

## **LEGISLATIVE COUNCIL BRIEF**

### **OCCUPATIONAL RETIREMENT SCHEMES ORDINANCE (CHAPTER 426)**

#### **Occupational Retirement Schemes (Notices of Changes) Rules**

#### **Occupational Retirement Schemes (Fees) (Amendment) Rules 1998**

#### **Occupational Retirement Schemes (Authentication and Certification of Documents) (Amendment) Rules 1998**

### **INTRODUCTION**

Section 73(1)(da) of the Occupational Retirement Schemes Ordinance (“the Ordinance”) empowers the Registrar of Occupational Retirement Schemes (“the Registrar”) to make rules for details to be supplied on notice of changes to registered or exempted occupational retirement schemes (“registered or exempted schemes”). Section 73A of the Ordinance provides that a person who notifies the Registrar of a change of the particulars of a registered scheme or an exempted scheme shall pay the prescribed fee for giving the notice. In this connection, the Registrar has made the following rules:-

- (a) Occupational Retirement Schemes (Notices of Changes) Rules (Annex A);
- (b) Occupational Retirement Schemes (Fees) (Amendment) Rules 1998 (Annex B); and

- (c) Occupational Retirement Schemes (Authentication and Certification of Documents) (Amendment) Rules 1998 (Annex C).

## **BACKGROUND AND ARGUMENT**

### **Occupational Retirement Schemes (Notices of Changes) Rules**

2. The Ordinance requires certain changes to registered or exempted schemes to be notified to the Registrar in the manner prescribed in rules made by the Registrar. The scope of such notification includes:-

- (i) the name of a registered or exempted scheme;
- (ii) the relevant employer of a registered or exempted scheme;
- (iii) the name or address of the relevant employer of a registered or exempted scheme;
- (iv) the administrator of a registered scheme;
- (v) the name or address of the administrator or designated person of a registered scheme;
- (vi) the representative employer of a group scheme; and
- (vii) the name or address of the representative employer of a group scheme.

3. Under existing practice, the parties who give notifications of the above changes should furnish the Registrar with the particulars of the changes for updating the statutory register kept under section 6 of the Ordinance. They should also provide other details or documents evidencing the changes or for the purposes of indicating to the Registrar that other particulars of the schemes remain unchanged.

4. The above practice has been adopted by most relevant employers and scheme administrators. However, there are at present no statutory rules to prescribe the details that need to be submitted to the Registrar on the making of notification of change of scheme particulars. There have been occasions where the relevant employers or administrators of occupational retirement schemes do not follow the practice and cause delay in updating the necessary records by the Registrar. To ensure uniformity of practice in this regard, it is considered necessary to prescribe by rules the requirements for notices of changes. This will also enable the Registrar to specify standard forms for the purpose of facilitating the submission of the relevant information about these changes.

### **Occupational Retirement Schemes (Fees) (Amendment) Rules 1998**

5. Section 73A of the Ordinance provides that a person who notifies the Registrar of a change of the particulars of a registered scheme or an exempted scheme shall pay the prescribed fee for giving the notice. We are not going to prescribe fees on such notification.

6. Our original intention is that the cost of processing notification of changes of retirement schemes particulars should be recovered through new

fees to be introduced, instead of through the annual fees payable by employers of retirement schemes. Having reviewed the operational experience in processing all types of notification of changes of retirement schemes particulars, the Registrar considers that the workload and the cost involved is actually not significant. Besides, in the course of public consultation, the retirement schemes industry has opined that fees should not be introduced for notification of relatively minor changes of particulars. Hence, we propose that fees should not be charged separately for notification of changes of particulars and that the cost for such work be recovered through the annual fees. The Occupational Retirement Schemes (Fees) (Amendment) Rules 1998 prescribe fees for all types of notification of changes of particulars as “Nil”.

**Occupational Retirement Schemes (Authentication and Certification of Documents) (Amendment) Rules 1998**

7. Section 67(1B) of the Ordinance requires that, in respect of a group scheme, the relevant employers from within the grouping of companies must by power of attorney nominate a representative employer for the purposes of the scheme. Such power of attorney or its copy must be authenticated or certified as appropriate under section 2(4) or 3 of the Occupational Retirement Schemes (Authentication and Certification of Documents) Rules and submitted to the Registrar under section 7(2)(c)(ii) or 15(d) of the Ordinance upon the application for exemption certificate or registration of the group scheme. Likewise, it is also required under the aforesaid Occupational Retirement Schemes (Notices of Changes) Rules that, in respect of a group scheme, upon the addition of relevant employers or change of representative employer, a copy of the relevant power of attorney is also required to be submitted to the Registrar. To require such copies of powers of attorney to be certified as

appropriate in the above manner, the Occupational Retirement Schemes (Authentication and Certification of Documents) (Amendment) Rules 1998 are therefore made.

8. In addition to the above, under the Occupational Retirement Schemes (Amendment) Ordinance 1995, the provision for execution of powers of attorney has been renumbered from 67(1) to 67(1B). However, consequential amendments to the Occupational Retirement Schemes (Authentication and Certification of Documents) Rules have not been made. The Occupational Retirement Schemes (Authentication and Certification of Documents) (Amendment) Rules 1998 have also provided for these minor amendments.

## **THE RULES**

### **(A) Occupational Retirement Schemes (Notices of Changes) Rules**

9. The Occupational Retirement Schemes (Notices of Changes) Rules provide for the details and matters to be supplied in notices to the Registrar under the Ordinance in respect of the changes referred to in paragraph 2(i) to (vii) above.

**(B) Occupational Retirement Schemes (Fees) (Amendment) Rules 1998**

10. The Occupational Retirement Schemes (Fees) (Amendment) Rules 1998 amend the Occupational Retirement Schemes (Fees) Rules to prescribe fees payable for various notices of changes to occupational retirement schemes under the Ordinance.

11. The prescribed level of fees is “Nil”.

**(C) Occupational Retirement Schemes (Authentication and Certification of Documents) (Amendment) Rules 1998**

12. The Occupational Retirement Schemes (Authentication and Certification of Documents) (Amendment) Rules 1998 amend the Occupational Retirement Schemes (Authentication and Certification of Documents) Rules for the purpose of requiring certification of, in accordance with section 3 thereof, powers of attorney required to be submitted under the Occupational Retirement Schemes (Notices of Changes) Rules. The Amendment Rules also effect a couple of minor amendments in the Occupational Retirement Schemes (Authentication and Certification of Documents) Rules relating to the section number [section 67(1)] of the Ordinance.

**PUBLIC CONSULTATION**

13. The Hong Kong Trustees’ Association, the Life Insurance Council and the Hong Kong Retirement Scheme Association have been consulted and have indicated support for the proposed rules.

## **HUMAN RIGHTS IMPLICATIONS**

14. There are no human rights implications.

## **FINANCIAL AND STAFFING IMPLICATIONS**

15. There are no financial or staffing implications.

## **ECONOMIC IMPLICATIONS**

16. The rules are intended to give statutory effect to the existing practices on the provision of details in the making of notification of changes of scheme particulars to the Registrar. They should therefore not have any significant effect on the operation of relevant employers and scheme administrators. The standardization of details to be provided is expected to enhance the effectiveness and efficiency of the Registrar in processing the notification of changes of scheme particulars.

## **PUBLICITY**

17. The rules will be published in the Gazette on 27 November 1998. The Registrar will inform relevant employers and scheme administrators the requirements and the commencement date of these rules.

## **ENQUIRY**

18. For any enquiries on this brief, please contact Mr. Vincent Fung, Assistant Secretary for Financial Services (Retirement Schemes and Insurance) at telephone number 2527 1893.

Financial Services Bureau  
November 1998

(File ref.: C13/4/2C (98) VIII)