CIRCULAR

Reference:	2016 Quarterly Statutory Return
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Circular 3 of 2017: Quarterly Statutory Returns Submission for Period Ending 31 December 2016

The Council for Medical Scheme (CMS) would like to inform all Principal Officers and statutory return users of the 2016 quarterly statutory return online program which will be available on our website as of 16 January 2016 for submission of Quarter 4 of 2016 (http://www.medicalschemes.com/returns/login.aspx).

The following signed documentation must be physically submitted to CMS to ensure a complete submission by no later than 10 February 2017:

- 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. 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 fourth quarter of 2016 is 03 February 2017.

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 2016 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 Section 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 2016 quarterly statutory return.

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 categorization 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 categorization of assets:

1. Categorisation of registered banks as at 31 December 2015 for Annexure B purposes;
2. JSE listed securities as at 31 December 2015: classification for Annexure B purposes;
3. BESA listed instruments as at 31 December 2015: classification for Annexure B purposes; and
4. List of registered insurers as at 31 December 2015.

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

- List of accredited third-party administrators and their holding companies as at 31 December 2015.

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 000.00 (one thousand Rand) for every day on which the failure to comply continues.

Your cooperation will be highly appreciated.

Dr Humphrey Zokufa
Chief Executive and Registrar
Council for Medical Schemes