

MANDATORY PROVIDENT FUND SCHEMES AUTHORITY

II.3 Guidelines on Quarterly Returns of Registered Schemes

INTRODUCTION

Section 6H(1) of the Mandatory Provident Fund Schemes Ordinance (“the Ordinance”) provides that the Mandatory Provident Fund Schemes Authority (“the Authority”) may issue guidelines for the guidance of approved trustees, service providers and other persons concerned with the Ordinance.

2. Section 6H(3) of the Ordinance provides that a guideline may require persons (including persons belonging to a class) specified in the guideline to give to the Authority information or documents of a kind specified in the guideline. The guideline may only specify information or documents of a kind that the Authority reasonably requires for the exercise or performance of its functions.

3. The Authority hereby issues guidelines to specify the information required to be submitted in respect of quarterly returns of registered schemes. These guidelines also specify the means by which the quarterly returns should be submitted to the Authority.

4. The Authority had conducted a review of the above Guidelines in 2003, with a view to improving the consistency and usefulness of the information submitted by trustees. The Guidelines have been revised accordingly.

EFFECTIVE DATE

5. These revised Guidelines shall become effective from 1 October 2004. The previous version of the Guidelines (Version 2 – July 2001) shall be superseded on that day.

QUARTERLY RETURN

Contents of the Quarterly Return

6. The contents of the quarterly return of a registered scheme are set out in Annex A and Annex B (FORM CF(QR) and FORM S(QR)). The information to be provided should be in respect of the end of each calendar quarter. A separate FORM CF(QR) should be filled in for each constituent fund of a registered scheme.

Submission of Quarterly Return

7. The approved trustee of a registered scheme is required to submit the quarterly return within 6 weeks of the end of each calendar quarter either by electronic means (such as e-mail or diskettes) or in hard copies to :

Mandatory Provident Fund Schemes Authority
21st and 22nd floors
One International Finance Centre
1 Harbour View Street
Hong Kong.

Definitions of Terms

8. Except where otherwise specified in the Annexes, the terms common to the Ordinance and the subsidiary legislation of the Ordinance carry the same meanings as defined in the Ordinance and the subsidiary legislation. Approved trustees of registered schemes should make appropriate reference to the Ordinance and the subsidiary legislation, where necessary.

FORM CF(QR)

**MANDATORY PROVIDENT FUND SCHEMES ORDINANCE (CAP. 485)
("the Ordinance")**

QUARTERLY RETURN OF CONSTITUENT FUND

NOTES :

- (1) *This Form must be completed by the approved trustee of the registered scheme to which the constituent fund belongs.*
- (2) *The approved trustee should refer to the "Guidelines on Quarterly Returns of Registered Schemes" for the purpose of submitting the quarterly return of the constituent fund of a registered scheme.*
- (3) *All questions must be answered. If any question is not applicable, please write "N.A."*
- (4) ** means delete whichever is inappropriate.*

FOR OFFICIAL USE ONLY

Reference no.: _____ **Date of receipt:** _____

Subject officer: _____ **Input officer:** _____

SECTION I - PARTICULARS OF THE CONSTITUENT FUND

- (1) Name of the constituent fund: _____
- (2) Name of the registered scheme to which the constituent fund belongs: _____
- (3) Name of the approved trustee of the registered scheme: _____

SECTION II - INVESTMENT PROFILE

For the quarter end of: Mar/ Jun/ Sept/ Dec*
Year

Basis for determining investment profile: Trade day / Settlement day*

(1) Asset Allocation ^(Note 1)

Please provide the asset holdings of the constituent fund in percentage term (including pro-rata holdings of any underlying pooled investment funds):

	Deposits & Cash %	Debt Securities ** %	Equities %	Others %	Total %
Hong Kong					
North America					
Japan					
Asia #					
Europe					
Others					
TOTAL					

**Include convertible debt securities

Exclude Japan and Hong Kong but include Australia, New Zealand and India

(2) Effective Currency Exposure ^(Note 2)

Please express the effective currency exposure of the constituent fund as a percentage of its net asset value (including pro-rata holdings of any underlying pooled investment funds) :

	(%)
HK \$	_____
US \$	_____
Yen	_____
Asian currencies (exclude Yen and HK\$)	_____
Euro	_____
Other currencies	_____
Total	100

(3) Investment Return ^(Note 3)

Net investment return for the quarter (%) :

Basis of calculation:

Explanatory Notes on Quarterly Return of Constituent Fund

1. Asset Allocation

This information is being gathered and compiled with the intention of producing a high level assessment of the exposure of the respective constituent fund to the broad investment classes, being deposits, debt securities and equities, and to assess the geographical and currency exposure of the constituent fund.

For constituent funds maintaining a feeder fund or portfolio management fund structure, the exposure of the constituent fund should be the aggregate of those of the underlying funds. The reported allocation should be expressed as a percentage of total net asset value of the fund, according to the following:

- (a) Deposits and cash should be reported based on the currency of denomination of the respective account.
- (b) Debt securities include debt and convertible debt securities. These should be reported based on the currency of denomination.
- (c) Equities, including warrants, American depository receipts and global depository receipts, should be reported by the country of primary listing.

2. Effective currency exposure

This information should represent the economic exposure of the constituent fund to the respective currencies at the end of the quarter.

The effective currency exposure of a particular currency should be calculated based on the position of net assets in that currency and adjusted for any open currency forward contracts. For constituent funds maintaining a feeder fund or portfolio management fund structure, the exposure to the respective currencies should be the aggregate of those of the underlying funds.

3. Investment return

- (a) For unitized funds, net investment return for the quarter should be the simple return calculated in Hong Kong dollar terms on a unit NAV-to-NAV basis, i.e. $\{[\text{Unit NAV (end of reporting quarter)} / \text{Unit NAV (end of previous quarter)}] - 1\} \times 100$
- (b) For non-unitized guaranteed funds, the methodology of calculation of the net investment return should be consistent with the above methodology and the basis of calculation should be disclosed.

FORM S(QR)

MANDATORY PROVIDENT FUND SCHEMES ORDINANCE (CAP. 485)
("the Ordinance")

QUARTERLY RETURN OF REGISTERED SCHEMES

NOTES :

- (1) *This Form must be completed by the approved trustee of the registered scheme.*
- (2) *The approved trustee should refer to the "Guidelines on Quarterly Returns of Registered Schemes" for the purpose of submitting the quarterly return of the registered scheme.*
- (3) *All questions must be answered. If any question is not applicable, please write "N.A."*
- (4) ** means delete whichever is inappropriate*

FOR OFFICIAL USE ONLY

Reference no.: _____ **Date of receipt:** _____

Subject officer: _____ **Input officer:** _____

SECTION I - PARTICULARS OF THE REGISTERED SCHEME

- (1) Name of the registered scheme : _____
- (2) Name of the approved trustee of the registered scheme: _____

SECTION II – REPORTING QUARTER

For the quarter end of: Mar/ Jun/ Sept/ Dec*

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Year

SECTION III - INFORMATION ON MEMBERS

- (1) Number of self-employed members contributing on a monthly basis as at the end of the quarter: _____
- (2) Number of employee members whose relevant incomes are less than the minimum level of relevant income (for determining the mandatory contributions made by the employees) but to exclude those with no relevant income for the last contribution period ending on or before the end of the quarter : _____
- (3) Number of employee members whose relevant incomes are the same as or more than the maximum level of relevant income (for determining the mandatory contributions made by the employee) for the last contribution period ending on or before the end of the quarter : _____

SECTION IV - INFORMATION ON BENEFITS WITHDRAWN FROM A REGISTERED SCHEME DURING THE CALENDAR QUARTER

	<u>Derived from mandatory contributions</u>	<u>Derived from voluntary contributions</u>
(1) Benefits paid during the Calendar Quarter ^{Note 1}		
Early retirement / retirement	HK\$	HK\$
Death	HK\$	HK\$
Total incapacity	HK\$	HK\$
Permanent departure from HK	HK\$	HK\$
Small balance account ^{Note 2}	HK\$	HK\$
Resignation / dismissal	HK\$	HK\$
Offsetting severance payment or long service payment ^{Note 3}	HK\$	HK\$
Others (Please specify: _____)	HK\$	HK\$
Total benefits paid ^{Note 4}	HK\$	HK\$
(2) Total benefits transferred to other registered schemes ^{Note 5}	HK\$	HK\$

**Explanatory notes for completion of quarterly return
covering information on statistics related to a registered scheme**

1. Benefits used to offset severance payment or long service payment should be reported in the item “Offsetting severance payment or long service payment” only and the amount should be excluded from the other items.
2. This item refers to the amount of accrued benefits paid in accordance with section 165 of the Mandatory Provident Fund Schemes (General) Regulation.
3. Benefits used to offset severance payment or long service payment refer to the entire sum of monies paid to members or to employers for the said purpose.
4. Benefits paid should only be reported when the constituent fund units have been redeemed and trustees are ready to issue cheques to the members or employers. This item must be reconciled with the data item, “Benefits paid” in part (2) of Section V, as reported in the Monthly Statistical Return SS(MR) (Guidelines II.8) of the corresponding months.
5. Benefits transferred to other registered schemes should only be reported when the constituent fund units have been redeemed and trustees are ready to issue cheques to the transferee trustees. Accrued benefits transferred to any other accounts (including employee contribution accounts, SEP accounts and preserved accounts) under the same registered scheme must be excluded. This item must be reconciled with the data item, “Benefits transferred to other registered schemes” in part (2) of Section V, as reported in the Monthly Statistical Return (Form SS(MR)) (Guidelines II.8) of the corresponding months.