

立法會
Legislative Council

LC Paper No. CB(3) 472/15-16

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Tel : 3919 3308

Date : 15 March 2016

From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 16 March 2016

Mandatory Provident Fund Schemes (Amendment) Bill 2015

Committee stage amendments

Members were informed vide LC Paper No. CB(3) 461/15-16 issued on 14 March 2016 that the President had given permission for the Secretary for Financial Services and the Treasury to move proposed amendments to the above Bill at the Council meeting of 16 March 2016.

2. Members are invited to note that the President has also given permission for the following Members, subject to the Bill receiving a Second Reading, to move their proposed amendments:

Mover of amendment(s) (set out in the order of receipt)	Appendix
Hon TAM Yiu-chung	1, 2 and 3
Hon WONG Yuk-man	4
Hon TANG Ka-piu	5

3. As directed by the President, the proposed amendments are attached for Members' consideration.

(Miss Lilian MOK)
for Clerk to the Legislative Council

Encl.

Mandatory Provident Fund Schemes (Amendment) Bill 2015

Committee Stage

Amendments to be moved by the Honourable TAM Yiu-chung

<u>Clause</u>	<u>Amendment Proposed</u>
8	In the proposed section 34DA, in the Chinese text, in the definition of 預設投資策略成分基金, in paragraph (b), by deleting the full stop and substituting a semicolon.
8	<p>In the proposed section 34DA, by adding in alphabetical order—</p> <p>“<i>out-of-pocket expenses</i> (實付開支) means auditor’s fee for annual audit, printing expenses 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;”.</p>
8	<p>In the proposed section 34DC(4)—</p> <p>(a) by deleting “and (b)” and substituting “, (b) and (c)”;</p> <p>(b) in paragraph (a)(ii), by deleting “and”;</p> <p>(c) in paragraph (b), by deleting the full stop and substituting “; and”;</p> <p>(d) by adding—</p> <p>“(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 fund.”.</p>

Mandatory Provident Fund Schemes (Amendment) Bill 2015

Committee Stage

Amendments to be moved by the Honourable TAM Yiu-chung

<u>Clause</u>	<u>Amendment Proposed</u>
8	In the proposed section 34DA, in the Chinese text, in the definition of 預設投資策略成分基金, in paragraph (b), by deleting the full stop and substituting a semicolon.
8	<p>In the proposed section 34DA, by adding in alphabetical order—</p> <p>“<i>out-of-pocket expenses</i> (實付開支) means auditor’s fee for annual audit, printing expenses 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;”.</p>
8	<p>By deleting the proposed section 34DC(4) and substituting—</p> <p>“(4) The approved trustee must ensure that—</p> <p>(a) the aggregate of the total amounts mentioned in subparagraphs (i) and (ii), 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—</p> <p>(i) the total amount of all payments for the services specified in subsection (2) that are—</p> <p>(A) charged to or imposed on the fund, or a scheme member who invests in the fund; and</p>

- (B) calculated as a percentage of the net asset value of the fund; and
 - (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 of all payments that are charged to or imposed on the DIS constituent 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 fund, when it is expressed as a percentage of the net asset value of the fund, does not, in a single year, exceed the percentage specified in section 2 of Schedule 11.”.

11 In the proposed Schedule 11, in section 1, by deleting “section 34DC(4)” and substituting “section 34DC(4)(a)”.

11 In the proposed Schedule 11, by adding—
“2. The percentage for the purposes of section 34DC(4)(b) is 0.2%.”.

Mandatory Provident Fund Schemes (Amendment) Bill 2015

Committee Stage

Amendment to be moved by the Honourable TAM Yiu-chung

<u>Clause</u>	<u>Amendment Proposed</u>
8	<p>By adding—</p> <p>“34DCA. Expiry of section 34DC and mandatory review</p> <p>(1) Section 34DC expires at midnight on 31 December 2021.</p> <p>(2) No later than 1 October 2020, the Authority is to conduct a full and independent review and public consultation on the implementation of this Part, in particular its effect on payments for services provided in relation to the DIS constituent fund that are charged to or imposed on the fund or a scheme member who invests in the fund, and prepare a report on the review and public consultation.</p> <p>(3) The Authority must cause a copy of the report mentioned in subsection (2) to be laid on the table of the Legislative Council no later than 1 March 2021.”.</p>

Mandatory Provident Fund Schemes (Amendment) Bill 2015

Committee StageAmendments to be moved by the Honourable WONG Yuk-manClauseAmendment Proposed

11 In the proposed Schedule 10, in section 3—

(a) in the heading, by deleting “**50**” and substituting “**42**”;
and

(b) by deleting “50” and substituting “42”.

11 In the proposed Schedule 10, in section 4—

(a) in the heading, by deleting “**50**” and substituting “**42**”;
and

(b) in subsection (1), by deleting “50” and substituting
“42”; and

(c) by deleting subsection (3) and substituting —

“(3) The table of percentages for the purposes of
subsection (2) is as follows—

Column 1	Column 2	Column 3
Age	Core Accumulation Fund	Age 65 Plus Fund
42	95.7%	4.3%
43	91.3%	8.7%
44	87.0%	13.0%
45	82.6%	17.4%
46	78.3%	21.7%
47	73.9%	26.1%
48	69.6%	30.4%
49	65.2%	34.8%
50	60.9%	39.1%
51	56.5%	43.5%

Column 1	Column 2	Column 3
Age	Core Accumulation Fund	Age 65 Plus Fund
52	52.2%	47.8%
53	47.8%	52.2%
54	43.5%	56.5%
55	39.1%	60.9%
56	34.8%	65.2%
57	30.4%	69.6%
58	26.1%	73.9%
59	21.7%	78.3%
60	17.4%	82.6%
61	13.0%	87.0%
62	8.7%	91.3%
63	4.3%	95.7%
64	0.0%	100.0%

”.

11 In the proposed Schedule 11, by deleting section 1 and substituting —

“1. The percentage for the purposes of section 34DC (4) is a daily rate calculated by the following formula —

$$\frac{0.59\%}{A}$$

Where —

A is the number of days in the year.”.

Mandatory Provident Fund Schemes (Amendment) Bill 2015

Committee Stage

Amendments to be moved by the Honourable TANG Ka-piu

<u>Clause</u>	<u>Amendment Proposed</u>
4	<p>(a) In the proposed section 20B(1)(d)(viii), by deleting “or”.</p> <p>(b) By adding —</p> <p>“(x) section 7(1) of Schedule 10; or”.</p>
8	<p>By adding —</p> <p>“34DBA. Authority to prepare report on performance of Core Accumulation Fund</p> <p>(1) As soon as practicable after the end of each financial year of the Authority, the Authority must prepare a report on —</p> <p>(a) the annualized investment return rate of the Core Accumulation Fund under the DIS constituent fund in each registered scheme; and</p> <p>(b) the total amount of all payments for services provided in relation to the DIS constituent fund in each registered scheme, that are charged to or imposed on the fund, or a scheme member who invests in the fund.</p> <p>(2) As soon as practicable after preparing a report in accordance with subsection (1), the Authority must —</p> <p>(a) publish the report mentioned in subsection (1) in any manner that the Authority considers appropriate;</p> <p>(b) cause a copy of the report to be laid</p>

on the table of the Legislative Council; and

- (c) cause copies of the report to be delivered to the scheme member in such manner as the Authority thinks fit.”.

8 By deleting the proposed section 34DC(3)(b).

8 In the proposed section 34DC(5), in the definition of *underlying investment fund fee*, in paragraph (b), by deleting “subsection (3)(b) and (c)” and substituting “subsection (3)(c)”.

8 By adding —

“34DCA. Annual review of Schedule 11

The percentage specified in Schedule 11 must be reviewed by the Secretary for Financial Services and the Treasury annually.”.

11 In the proposed Schedule 10, by deleting “[ss. 34DA” and substituting “[ss. 20B, 34DA”.

11 In the proposed Schedule 10, by adding —

“7. Performance of Core Accumulation Fund

- (1) The approved trustee of a registered scheme must ensure that the average annualized investment return rate of the Core Accumulation Fund under the DIS constituent fund in every 5 years, after the commencement of this section, is not less than the rate of increase of the Consumer Price Index of the same period.

- (2) For the purposes of subsection (1) —

Consumer Price Index (消費物價指數) means the consumer price index as compiled and published as Composite CPI in a Consumer Price Index Report by the Commissioner for Census and Statistics.”.

11 In the proposed Schedule 11, by deleting “[ss. 34DC” and substituting “[ss. 34DC, 34DCA”.