

**Bills Committee on  
Provident Fund Schemes Legislation (Amendment) Bill 1997  
Issue requiring follow-up consideration /action**

<u><b>Date of meeting</b></u>	<u><b>Issues</b></u>	<u><b>Outcome</b></u>
1.12.97	<p><b><u>Proposed amendments to the Mandatory Provident Fund System Ordinance (MPFSO)</u></b></p> <p><b>Section 2</b> <u>Deletion of “statutory corporation”</u></p> <p>1) The Administration will provide a “marked-up copy” highlighting, in context, where this expression appeared in the MPFSO and how it is being substituted.</p> <p><u>New definition of “guidelines” (also the proposed section 6D)</u></p> <p>2) The Administration will provide further information on other pieces of legislation where there are relevant guidelines which are not legally binding but which may be admissible as evidence in court and to which the Court may make reference in determining matters in connection with the MPFSO.</p> <p><u>New definition of “chief execution”</u></p> <p>3) To avoid confusion with the expression “Chief Executive”, the Administration will consider using alternative expressions such as “chief executive officer”.</p>	

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1.12.97	<p data-bbox="486 360 927 392"><u>Deletion of “master trust scheme”</u></p> <p data-bbox="486 440 1491 544">4) Secretariat will advise on the implications, if any, of deleting the definition under section 2 and to incorporate the relevant provision under the proposed section 21.</p> <p data-bbox="486 592 613 624"><b>Section 6</b></p> <p data-bbox="486 671 649 703"><u>Section 6(1)</u></p> <p data-bbox="486 751 1491 1007">5) On the proposed reconstitution of the MPFA as a corporation and the availability of checks and balance, members are concerned about the absence of a board of directors management board for the MPFA. The Administration at the Secretariat will seek further information on similar arrangements, if any, for statutory corporations; or whether it is the prevalent practice to provide for a board comprising members representing the relevant sectors and with its own rules of procedure.</p> <p data-bbox="486 1054 633 1086"><u>Section 6A</u></p> <p data-bbox="486 1134 1491 1342">6) It is the Administration intention that the MPFA will also oversee ORSO schemes. Members have asked whether this function should also be added to the proposed section 6A. The Administration has expressed technical difficulties in view that parallel amendments to ORSO will also be required. It considers it more appropriate to introduce the necessary amendments after the MPFA has been set up.</p>	

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	<p data-bbox="488 402 629 432"><u>Section 6F</u></p> <p data-bbox="488 475 1489 655">7) The Chairman has asked why the MPFA should be required to prepare a corporate plan “for its next financial year” only and not for a longer period ahead. The Administration has advised that this is only the minimum statutory requirement which is in line with overseas practices and the MPFA is at liberty to prepare further plans.</p> <p data-bbox="488 703 629 734"><u>Section 6L</u></p> <p data-bbox="488 778 1489 887">8) The Administration will consider prescribing a period within which the MPFA has to submit financial statements after the expiry of its financial year.</p> <p data-bbox="488 935 629 965"><u>Section 6P</u></p> <p data-bbox="488 1010 1489 1155">9) The Committee has asked the Administration to consider stipulating the quorum for meetings of the proposed MPF Schemes Advisory Board. If a management board is to be provided for the MPFA, a quorum should also be prescribed.</p>	