

September 23, 2014

BY FAX
(No. 2978 7569)

Hon Chan Kin-Por, BBS, JP
Chairman of the Bills Committee on Mandatory Provident Fund Schemes
(Amendment) Bill 2014
Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr. Chan

Re: Mandatory Provident Fund Schemes (Amendment) Bill 2014 (“Amendment Bill”)

On behalf of the Hong Kong Trustees Association (“HKTA”), I would like to provide you with our members’ views on the Amendment Bill.

Having gone through the details of the MPFS (Amendment) Bill 2014 (“the Bill”), the industry has no comment on the Bill except for an issue relating to phased-withdrawal.

The original proposal of phased-withdrawal is that a member can have 4 times a year free of charge withdrawal with a minimum withdrawal amount of \$5,000. Having received comment and request from the MPFA in May 2014, the industry responded with an additional concession to provide for withdrawal from 4 to 12 times a year free of charge provided that the minimum withdrawal amount be kept at \$5,000.

However, unbeknownst to the MPF industry, such requirement was removed from the Bill submitted to the LegCo. We would like to reiterate that the minimum of \$5,000 should be maintained. Moreover, the existing MPFS (General) Regulation stipulates that a scheme member has the right to submit a claim in case his/her accrued benefits kept in the scheme do not exceed \$5,000 (calling it “small balance” account). Therefore, keeping the minimum withdrawal amount at a “small balance amount” of \$5,000 would be reasonable and appropriate for administration and operational efficiency.

We hereby request that the LegCo and the Government consider reinstating the original minimum withdrawal amount of \$5,000 into the Amendment Bill as agreed with the industry right from the start. Thank you.

If you have any question to the above, please contact me at 2298-9298.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Ka Shi Lau', with a stylized, cursive script.

Ka Shi Lau, BBS
Chairman