



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

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9 July 2012

Circular Letter: SU/CCI/2012/002

All Corporate Intermediaries

**By Email and Post**

Dear Responsible Officer,

**Commencement of the  
Mandatory Provident Fund Schemes (Amendment) Ordinance 2012**

This circular letter is the second in the current series which is concerned with implementation of this Ordinance. The inaugural letter was issued on 15 May 2012.

The Mandatory Provident Fund Schemes (Amendment) Ordinance 2012 was passed by the Legislative Council on 21 June 2012 and gazetted on 29 June 2012. Electronic links to the English and Chinese versions of the Ordinance were e-mailed to you on 29 June 2012.

With the implementation of this Ordinance, a statutory regulatory regime for MPF intermediaries will be set up, and both the regime and the Employee Choice Arrangement (ECA) will come into effect on 1 November 2012. As a corporate intermediary, you should now prepare yourself and your sponsored individual intermediaries for the implementation of the new regulatory regime.

After the Ordinance comes into effect on 1 November 2012, subject to certain specific exceptions in the legislation, it will be an offence for anyone who is not a registered MPF intermediary to engage in the sale or marketing of MPF schemes / products.

Under the new regulatory regime, the MPFA will be the sole authority to register MPF intermediaries and to issue guidelines on compliance with statutory conduct requirements. It will also handle complaints on MPF sales and marketing activities. In misconduct cases, the MPFA will be the sole authority to impose disciplinary sanctions.

The Hong Kong Monetary Authority, the Insurance Authority and the Securities and Futures Commission have a statutory role as frontline regulators (FRs) responsible for the supervision and investigation of registered MPF intermediaries whose core business is in banking, insurance and securities respectively.

As regards complaints related to MPF sales and marketing activities, MPFA will receive and conduct initial processing of the complaints and assign these to the relevant FRs for investigation if breaches of the conduct requirements is suspected.

Complaint cases without potential disciplinary implications (such as those related to service quality issues) will be referred to the relevant Principal Intermediary (PI) for further handling. PIs will be given one month to investigate and report to MPFA the findings and actions taken / to be taken. The relevant FRs will be kept informed of progress in the handling of these complaints.

Intermediaries will be required to follow prescribed conduct requirements, which include acting honestly, fairly and in the best interest of their clients, disclosing sufficient information to their clients and making best endeavours to avoid a conflict of interest etc. Guidance in this area can be found in the “Guidelines on Conduct Requirements for Registered Intermediaries” document. A copy of the latest draft was sent to you for comment recently. Intermediaries will be subject to disciplinary sanctions for non-compliance with the conduct requirements contained in the Ordinance. In determining the appropriate sanctions, MPFA will take into account the information provided by FRs in the course of their investigations and also any representations made by the intermediaries concerned. Sanctions which may be imposed include reprimands, fines, and suspension or revocation of registration.

To ensure a smooth transition into the new regulatory regime and to regularly review the effectiveness of the new system, it is important for MPFA to work closely with the Industry. In this regard, we plan to set up an

Intermediaries Liaison Forum to discuss relevant operational issues. Any corporate intermediaries who are interested in joining this Group, can indicate interest by sending an email to Ms Clio Wong ([cliowong@mpfa.org.hk](mailto:cliowong@mpfa.org.hk)) **on or before 23 July 2012**. We will inform you of the final membership and the first meeting details, in due course.

Please note that given the numbers involved (currently, 490 MPF corporate intermediaries are registered with the Authority), it may not be possible to include all interested parties in the Forum. The Authority will, however, ensure that all business sectors are represented as are corporate intermediaries' who have a large, medium or small number of sponsored intermediaries, as their issues may be somewhat different.

Finally, please prepare your corporation and intermediaries for the launch of ECA and the new regulatory regime. And in particular, arrange for all of your intermediaries to complete training on *Enhanced Regulation for MPF Intermediaries and Conduct Requirements of MPF Intermediaries* **by the end of October 2012**.

Should you have any questions, please do not hesitate to contact me or my colleagues, Ms Susanna Lee on 2292 1151 or Ms Clio Wong on 2292 1369.

Thank you for your attention.

Yours sincerely,



(Robin Gill)  
Head (Intermediaries)  
Supervision Division

c.c. Hong Kong Monetary Authority – Mr Kevin Sham

Securities and Futures Commission – Mr Sam Tung

Office of the Commissioner of Insurance – Ms Fanny Chu