



Ref.: G2018 – 039

15 June 2018

Hon Kenneth Leung
Chairman
Panel on Financial Affairs
Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Hon Leung,

Proposed Amendments to the Occupational Retirement Schemes Ordinance

We understand that amendments are proposed to the Occupational Retirement Schemes Ordinance and was discussed at the Panel recently.

We are in great disappointment that MPFA intends to cancel the scheme of granting ORSO exemption certificates simply because it is subject to relatively minimal ongoing statutory requirements and might be susceptibly misused for non-retirement purposes such as general investment vehicle. The granting of ORSO exemption certificates was intended to cater the genuine need of multinational corporations with globally mobile employee to operate retirement schemes in Hong Kong. Cancelling the provision due to insufficient regulatory control is simply to put the cart before the horse.

We have no dispute that all ORSO schemes, exempted or registered ones, should be on employment-based, and various regulatory measures are proposed to enhance the protection of members for the existing ORSO exempted schemes, which will be grandfathered under the proposal. We do not see the justification for not granting exemption certificate under the new arrangements.

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Hong Kong, as a world city, is in fierce competition for attracting foreign talents and investment. It is pre-eminent to foster a friendly and favourable environment for our businesses. We thus hope that the Panel will reconsider the proposal of abolishing the granting of ORSO exemption certificates.

Please feel free to contact me or my colleague Ms Jodi Koon should you need any further discussion or elaboration on the above.

Yours sincerely,

Louis Pong
CEO