



## CIRCULAR

Reference: 2019 Quarterly Statutory Return  
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Date: 3 June 2019

### Circular 40 of 2019: Quarterly Statutory Returns Submission for 2019

The Council for Medical Scheme (CMS) would like to inform all Principal Officers and statutory return users that the 2019 quarterly statutory return online program will be available on the CMS website:

(<http://www.medicalschemes.com/returns/login.aspx>) as of 3 June 2019.

The following signed documentation must be physically submitted to the CMS to ensure a complete submission of the statutory return:

- One (1) quarterly return document – indicating “Final DD/MM/YYYY”;
- One (1) set 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.

With reference to Circular 27 of 2014, schemes should notify the Office of the Registrar about any changes in Part 1 of the statutory return when they take place.

Scheme will be given three (3) weeks from date of going live in which to verify/request changes to Part 1. A deadline for changes will be communicated by a circular, on a quarterly basis once the system is live. The deadline for Part 1 changes for the first quarter of 2019 is 28 June 2019.

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 should be signed off by the Principal Officer. Medical schemes should note that the CMS will regard the submission of the 2019 quarterly statutory return documentation as incomplete if any of the documents is 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, while the appointment of the Acting Chairperson must be 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 2019 quarterly statutory return.

Schemes must further take note that the Signflow process must be utilized regarding the signing off of the quarterly returns.

Users should also take note of the 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. A link to the latest template that must be used, is included in this circular.

The CMS standardised investment reconciliation, was introduced in 2019 and is a requirement for upload in Part 10. For the initial communication regarding this reconciliation, reference must be made to Circular 29 of 2019, which also contained an illustrative example with test data. A link to the latest template that must be used, is included in this circular.

The CMS has published various guidelines on the website in order to provide assistance regarding the completion of Part 3.1: Investments. 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 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 2018 for Annexure B purposes;
2. Securities listed on the JSE as at 31 December 2018: classification for Annexure B purposes;
3. Bonds listed on the JSE Debt Market as at 31 December 2018: classification for Annexure B purposes;
4. List of registered insurers as at 31 December 2018; and
5. ASISA list of Collective Investment Schemes as at 30 September 2018.

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 2018; and
- Accredited administrators and its accredited managed care organisations as at 31 December 2018.

Attention is drawn to the provisions of Section 66(3) of the Act in terms of which, any medical scheme that 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:


- [2019 Quarterly Return help file.pdf](#)
- [2019 CMS standardised electronic management account help file](#)
- [CMS standardised electronic management account template v0519.xlsx](#)
- [CMS standardised investment reconciliation.xlsx](#)

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

The submission deadlines for the 2019 quarterly returns are:

Quarter	Period ended	Go live date	Deadline for submission
Quarter 1 of 2019	31 March 2019	3 June 2019	5 July 2019
Quarter 2 of 2019	30 June 2019	12 August 2019	6 September 2019
Quarter 3 of 2019	30 September 2019	18 October 2019	15 November 2019
Quarter 4 of 2019	31 December 2019	17 January 2020	14 February 2020

Your cooperation will be highly appreciated.



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