

MANDATORY PROVIDENT FUND SCHEMES AUTHORITY

III.5 Guidelines on Investment Managers

INTRODUCTION

The investment manager appointed by the approved trustee of a registered scheme must comply with the requirements stipulated in section 44 of the Mandatory Provident Fund Schemes (General) Regulation (“the Regulation”).

2. Section 45 of the Regulation provides that the investment manager may delegate its investment management functions to other companies that are solvent and, among other things, they are authorized by a regulatory authority recognized by the Mandatory Provident Fund Schemes Authority (“the Authority”) to carry on business as an investment adviser under the law of a place other than Hong Kong.

3. Section 17(2)(g) of Schedule 1 to the Regulation stipulates that ... any investment manager ... appointed by the trustee in relation to the fund, must comply with such of the requirements of the Regulation as relate to ... an investment manager ... appointed by such an approved trustee, in so far as those requirements are relevant to the pooled investment fund.

4. Section 6H of the Mandatory Provident Fund Schemes Ordinance

(“the Ordinance”) provides that the Authority may issue guidelines for the guidance of approved trustees, service providers and other persons concerned with the Ordinance.

5. The Authority hereby issues guidelines to clarify the qualifications and requirements of the investment managers and their delegates in respect of registered schemes and approved pooled investment funds.

INVESTMENT MANAGER

Qualifications of Investment Manager

6. Investment managers appointed for registered schemes or approved pooled investment funds and the delegation of investment management functions must comply with the requirements as stipulated in Chapter 6 of the SFC Code on MPF Products.

Delegates of Investment Manager

7. The list¹ of regulatory authorities recognized by the Authority for the purposes of section 45(4) of the Regulation is as follows-

Jurisdiction	Regulatory Authority
France	Commission des Opérations de Bourse (COB)
Germany	Bundesaufsichtsamt für das Kreditwesen
Ireland	Central Bank of Ireland (CBI)
Hong Kong	Securities and Futures Commission (SFC)
Luxembourg	The Commission du Surveillance du Secteur Financier (CSSF)

¹ The list of regulatory authorities is adapted from Appendix C of the SFC Code on MPF Products. It will be updated to reflect any future amendments made by the SFC.

Jurisdiction

Regulatory Authority

United Kingdom Investment Management Regulatory Organization (IMRO)

United States of
America Securities and Exchange Commission (SEC)

DEFINITIONS OF TERMS

8. Except where otherwise specified in the Guidelines, 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. References should be made to the Ordinance and the subsidiary legislation, where necessary.