



## CIRCULAR

Reference: 2018 Quarterly Statutory Return  
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### **Circular 37 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 the CMS website (<http://www.medicalschemes.com/returns/login.aspx>) with effect from 10 August 2018.

The following signed documentation must be physically submitted to the 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 the submission. Please also refer to Circular 7 of 2005 in this regard.

Circular 27 of 2014 indicates that schemes should notify the Office of any changes in Part 1 whenever such changes take place. Schemes will be given 3 weeks from date of going live, to verify/request changes to Part 1. A deadline for changes will be provided in a circular, per quarter, once the system is live. The deadline for Part 1 changes for the first quarter of 2018 is **31 August 2018**.

The Principal Officer, Chairperson, and one other trustee signatory in terms of Section 39 of the Medical Schemes Act 131 of 1998 (the Act) must sign the above-mentioned documents. The investment schedules must be signed off by the Principal Officer. Medical schemes should note that the CMS will regard the submission of the 2018 quarterly statutory return documentation as incomplete if any of the documents are not signed as required.

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 Trustees resolution, where another person was appointed, should accompany the 2018 quarterly statutory return.

The Signflow process, which was introduced last year, is to be utilised regarding signing off of the quarterly returns.

Users should also take note of the new CMS standardised electronic management accounts template and Part 10, which was released during Quarter 1 of 2018. Kindly refer to the quarterly return help file and electronic management accounts help file for more information on completing the template.

**Please note that an updated template is available for Q2, which contains bug fixes from Q1.**

The link to the revised template is indicated below:

[CMS standardised electronic management account template v0810.xlsx](#)

Although part 10 allows users to now upload information such as management accounts and investment schedules electronically, we will 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 and accuracy of the submissions, we will revert to the fully electronic submission medium and no longer require hard copy submission. It was noted that some schemes submitted incorrect information in part 10, and this necessitates the hard copy submission as a parallel process; until the process is consistently followed by all medical schemes.

In order to provide assistance regarding the completion of Part 3.1: Investments, the CMS published various guidelines on the 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.

Please refer to the CMS 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 four hundred 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 v0810.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 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.



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**General Manager: Financial Supervision Unit**  
**Council for Medical Schemes**