



CIRCULAR

Reference: 2018 Quarterly Statutory Return
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Circular 27 of 2018: Quarterly Statutory Returns Submission for 2018

The Council for Medical Scheme (CMS) would like to inform all Principal Officers and statutory return users of the 2018 quarterly statutory return online program which will be available on our website (<http://www.medicalschemes.com/returns/login.aspx>) as of 8 June 2018.

The following signed documentation must be physically submitted to CMS to ensure a complete submission:

- Two (2) quarterly return documents – indicating “Final DD/MM/YYYY”;
- Two (2) sets of monthly management accounts; and
- Detailed investment schedules, including a breakdown of all the underlying assets per institution. The detailed investment schedules must reconcile back to the third-party investment statements, copies of which must also be included in this submission. Please also refer to Circular 7 of 2005 in this regard.

Circular 27 of 2014 refers -Schemes should notify the Office of any changes in Part 1 when they take place. Scheme will be given 3 weeks from date of going live in which to verify/request changes to Part 1. A deadline for changes will be provided in a circular per quarter once the system is live. Deadline for Part 1 changes for the first quarter of 2018 is 29 June 2018.

The Principal Officer, Chairperson, and one other trustee signatory in terms of Section 39 of the Medical Schemes Act 131 of 1998 (Act) must sign the above mentioned documents. The investment schedules should be signed off by the Principal Officer. Medical schemes should note that CMS will regard the submission of the 2018 quarterly 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; the appointment of the Acting Principal Officer should be in line with the provisions of Sections 57(4)(a) and 57(7) of the Act, and the appointment of the 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 2018 quarterly statutory return.

Further take note of the Signflow process is to be utilized regarding signing off of the quarterly returns, which was introduced last year.

Users should also take note of the new CMS standardised electronic management accounts template and Part 10, which was initially communicated in Circular 23 of 2018. Please refer to the quarterly return help file and electronic management accounts help file for more information on completing this template.

Although part 10 allows users to now upload information such as management accounts and investment schedules electronically, we would still require hard copy submission for now, since part 10 is a new process being piloted. Once the CMS is comfortable with the electronic submission process, we will revert to the fully electronic submission medium and no longer require hard copy submission.

In order to provide assistance regarding the completion of Part 3.1: Investments, CMS published various guidelines on our website. These publications serve as a guideline only as schemes will have more details available in respect of specific investments and the nature of the underlying assets. It should be noted that the purpose of these Guidelines is to provide guidance on the categorisation of assets in accordance with Annexure B to the Regulations, and not to highlight any non-compliance matters. Schemes should ensure compliance with not only the limitations imposed by Annexure B, but also the various Sections of the Act.

Refer to our website (<http://www.medicalschemes.com/Publications.aspx>) for the following guidelines on the categorisation of assets:

1. Categorisation of registered banks as at 31 December 2017 for Annexure B purposes;
2. Securities listed on the JSE as at 31 December 2017: classification for Annexure B purposes;
3. Bonds listed on the JSE Debt Market as at 31 December 2017: classification for Annexure B purposes;
4. List of registered insurers as at 31 December 2017; and
5. ASISA list of Collective Investment Schemes as at 30 June 2017.

The CMS has also published the following documents to aid in the identification of Sections 35(8)(c) and (d) non-compliance:

- Accredited third-party administrators and their holding companies as at 31 December 2017; and
- Accredited administrators and its accredited managed care organisations as at 31 December 2017.

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 of Medical Schemes with the prescribed documentation shall be liable to a penalty of R1 400.00 (one thousand Rand) for every day on which the failure to comply continues.

The links to the following files will assist users in completing the quarterly return:

- [2018 Quarterly Return help file.pdf](#)
- [2018 CMS standardised electronic management account help file.pdf](#)
- [CMS standardised electronic management account template.xlsx](#)

PLEASE NOTE THAT THE DEADLINE APPLIES TO THE RECEIPT OF ALL THE SIGNED DOCUMENTS BY THE OFFICE AND NOT MERELY THE ELECTRONIC SUBMISSION.

The submission deadlines for the 2018 quarterly returns are:

Quarter	Period ended	Go live date	Deadline for submission
Quarter 1 of 2018	31 March 2018	8 June 2018	6 July 2018
Quarter 2 of 2018	30 June 2018	10 August 2018	7 September 2018
Quarter 3 of 2018	30 September 2018	19 October 2018	16 November 2018
Quarter 4 of 2018	31 December 2018	11 January 2019	8 February 2019

Your cooperation will be highly appreciated.



Julindi Scheepers
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