

MANDATORY PROVIDENT FUND SCHEMES AUTHORITY

II.10 Guidelines on Quarterly Statistical Returns of the Default Investment Strategy 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, participating employers and their employees, self-employed persons, regulated persons 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 statistical returns of the default investment strategy of registered schemes for statistical purpose. These guidelines also specify the means by which the returns should be submitted to the Authority.

EFFECTIVE DATE

4. These Guidelines (Version 1 – March 2017) shall become effective on the date of commencement of operation of the Mandatory Provident Fund Schemes (Amendment) Ordinance 2016, i.e. 1 April 2017.

QUARTERLY STATISTICAL RETURN OF THE DEFAULT INVESTMENT STRATEGY

Contents of the Quarterly Statistical Return of the Default Investment Strategy

5. The contents of the quarterly statistical return of the default investment strategy of a registered scheme are set out in the Annex (FORM DIS(QR)). Unless specified in the Annex, the information to be provided should be in respect of the end of each calendar quarter.

Submission of the Quarterly Statistical Return of the Default Investment Strategy

6. The approved trustee of a registered scheme is required to submit the quarterly statistical return of the default investment strategy within six weeks after the end of each calendar quarter by electronic means or in hard copies to:

Mandatory Provident Fund Schemes Authority
Level 8, Tower 1, Kowloon Commerce Centre
51 Kwai Cheong Road, Kwai Chung
Hong Kong

DEFINITION OF TERMS

7. Where a term used in the Guidelines is defined in the Ordinance or the subsidiary legislation then, except where specified in the Guidelines, that

term carries the meaning as defined in the Ordinance or the subsidiary legislation.

WARNING

8. It is an offence under section 43E of the Ordinance if a person, in any document given to the Authority, makes a statement that he knows to be false or misleading in a material respect, or recklessly makes a statement which is false or misleading in a material respect.

FORM DIS(QR)

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

**QUARTERLY STATISTICAL RETURN OF THE DEFAULT INVESTMENT STRATEGY
OF REGISTERED SCHEME**

NOTES:

- (1) *This Form must be completed by the approved trustee ("the Trustee") of the registered scheme ("the Scheme").*
- (2) *The Trustee of the Scheme should refer to the Guidelines on Quarterly Statistical Returns of the Default Investment Strategy of Registered Schemes for the purpose of submitting a quarterly statistical return of the Scheme.*
- (3) *The Trustee of the Scheme should read the explanatory notes to this Form carefully before completing this Form.*
- (4) *All questions must be answered. If any question is not applicable, please write "N.A."*
- (5) ** means delete whichever is inappropriate.*

FOR OFFICIAL USE ONLY

Scheme registration no.: _____ **Date of receipt:** _____

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

SECTION I – INFORMATION ON THE SCHEME

(1) Name of the Scheme: _____

(2) Registration no. of the Scheme: _____

**SECTION II – INFORMATION ON THE DEFAULT INVESTMENT STRATEGY
("DIS")** ^{Notes 1 & 2}For the quarter end of: Mar / Jun / Sept / Dec* ("the Quarter")
Year

(1) Breakdown of number of scheme member accounts with accrued benefits invested in the DIS and/or DIS constituent funds as at the end of the Quarter

Name of constituent fund	Categories of scheme member accounts			
	(i) Accounts wholly invested in DIS by default ^{Notes 3 & 4}	(ii) Accounts wholly invested in DIS by choice ^{Notes 3 & 5}	(iii) Any other accounts invested in DIS ^{Notes 3, 6 & 8}	(iv) Non-DIS accounts ^{Notes 7 & 8}
Core Accumulation Fund ^{Note 9}				
Age 65 Plus Fund ^{Note 9}				
Unique number of scheme member accounts in the DIS of the Scheme ^{Note 10}				

(2) Breakdown of accrued benefits (HK\$) invested in the DIS and/or DIS constituent funds as at the end of the Quarter ^{Note 11}

Name of constituent fund	Categories of scheme member accounts			
	(i) Accounts wholly invested in DIS by default ^{Notes 3 & 4}	(ii) Accounts wholly invested in DIS by choice ^{Notes 3 & 5}	(iii) Any other accounts invested in DIS ^{Notes 3, 6 & 12}	(iv) Non-DIS accounts ^{Notes 7 & 13}
Core Accumulation Fund				
Age 65 Plus Fund				
Total for the Scheme ^{Note 14}				

SECTION III – INFORMATION ON PARTICIPATING SCHEME MEMBERS ^{Notes 1 & 2}

- (1) Number of DIS scheme member accounts held by scheme members who newly participated in the Scheme in the Quarter ^{Notes 15 & 16} _____
- (2) Age profile of DIS scheme member account holders ^{Note 17} (required for quarter end of December only)

Age group	Categories of scheme member accounts		
	(i) Accounts wholly invested in DIS by default ^{Notes 3 & 4}	(ii) Accounts wholly invested in DIS by choice ^{Notes 3 & 5}	(iii) Any other accounts invested in DIS ^{Notes 3 & 6}
<30			
30-34			
35-39			
40-44			
45-49			
50-54			
55-59			
60-64			
≥ 65			
Unknown			
Total for the Scheme			

Explanatory notes for completion of quarterly statistical return covering information on statistics related to the default investment strategy of a registered scheme

1. “DIS” refers to the default investment strategy that complies with the requirements set out in Schedule 10 to the Ordinance. “DIS constituent funds” refer to Core Accumulation Fund and Age 65 Plus Fund as defined by section 1 of Schedule 10 to the Ordinance.
2. “Scheme member accounts” refer to MPF accounts held by employees, self-employed persons, personal account holders and special voluntary contribution account holders. For the reporting purpose of this quarterly statistical return, a scheme member account with sub-accounts should be considered and reported as one scheme member account. Scheme member accounts without any accrued benefits (i.e. scheme member accounts with zero balance) as at the end of the Quarter should not be reported, except as noted under Note 16 below.
3. For the reporting purpose of this quarterly statistical return, DIS scheme member accounts are categorized into three types: (i) Accounts wholly invested in DIS by default, (ii) Accounts wholly invested in DIS by choice, and (iii) Any other accounts invested in DIS. Any scheme member account with accrued benefits that were invested according to the DIS of the Scheme as at the end of the Quarter should fall into only one of these three account categories.
4. “Accounts wholly invested in DIS by default” refer to those scheme member accounts fulfilling both of the following two conditions:
 - a. all of the accrued benefits in the scheme member account were invested according to the DIS of the Scheme as at the end of the Quarter; and
 - b. no specific investment instruction has been provided in respect of the scheme member account as at the end of the Quarter, such as investment instructions provided upon enrolment or transfer-in of accrued benefits from other MPF accounts of the Scheme or other MPF schemes, and any subsequent investment instruction provided in relation to future contributions or fund switching.
5. “Accounts wholly invested in DIS by choice” refer to those scheme member accounts fulfilling both of the following two conditions:
 - a. all of the accrued benefits in the scheme member account were invested according to the DIS of the Scheme as at the end of the Quarter; and
 - b. the scheme member has given the Trustee specific investment instructions, as at the end of the Quarter, to invest all of the future contributions and future transfer-in benefits according to the DIS.
6. “Any other accounts invested in DIS” refer to those scheme member accounts fulfilling both of the following two conditions:
 - a. all or part of the accrued benefits in the scheme member account were invested according to the DIS of the Scheme as at the end of the Quarter; and
 - b. the scheme member account does not fall into account categories (i) Accounts wholly invested in DIS by default or (ii) Accounts wholly invested in DIS by choice.

7. “Non-DIS accounts” refer to those scheme member accounts where all or part of accrued benefits in the scheme member account were invested in the DIS constituent fund(s) but not in accordance with the DIS.
8. Where a scheme member account meets the conditions of both of the account categories (iii) Any other accounts invested in DIS and (iv) Non-DIS accounts, the scheme member account should be reported in both account categories.
9. The number of scheme member accounts should be reported for each of the DIS constituent funds and for each of the four account categories, i.e. (i) Accounts wholly invested in DIS by default, (ii) Accounts wholly invested in DIS by choice, (iii) Any other accounts invested in DIS, and (iv) Non-DIS accounts.
10. “Unique number of scheme member accounts in the DIS of the Scheme” refers to the respective unique number of scheme member accounts in each of the four account categories in the Scheme. If a scheme member account of a particular account category invested in both of the DIS constituent funds as at the end of the Quarter, it should be counted as one scheme member account only.
11. The relevant accrued benefits of scheme member accounts should be reported for each of the DIS constituent funds and for each of the four account categories.
12. For this account category, only the portion of accrued benefits in a scheme member account which were invested according to the DIS as at the end of the Quarter should be reported. Accrued benefits in the scheme member account which were not invested according to the DIS as at end of the Quarter should not be reported.
13. For this account category, only the portion of accrued benefits in a scheme member account which were invested in the DIS constituent fund(s) but not in accordance with the DIS as at the end of the Quarter should be reported. Any accrued benefits in the scheme member account which were invested according to the DIS and in other constituent funds of the Scheme as at the end of the Quarter should not be reported.
14. “Total for the Scheme” refers to the sum of scheme member accounts’ accrued benefits in the Core Accumulation Fund and the Age 65 Plus Fund in respect of each account category as at the end of the Quarter.
15. “Number of DIS scheme member accounts held by scheme members who newly participated in the Scheme in the Quarter” refers to the unique number of scheme member accounts as at the end of the Quarter fulfilling all of the following three conditions:
 - a. the investment instructions of these scheme member accounts were set or defaulted as investing all or part of their future contributions according to the DIS of the Scheme as at the end of the Quarter;
 - b. these scheme member accounts were held by scheme members who newly participated in the Scheme in the Quarter; and
 - c. these scheme member accounts remained in the Scheme as at the end of the Quarter.

16. This reporting item should include all scheme member accounts investing according to the DIS of the Scheme, including those with zero balance. For clarification, this reporting item should exclude those scheme member accounts meeting any of the following conditions as at the end of the Quarter:
- a. scheme member accounts investing only in the DIS constituent fund(s) but not in accordance with the DIS;
 - b. personal accounts investing according to the DIS due to auto-preservation;
 - c. accounts of scheme members who newly participated in the Scheme in the Quarter but subsequently ceased participation in the Scheme in the same Quarter.

In condition b above, the term “auto-preservation” means the situation where the accrued benefits in an employee contribution account under the Scheme are automatically transferred to a personal account of the member under the same scheme where the employee member concerned has not made any transfer election within three months after the Trustee is notified of the employee’s cessation of employment.

17. The age profile of DIS scheme member account holders should be reported for each of the three categories of DIS scheme member accounts, i.e. (i) Accounts wholly invested in DIS by default, (ii) Accounts wholly invested in DIS by choice, and (iii) Any other accounts invested in DIS. The total number of scheme member accounts for each account category of this section should be equal to the “Unique number of scheme member accounts in the DIS of the Scheme” of the corresponding account category in Section II(1).