



CIRCULAR

FOR RELEASE ON
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Reference : Annual Statutory Return
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Circular 9 of 2011: Annual Statutory Returns for the financial year ended 31 December 2010

The Office of the Registrar of Medical Schemes (Office) has finalised the 2010 Annual Statutory Return online system, which is now available on our website (<http://www.medicalschemes.com>Returns/login.aspx>).

Schemes are referred to the 2010 Annual Statutory Return Help File, for detailed guidance on the completion of the Annual Statutory Return.

Please note that the deadline for the submission of the 2010 Annual Statutory Return is 29 April 2011.

In terms of section 37 of the Medical Schemes Act 131 of 1998 (Act), the following signed documentation must be physically submitted to the Office of the Registrar by no later than 29 April 2011, to ensure a complete submission:

- Two hard copies of the 2010 Annual Statutory Return – with the watermark “Final for Signature MM/DD/YYYY”;
- Two sets of the 2010 audited Annual Financial Statements;
- Board of Trustees’ Report;
- If applicable, the letter of comfort from the administrator;

- The auditor's management report to the Board of Trustees on the 2010 audit findings (the said report should include housekeeping issues for the scheme's attention); 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 (<http://www.medicalschemes.com/files/Circulars/Circular7of2005.pdf>).

The Principal Officer, Chairperson and one other trustee signatory must sign these documents, as is required in terms of section 39 of the Act. Kindly note that the investment schedules should also be signed off by the Principal Officer. The auditors are required to sign off on Parts 4-10, as well as on Part 11 of the Annual Statutory Return. The auditors are also referred to Guidelines 61 and 62 which contain the templates for the two required audit reports as per Part 11 of the return.

Kindly note that the Office will regard the submission of the Annual 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. Further, the appointment of an acting Principal Officer should be in line with the provisions of section 57(4) of the Act, and the appointment of an 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 Annual Statutory Return submission.

In order to enhance Part 9(a): Assets Held in the Republic in Terms of Regulation 30 of the Act in Conjunction with Annexure B to the Regulations, and assist users in the completion thereof, the Office has published lists of assets per category on our website (<http://www.medicalschemes.com/files/Circulars/Circular3Of2011.pdf>). Please note that these lists serve as a guideline only as the scheme will have more details available in respect of specific investments and the nature of the underlying assets: Please refer to our website for the following guidelines on the categorisation of assets in terms of Annexure B as at 31 December 2010:

- List of registered banks as at 31 December 2010: categorisation for Annexure B;
- Instruments listed on the JSE as at 31 December 2010: categorisation for Annexure B;
- Instruments listed on BESA as at 31 December 2010: categorisation for Annexure B;
- List of registered financial service providers as at 31 December 2010; and
- List of registered insurers as at 31 December 2010.

Kindly note that only Financial Advisory and Intermediary Services (FAIS)-registered entities are allowed to manage investments on behalf of a medical scheme. Investments managed by these registered entities should be accounted for in such entities' registered names in Part 9(b). Schemes are referred to the guideline listing all the registered financial service providers (as mentioned above), as well as to the website of the Financial Services Board (FSB) (www.fsb.co.za) for more detail on registered entities.

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 with the prescribed documentation shall be liable to a penalty of R1,000 (one thousand rand) for every day, which the failure continues. Please note that the deadline applies to the receipt of the signed documents by the office and not merely the electronic submission.

Your cooperation will be highly appreciated.



Tebogo Maziya
Head: Financial Supervision
Council for Medical Schemes