

**立法會**  
**Legislative Council**

LC Paper No. CB(1)1484/20-21  
(These minutes have been seen  
by the Administration)

Ref : CB1/BC/11/20

**Bills Committee on  
Mandatory Provident Fund Schemes (Amendment) Bill 2021**

**Minutes of the second meeting  
on Monday, 23 August 2021, at 10:45 am  
in Conference Room 3 of the Legislative Council Complex**

**Members present** : Hon WONG Ting-kwong, GBS, JP (Chairman)  
Hon Abraham SHEK Lai-him, GBS, JP  
Hon Starry LEE Wai-king, SBS, JP  
Hon CHAN Kin-por, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon YIU Si-wing, SBS  
Hon LEUNG Che-cheung, SBS, MH, JP  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Hon CHUNG Kwok-pan  
Hon Jimmy NG Wing-ka, BBS, JP  
Hon CHAN Chun-ying, JP  
Hon LUK Chung-hung, JP

**Members absent** : Dr Hon CHIANG Lai-wan, SBS, JP  
Dr Hon CHENG Chung-tai

**Public officers attending** : Agenda item I  
  
Mr Aaron LIU, JP  
Deputy Secretary for Financial Services and the  
Treasury (Financial Services)2

Miss Cheryl CHOW  
Principal Assistant Secretary for Financial  
Services and the Treasury (Financial Services)  
Mandatory Provident Fund Reform

Ms Frances HUI  
Senior Assistant Law Draftsman  
Department of Justice

Mr Michael CHOI  
Senior Government Counsel (Acting)  
Department of Justice

**Attendance by  
invitation** : Agenda item I

Ms Gabriella YEE  
Executive Director (Policy)  
Mandatory Provident Fund Schemes Authority

Mr Eric CHENG  
Director (Policy Development & Research)  
Mandatory Provident Fund Schemes Authority

**Clerk in attendance** : Mr Boris LAM  
Chief Council Secretary (1)3

**Staff in attendance** : Mr Alvin CHUI  
Assistant Legal Adviser 3

Mr Joey LO  
Senior Council Secretary (1)8

Miss Gloria WONG  
Council Secretary (1)3

Ms May LEUNG  
Legislative Assistant (1)3

Miss Teresa HO  
Clerical Assistant (1)3

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## **I. Meeting with the Administration**

### Matters arising from previous meeting

(LC Paper No. CB(1)1213/20-21(01) -- List of follow-up actions arising from the discussion at the meeting on 4 August 2021

LC Paper No. CB(1)1213/20-21(02) -- Administration's response to issues raised at the meeting on 4 August 2021

### Written submission and the Administration's response

LC Paper No. CB(1)1175/20-21(01) -- Submission dated 3 August 2021 from Hong Kong Trustees' Association (English version only) ("HKTA")

LC Paper No. CB(1)1213/20-21(03) -- Administration's response to the submission from HKTA dated 3 August 2021

LC Paper No. CB(1)1240/20-21(01) -- Further submission dated 22 August 2021 from HKTA (*English version only, tabled at the meeting and subsequently issued on 23 August 2021*)

### Clause-by-clause examination of the Bill

(LC Paper No. CB(3)773/20-21 -- The Bill

File Ref: MPF/2/1/43C -- Legislative Council Brief issued by the Financial Services and the Treasury Bureau

LC Paper No. LS96/20-21 -- Legal Service Division Report on the Bill

- LC Paper No. CB(1)1158/20-21(01) -- Marked-up copy of the relevant provisions of the Mandatory Provident Fund Schemes Ordinance (Cap. 485) to be amended by the Bill prepared by the Legal Service Division
- LC Paper No. CB(1)1158/20-21(03) -- Assistant Legal Adviser's letter dated 21 July 2021 to the Administration
- LC Paper No. CB(1)1158/20-21(04) -- Administration's reply to Assistant Legal Adviser's letter dated 21 July 2021
- LC Paper No. CB(1)1240/20-21(02) -- Summary table showing *(tabled at the meeting and subsequently issued on 23 August 2021)* amendments to be proposed by the Administration

The Bills Committee deliberated (Index of proceedings attached at **Annex**).

## **II. Any other business**

### Date of next meeting

2. The Chairman said that members would be informed of the date of the next meeting by the Secretariat.

*(Post-meeting note: On the instruction of the Chairman, members were informed vide LC Paper No. CB(1)1246/20-21 issued on 24 August 2021 that the next meeting would be held on 3 September 2021 at 11:00 am.)*

3. There being no other business, the meeting ended at 12:44 pm.

**Proceedings of the second meeting of  
the Bills Committee on  
Mandatory Provident Fund Schemes (Amendment) Bill 2021  
on Monday, 23 August 2021, at 10:45 am  
in Conference Room 3 of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
000345 – 000638	Chairman	Opening remarks and reminder on disclosure of pecuniary interest in accordance with Rule 83A of the Rules of Procedure of the Legislative Council ("LegCo").	
000639 – 001420	Chairman Administration	<p>The Bills Committee noted that following the last submission of Hong Kong Trustees' Association ("HKTA") on the Bill dated 3 August 2021 (LC Paper No. CB(1)1175/20-21(01)) and the Administration's response to the submission from HKTA (LC Paper No. CB(1)1213/20-21(03)), HKTA made a further submission on the Bill dated 22 August 2021 which was tabled at the meeting (LC Paper No. CB(1)1240/20-21(01)).</p> <p>The Administration gave a consolidated response to HKTA's submissions.</p>	
001421 – 002054	Chairman Mr LUK Chung-hung Administration	<p>Mr LUK Chung-hung made the following enquiries –</p> <p>(a) whether the eMPF Platform could provide information on the actual fees paid by scheme members in the past year, the annual rate of return in the past year and the overall average rate of return since the opening of the relevant account; and</p> <p>(b) given the popularity of the annuity plans of the Hong Kong Mortgage Corporation Limited, whether the Hong Kong Monetary Authority ("HKMA") could develop a similar fund product with a guaranteed return matching the inflation rate plus 1%, or even tracking the Exchange Fund, to enhance competition in the Mandatory Provident Fund ("MPF") market.</p> <p>The Administration advised that –</p> <p>(a) the eMPF Platform would be so designed to provide a user-friendly and "one-stop" interface for scheme members to manage their own MPF accounts and access information such as the fees,</p>	

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		<p>rate of return, etc.;</p> <p>(b) the annualized rate of return of the MPF funds were some 5% since the inception of the MPF system, surpassing the inflation rate in the corresponding period. It was worth noting that guaranteed fund products might not suit the interests of all scheme members as one would need to take into account the necessary hedging against risks over a long period of investing for MPF funds, which might increase fund management cost and affect the net return; and</p> <p>(c) scheme members who were less familiar with investment strategies and products could choose to invest in accordance with the Default Investment Strategy ("DIS"), with key features of global diversification, reduction of risk as scheme members' age increased and fee caps, resulting in reasonably good fund performance since its introduction in 2017.</p>	
002055 – 002424	Chairman Mr CHAN Kin-por Administration	<p>Mr CHAN Kin-por highlighted some key concerns raised in HKTA's further submission –</p> <p>(a) how MPFA would apply the principle of proportionality in determining the liabilities of any non-compliance acts to be allocated between the system operator and the trustee; and</p> <p>(b) unexpected increase in out-of-pocket expenses ("OPE") might create financial burden on trustees.</p> <p>The Administration advised that –</p> <p>(a) the Process Review Panel in relation to the regulation of MPF intermediaries would be tasked, upon expansion of its terms of reference in the latter half of 2021, to review and advise the Mandatory Provident Fund Schemes Authority ("MPFA") on the adequacy and consistency of MPFA's internal procedures and guidelines governing the actions/decisions made by MPFA in performance of its regulatory functions; and</p> <p>(b) the Administration and MPFA would continue to engage trustees to ensure the smooth</p>	

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		<p>implementation of the eMPF Platform, which would bring operational savings for trustees following automation and digitalization of scheme administration function. The financial burden on trustees due to unexpected increase in OPE could be offset by these savings and the growth in the assets under management.</p>	
002425 – 003250	Chairman Mr CHUNG Kwok-pan Administration	<p>Mr CHUNG Kwok-pan enquiry and the Administration's response on the difference between an MPF personal account and a contribution account.</p> <p>Mr CHUNG Kwok-pan enquired about the measures to facilitate the consolidation of MPF accounts held by scheme members to lower scheme management cost.</p> <p>The Administration advised that the Administration and MPFA had been promoting to scheme members the advantages of consolidating their personal accounts. With the "one-stop" management of MPF accounts upon the implementation of the eMPF Platform, the future scheme administration processes would be centralized and automated, thereby further facilitating and encouraging scheme members to consolidate their MPF accounts electronically.</p>	
003251 – 003630	Chairman Mr CHUNG Kwok-pan Administration	<p>Mr CHUNG Kwok-pan noted the statistics about DIS provided by the Administration in LC Paper No. CB(1)1213/20-21(02), and urged the Administration to step up promotion on DIS to encourage scheme members to invest in accordance with DIS for lower management fees and higher return on investment.</p> <p>The Administration advised that the Administration and MPFA had been using various channels such as social media and reaching out to different target groups, including ethnic minorities, to promote DIS.</p>	
003631 – 004429	Chairman Mr CHUNG Kwok-pan Administration	<p>Mr CHUNG Kwok-pan and the Chairman enquired about the timetable of the eMPF onboarding process of trustees.</p> <p>The Administration advised that after ascertaining trustees' willingness to come forth as "early birds" for onboarding and based on the pre-determined criteria, the Secretary for Financial Services and the</p>	

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		<p>Treasury ("SFST") would, by introducing subsidiary legislation (i.e. notice in the Gazette), specify the date of mandatory use of the eMPF Platform by individual trustees (i.e. onboarding) during the period from 2023 to 2025. The onboarding timetable was expected to be formulated before 2023 to allow sufficient time to plan for the necessary data migration and onboarding arrangement. Full onboarding was expected to complete in around 2025 at the earliest.</p>	
004430 – 004600	<p>Chairman Mr CHUNG Kwok-pan Administration</p>	<p>Mr CHUNG Kwok-pan's enquiry and the Administration's response about the penalty on trustees for non-compliance with the onboarding requirements.</p> <p>The Administration advised that under the proposed amendment to Schedule 4 of the Mandatory Provident Fund Schemes (General) Regulation (Cap. 485A) ("MPFSGR") on financial penalties in clause 101 of the Bill, if a trustee failed to take actions required by MPFA in relation to the eMPF Platform –</p> <ul style="list-style-type: none"> <li>(a) for the first occasion on which the trustee failed to comply—a penalty of \$10,000 for each day on which the failure continued;</li> <li>(b) for the second occasion on which the trustee failed to comply—a penalty of \$20,000 for each day on which the failure continued; and</li> <li>(c) for the third or subsequent occasion on which the trustee failed to comply—a penalty of \$50,000 for each day on which the failure continued.</li> </ul>	
004601 – 005122	<p>Chairman Ms Starry LEE Administration MPFA</p>	<p>Ms Starry LEE urged the Administration and MPFA to –</p> <ul style="list-style-type: none"> <li>(a) expedite the launching of the eMPF Platform; and</li> <li>(b) improve the presentation of fund information, and enhance user-friendliness and promotion of the existing MPFA website before launching of the eMPF Platform. This would also facilitate the development of MPF voluntary contribution as the third pillar for retirement protection.</li> </ul>	



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		<p>The Administration advised that –</p> <p>(a) the Administration and MPFA would continue to consult stakeholders on the enhancement of the MPFA website and other form of information dissemination;</p> <p>(b) apart from using the MPFA website, scheme members could also use the MPFA mobile application which was user-friendly; and</p> <p>(c) the Government introduced tax incentive measures in 2019 to encourage the purchase of deferred annuities and/or making of tax deductible MPF voluntary contributions, subject to a maximum tax deductible limit of \$60,000 per year (which was an aggregate limit with Qualifying Deferred Annuity Policy).</p> <p>MPFA advised that –</p> <p>(a) MPFA would regularly review and enhance the presentation of fund information on the MPFA website; and</p> <p>(b) MPFA would organize more focus groups to gauge users' views on ways to improve the user-friendliness of the MPFA website.</p>	
005123 – 005400	Chairman Mr CHUNG Kwok-pan Administration	Mr CHUNG Kwok-pan's further enquiries and the Administration's response on the financial penalties for trustees' non-compliance with the implementation/onboarding timetable.	
<p><b><i>Clause-by-clause examination of the Bill</i></b>            [The Bill (LC Paper No. CB(3)773/20-21)]            [Marked-up copy of the Bill prepared by the Legal Service Division (LC Paper No. CB(1)1158/20-21(01))]            [Summary table showing the amendments to be proposed by the Administration to the Bill (LC Paper No. CB(1)1240/20-21(02))]</p>			
005401 – 010005	Chairman Mr CHUNG Kwok-pan Administration	<p>The Bills Committee commenced clause-by-clause examination of the Bill.</p> <p><b>Part 1 – Preliminary</b></p> <p><u>Clause 1 – Short title and commencement</u></p> <p><u>Clause 2 – Enactments amended</u></p>	

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		<p><b>Part 2 – Amendments to Mandatory Provident Fund Schemes Ordinance (Cap. 485)</b></p> <p><u>Clause 3 – Section 2 amended (interpretation)</u></p> <p>Mr CHUNG Kwok-pan's enquiry and the Administration's response on the requirement of the standardized and unified format in which any document or information was to be provided by means of the electronic MPF system.</p>	
010005 – 010140	Chairman Administration	<p><u>Clause 4 – Section 6 amended (establishment of Mandatory Provident Fund Schemes Authority)</u></p> <p>Members raised no query.</p>	
010141 – 010243	Chairman Administration	<p><u>Clause 5 – Section 6C amended (chairperson and deputy chairperson of the Authority)</u></p> <p>The Chairman sought clarification on the effect of the proposed amendment to section 6C.</p> <p>The Administration advised that –</p> <p>(a) under section 6C of the existing Mandatory Provident Fund Schemes Ordinance (Cap. 485) ("MPFSO"), the Managing Director ("MD") was, by virtue of holding that office, the deputy chairperson of MPFA;</p> <p>(b) clause 5 introduced an amendment to section 6C to the effect that the Chief Executive might appoint one of the directors to be the deputy chairperson of MPFA; and</p> <p>(c) the proposed amendment in (b) above would not preclude the appointment of MD as the deputy chairperson of MPFA as MD was one of the directors of the MPFA.</p>	
010244 – 011730	Chairman Administration	<p><u>Clause 6 – Section 6DA amended (Authority may establish wholly owned subsidiary)</u></p> <p><u>Clause 7 – Section 6E amended (functions of Authority)</u></p> <p><u>Clause 8 – Section 6EA added</u> 6EA – Functions of specified entity</p>	

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		<p><u>Clause 9 – Section 6F substituted</u> 6F – Authority may delegate functions and authorize subdelegation of functions</p> <p><u>Clause 10 – Section 6G amended (power to appoint staff and consultants)</u></p> <p><u>Clause 11 – Section 6KA amended (designation of electronic system by Authority)</u></p> <p><u>Clause 12 – Section 6PA added</u> 6PA – Power of Director of Audit to examine Authority's or wholly owned subsidiary's documents etc.</p> <p><u>Clause 13 – Section 7AA amended (employer required to pay contributions to Authority where relevant employee not member of registered scheme)</u></p> <p>Members raised no query.</p>	
010731 – 011423	Chairman Administration Mr CHAN Kin-por	<p><u>Consequential and technical amendments to the Bill relating to the implementation of the eMPF Platform proposed by the Administration</u></p> <p><u>Clause 14 – Section 7AD substituted</u> 7AD – Approved trustee's duties with regard to contributions received from Authority</p> <p><u>Clause 15 – Section 18 amended (recovery of arrears and contribution surcharges)</u></p> <p><u>Clause 16 – Section 19B amended (Authority may pay special contributions into accounts of scheme members)</u></p> <p><u>Clause 17 – Section 19C amended (Authority may require information or documents necessary for paying special contributions)</u></p> <p><u>Clause 18 – Section 19E amended (Authority may recover special contributions that should not have been paid)</u></p> <p><u>Clause 20 – Section 20B amended (revocation of approval of approved trustee)</u></p>	

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		<p><u>Clause 21 – Section 30 amended (report of auditor)</u></p> <p><u>Clause 22 – Section 32 amended (investigation)</u></p> <p><u>Clause 23 – Section 33 amended (suspension and termination of approved trustee's administration of registered scheme)</u></p> <p><u>Clause 24 – Section 34DA amended (interpretation)</u></p> <p><u>Clause 25– Section 34DC amended (transfer of accrued benefits to an account within the same registered scheme)</u></p> <p><u>Clause 26 – Section 34DD amended (control of payment for services relating to default investment strategy)</u></p> <p><u>Clause 27 – Section 34DE amended (amendment of Schedules 10 and 11)</u></p> <p><u>Clause 28 – Section 34ZN amended (annual fees)</u></p> <p><u>Clause 29 – Section 34ZO amended (annual return)</u></p> <p><u>Clause 30 – Section 34ZP amended (continuing training)</u></p> <p><u>Clause 31 – Section 34ZW amended (Authority may make disciplinary order)</u></p> <p><u>Clause 40 – Section 43BA amended (court may make certain orders in proceedings for offences under section 43B)</u></p> <p><u>Clause 41 – Section 43E amended (offence to make false or misleading statement)</u></p> <p><u>Clause 48 – Schedules 12 to 17 added</u></p> <p>Members raised no query.</p> <p>Mr CHAN Kin-por said that apart from the concerns raised in HKTA's two submissions, he and HKTA had no further queries on the clauses of the Bill.</p>	

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011424 – 011852	Chairman Administration Assistant Legal Adviser 3 ("ALA3")	<p><u>Clause 19 – Part 3B added</u></p> <p><b>Part 3B - Electronic MPF System</b></p> <p><i>Division 1 – Designation of Electronic MPF System</i></p> <p><u>Section 19I – Designation of electronic MPF system by Secretary</u></p> <p>The Chairman expressed the following concerns –</p> <p>(a) under the proposed section 19I(1), SFST would be empowered, by notice published in the Gazette, to designate an electronic system administered and operated by a specified entity to provide services and facilities to facilitate the approved trustees of MPF schemes to perform their scheme administration functions and to perform any other functions specified in the proposed Schedule 12; and</p> <p>(b) however, it was noted that no such other functions had been specified in the proposed Schedule 12 at this juncture; and hence, there was uncertainty as to the type of functions that would be specified by SFST in the proposed Schedule 12 in future.</p> <p>The Administration advised that –</p> <p>(a) the intention of the proposed new section 19I(1)(b) and Schedule 12 was to allow for flexibility such that the eMPF Platform might be conferred or assigned with new functions which might not otherwise fall within the scope of "scheme administration functions" in paragraph (a) of section 19I(1);</p> <p>(b) such other functions that might be specified in the proposed new Schedule 12 in future included</p> <p>(i) supporting the implementation of the designated savings account to support the policy of the Labour and Welfare Bureau to abolish the arrangement of using employers' MPF mandatory contributions to offset severance payments and long service payments; and (ii) supporting the Government's initiative to pay 5% MPF contribution for low-income persons; and</p>	

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		<p>(c) specification of new functions in the proposed new Schedule 12 including those quoted above in future would involve the making of subsidiary legislation which would be subject to a negative vetting process in LegCo.</p> <p>In response to the Chairman's enquiry, ALA3 advised that the specification of new functions would involve the publishing of a notice in the Gazette by SFST to amend Schedule 12.</p>	
011853 – 012415	<p>Chairman Mr CHUNG Kwok-pan Administration MPFA</p>	<p><i>Division 2 – Suspension of Electronic MPF System on Authority's Direction</i></p> <p><u>Section 19J – Suspension of electronic MPF system on direction of Authority</u></p> <p>Mr CHUNG Kwok-pan's enquiry on the document setting out the scenarios under which the system operator was to suspend the operation of the electronic MPF system, and when such a document would be issued.</p> <p>The Administration and MPFA advised that –</p> <p>(a) the document setting out the considerations and scenarios for the system operator to suspend the operation of the eMPF system would be a set of Operating Rules ("OR") which would be applicable to all users including trustees and accessible by the public;</p> <p>(b) drafting work of OR would commence as soon as the Bill was passed. Stakeholders, including trustees, would be consulted in around early 2022 on the set of draft OR which was expected to be finalized by end-2022 before the commissioning of the eMPF Platform; and</p> <p>(c) all trustees, regardless of size, would be required to follow the same rules for the use of the eMPF Platform.</p>	
012416 – 012815	<p>Chairman ALA3 Administration</p>	<p><i>Division 3 – System Operator</i></p> <p><u>Section 19K – General duties of system operator</u></p> <p>ALA3 made the following enquiries –</p>	

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		<p>(a) given that the proposed section 19K(3) provided that in determining whether the electronic MPF system was administered and operated in a safe manner, regard must be had in particular to certain specified matters and aspects, such as access control over the system and data protection and security, what security or other measures would be employed to protect the data (such as the personal data of MPF scheme members) processed by or stored in the system from being unlawfully accessed; and</p> <p>(b) noting that under the proposed section 19K(5), OR would not be subsidiary legislation, what would be the consequence for non-compliance of OR.</p> <p>The Administration advised that –</p> <p>(a) the system operator was required to observe and adhere to all relevant and applicable laws, regulations, guidelines, codes of practice and international requirements/standards concerning data privacy and data security;</p> <p>(b) the design and technical specifications of the eMPF Platform and the supporting data centers, had made reference to the Government's prevailing policies and standards on storing and processing confidential information, as well as international security standards and best practices;</p> <p>(c) comprehensive security controls with multi-layer of protection measures would be implemented, including multiple layers of security firewalls and artificial intelligence-security programmes;</p> <p>(d) the data protection standards of the eMPF Platform would be certified by an independent third party before launching;</p> <p>(e) both the primary and secondary data centers of the eMPF Platform would be hosted locally in Hong Kong;</p> <p>(f) advice of the Office of the Privacy Commissioner for Personal Data would be</p>	

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		<p>sought on compliance of the eMPF Platform with the relevant rules and regulations;</p> <p>(g) OR of the eMPF Platform, which would cover the detailed operation of the eMPF Platform including the scheme administration process flows, would be a set of administrative documents rather than subsidiary legislation; and</p> <p>(h) in case where the non-compliance persisted or an approved trustee continued to be uncooperative, the system operator might escalate the matter to MPFA. MPFA might require the trustee concerned to take necessary action through issuing written notice under the new section 19P. Failure to comply with MPFA's requirement could result in financial penalties under the proposed amendment to Schedule 4 of MPFSGR in clause 101 of the Bill.</p>	
012816 – 013015	Chairman Mr CHUNG Kwok-pan Administration	<p><u>Section 19L – Powers of system operator</u></p> <p>Mr CHUNG Kwok-pan's enquiry and the Administration's response on the exercise of the power of suspension of the electronic MPF system by the system operator and whether the system operator would need to notify MPFA.</p> <p>The Administration advised that the detailed procedures involved in the exercise of the power to suspend the system, including notification to be made to relevant parties, would be set out in OR.</p>	
013016 – 013220	Chairman Mr CHUNG Kwok-pan Administration	<p><i>Division 4 — Mandatory Use of Electronic MPF System</i></p> <p><u>Section 19M – Mandatory use of electronic MPF system and scheme administration services provided by system operator</u></p> <p><u>Section 19N – Secretary to specify day on which approved trustee of pre-existing scheme must begin to use electronic MPF system to perform scheme administration functions (other than specific function)</u></p> <p>In response to Mr CHUNG Kwok-pan's enquiry, the Administration advised that SFST would be empowered to specify a date from which trustees</p>	



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		<p>would be required to use the electronic MPF system upon completion of the development of the system by end-2022. The first batch of trustees was expected to go on board the eMPF Platform in early 2023.</p>	
013201 – 013230	Chairman Administration	<p><u>Section 19O – Authority's duty to publish relevant requirement</u></p> <p>Members raised no query.</p>	
013231 – 014509	Chairman Mr CHUNG Kwok-pan MPFA ALA3 Administration	<p><i>Division 5 – Duties of Approved Trustees</i></p> <p><u>Section 19P – What approved trustees should do in relation to implementation of electronic MPF system etc.</u></p> <p>Mr CHUNG Kwok-pan's further enquiry and the Administration's response on the imposition of financial penalties for non-compliance with MPFA's instructions by trustees under the proposed amendment to Schedule 4 of MPFSGR in clause 101 of the Bill.</p> <p>ALA3's enquiry and the Administration's response on the direction, rationale and legal implications of the amendments to be proposed by the Administration to the proposed section 19P.</p> <p>The Administration advised that –</p> <p>(a) the proposed amendments to the proposed section 19P sought to clarify (i) the policy intent that MPFA could require necessary actions on an approved trustee for ensuring their compliance with the requirements of mandatory use of the eMPF Platform and scheme administration services and the provision of necessary information to the system operator, and (ii) the associated consequence if the approved trustee failed to comply with MPFA's requirement; and</p> <p>(b) the financial penalties would be similar to those in respect of the proposed new item 2H in Schedule 4 of MPFSGR in clause 101 of the Bill for section 19P(2).</p>	

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014510 – 014615	Chairman Administration	<p><u>Section 19Q – Notice to be given to certain persons in relation to section 19N notice</u></p> <p><i>Division 6 – Collection and Use of Certain Information</i></p> <p><u>Section 19R – Collection of certain information by system operator</u></p> <p>Members raised no query.</p>	
014616 – 014927	Chairman Mr CHUNG Kwok-pan Administration	<p><u>Section 19S – Maintenance of register by system operator</u></p> <p>Mr CHUNG Kwok-pan's enquiry and the Administration's response on how the setting up of the Central Register could help scheme members consolidate their MPF accounts.</p>	
014928 – 015428	Chairman Mr CHUNG Kwok-pan Administration	<p><i>Division 7 – Regulation of Fees relating to Scheme Administration</i></p> <p><i>Subdivision 1—Preliminary</i></p> <p><u>Section 19T – Interpretation</u></p> <p>Members raised no query.</p> <p><i>Subdivision 2 – Approved Trustee Not to Charge More Than Amount Payable to System Operator</i></p> <p><u>Section 19U – Approved trustee may charge fee for use of electronic MPF system and certain other services but must not charge more than amount payable to system operator</u></p> <p>In response to Mr CHUNG Kwok-pan's enquiry, the Administration advised that scheme members were expected to enjoy an average 30% reduction in the administration fee portion of the fund expense ratio payable after implementation of the eMPF Platform, including DIS funds.</p>	
015429 – 015919	Chairman Mr CHUNG Kwok-pan Administration	<p><i>Subdivision 3 – Reference Ratio and Reference Rate</i></p> <p><u>Section 19V – Approved trustee's duty to submit reference ratio and relevant rate of administration fee for constituent fund other than capital preservation fund</u></p>	

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		<p>Mr CHUNG Kwok-pan enquired why the proposed section 19V would not apply to capital preservation fund.</p> <p>The Administration advised that –</p> <p>(a) there had already been separate legal provisions under MPFSGR governing the fees chargeable to a scheme member investing in capital preservation fund; and</p> <p>(b) under the prevailing fee control for capital preservation fund, no scheme administrative expenses could be charged if the amount exceeded the excess of the investment income derived from the funds over the amount of interest that would be earned from bank deposit.</p>	
015920 – 020230	Chairman Mr CHUNG Kwok-pan Administration	<p><u>Section 19W – How to determine reference ratio for constituent fund</u></p> <p><u>Section 19X – How to determine reference rate for constituent fund</u></p> <p><i>Subdivision 4 – Approved Trustee's Duties in relation to FER for Relevant Corresponding Period of Constituent Fund</i></p> <p><u>Section 19Y – Approved trustee's duty to determine FER for relevant corresponding period of constituent fund</u></p> <p>Members raised no query.</p>	
020231 – 020235	Chairman	Meeting arrangements	