



## CIRCULAR

Reference: Annexure B  
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### **Circular 3 of 2015: Categorisation of assets in terms of Annexure B to the Regulations**

The Council for Medical Schemes (CMS) has issued the following draft Guidelines on the categorisation of assets in terms of Regulation 30 of the Medical Schemes Act 131 of 1998 (Act) read in conjunction with Annexure B to the Regulations:

<b>Guideline name</b>	<b>Description of guideline</b>
Registered banks as at 31 December 2014	The Guideline provides a listing of all registered banks; mutual banks; local branches of foreign banks; and foreign banks with approved local representative offices as per the South African Reserve Banks' Banks Supervision Unit. The Guideline further sub-categorises these banks in terms of Category 1 of Annexure B to the Regulations.  <a href="#">Click here</a> to access the Guideline.
Instruments listed on BESA as at 31 December 2014*	This Guideline provides a detailed listing of all listed instruments on the Bond Exchange of South Africa (BESA) as at 31 December 2014. The Guideline further categorises these instruments in the different sub-categories of categories 2 (bonds), 3 (property), 4 (exchange traded funds) and 7(other) of Annexure B to the Regulations.  <a href="#">Click here</a> to access the Guideline.
Listed securities on the JSE as at 31 December 2014*	The Guideline provides a detailed listing of all listed instruments on Johannesburg Stock Exchange (JSE) as at 31 December 2014.  It further categorises these securities according to the requirements of Annexure B to the Regulations in the different sub-categories of categories 3 (property), 4 (shares),

Guideline name	Description of guideline
	5 (debentures) and 7 (other assets).  <a href="#">Click here</a> to access the Guideline.
Registered insurers as at 31 December 2014	The Guideline provides a listing of all registered insurers as at 31 December 2014 as per the Financial Services Board's (FSB) website.  Schemes should refer to this guideline when investing in and accounting for policies of insurance (category 6 to Annexure B).  <a href="#">Click here</a> to access the Guideline.
Registered Financial Service Providers as at 31 December 2014	This Guideline provides a comprehensive list of registered financial service providers (FSPs) as at 31 December 2014 per the FSB's website.  As only Financial Advisory and Intermediary Services (FAIS)-registered entities are allowed to manage investments on behalf of a medical scheme, schemes should refer to the FSB's website (and this guideline) to ensure the registration of their asset managers.  Investments managed by these registered entities should be accounted for in such entities' registered names in Part 9(b) to the Annual Statutory Return.  <a href="#">Click here</a> to access the Guideline.

*\*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.*

CMS is inviting all interested parties to submit comments on the proposed categorisation of assets per the draft Guidelines. Any suggestions and comments can be submitted to [j.scheepers@medicalschemes.com](mailto:j.scheepers@medicalschemes.com) on or before 21 January 2015.



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