIVE DATE

Medical Schemes are required to submit the required information to the CMS by **23 March 2018**. The purpose for requesting information regarding the dates prior to the schemes issuing the AGM notifications, is to allow the CMS ample time to publish such information on social media platforms as a way of encouraging medical scheme members to participate in such meetings.

Schemes are reminded to notify the CMS of their respective meetings 20 days before convening the AGM or SGM meeting, and 20 days before commencing with a call for nominations for trustee elections.

All correspondence regarding AGMs, SGMs or trustee elections must be directed to agm@medicalschemes.com.

This Circular is effective upon the date of release.



MR. STEPHEN MMATLI
GENERAL MANAGER: COMPLIANCE & INVESTIGATIONS
COUNCIL FOR MEDICAL SCHEMES