

HKTA

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Hong Kong Trustees' Association Ltd
香港信託人公會

By Fax: 2121 0420

To: The Hon Chan Kam-lam
Chairman of the Panel on Financial Affairs

From: Ka Shi Lau, Chairman
Hong Kong Trustees' Association Ltd

Date: 24 August 2007

Subject: Mandatory Provident Fund Schemes (Amendment) Bill 2007

Thank you for your letter dated 24 July 2007 inviting comments from the Hong Kong Trustees' Association ("HKTA") in relation to the review of the Mandatory Provident Fund Schemes (Amendment) Bill 2007 ("the Bill").

- (a) The HKTA is supportive of the Bill which serves to achieve the purposes of
- (1) giving further details on parts that are not clear enough to avoid misinterpretation and promote effective execution;
 - (2) streamlining the existing operational procedures to enhance effectiveness and efficiency; and
 - (3) enhancing the details of information to be provided to members on MPF accounts, fund transactions, and fees and charges.

Regarding the relevant parts relating to administration / reporting functions, the HKTA has had many discussions with the MPFA and provided them with the industry views and suggestions on the various issues raised in the Bill during the consultative process. We therefore have no further comment.

- (b) While we support the initiative to provide more detailed information on fees and charges, we consider that the comparative platform maintained by the MPFA should also carry other information that are provided in the fund fact sheet so as to give scheme members more comprehensive details on fund performance and the relative fees and charges.
- (c) In order to promote better retirement planning for the working population and enhance their retirement protection, the proposed increase of maximum level of relevant income from \$20,000 to \$30,000 would be beneficial to scheme members. We further propose that the tax deduction limit be increased at the same time on the increased contribution.
- (d) Tax incentive on voluntary contribution made by scheme members should also be introduced to encourage scheme members to save more for retirement.

If you have any questions, please feel free to contact me at 2298 9298 or by fax at 2520 0903.

