

**Bills Committee on  
Mandatory Provident Fund Schemes (Amendment) Bill 2014**

**The Administration's Responses to the  
Follow-up Actions arising from the Discussion at the Meetings on  
30 September and 7 October 2014**

	<b>Follow-up Actions</b>	<b>The Administration's Responses</b>
<b>Meeting on 30 September 2014</b>		
1(a)	To provide a cost comparison to illustrate how the proposed measures to simplify administrative processes of the Mandatory Provident Fund ("MPF") (such as the use of electronic means of communications between trustees and scheme members) could help drive down the MPF fees payable by scheme members	The Mandatory Provident Fund Schemes (Amendment) Bill 2014 ("the Bill") proposes to remove the requirement to provide overlapping or unnecessary certification documentation and to facilitate the use of electronic communication (especially the communication between trustees and scheme members), in order to reduce the administrative work of trustees, thereby creating greater room for fee reduction. That said, the actual fee reduction will depend on other factors, such as the take-up rate of usage of electronic communication by scheme members. Based on a study report published by an independent consultant commissioned by the Mandatory Provident Fund Schemes Authority ("MPFA") in 2012 ("the Report"), if paper communication in relation to scheme member support is fully replaced by online communication, a potential saving on administration costs equivalent to 0.02% of system wide net asset value per annum (i.e. approximately \$113 million based on the aggregate net asset values of all MPF schemes as at 31 August 2014) could be achieved.

	<b>Follow-up Actions</b>	<b>The Administration's Responses</b>
1(b)	<p>To provide an analysis on the benefits, including the impact on fee reduction, brought about by the merging of similar schemes/constituent funds and cancellation of constituent funds with unsatisfactory investment return by trustees</p>	<p>To drive down MPF fees, MPFA has all along been encouraging the industry to consolidate MPF schemes or funds, especially those which are smaller in scale or less efficient, to achieve greater synergy and cost reduction. Since 2003, a total of 16 schemes and 104 constituent funds have been cancelled, mostly as a result of consolidation. According to the Report, consolidation of MPF schemes and constituent funds would help trustees save administration costs by 0.05% (especially on compliance and out-of-pocket expenses).</p> <p>In addition, MPFA has been driving down MPF fees further through enhancing system transparency, promoting competition and simplifying processes. These measures include introducing the Fund Expense Ratio ("FER") and the Low Fee Fund List, implementing the Employee Choice Arrangement and encouraging personal account consolidation.</p> <p>The implementation of the aforementioned initiatives has helped reduce MPF fees. In fact, in the period from July 2007 to September 2014, FER dropped from 2.1% to 1.68%, representing a reduction of some 20%.</p>
1(c)	<p>To provide a written responses to the issues raised vide Hon Tang Ka-piu's letter of 3 October 2014 [vide LC Paper No.</p>	

	<b>Follow-up Actions</b>	<b>The Administration's Responses</b>
	CB(1)2058/13-14(01)]	
(i)	explaining whether MPFA has any power under the secrecy provisions under the current laws or the Bill to request MPF trustees to provide statistical information under MPF schemes	The Mandatory Provident Fund Schemes Ordinance (Cap. 485) ("MPFSO") stipulates that MPFA may require an approved trustee to give to MPFA any specified information relating to the MPF scheme that is in the possession of the approved trustee. MPFA and trustees have to comply with the requirements stipulated in the Personal Data (Privacy) Ordinance (Cap. 486) (including the requirement that the data to be collected has to be adequate but not excessive). Having regard to these two ordinances and considering that irregular collection schedule and collection of specific data or information from trustees can be time and resource consuming to trustees, and thus have possible cost implications, MPFA generally makes use of summary data obtained through regular data collection for analysis purposes.
(ii)	providing the number of rejected applications for approval of MPF constituent funds on the ground of not "in scheme members' interest" since the inception of MPF System, and information on whether proceedings or lodged appeals were brought for these rejected case (if so, the number since the inception of the System)	MPFA encourages the industry to seek its views before submitting / finalising their applications for MPF schemes and constituent funds so as to ensure that the type, asset class or geographical exposure would comply with the approval criteria, thus providing scheme members with diversified investment choices. According to information from MPFA, applicants of constituent funds would usually adopt the suggestions of MPFA and amend their applications accordingly. As such, there is no application that has

	<b>Follow-up Actions</b>	<b>The Administration's Responses</b>
		proceeded all the way and that is formally refused approval (and thus no appeal case).
(iii)	explaining whether MPFA has, based on the criterion of “in scheme members’ interests”, reviewed, suggested consolidation or cancellation of established MPF schemes and funds. If so, to provide the number of MPF schemes or constituent funds that have been terminated or consolidated and a list of those schemes or funds with their asset values before consolidation or termination	Please refer to the response to item 1(b) above. A list of schemes and funds that have their registration and approval status cancelled as a result of various consolidations is set out at <b><u>Enclosure</u></b> .
2	To explain how a scheme member, who has lost consciousness and been certified by a registered medical practitioner / Chinese medicine practitioner that his / her remaining life expectancy is less than 12 months, could effect his / her application for early withdrawal of MPF accrued benefits on the ground of terminal illness	<p>Under the Mental Health Ordinance (Cap. 136), if the Court is satisfied that the person concerned is incapable, by reason of mental incapacity, of managing and administering his / her property and affairs, the Court may appoint a committee of the estate of that person for the maintenance of the benefit of him / her and his / her family and for administering his / her property and affairs.</p> <p>If a scheme member has lost consciousness, his / her relative, guardian, Director of Social Welfare, or Official Solicitor may make application for appointment as the committee of the estate in accordance with the aforementioned legislation. If a registered medical practitioner /</p>

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		<p>Chinese medicine practitioner has certified the remaining life expectancy of the scheme member to be less than 12 months, the Bill proposes that the committee of the estate may claim early withdrawal of MPF accrued benefits on the ground of terminal illness on behalf of the member by completing a claim form and providing a medical certificate issued by either a medical practitioner or registered Chinese medicine practitioner to the approved trustee concerned. The approved trustee, having satisfied with the application, would pay the benefits to the claimant no later than whichever is the later of the following:</p> <p>(a) 30 days after the date on which the claim is lodged;</p> <p>(b) 30 days after the contribution day in respect of the last contribution period that ends before the claim is lodged.</p>
<b>Meeting on 7 October 2014</b>		
(i)	To explain the procedure for an employee to recover any default MPF contributions from an employer, and the enforcement actions which would be taken by MPFA under MPFSO	<p>MPFA normally becomes aware of default contribution cases through complaints lodged by employees or default contribution reports submitted by MPF approved trustees in accordance with section 135 of the MPF Schemes (General) Regulation (Cap. 485A).</p> <p>Pursuant to sections 18, 43B and 45B of MPFSO, MPFA will take the following measures against defaulting</p>

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		<p>employers:</p> <ul style="list-style-type: none"> <li>(a) contacting the employers directly, and requesting them to settle the arrears;</li> <li>(b) imposing a contribution surcharge of 5% on defaulting employers;</li> <li>(c) filing a civil claim in a court of competent jurisdiction to recover mandatory contributions and surcharge in arrears;</li> <li>(d) imposing a financial penalty on non-compliant employers; and</li> <li>(e) prosecuting non-compliant employers or persons, including directors of limited companies.</li> </ul>
(ii)	<p>To explain how MPFA, the MPF industry and / or the Securities and Futures Commission (“SFC”) improve and streamline the current approval processes of constituent funds with a view to driving down MPF fees</p>	<p>Approved trustees are required to submit applications concurrently to both MPFA and SFC in order to establish constituent funds. The delineation of work of the two regulators is stipulated clearly in MPFSO and the Securities and Futures Ordinance (Cap. 571), relevant codes, and a Memorandum of Understanding:</p> <ul style="list-style-type: none"> <li>(a) MPFA is responsible for approving applications to ensure the structure of pooled investment funds and constituent funds (collectively known as “MPF Investment Funds”) is in order and in compliance with approval criteria (such as fund type, asset class or geographical exposure);</li> <li>(b) SFC is responsible for considering the qualifications and experience of investment managers, reviewing offering documents, advertisements</li> </ul>

	<b>Follow-up Actions</b>	<b>The Administration's Responses</b>
		<p>and marketing materials to ensure compliance with the content requirements of the SFC Code on MPF Products.</p> <p>MPFA and SFC also hold regular meetings to discuss issues of common interest including application cases and processes.</p> <p>We will continue to liaise with the industry and review the current arrangements to ensure an efficient approval process.</p>

**Financial Services and the Treasury Bureau  
Mandatory Provident Fund Schemes Authority  
October 2014**

**1. 註冊被取消的強積金計劃名單**

**List of Mandatory Provident Fund (“MPF”) Schemes the registration of which have been cancelled**

	<b>計劃名稱</b>	<b>Scheme Name</b>
1	富通保險集成信託強積金	Ageas Master Trust MPF Scheme
2	交通銀行豐盛退休強積金計劃	BCOM Prosperous Retirement MPF Scheme
3	中銀保誠靈活強積金計劃	BOC - Prudential Flexible Mandatory Provident Fund Scheme
4	總商會康聯精明之選	Chamber CMG Choice
5	德盛強積金集成信託計劃	Dresdner RCM MPF Master Trust
6	鷹星強積金計劃 - 金輝人生	Eagle Star MPF Scheme - Advance Planner
7	鷹星強積金計劃 - 穩健人生	Eagle Star MPF Scheme - Security Planner
8	信安強積金計劃 200 系列	Principal MPF Scheme Series 200
9	信安強積金計劃 B300 系列	Principal MPF Scheme Series B300
10	駿盛強積金集成信託計劃	Prosperity MPF Master Trust Scheme
11	太平樂休閒強積金計劃	Tai Ping Retire-Easy MPF Master Trust Scheme
12	超卓強積金集成信託計劃	The Smart MPF Master Trust Scheme
13	蘇黎世華人銀行強積金計劃- 優越之選	Zurich - Chinese Bank MPF Scheme - Premier
14	蘇黎世華人銀行強積金計劃- 顯赫之選	Zurich - Chinese Bank MPF Scheme - Premierdeluxe
15	信安強積金計劃 500 系列	Principal MPF Scheme Series 500
16	宏利寫意生活 (強積金) 計劃	Manu - Lifestyle (MPF) Scheme



## 2. 核准被取消的強積金基金名單

### List of MPF Funds the approval of which have been cancelled

	基金名單	Fund Name
1	康聯均衡基金	CMG Balanced Portfolio Fund
2	康聯保本基金	CMG Capital Preservation Fund
3	康聯定息有保證基金	CMG Fixed Income Fund With Guarantee
4	康聯香港股票基金	CMG Hong Kong Equity Fund
5	康聯增長基金	CMG Progressive Growth Fund
6	康聯平穩基金	CMG Stable Income Fund
7	均衡組合	Balanced Portfolio
8	平穩組合	Conservative Portfolio
9	增長組合	Growth Portfolio
10	保證組合	Guaranteed Portfolio
11	強積金保守基金	MPF Conservative Fund
12	中銀保誠債券基金	BOC - Prudential Bond Fund
13	中銀保誠保本基金	BOC - Prudential Capital Preservation Fund
14	中銀保誠環球股票基金	BOC - Prudential Global Equity Fund
15	中銀保誠香港股票基金	BOC - Prudential Hong Kong Equity Fund
16	盈科定息基金	PCI Fixed Income Fund
17	安盛均衡基金	AXA Balanced Fund
18	BNP 保本基金	BNP Capital Preservation Fund
19	德盛均衡基金	Dresdner RCM Balanced Fund
20	富達均衡基金	Fidelity Balanced Fund
21	景順均衡基金	Invesco Balanced Fund
22	資本平穩基金	Managed Capital Stable Fund
23	環球增長基金	Managed Growth Fund
24	平穩增長基金	Managed Stable Growth Fund
25	寶源均衡基金	Schroder Balanced Fund
26	保證增值基金	Guaranteed Growth Fund
27	資本增長基金	Capital Growth Fund
28	保本基金	Capital Preservation Fund
29	環球均衡基金	Global Balanced Fund
30	收益基金	Income Fund
31	鷹星增值基金	Eagle Star Accumulation Fund

	基金名單	Fund Name
32	鷹星保本基金	Eagle Star Capital Preservation Fund
33	鷹星保本基金	Eagle Star Capital Preservation Fund
34	鷹星環球增長基金	Eagle Star Global Growth Fund
35	鷹星保證基金	Eagle Star Guarantee Fund
36	鷹星保證基金	Eagle Star Guarantee Fund
37	鷹星港元儲蓄基金	Eagle Star HK Dollar Savings Fund
38	鷹星港元儲蓄基金	Eagle Star HK Dollar Savings Fund
39	蘇黎世-華人銀行增值基金	Zurich - Chinese Bank Accumulation Fund
40	蘇黎世-華人銀行亞洲股票基金	Zurich - Chinese Bank Asian Equity Fund
41	蘇黎世-華人銀行資本保證基金	Zurich - Chinese Bank Capital Guarantee Fund
42	蘇黎世-華人銀行保本基金	Zurich - Chinese Bank Capital Preservation Fund
43	蘇黎世-華人銀行保本基金	Zurich - Chinese Bank Capital Preservation Fund
44	蘇黎世-華人銀行環球增長基金	Zurich - Chinese Bank Global Growth Fund
45	蘇黎世-華人銀行保證基金	Zurich - Chinese Bank Guarantee Fund
46	蘇黎世-華人銀行保證基金	Zurich - Chinese Bank Guarantee Fund
47	蘇黎世-華人銀行港元儲蓄基金	Zurich - Chinese Bank HK Dollar Savings Fund
48	蘇黎世-華人銀行港元儲蓄基金	Zurich - Chinese Bank HK Dollar Savings Fund
49	蘇黎世-華人銀行國際債券基金	Zurich-Chinese Bank International Bond Fund
50	蘇黎世-華人銀行國際股票基金	Zurich - Chinese Bank International Equity Fund
51	蘇黎世-華人銀行平穩回報基金	Zurich - Chinese Bank Stable Yield Fund
52	蘇黎世-華人銀行美元儲蓄基金	Zurich - Chinese Bank US Dollar Savings Fund
53	蘇黎世-華人銀行美國股票基金	Zurich - Chinese Bank US Equity Fund
54	交通銀行均衡成分基金	BCOM Balanced (CF) Fund
55	交通銀行豐盛保本成分基金	BCOM Prosperous Capital Preservation (CF) Fund

	基金名單	Fund Name
56	交通銀行平穩增長成分基金	BCOM Stable Growth (CF) Fund
57	美林策略基金 - 靈活均衡組合基金	Merrill Lynch Strategy Trust - Flexible Balanced Fund
58	美林策略基金 - 靈活債券滙聚基金	Merrill Lynch Strategy Trust - Flexible Bondplus Fund
59	美林策略基金 - 靈活股票滙聚基金	Merrill Lynch Strategy Trust - Flexible Equityplus Fund
60	均衡基金	Balanced Fund
61	保本基金	Capital Preservation Fund
62	穩定資本基金	Capital Stable Fund
63	增長基金	Growth Fund
64	信安保本基金	Principal Capital Preservation Fund
65	信安港元儲蓄基金	Principal HK Dollar Savings Fund
66	信安長線保證基金	Principal Long Term Guaranteed Fund
67	穩定增長基金	Stable Growth Fund
68	宏利 MPF 資源基金	Manulife MPF Resources Fund
69	信安平衡基金	Principal Balanced Fund
70	信安保本基金	Principal Capital Preservation Fund
71	信安保守基金	Principal Conservative Fund
72	信安增長基金	Principal Growth Fund
73	信安國際債券基金	Principal International Bond Fund
74	信安長線保證基金	Principal Long Term Guaranteed Fund
75	信安美國股票基金	Principal U.S. Equity Fund
76	太平樂休閒均衡基金	Tai Ping Retire - Easy Balanced Fund
77	太平樂休閒保本基金	Tai Ping Retire - Easy Capital Preservation Fund
78	太平樂休閒增長基金	Tai Ping Retire - Easy Capital Stable Fund
79	太平樂休閒進取基金	Tai Ping Retire - Easy Growth Fund
80	太平樂休閒保證增值基金	Tai Ping Retire - Easy Guarantee Fund
81	仲量聯行保本基金	Jones Lang LaSalle Capital Preservation Fund
82	仲量聯行保證增值基金	Jones Lang LaSalle Guarantee Fund
83	精英薈萃均衡基金	Multimanager Balanced Fund
84	精英薈萃資本穩定基金	Multimanager Capital Stable Fund
85	精英薈萃增長基金	Multimanager Growth Fund
86	精英薈萃平穩增長基金	Multimanager Stable Growth Fund
87	新地寶聯環球均衡基金	New - Alliance Global Balanced Fund

	基金名單	Fund Name
88	AXA - 富達環球股票基金	AXA - Fidelity Global Equity Fund
89	AXA 均衡基金	AXA Balanced Fund
90	AXA 增長基金	AXA Growth Fund
91	AXA 強積金保守基金	AXA MPF Conservative Fund
92	信安美元儲蓄基金	Principal US Dollar Savings Fund
93	我的日本股票基金	My Choice Japan Equity Fund
94	AXA - 鄧普頓日本股票基金	AXA - Templeton Japan Equity Fund
95	AXA - 鄧普頓日本股票基金	AXA - Templeton Japan Equity Fund
96	日本股票基金	Japan Equity Fund
97	富通環球均衡基金	Ageas Global Balanced Fund
98	富通香港基金	Ageas Hong Kong Fund
99	富通強積金保守基金	Ageas MPF Conservative Fund
100	進取增長基金	Aggressive Growth Fund
101	平衡增長基金	Balanced Growth Fund
102	保證基金	Guaranteed Fund
103	強積金保守基金	MPF Conservative Fund
104	平穩增長基金	Stable Growth Fund

註： 列表二中部分強積金基金的名稱出現多於一次，是由於不同強積金計劃下的強積金基金名稱或有相同。這些基金屬於不同的強積金計劃。

Remark: Some of the names of MPF funds appear more than once in Table 2, as the name of MPF funds under different MPF schemes may be the same. Those funds do not belong to the same MPF scheme.