



Reference: Reminder: AGM, SGM & Trustee Election notification
Contact person: Ms Neo Mminzelwa
Tel: 012 431 0568 / 066 280 8191
E-mail: agm@medicalschemes.co.za
Date: 2 March 2023

Circular 8 of 2023: Notice to Medical Schemes regarding Annual General Meetings (AGM), Special General Meetings (SGM) and Trustee elections

1. Background

The primary function of the Council for Medical Schemes (CMS) is to protect the interests of the beneficiaries at all times. To this end, CMS is enjoined to monitor whether or not medical schemes comply with their rules and/ or the provisions of the Medical Schemes Act, 131 of 1998 (MSA) and/ or other legislation relating to medical schemes.

Section 29(1)(m) of the MSA determines that no medical scheme shall carry on any business unless provision is made in its rules regarding the manner of calling the Annual General Meeting (AGM) and Special General Meetings (SGM) of members, the quorum necessary for the transaction of business at such meetings and the manner of voting.

Section 32 of the MSA determines that “the rules of a medical scheme and any amendment thereof shall be binding on the medical scheme concerned, its members, officers and on any person who claims a benefit under the rules or whose claim is derived from a person claiming.”

2. Purpose

All medical schemes are encouraged to comply with their scheme rules on the requirement of holding AGMs and SGMs on or a before a particular date.

Medical schemes are requested to notify the CMS in writing, of the dates on which they intend to hold their AGMs and/or SGMs; as well as the dates on which they intend to hold trustee elections, where applicable.

The CMS wishes to advise all medical schemes to ensure that when arranging elections, all the necessary processes (for example, nominations, vetting, auditing, publication of candidate) are initiated early and concluded well before the date of the AGM. This is to ensure that errors can be identified and corrected well in time ahead of the prescribed date of the AGM. CMS has noticed an emerging trend of schemes picking up errors in their elections processes at the eve of the rule prescribed mandatory AGM date which leaves them

with no sufficient time to either postpone the AGM or request an exemption from Council. Schemes are therefore advised to plan their AGM carefully and appropriately.

3. New Electronic submission process

- 3.1 All medical schemes are required to register a person as a Data Officer. The Data Officer will be the only person permitted to submit AGM submissions to the CMS via the AGM portal.
- 3.2 The designated person is required to register by completing the Data Officer Registration Form (Registration Form). The appointed person will be vetted internally before access is granted, and a username and password will be provided via email.
- 3.3 All accredited Data Officers, are henceforth required to submit AGM information to the following SFTP site: <https://ftp.medicalschemes.com/login>, using the login credentials they received when they registered.

4. Process for convening AGMs, SGMs and Trustee Elections

All medical schemes are duly requested to notify the CMS, of the date and venue/virtual platform of their AGMs and/or SGMs for the 2023 financial year. Where trustee elections will be held, schemes are required to also notify the CMS of the date and venue/virtual platform of such.

4.1 Information required by the CMS

- 4.1.1 All medical schemes are required to give written notice to the CMS pertaining to information on convening the scheme meeting in terms of the rules, date on which they intend to hold an AGM, SGM or trustee election meeting. The notification must be submitted to the CMS on or before **31 March 2023**. The notification shall contain the following:
 - 4.1.1.1 The date on which the meeting will be held;
 - 4.1.1.2 Type of AGM to be convened (virtual or in-person);
 - 4.1.1.3 The venue and geographical area in which the scheme intends to hold its meeting; and
 - 4.1.1.4 Whether or not the scheme will be holding elections for the 2023 financial period.
- 4.1.2 All medical schemes are required to provide the CMS (20 days before AGM and /or SGM) with a full meeting pack. The meeting pack shall contain the following, amongst others:
 - 4.1.2.1 The date, time and venue/virtual platform of the meeting and/or elections to be held;
 - 4.1.2.2 The standard procedures that shall be followed by the medical scheme to convene and hold such a meeting and/or election as well as confirmation that the scheme's procedures are consistent with the registered rules of the scheme;
 - 4.1.2.3 The measures that the scheme intends to put in place to protect and secure the venue on the day of the meeting and/or elections;
 - 4.1.2.4 The measures that the scheme intends to put in place to deal with loadshedding restrictions which may impact AGM proceedings;

4.1.2.5 A detailed budget on the estimated cost of the AGM and/or SGM and/or Elections. Including but not limited to:

- the cost of preparing and distributing the notice/meeting pack to members,
 - the cost of the venue (including food and security),
 - the travelling and accommodation costs (e.g., travelling cost for scheme officers),
 - meeting attendance fees for scheme officers and/or service providers, and
 - the costs associated with the elections process (if applicable).
- Should there be a change in the venue of the AGM/SGM, schemes should duly notify members as well as the CMS.

5. Post AGM/SGM/Election Process

All medical schemes are requested to provide the Office with the following information within 30 days after the AGM/SGM/Trustee election meeting was convened:

- 5.1.1 The attendance register(s) as well as confirmation that the quorum (per the rules of the scheme) was achieved for the meeting.
- 5.1.2 A detailed report on the election process with the full CVs of the elected persons within 30 days of the conclusion of the AGM or the SGM or the election process.
- 5.1.3 The actual cost of the AGM and/or SGM and/or Election Process within 30 days of the conclusion of the AGM or the SGM or the election process.

6. Submission Timelines

SUBMISSION TIMELINE		
	Task	Due date
1.	Submission of a written notice to the CMS pertaining to a date and geographical area in which the scheme intends to hold a scheme meeting.	31 March 2023
2.	Submission of AGM, SGM or trustee election meeting pack to the CMS prior to convening the scheme meeting. (<i>see requirement above</i>)	20 days before meeting is convened
3.	Submission of attendance register, election report and actual expenditure of AGM/SGM or trustee meeting post the scheme meeting. (<i>see requirement above</i>)	30 days after meeting has been convened

7. Communication

For any queries related to AGMs/SGMs/Trustee elections or any technical issues experienced with the portal, kindly send an e-mail to agm@medicalschemes.co.za.

This Circular is effective on the date of release.



Mr Mfana Maswanganyi
Executive: Regulation
Council for Medical Schemes