

LEGISLATIVE COUNCIL BRIEF

Mandatory Provident Fund Schemes Ordinance
(Chapter 485)

MANDATORY PROVIDENT FUND SCHEMES ORDINANCE (80 OF 1995) (COMMENCEMENT) NOTICE 1999

MANDATORY PROVIDENT FUND SCHEMES (FEES) REGULATION

INTRODUCTION

At the meeting of the Executive Council on 9 March 1998, the Council ADVISED and the Chief Executive ORDERED that-

- A
- (a) the Mandatory Provident Fund Schemes Ordinance (80 of 1995) (Commencement) Notice 1999, at Annex A, should be made by the Chief Executive under section 1(2) of the Mandatory Provident Fund Schemes Ordinance (the Ordinance), to bring into operation on 12 March 1999, 3 August 1999 and 3 January 2000 respectively certain provisions of the Ordinance relating to the operation of the Mandatory Provident Fund System; and
- B
- (b) the Mandatory Provident Fund Schemes (Fees) Regulation, at Annex B, should be made under section 46 of the Ordinance, subject to the approval of the Legislative Council.

BACKGROUND AND ARGUMENT

Implementation Timetable

2. On 24 July 1998, the Mandatory Provident Fund Schemes Ordinance (Cap. 485) (Commencement) Notice 1998 was made by the Chief Executive to bring sections 1,2,3 and 6 of the Ordinance into force, so that the directors of the MPFA could be appointed to prepare for the implementation of

the MPF System. The Chief Executive appointed 14 directors of the MPFA on 17 September 1998. Since its establishment, the MPFA has been pressing ahead in full steam on all fronts in preparation for the implementation of the MPF System. This includes-

- (a) setting up an executive arm consisting of 266 positions for the MPFA;
- (b) developing an Information Management System (IMS) for the MPFA;
- (c) preparing for the licensing (i.e. approval of trustees and investment products and registration of schemes);
- (d) preparing for the exemption of existing schemes governed under the Occupational Retirement Schemes Ordinance (ORSO) from the MPF requirements; and
- (e) making arrangements to facilitate the enrolment of employees and self-employed persons into the MPF schemes.

3. One of the MPFA's priority tasks is to announce the MPF implementation timetable early so as to facilitate all parties concerned to make suitable preparation. In order to fix a timetable which is realistic and achievable by all parties, the MPFA has consulted the retirement schemes industry and employer groups and has also reviewed recently the progress of its preparatory work.

4. In the light of the outcome of the consultation and review, the MPFA has drawn up the following timetable for the four key stages of implementing the MPF-

Key Stages	Timetable
Licensing	Second half of 1999
Exemption of ORSO schemes	January 2000 to July 2000
Enrolment of employees and self-employed persons into the MPF schemes	January 2000 to November 2000
Collection of MPF contributions	1 December 2000

C A detailed timetable is at Annex C. We believe this is a reasonable timetable, giving all parties concerned sufficient time to prepare for the launching of the MPF System.

5. We will announce administratively the MPF implementation timetable in March 1999. Commencement notices will be made in batches to bring relevant provisions into force to tie in with the implementation timetable. However, the commencement notices for provisions relating to making contributions should be considered at a later stage. We should review the situation in the second quarter of 2000, in particular the progress of the test runs on the MPFA's IMS and the ORSO exemption process, so as to confirm again the date from which mandatory contributions will become payable.

Commencement Notices

6. In order to enable the MPFA to make financial arrangements for its operation, start the licensing process and grant exemptions in respect of the existing ORSO schemes according to the implementation timetable, it is necessary to bring the relevant provisions in the Ordinance into force in phases as set out in the Commencement Notice at Annex A.

7. The Financial Secretary will also make arrangements to commence corresponding provisions in the Provident Fund Schemes Legislation (Amendment) Ordinance 1998 and the Mandatory Provident Fund Schemes (General) Regulation according to the same implementation timetable. The commencement notices to be made by the Financial Secretary are at Annexes D and E.

D&E

Fees Regulation

8. In accordance with the MPF legislation, a few items of fees of such amount as prescribed in the regulation are to be paid to the MPFA-

(a) **Annual fees-**

- (i) annual registration fee for MPF schemes; and
- (ii) annual fee for ORSO schemes exempted from the MPF requirements; and

(b) **Application fees-**

- (i) application fees for licensing (i.e. fees for application for approval of trustees, investment products and registration of schemes);

- (ii) application fees for the voluntary winding up, merger and division of the MPF registered schemes;
- (iii) application fee for exemption of the ORSO schemes from the MPF requirements; and
- (iv) application fee for approval of the appointment of a trustee, which is not a registered trust company, of an ORSO scheme exempted from the MPF requirements.

9. In accordance with the relevant legislative provisions, an application for licensing must be accompanied by an application fee of such amount as prescribed by regulation. It is therefore necessary to make the Fees Regulation before the licensing process commences.

COMMENCEMENT NOTICES

10. The Commencement Notice at Annex A will bring into operation the following provisions in the Ordinance-

- (a) **Section 5**, which relates to the exemption of the ORSO schemes;
- (b) **Section 17**, which provides for the establishment of a compensation fund for the purpose of compensating for loss of accrued benefits due to misfeasance or illegal conduct;
- (c) the provisions under **Part IV** that relate to the approval of trustees, registration of schemes, duties of trustees, restrictions on investment of MPF assets, inspections and investigations;
- (d) **Part V**, which provides for the appeal mechanism;
- (e) the provisions under **Part VI** that deal with miscellaneous matters such as the disclosure of information, offences and penalties, the authority to make regulations, rules and amendment of schedules;
- (f) **Schedule 5**, which provides for the trustees' covenants to be implied in the governing rules of the MPF schemes;
- (g) **Schedule 6**, which sets out the decisions of the MPFA that may be the subject of an appeal; and
- (h) **Schedule 8**, which defines "associates" and "related companies" for the purpose of the Ordinance.

11. Of the provisions in the Commencement Notice at Annex A-
 - (a) **Sections 17 and 46 to 48** are to commence operation on **12 March 1999**. This is to enable the immediate establishment of the Compensation Fund when the grant of \$600 million is received from Government before the close of the current fiscal year and the making of regulations, rules and amendment of schedules if necessary.
 - (b) **Part V, Schedules 5, 6 and 8**, and other provisions under **Parts IV and VI** are to commence operation on **3 August 1999** in order to tie in with the expected enactment of the MPF Schemes (Fees) Regulation.
 - (c) **Section 5** relating to the exemption of ORSO schemes will commence operation on **3 January 2000** after the MPF licensing procedures have largely been completed.
12. The related Commencement Notices at Annexes D and E will bring into operation the corresponding provisions referred to in paragraph 7 above.
13. In fixing the commencement dates, the MPFA has taken into account the need to tie in with the MPF implementation timetable and the period for tabling the Commencement Notices at the Legislative Council during which Members may make amendments. Most of the provisions will only commence after the first half of 1999, except provisions which enable the MPFA to draw down the grant from the Government within the current financial year.

THE REGULATION

Annual Fees

(A) Annual Registration Fee for MPF Schemes

14. We **propose not to charge** the annual registration fee. We will review the situation in the light of operational experience and consider charging such a fee two years after the implementation of the MPF System. The reasons for adopting this approach are as follows-

(a) **Basis of calculation**

It is stipulated in the Ordinance that the amount of the annual registration fee should be fixed on a cost recovery basis and determined by reference to the current value of the assets of a registered scheme. However, neither of these basis of determination will give very meaningful results in the initial two years because of the following considerations-

(i) Expenditure

Staff cost is the major expenditure item of the MPFA. However, during the initial two years, the MPFA will recruit its staff in phases to tie in with the major steps of the preparatory work for the initial implementation of the MPF System. We also need to recruit a large number of short-term temporary staff to handle the implementation work. The rate of staff intake is dependent on their availability which would not be entirely within the control of the MPFA. Whilst we are not able to fix the annual registration fee on the basis of actual costs, it is also not reliable to fix such a fee, which is an on-going requirement, purely on nominal costs for the initial two years.

(ii) Income

Since the asset size of the MPF System will be meager during the initial two years of operation of the System, fixing the fee by reference to the MPF assets will only generate a relatively small amount of fee income in this period. On the basis of some crude assumptions, it is estimated that the fee forgone for the initial two years will only amount to a total of \$60 million, supposing a fee of 0.1% of the MPF assets were otherwise charged. It will be more appropriate to review the situation at a later stage when the actual asset size is known and accumulates to a more meaningful amount.

(b) **Perceived cost burden**

In the light of the economic downturn, fixing the annual registration fee at a rate other than a token amount would be perceived as an added burden. To address such concerns, it would be more appropriate not to levy the annual registration fee for the initial two years.

(B) Annual Fee for the ORSO Schemes Exempted from the MPF Requirements

15. Employers of these schemes are required to pay an annual fee under the ORSO. To avoid double charging, we **recommend** that they should **not** be required to pay an annual fee under the MPF legislation in respect of the same scheme.

Application Fees

16. We consider it inappropriate to adopt the same approach in respect of the MPF annual registration fee for the application fees which are only paid on a one-off basis. With a fee requirement for applications for approval, the service providers would more likely take greater care and due diligence to ensure that the applications meet the statutory requirements and standards. Allowing applications to be lodged at no cost even in the first two years might attract licensing applications which were not well considered and thus increase unnecessarily the operating costs of the MPFA as well as the time required for implementing the MPF System.

17. Instead, we **propose** to fix the amounts of the application fees on the basis of similar types of fees charged under other financial services regulatory regimes, as compared at Annex F F, for the following reasons-

(a) Basis of calculation

It is difficult to fix the level of fees on a cost recovery basis. As described in paragraph 14(a) above, the staff costs are unlikely to consolidate during the initial two years. It is therefore neither reliable nor meaningful to use such costs, either actual or nominal, as a basis to fix the application fees.

(b) Ready reference

Fixing the fees on the basis of similar or comparable types of fees charged by other regulatory organisations will make it easier for the applicants to understand and adapt to the MPFA's fee structure. For example, the fee payable by an employer applying for ORSO exemption will be the same as the fee for registration of the scheme under the ORSO.

PUBLIC CONSULTATION

18. The Mandatory Provident Fund Schemes Advisory Committee (MPFSAC) was consulted on the proposed Fees Regulation at its meeting held on 11 February 1999. Members of the MPFSAC did not raise any objection to the proposals. The MPFSAC was further consulted on 4 March 1999 on the proposals to bring into effect the provisions covered by the Commencement Notices at Annexes A, D and E. Members of the committee also did not have strong views towards the proposals.

HUMAN RIGHTS IMPLICATIONS

19. The Department of Justice advises that the Commencement Notices and the Fees Regulation have no human rights implications.

BINDING EFFECT OF THE LEGISLATION

20. Section 3 of the Ordinance provides that the Ordinance binds Government. Consequently, all subsidiary legislation made thereunder also binds Government.

FINANCIAL AND STAFFING IMPLICATIONS

21. The Finance Committee of the Legislative Council approved on 3 April 1998 the injection of \$5 billion to finance the setting up and operating costs of the MPFA. It is the Administration's intention that, with investment returns generated from this initial capital injection and income from fees to be collected, the MPFA will operate on a self-financing basis. There are no additional financial or staffing implications arising from the making of the Commencement Notices, which are necessary to bring into effect certain provisions in the Ordinance for the implementation of the MPF System.

22. We estimate that the proposal to waive the annual registration fee for the initial two years will result in income forgone of about \$60 million, on the basis that a fee of 0.1% of the MPF assets were to be charged. On the assumption that in the subsequent years there would be charging of annual registration fees, which form the principal source of steady income of the MPFA, the proposal would not have significant implications on the long term finances of the MPFA. As regards the proposed application fees which are paid on a one-off basis, we estimate that these will generate about \$30 million for the first 20 years. The proposed levels are unlikely to have any adverse impact on the applicants.

LEGISLATIVE TIMETABLE

23. The legislative timetable for the **three Commencement Notices** is as follows-

Publication in the Gazette	12 March 1999
Tabling in the Legislative Council	17 March 1999

24. Regarding the **Fees Regulation** at Annex B, we will give notice to move a motion for the passage of the Regulation in the Legislative Council.

PUBLICITY

25. A press release was issued on 9 March 1999 and a spokesman was designated to answer media enquiries. Further publicity will be arranged when necessary.

Enquiries

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Mandatory Provident Fund Office
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Mandatory Provident Fund Office
Financial Services Bureau
10 March 1999

**MANDATORY PROVIDENT FUND SCHEMES ORDINANCE
(80 OF 1995) (COMMENCEMENT) NOTICE 1999**

**MANDATORY PROVIDENT FUND SCHEMES
(FEES) REGULATION**

ANNEXES

- Annex A - Mandatory Provident Fund Schemes Ordinance (80 of 1995)
(Commencement) Notice 1999
- Annex B - Mandatory Provident Fund Schemes (Fees) Regulation
- Annex C - Proposed MPF Implementation Timetable
- Annex D - Provident Fund Schemes Legislation (Amendment) Ordinance 1998 (4 of
1998) (Commencement) Notice 1999
- Annex E - Mandatory Provident Fund Schemes (General) Regulation (Cap. 485
Sub. Leg.) (Commencement) Notice 1999
- Annex F - Proposed MPF Fees

**MANDATORY PROVIDENT FUND SCHEMES ORDINANCE (80 OF 1995)
(COMMENCEMENT) NOTICE 1999**

1. Under section 1(2) of the Mandatory Provident Fund Schemes Ordinance, after consultation with the Executive Council, I appoint 12 March 1999 as the day on which the following provisions of the Ordinance shall come into operation-

- (a) section 17;
- (b) Part VI (except sections 41 to 45 and 49).

2. Under section 1(2) of the Mandatory Provident Fund Schemes Ordinance, after consultation with the Executive Council, I appoint 3 August 1999 as the day on which the following provisions of the Ordinance shall come into operation-

- (a) Part IV (except sections 23 and 34);
- (b) Part V;
- (c) sections 41 to 45;
- (d) Schedules 5, 6 and 8.

3. Under section 1(2) of the Mandatory Provident Fund Schemes Ordinance, after consultation with the Executive Council, I appoint 3 January 2000 as the day on which section 5 of the Ordinance shall come into operation.

Chief Executive

MANDATORY PROVIDENT FUND SCHEMES (FEES) REGULATION

(Made by the Chief Executive in Council under section 46 of the Mandatory Provident Fund Schemes Ordinance (Cap. 485) subject to the approval of the Legislative Council)

1. Commencement

This Regulation shall come into operation on 3 August 1999.

2. Fees

(1) The amounts set out in column 4 of the Schedules are the fees prescribed in relation to the provisions specified in column 2 of those Schedules.

(2) A fee prescribed in Schedule 2 is payable when an application is lodged with the Authority for the relevant approval.

SCHEDULE 1

[s. 2]

FEES PRESCRIBED FOR THE PURPOSES OF THE MANDATORY
PROVIDENT FUND SCHEMES ORDINANCE (CAP. 485)

Item	Relevant section of the Ordinance	Description	Amount
1.	20 (a)	Fee payable when an application is lodged with the Authority by a company for approval as a trustee	\$81,500

		(b) Fee payable when an application is lodged with the Authority by a natural person for approval as a trustee	\$4,900
2.	21	Fee payable when an application is lodged with the Authority for registration of a provident fund scheme as an employer sponsored scheme or a master trust scheme	\$40,000
3.	21A	Fee payable when an application is lodged with the Authority for registration of a provident fund scheme as an industry scheme	\$40,000
4.	22B	Annual registration fee payable in respect of a registered scheme	An amount equal to 0% of the net asset value of the scheme as at the end of the immediately preceding financial period

5.	34	Fee payable when an application is lodged with the Authority in respect of the voluntary winding up of an employer sponsored scheme	Nil
6.	34B	Fee payable when an application is lodged with the Authority in respect of the merger of registered schemes	Nil
7.	34C	Fee payable when an application is lodged with the Authority in respect of the division of a registered scheme	Nil

SCHEDULE 2

[s. 2]

FEES PRESCRIBED FOR THE PURPOSES OF THE MANDATORY
PROVIDENT FUND SCHEMES (GENERAL) REGULATION
(CAP. 485 SUB. LEG.)

Item	Relevant section of the Regulation	Description	Amount
1.	6	Approval of a pooled investment fund	\$10,000
2.	36	Approval of a constituent fund	\$5,000

SCHEDULE 3

[s. 2]

FEES PRESCRIBED FOR THE PURPOSES OF THE MANDATORY
PROVIDENT FUND SCHEMES (EXEMPTION) REGULATION
(CAP. 485 SUB. LEG.)

Item	Relevant Section of the Regulation	Description	Amount
1.	5	Fee payable when an application is lodged with the Authority for an exemption certificate in respect of an ORSO exempted scheme	\$600
2.	16	(a) Fee payable when an application is lodged with the Authority for an exemption certificate in respect of an ORSO registered scheme which is a participating scheme of a pooling agreement	\$1,200
		(b) Fee payable when an application is lodged with the Authority for an exemption certificate in respect of an ORSO registered scheme which is not a participating scheme of a pooling agreement	\$2,400

3.	Schedule 2, section 10	Fee payable when an annual return is lodged with the Authority	Nil
4.	Schedule 3, section 7	(a) Fee payable when an application is lodged with the Authority for approval to the appointment of a trustee of a scheme which is a company and is a trustee to which section 5(1)(a) of the Schedule applies	Nil
		(b) Fee payable when an application is lodged with the Authority for approval to the appointment of a trustee of a scheme which is a company but is not a trustee to which section 5(1)(a) of the Schedule applies	\$11,250
		(c) Fee payable when an application is lodged with the Authority for approval to the appointment of - (i) a trustee of a scheme who is a natural person; or (ii) in the case of a trustee of a scheme which is a	\$4,900

company but is not a
trustee to which section
5(1)(a) or (b) of the
Schedule applies, a
director of the trustee

Clerk to the Executive Council

COUNCIL CHAMBER

March 1999

Explanatory Note

This Regulation prescribes fees for the purposes of the Mandatory Provident Fund Schemes Ordinance (Cap. 485) and the regulations made under the Ordinance.

Proposed MPF Implementation Timetable

<u>Key Stage</u>	<u>Proposed Schedule</u>
<u>Licensing</u>	
● Preparatory stage(i.e. informal discussions between MPFA and service providers to clarify issues)	May 1999 to July 1999
● Lodgement of applications	3 August 1999
● Notification of results by the MPFA	same date in end December 1999
<u>Exemption of ORSO Schemes from MPF Requirements</u>	
● Preparatory stage(i.e. preparation by service providers and employers for application)	January 2000 to April 2000
● Deadline for lodgement of applications	3 May 2000
● Notification of results by MPFA	May 2000 to July 2000
<u>Enrolment</u>	
● Marketing and enrolment	January 2000 to November 2000
<u>Collection of Contributions</u>	1 December 2000

**PROVIDENT FUND SCHEMES LEGISLATION (AMENDMENT) ORDINANCE 1998
(4 OF 1998) (COMMENCEMENT) NOTICE 1999**

1. Under section 1(2) of the Provident Fund Schemes Legislation (Amendment) Ordinance 1998, I appoint 12 March 1999 as the day on which the following provisions of the Ordinance shall come into operation-

- (a) Schedule 1, item 18 (in relation to new sections 6I and 6K to 6Q), items 30 to 34 and 75 to 77, item 78 (in relation to new section 47A), item 90 (in relation to section 48(1)), item 91 (in relation to section 17(3), (6) and (7)), items 93 and 94, and item 95 (except in relation to section 35(8)), and section 2 in its application to those items;
- (b) Schedule 10, item 2, and section 11 in its application to that item.

2. Under section 1(2) of the Provident Fund Schemes Legislation (Amendment) Ordinance 1998, I appoint 3 August 1999 as the day on which the following provisions of the Ordinance shall come into operation-

- (a) Schedule 1, item 18 (in relation to new section 6J), items 39, 41 to 62 and 64 to 70, item 71 (in relation to new sections 43, 43A, 43D and 43E), items 72 to 74, item 78 (in relation to new section 47B), items 85 to 88, item 91 (in relation to sections 27(2)(e) and (f), 28(1), 30(2), 31(1) and 32(2), (8) and (10)(b)(ii)), item 95 (in relation to section 35(8)) and items 97 to 100, and section 2 in its application to those items;

- (b) Schedule 2, item 1, and section 3 in its application to that item;
- (c) Schedule 3, items 2 and 9, and section 4 in its application to those items;
- (d) Schedule 6 and section 7;
- (e) Schedule 8 and section 9;
- (f) Schedule 9 and section 10;
- (g) Schedule 10, item 1, and section 11 in its application to that item;
- (h) Schedule 13 and section 14.

3. Under section 1(2) of the Provident Fund Schemes Legislation (Amendment) Ordinance 1998, I appoint 3 January 2000 as the day on which item 17 and item 18 (in relation to new sections 6U to 6W) of Schedule 1 to, and section 2 (in its application to those items) of, the Ordinance shall come into operation.

Financial Secretary

**MANDATORY PROVIDENT FUND SCHEMES (GENERAL) REGULATION
(CAP. 485 SUB. LEG.) (COMMENCEMENT) NOTICE 1999**

1. Under section 1 of the Mandatory Provident Fund Schemes (General) Regulation, I appoint 12 March 1999 as the day on which Part XIV (except sections 185 to 191) of the Regulation shall come into operation.

2. Under section 1 of the Mandatory Provident Fund Schemes (General) Regulation, I appoint 3 August 1999 as the day on which the following provisions of the Regulation shall come into operation-

- (a) those provisions of Part I that have not yet come into operation;
- (b) Parts II and III;
- (c) Part IV (except sections 32 to 35);
- (d) Part V (except sections 56, 59 and 66);
- (e) Part VI (except section 71);
- (f) Parts VII to X;
- (g) those provisions of Part XVI that have not yet come into operation
(except section 203);
- (h) Schedules 1 to 4.

Financial Secretary

Proposed MPF Fees

(I)	<u>Type of Fees under MPFSO</u> <u>Licensing Fees</u>	<u>Proposed Amount</u>	<u>Remarks</u>
A.	Application fee for approval as an MPF trustee under section 20 of the Ordinance		<ul style="list-style-type: none"> ● Same as the fee for the authorisation of an insurance broker or the approval of a body of insurance brokers. ● Recommended because the approval procedures involved are comparable to those for the approval of a trustee which is a company.
(a)	approval of a company	\$81,500	
(b)	approval of a natural person	\$4,900	<ul style="list-style-type: none"> ● Same as the application fee charged by the SFC for registration of a dealer or an investment adviser. ● Recommended due to similar approval procedures.
B.	Application fee for registration of provident fund scheme under sections 21 or 21A of the Ordinance (including approval of constituent funds under section 36 of the MPF Schemes (General) Regulation)	\$40,000 plus \$5,000 for each constituent fund; and \$5,000 for approval of a new constituent fund added after registration of the scheme	<ul style="list-style-type: none"> ● Same as the application fee charged by SFC for the authorisation of a unit trust within which there could be more than one fund. ● Recommended because the structure of the product to be approved and the approval procedures involved are similar.
C.	Fee for the approval of pooled investment funds under section 6 of the MPFS (General) Regulation	\$10,000	<ul style="list-style-type: none"> ● Same as SFC's authorisation fee for a mutual fund corporation that is not capable of maintaining more than one fund or a unit trust within which there could not be more than one fund. ● Recommended because both the nature of the product and the approval procedures are similar.
(II)	<u>Other Fees</u>		
D.	Application fee for voluntary winding up, merger or division of MPF schemes under section 34, 34B or 34C of the Ordinance	\$0	<ul style="list-style-type: none"> ● Recommended because the SFC does not charge any fees for the approval of voluntary winding up, merger or division of mutual fund corporations or unit trusts. Neither does ORSO charge any fees for voluntary winding up, merger or division of schemes.

<u>Type of Fees under MPFSO</u>	<u>Proposed Amount</u>	<u>Remarks</u>
E. Application fee for MPF exemption of ORSO schemes under sections 5 and 16 of the MPFS (Exemption) Regulation		
(a) Exempted scheme	\$600	● Same as the application fee for an ORSO exemption certificate and the application fees for registration of schemes under ORSO respectively.
(b) Registered scheme	\$1,200	● Recommended because they are easy for employers to understand and adapt to.
i) where it is a participating scheme of a pooled agreement	\$2,400	
ii) where it is not a participating scheme of a pooled agreement		
F. Application fee for approval of the appointment of a trustee, or a director of a trustee which is a company, of a relevant ORSO scheme under section 7 of Schedule 3 to the MPFS (Exemption) Regulation		
	\$4,900 for the appointment of a trustee who is a natural person or the appointment of a director of a trustee which is a company	● Same as the proposed fee for MPF approval of a trustee who is a natural person. ● Recommended due to similar procedures.
	\$11,250 for the appointment of a trustee which is a company	● Same as the application fee for registration of a trust company under the Trustee Ordinance. ● Recommended because the procedures involved are simpler than those for approval of a MPF trustee which is a company. The procedures are closer to the registration of a trust company under the Trustee Ordinance.