

30 September 2014

The Honourable Chan Kin-por, BBS, JP
Chairman, Bills Committee
Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

By Email Only (bc 10 13@legco.gov.hk)

Dear Mr Chan,

Mandatory Provident Fund Schemes (Amendment) Bill 2014
Submissions

We refer to your facsimile message (your ref: CB1/BC/10/13) of 28 July 2014.

The Hong Kong Retirement Schemes Association (HKRSA) has received the Mandatory Provident Fund Schemes (Amendment) Bill 2014 (the "Amendment Bill") and set out below our comments to the same : -

(1) Permitting trustees and administrators to disclose members' information

There is potential unintended abuse of this provision and therefore strict safeguards should be built around this e.g. the foreign tax authority asking for information must be in relation to a specific named member and the information so requested must be for a defined period. The provisions must also set out the consequences for the member not consenting to the release of the requested information, reasonable time must be given to members to respond and where a member has not replied nor cannot be contacted, additional safeguard has to be built in before the trustee can exercise such right.

(2) Modernising secrecy provisions to allow MPFA to disclose information to other regulatory bodies in the interest of scheme members.

This is potentially a very wide power given to the MPFA. How does MPFA assess whether something is on the interest of the scheme members? We would like to see some more information and examples given to justify its inclusions together with a full set of safeguards to prevent this power being abused (even if unintended).

(3) 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 for administrative and operational efficiency.

We hope you find the above useful.

Yours sincerely,



Yvonne Sin
Chairman, HKRSA