



強制性公積金計劃管理局
MANDATORY PROVIDENT FUND
SCHEMES AUTHORITY

電話號碼 Tel No. : 2292 1156
傳真號碼 Fax No. : 2259 8826
本局檔號 Our Ref. : MPFA/S/TR/91/6 (C) &
MPFA/S/IO-I/58/2
來函檔號 Your Ref. :

3 September 2010

Circular Letter: SU/CTC/2010/002

To: All Approved Trustees and MPF Corporate Intermediaries

Dear Sir/Madam,

Enhancing Protection to MPF Scheme Members – the use of Gifts

The Securities and Futures Commission (“SFC”) has published the Consultation Conclusions on Proposals to Enhance Protection for the Investing Public in May 2010 (“Consultation Conclusions”). One of the initiatives to be implemented following the release of the Consultation Conclusions, is to restrict the offering of gifts (except for discount of fees and charges) for the purpose of promoting a specific investment product to investors. The SFC will implement this initiative from 4 September 2010. The Hong Kong Monetary Authority (“HKMA”) has also issued requirements restricting the use of gifts where that is likely to divert or mislead investors’ focus from the proper consideration of the investment product being promoted.

The Authority has issued The Code of Conduct for MPF Intermediaries (“Code”) to provide guidance in respect of the minimum standards of conduct applicable to MPF intermediaries. The Code applies to all MPF intermediaries and governs the conduct of MPF business. According to General Principle 1, an MPF intermediary should conduct business honestly, fairly, in good faith and with integrity at all times. Having regard to the practices implemented by the SFC and HKMA for other types of investment products and the broad scope of General Principle 1, the Authority considers that MPF intermediaries should not use gifts as a way of distracting the attention of members (including prospective members) of MPF schemes from considering the relevant factors when they make important decisions about their MPF accounts or investment thereof.

Specifically, with effect from 4 September 2010, an MPF intermediary should not, directly or indirectly, offer gifts (except for discount of fees and charges) to MPF scheme members or prospective scheme members for the purpose of

- (a) promoting membership of, or
 - (b) the making of a contribution to, or
 - (c) the transfer of any benefits to
- any MPF scheme.

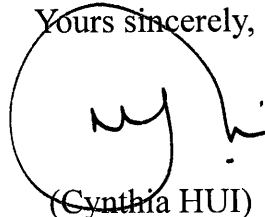
As with the restriction imposed by the SFC, this does not apply to the offering of any gifts for brand promotion, relationship building or other purposes not directly related to the purposes set out above.

You are requested to inform your MPF individual intermediaries about the above restriction and to put in place proper controls and procedures to ensure that they observe the restriction.

Should you have any queries on the above, please do not hesitate to contact your case officer at the Authority.

Yours sincerely,

PP



(Cynthia HUI)

Executive Director (Supervision)