

Panel on Financial Affairs

**Follow-up actions arising from the meeting on
5 May 2014**

**Agenda Item IV – Briefing on the work of Hong Kong Monetary
Authority**

1. The Hong Kong Monetary Authority is requested to provide the following information –

- (a) distribution of bank branches and automatic teller machines in Hong Kong; and
- (b) with regard to the SME Financing Guarantee Scheme and Microfinance Scheme operated by the Hong Kong Mortgage Corporation Limited, information on (i) success rate of applications; (ii) number of defaults and amounts involved, if any; and (iii) assessment of the cost-effectiveness of the said schemes, including the economic benefits brought to Hong Kong.

**Agenda Item V – Mandatory Provident Fund Schemes (Amendment)
Bill 2014**

2. Regarding the Administration's proposal to include terminal illness as the new additional ground for early withdrawal of Mandatory Provident Fund ("MPF") accrued benefits by scheme members, the Administration/Mandatory Provident Fund Schemes Authority ("MPFA") is requested to consider and provide written response on the following suggestions raised by some Panel members –

- (a) to relax the requirement on the remaining life expectancy of 12 months in respect of terminal illness given that the provision of a medical certificate that a person is suffering from a terminal illness or a certain stage of the terminal illness should suffice to justify the early withdrawal; and

- (b) to allow early withdrawal of MPF accrued benefits by scheme members for meeting expenses on medical examination, treatment or surgery which is essential to enable early diagnosis and healing of terminal illnesses.

3. On the Administration's proposal to allow MPF scheme members to withdraw accrued benefits by instalments upon retirement and early retirement, the Administration/MPFA is requested to consider and provide written response to the suggestion of providing greater flexibility in withdrawal, including increasing the number of withdrawals per year that are free of charge.

4. The Administration/MPFA is also requested to consider providing incentives (e.g. a higher percentage of guaranteed return from the MPF investment concerned) to encourage scheme members to opt for phased-withdrawal of MPF accrued benefits instead of one-off withdrawal in a lump sum, so that scheme members will better plan the use of the retirement funds.

Council Business Division 1
Legislative Council Secretariat
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