

Date: 10 October 2014

By Email

To: Investment Regulation Department, MPFA
Attn: Providing Better Investment Solutions for MPF Members

From: BCT Group (BCT Financial Ltd / Bank Consortium Trust Co)

Subject: Submission on the Core Fund Consultation

(I) HKTA Submission

Given that BCT is in support of the submission by the HKTA, we will not repeat our view here relating to Q1 – Q12 and only highlight the following points.

(II) Additional point for Q13

(a) Communication to the Public

1. It is very important for the MPFA to communicate the default option strategy to the general public in a clear and concise manner.
2. The last thing anyone wants to see is for the MPF members to mistakenly think that the new default option is the best choice, providing enough money for their retirement.
3. The MPFA should also stress that investing in the default option strategy does not mean the members would not have to keep track on their MPF investments. Members should review their MPF investments regularly, say at least twice a year.

(b) Approval of New Fund Products

1. If new CFs are required for the default option strategy, the turn-around time for approving these CF should be indicated to the industry.
2. It would be useful for the MPFA to provide a standard product approval template so sponsors could complete the new fund application ASAP.

(III) Joint Submission

As one of the two service providers for the industry scheme, BCT has identified some issues and discussed with Bank of East Asia (Trustee) Ltd. A separate joint submission was made which will be sent to the MPFA. For details, please refer to that submission dated 10 October 2014.

Ka Shi Lau, BBS
Managing Director & CEO