



## CIRCULAR

Reference: Annexure B  
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### **Circular 3 of 2025: Categorisation of assets in terms of Annexure B to the Regulations of the Medical Schemes Act**

The Council for Medical Schemes (CMS) publishes Guidelines on categorising assets in terms of Regulation 30 of the Medical Schemes Act (131 of 1998) (MSA), read in conjunction with Annexure B to the Regulations on an annual basis. The purpose of these Guidelines is to communicate in advance the drop-down lists that would be included in the Financial Annual Statutory Return (FASR). The classification of assets is based on information available to CMS.

Supporting documentation attesting to the new classification must be submitted in the event where a scheme categorises any investment in Part 9 differently from the categorisation provided for in the above Guidelines. This will pre-empt any queries the CMS might have regarding the reclassification.

The intention of the publication of the Guidelines is to ensure efficiencies in Part 9 (*Assets held in the Republic in terms of Regulation 30 in conjunction with Annexure B to the Regulations*) of the FASR submission and analysis. Since the adoption of this approach, the analysis of medical schemes' submissions could occur on a report-level basis, with only exceptions needing to be followed up by analysts. As the schemes already submitted information relating to the reclassification as part of the submission requirements, this further reduced the engagement process. In terms of these efficiencies introduced, the analysis of a scheme with a diverse investment portfolio has reduced significantly from three days to only a few hours.

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. The purpose of the Explanatory Memorandum is to clearly communicate the considerations taken in creating the individual categories' drop-downs in the FASR. This Explanatory Memorandum has also been incorporated in the Help File to the FASR.

It should further be noted that the purpose of these Guidelines is to guide the categorisation of assets according to Annexure B to the Regulations, and not to highlight any non-compliance matters. *For example, a specific asset could be included in the category 4(b) drop-down, but any such investment is prohibited in terms of the MSA.*

Schemes should further ensure compliance with not only the limitations imposed by Annexure B, but also the various Sections of the MSA. *For example, an investment in the equity shares of Company X could be included in the category 4(a)(ii)(i) drop-down, but as this entity represents the ultimate holding company an Administrator XX (see Guideline Administrators and holding companies), the specific investment would represent a Section 35(8)(c) non-compliance matter.*

The Guidelines are as follows:

Guideline name	Description of the guideline
Registered banks as at 31 December 2024	<p>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.</p> <p><b>Click <a href="#">here</a> to access the Guideline.</b></p>
Bonds listed on licenced stock exchanges' debt market as at 31 December 2024*	<p>This Guideline provides a detailed listing of all listed debt instruments on the Johannesburg Stock Exchange's (JSE) debt market, as well as on the Cape Town Stock Exchange (CTSE), as at 31 December 2024.</p> <p>The Guideline further categorises these instruments in the different sub-categories, i.e. category 2 (bonds), category 3 (property), category 4 (exchange traded funds), and category 7(other) of Annexure B to the Regulations.</p> <p><i>It is important to note that the Guideline makes use of the issuer name (and not the reference asset) in the classification of these instruments.</i></p> <p><b>Click <a href="#">here</a> to access the Guideline.</b></p>
Securities listed on licenced stock exchanges as at 31 December 2024*	<p>The Guideline provides a detailed listing of all listed security instruments on the JSE and CTSE as at 31 December 2024.</p> <p>It further categorises these securities according to the requirements of Annexure B to the Regulations in the different sub-categories, i.e. category 3 (property), category 4 (shares), category 5 (debentures), and category 7 (other assets).</p> <p><b>Click <a href="#">here</a> to access the Guideline.</b></p>
ASISA's list of Collective Investment Schemes as at 30 September 2024	<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><b>Click <a href="#">here</a> to access the Guideline.</b></p>
Registered insurers as at 31 December 2024	<p>This Guideline is no longer published.</p> <p>Stakeholders are referred to the South African Reserve Bank's website for detailed information relating to registered insurers:</p> <p><a href="https://www.resbank.co.za/en/home/what-we-do/Prudentialregulation/insurers-list">https://www.resbank.co.za/en/home/what-we-do/Prudentialregulation/insurers-list</a></p>

Guideline name	Description of the guideline
	Schemes should refer to this list when investing in and accounting for policies of insurance (category 6 to Annexure B).
Registered Financial Service Providers (FSPs) as at 31 December 2024	<p>This Guideline is no longer published.</p> <p>Stakeholders are referred to the Financial Sector Conduct Authority (FSCA)'s website for detailed information relating to registered financial service providers (FSPs):</p> <p><a href="https://www.fsca.co.za/Regulated%20Entities/Pages/FAIS-Verifications.aspx">https://www.fsca.co.za/Regulated%20Entities/Pages/FAIS-Verifications.aspx</a></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 FSCA's website 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>
Administrators and holding companies as at 31 December 2024	<p>This Guideline provides a list of all accredited administrators with details regarding their holding companies. The purpose of this Guideline is to aid in the identification of non-compliance in terms of Section 35(8).</p> <p><b>Click <a href="#">here</a> to access the Guideline.</b></p>
Administrators and its accredited managed care organisations as at 31 December 2024	<p>This Guideline provides a list of accredited administrators with details regarding their accredited managed care organisations. The purpose of this Guideline is to aid in the identification of non-compliance in terms of Section 35(8).</p> <p><b>Click <a href="#">here</a> to access the Guideline.</b></p>

*\*Regulation 30(4) (iii) and (iv) make reference to an asset which is listed on a licensed stock exchange.*

*In South Africa there are currently four licensed stock exchanges:*

- *Johannesburg Stock Exchange Limited (JSE)  
The oldest and largest exchange on the African continent.*
- *A2X (Pty) Ltd (A2X)  
A2X provides a complementary venue for companies to secondary list shares for trade.  
Granted an exchange licence on 6 April 2017.  
The licence was restricted to the listing and trading of shares in public companies. The licence was subsequently amended on 15 January 2020 to allow for the secondarily listing of shares listed on an external exchange.*
- *The Cape Town Stock Exchange (Pty) Ltd (CTSE)  
CTSE is South Africa's stock exchange for small- and medium-sized businesses.  
4 Africa Exchange (Pty) Ltd (4AX) was granted an exchange licence on 31 August 2016. The exchange's name was changed during November 2021.  
The licence is restricted to the listing and trading of the following range of securities: entire class or classes of an issuer's ordinary shares, all classes of preferential shares, debentures, bonds, noted, commercial paper and fixed floating or floating interest instruments.*
- *ZAR X (Pty) Ltd (ZARX)  
Granted an exchange licence on 31 August 2016. The license was suspended on 20 August 2021 and subsequently cancelled on 13 February 2023.*
- *Equity Express Securities Exchange (Pty) Ltd (EESE)  
EESE was specifically created to look after the needs of broad based black economic empowerment schemes.  
Granted an exchange licence on 11 September 2017.  
The exchange is permitted to list and trade in equity shares.*

The above Guidelines were compiled using data provided by the JSE and CTSE. Should investments in any of the other stock exchanges be made, kindly contact Mr Sameer Rajab at [s.rajab@medicalschemes.co.za](mailto:s.rajab@medicalschemes.co.za) for guidance on the appropriate classification, if necessary.

Pre-emptive engagement is encouraged to reduce queries during the analysis process.

Yours sincerely,



**Dr Thandi Mabeba**  
**Chairperson of Council**  
**Council for Medical Schemes**



**Dr Musa Gumede**  
**Chief Executive and Registrar**  
**Council for Medical Schemes**