

**Hong Kong Investment Funds Association**

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Professor KC Chan
Secretary for Financial Services and the Treasury Bureau
18th Floor, Admiralty Centre, Tower 1
18 Harcourt Road
Hong Kong

Dear Prof Chan,

Re: Enhanced Regulation of MPF Sales and Marketing Activities

On behalf of the Hong Kong Investment Funds Association (“HKIFA”), I welcome the FSTB’s initiatives to strengthen MPF regulatory regime which facilitates the implementation of the Employee Choice Arrangement.

Regarding the various categories of exclusions and exemptions from the scope of Regulated MPF sales and marketing activities, we opined that they should be limited to those giving advice to corporate clients – i.e. giving advice to individual client is not allowed. This is consistent with the current practice for pensions consultants. If these categories of exclusions and exemptions wish to give advice to individuals, they should have someone with the proper MPF licenses to do so.

Notwithstanding the above, we believe registered MPF trustees and administrators should be granted exclusions and exemptions on both employer and employee levels when they act in their capacity of trustee and/ or administrator of the scheme. This shall be differentiated from the circumstance when an approved trustee provides investment advice in their capacity as product sponsor.

I welcome the opportunity to further discuss this. If you have any questions, please feel free to contact me on 2537 9912.

Yours sincerely,

Kerry Ching
Pensions Subcommittee Chairman

c.c.: Mr. Darren McShane, Executive Director (Regulation & Policy), Mandatory Provident Fund Schemes Authority