



Reference: Demarcation Exemption Framework
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Circular 38 of 2017: Demarcation Exemption Framework

Feedback on Stage 1 submissions:

On Wednesday, 31 May 2017 Council met to consider amongst others, all the demarcation exemption applications submitted in terms of Clause 7.1 (Stage 1) of the Guideline Framework: Framework for Exemption of Providers of Indemnity products that conduct the business of a medical scheme (Exemption Framework), for exemption from the provisions of the Medical Schemes Act, 131 of 1998 (the Act).

Entities that submitted exemption applications will be notified individually of the decision of Council in relation to the products for which they have applied for exemption. All those whose applications for exemption have been granted will be required to submit a substantive application in terms of Stage 2 of the Exemption Framework, within **30 days** after receiving due notification.

Requirements for Stage 2 submissions:

For ease of reference, exemption applicants are required to reference documents submitted in terms of Stage 2 in line with the numbering and/or titles used in the Exemption Framework, for example; "7.2.2 Particulars and nationality of director(s) of the insurer and their respective financial service providers."

Council would like to thank all those who have submitted their exemption applications for Stage 1, and requests that all exemption applications for Stage 2 should be submitted within the required timeframes.

Product providers who are continuing to offer indemnity products that fall within the classification of the business of a medical scheme without having applied for exemption are operating in contravention of provisions of the Act, and regulatory measures will be taken to enforce compliance in this regard.

The Council for Medical Schemes (CMS) will, in due course, publish on its website a list of all the providers that have obtained exemption from provisions of the Act. Only such listed providers are permitted to provide products that conduct the business of a medical scheme. The publishing of the list of those who have obtained exemption is intended among others, to alert consumers regarding entities that are permitted to continue to offer products that fall within the classification of the business of a medical scheme.

To submit stage 2 documentation, please [click here](#).

Please find the [help file](#) that will assist with the submission of Stage 2 documentation.



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