



Reference: 2017 Quarterly Statutory Return
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Circular 1 of 2018: Quarterly Statutory Returns Submission for period ending 31 December 2017

The Council for Medical Scheme (CMS) would like to inform all Principal Officers and statutory return users regarding the 2017 quarterly statutory return online program which will be available on the CMS [website](#) as of 15 January 2018.

The following signed documentation must be physically submitted to the CMS to ensure a complete submission by no later than 9 February 2018:

- 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.

With reference to [Circular 27 of 2014](#), schemes should notify the Office of any changes in Part 1 when they take place. Medical schemes will be given 3 weeks from date of going live, to verify/request changes to Part 1. The deadline for effecting changes will be communicated via a circular on a quarterly basis, once the system is live. The deadline for Part 1 changes for the fourth quarter of 2017 is 2 February 2017.

The Principal Officer, Chairperson, and one other trustee signatory must sign the above-mentioned documents, in line with section 39 of the Medical Schemes Act, 131 of 1998 (Act). The investment schedules should be signed off by the Principal Officer. Medical schemes should note that the CMS will regard the submission of the 2017 quarterly statutory return documentation as incomplete if any of the documents are not signed as required.

Furthermore, 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; whereas the appointment of the Acting Chairperson should 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 in an acting capacity; should accompany the 2017 quarterly statutory return.

Schemes are required to take note that the Signflow process will be utilised for signing off on the quarterly returns. This is a process similar to the process used for the 2016 statutory annual return.

In line with the workflow created by SignFlow to enable the electronic signing of the return, the current Principal Officer and Chairperson's details will be used for signature purposes. This approach will ensure that the quarterly return is not sent to a mailbox that is no longer being monitored. In a case where the scheme has made alternative arrangements with the previous Principal Officer or Chairperson (i.e. as at 31 December 2017) to sign off on the returns, the new official will be able to create a proxy to allow the previous officials to electronically sign the return.

Electronic signatures:

SignFlow SignFREE™ allows scheme officials and auditors to receive, approve (or decline); and e-sign electronic documents that were sent to them by the Council for Medical Schemes, absolutely free of charge. These digital SignFREE e-signatures are securely created for each individual and will prohibit any changes being made to the document after it was signed. The scheme officials would simply need to open the link from their email, create their password and login to their SignFREE account. The SignFlow workflow engine will automatically circulate the quarterly return until everyone has signed.

Kindly refer to the Quarterly Statutory Help File (Part 1.1: Signflow for quarterly return purposes: electronic signatures) for more detailed guidance.

A number of issues were noted regarding the Signflow process in previous quarters; however most of these could have been prevented by ensuring the following:

- Signatories per part 1 reflect the correct people required to sign the returns;
- The email address and contact details for the relevant signatories per part 1 of the return are accurate;
- Scheme junk email settings are adjusted to prevent blocking of Signflow emails; and
- Delegation of authority to sign in the absence of signatories is planned and communicated in advance to the CMS.

In order to provide assistance regarding the completion of Part 3.1: Investments, the CMS published various guidelines on the 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 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.

The following guidelines are available on the CMS [website](#) on the categorisation of assets:

1. Categorisation of registered banks as at 31 December 2016 for Annexure B purposes;
2. JSE listed securities as at 31 December 2016: classification for Annexure B purposes;
3. BESA listed instruments as at 31 December 2016: classification for Annexure B purposes; and
4. List of registered insurers as at 31 December 2016.

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 2016.

Your 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 four hundred Rands) for every day on which the failure to comply continues.

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

Your cooperation will be highly appreciated.



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