

Mandatory Provident Fund Schemes (Amendment) Bill 2015

Committee Stage

Amendment to be moved by the Honourable TAM Yiu-chung

Clause

Amendment Proposed

8

In the proposed section 34DA, by adding —

“*out-of-pocket expenses* (實付開支) means auditor’s fee for annual audit, printing and postage, fund price publication expenses, bank charges, governmental fees and charges (including but not limited to stamp duty and licence fee), other charges and expenses properly incurred and permitted under this Ordinance, the regulations and the governing rules;”

8

In the proposed section 34DC(4) —

- (a) by deleting “and (b)” and substituting “to (c)”;
- (b) in subsection (a)(ii), by deleting “and”;
- (c) in subsection (b), by deleting the full stop and substituting “; and”;
- (d) by adding —

“(c) the total amount of all payments that are charged to or imposed on the fund, or a scheme member who invests in the fund, for out-of-pocket expenses incurred by the approved trustee on a recurrent basis in the discharge of the approved trustee's duties to provide services in relation to the DIS constituent fund.”

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8 In the proposed section 34DC, by deleting subsection (4) and substituting —

"(4) The approved trustee must ensure that —

(a) the aggregate of the total amounts mentioned in subparagraphs (i) and (ii) below, when it is expressed as a percentage of the net asset value of the DIS constituent fund, does not, in a single day, exceed the percentage specified in section 1 of Schedule 11—

(i) the total amount of all payments for the services specified in subsection (2) that are —

(A) charged to or imposed on the fund, or a scheme member who invests in the fund;

(B) calculated as a percentage of the net asset value of the fund;

- (ii) the total amount of any proportionate underlying investment fund fees chargeable to any underlying investment fund of the fund; and
- (b) the total amount mentioned in subparagraph (i) below, when it is expressed as a percentage of the net asset value of the DIS constituent fund, does not, in a single year, exceed the percentage specified in section 2 of Schedule 11—
 - (i) the total amount of all payments that are charged to or imposed on the DIS constitute fund, or a scheme member who invests in the fund, for out-of-pocket expenses incurred by the approved trustee on a recurrent basis in the discharge of the approved trustee's duties to provide services in relation to the DIS constituent fund."

11 In the proposed section 1 of Schedule 11, by deleting "section 34DC(4)" and substituting "section 34DC(4)(a)".

11 After section 1 of the proposed Schedule 11, by adding —

“2. The percentage for the purposes of section 34DC(4)(b) is 0.2% of assets per annum.”

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After the proposed section 34DC, by adding —

“34DCA. Expiry of section 34DC and mandatory review

- (1) Section 34DC ceases to have effect on 31 December 2021.
- (2) No later than 1 October 2020, the Authority is to conduct a full and independent review and public consultation on the implementation of Part 4AA of this Ordinance, in particular its effect on the payment for services charged to or imposed on the DIS constituent fund or a scheme member who invests in the fund, and prepare a report on the review of and public consultation on the implementation of Part 4AA of this Ordinance.
- (3) The Authority must cause a copy of the report specified in subsection (2) to be laid on the table of the Legislative Council no later than 1 March 2021.”