



CIRCULAR

Reference: Annexure B
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Circular 6 of 2017: Categorisation of assets in terms of Annexure B to the Regulations

The Council for Medical Schemes (CMS) has finalised the 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. It should be noted that the classification of assets are based on information available to CMS.

Kindly refer to the [Explanatory Memorandum](#) issued as an appendix to Circular 13 of 2015 for considerations taken into account in the classification of assets in terms of Annexure B. This Explanatory Memorandum has also been incorporated in the Help File to the Annual Statutory Return.

Guideline name	Description of guideline
Registered banks as at 31 December 2016	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. Click here to access the Guideline.
Bonds listed on the JSE's debt	This Guideline provides a detailed listing of all listed instruments on the Johannesburg Stock

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market as at 31 December 2016*	<p>Exchange's (JSE) debt market as at 31 December 2016. 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.</p> <p>Click here to access the Guideline.</p>
Securities listed on the JSE as at 31 December 2016*	<p>The Guideline provides a detailed listing of all listed instruments on JSE as at 31 December 2016.</p> <p>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), 5 (debentures) and 7 (other assets).</p> <p>Click here to access the Guideline.</p>
ASISA's list of Collective Investment Schemes as at 30 September 2016*	<p>The Guideline seeks to provide guidance on when a collective investment scheme (CIS) should be classified as a category 4(a)(iv) asset, and when it should be broken down in its underlying assets as required by Explanatory Note 8.</p> <p>It is important to note that the guidance is based on ASISA's classification of CIS.</p> <p>Click here to access the Guideline.</p>
Registered insurers as at 31 December 2016	<p>The Guideline provides a listing of all registered insurers as at 31 December 2016 as per the Financial Services Board's (FSB) website.</p> <p>Schemes should refer to this guideline when investing in and accounting for policies of insurance (category 6 to Annexure B).</p> <p>Click here to access the Guideline.</p>
Registered Financial Service Providers (FSPs) as at 31 December 2016	<p>This Guideline provides a comprehensive list of registered financial service providers (FSPs) as at 31 December 2016 per the FSB's website.</p> <p>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.</p> <p>Investments managed by these registered entities should be accounted for in such entities' registered names in Part 9(b) to the Annual Statutory Return.</p> <p>Click here to access the Guideline.</p>
Administrators and holding companies as at 31 December 2016	<p>This Guideline provides a list of all accredited administrators with details as to their holding companies. The purpose of this Guideline is to aid in the identification of Section 35(8) non-compliance.</p> <p>Click here to access the Guideline.</p>

Guideline name	Description of guideline
Administrators and its accredited managed care organisations as at 31 December 2016	<p>This Guideline provides a list of accredited administrators with details as to their accredited managed care organisations. The purpose of this Guideline is to aid in the identification of Section 35(8) non-compliance.</p> <p>Click here to access the Guideline.</p>

**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.*



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