



CIRCULAR

FOR RELEASE ON
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Reference : 2012 Annual Statutory Return
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Circular 17 of 2013: Annual Statutory Returns for the financial year ended 31 December 2012

The Office of the Registrar of Medical Schemes (Office) has finalised the 2012 Annual Statutory Return online system, which is now available on our website (<https://www.medicalschemes.com>Returns/login.aspx>). We apologise for the inconvenience caused by the delay in the finalisation of the online system.

Please note that the statutory deadline for the submission of the 2012 Annual Statutory Return has been extended to 17 May 2013.

However, it should be noted that the Word document will only be available by 26 April 2013, i.e. schemes will not be able to generate draft or final documents before then. A circular will be published notifying schemes of the availability of this document.

Schemes should note that due to the Office's relocation, system downtime could be experienced from 15 May 2013 to 22 May 2013. Therefore, all schemes should ensure that the electronic submission of the online return is completed by 14 May 2013.

These potential delays have been built into the revised submission deadline.

Any submissions before 17 May 2013, including late submissions on 20 May 2013, should be made at the current Offices of the Registrar at Hadevelds Office Park Block E, 1267 Pretorius Street, Hatfield.

Any late submissions from 21 May 2013 onwards would need to be made at our new Office at Eco Glades 2 Office Park Block A, Cnr Witch-Hazel and Olivenhoutbosch Road, Highveld Techno Park, Centurion.

Schemes are referred to the 2012 Annual Statutory Return Help File, for detailed guidance on the completion of the Annual Statutory Return.

In terms of Section 37 of the Medical Schemes Act 131 of 1998 (Act), two sets of the following signed documentation must be physically submitted to the Office of the Registrar, to ensure a complete submission:

- 2012 Annual Statutory Return – with the watermark “Final for Signature MM/DD/YYYY”;
- 2012 audited Annual Financial Statements;
- Board of Trustees’ Report;
- If applicable, the letter of comfort from the administrator*;
- The auditor’s management report to the Board of Trustees on the 2012 audit findings (the said report should include housekeeping issues for the scheme’s attention); and
- Detailed investment schedules including a breakdown of all the underlying assets per institution. Please also refer to Circular 7 of 2005 in this regard (<http://www.medicalschemes.com/files/Circulars/Circular7of2005.pdf>).

**Where self-administered schemes pay any administration or co-administration fee, a letter of comfort from the relevant party must also be submitted.*

The Principal Officer, Chairperson and one other trustee signatory must sign these documents, as is required in terms of Section 39 of the Act. Kindly note that the investment schedules should also be signed off by the Principal Officer.

The auditors are required to sign off on Parts 4-10, as well as on Part 11 of the Annual Statutory Return. The auditors are also referred to the Guidelines issued on 21 February 2013 and 22 January 2010 respectively, which contain the templates for the two required audit reports as per Part 11 of the return.

The Office further requires the auditor’s report on the financial statements to be on the auditor’s letterhead.

Kindly note that the Office will regard the submission of the Annual Statutory Return documentation as incomplete if any of the documents are not signed as required. In this regard, it is important to note that the signing authority of a Principal Officer and/or Chairperson can only be delegated to a suitable person appointed by the Board of Trustees. Further, the appointment of an acting Principal Officer should be in line with the provisions of Section 57(4) of the Act, and the appointment of an acting Chairperson in line with the rules of the scheme. Where applicable, a copy of the signed Board of Trustee resolution, where another person was appointed, should accompany the Annual Statutory Return submission.

In order to provide guidance regarding the completion of Part 9(a): Assets Held in the Republic in Terms of Regulation 30 of the Act in Conjunction with Annexure B to the Regulations, the Office published lists of assets per category on our website. Please note that these lists serve as a guideline only as the scheme will have more details available in respect of specific investments and the nature of the underlying assets. Please refer to our website (<http://www.medicalschemes.com/Publications.aspx>) for the following guidelines on the categorisation of assets in terms of Annexure B as at 31 December 2012:

- Categorisation of registered banks for Annexure B purposes as at 31 December 2012;
- JSE listed securities as at 31 December 2012: classification for Annexure B purposes;
- BESA listed instruments as at 31 December 2012: classification for Annexure B purposes;
- List of authorised financial service providers as at 31 December 2012; and
- List of registered insurers as at 31 December 2012.

Kindly note that only Financial Advisory and Intermediary Services (FAIS)-registered entities are allowed to manage investments on behalf of a medical scheme. Investments managed by these registered entities should be accounted for in such entities' registered names in Part 1.4 question 6(h) and Part 9(b). Schemes are referred to the guideline listing all the registered financial service providers (as mentioned above), as well as to the website of the Financial Services Board (FSB) (www.fsb.co.za) for more detail on registered entities.

Your attention is drawn to the provisions of Section 66(3) of the Act, in terms of which any medical scheme which fails to furnish the Registrar with the prescribed documentation shall be liable to a penalty of R1,000 (one thousand rand) for every day that the failure continues. Please note that the deadline applies to the receipt of the signed documents by the office and not merely the electronic submission.

Your cooperation will be highly appreciated.

Yours sincerely



Tebogo Maziya
Head: Financial Supervision