

MANDATORY PROVIDENT FUND SCHEMES AUTHORITY

II.7 Guidelines on Quarterly Returns of Approved Pooled Investment Funds

INTRODUCTION

The Guidelines on Reserving Standards for Investment Guarantees (Guidelines III.9) prescribe the framework of reserving for investment guarantees for constituent funds and approved pooled investment funds (“APIFs”) offering investment guarantees.

2. 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.

3. 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.

4. The Authority hereby issues guidelines to specify the information contained in a quarterly return required to be submitted to the Authority in respect of APIFs, which are insurance policies with authorized insurers acting as the investment guarantors. These guidelines also specify the means by which the quarterly returns should be submitted to the Authority.

EFFECTIVE DATE

5. Submission of the first set of quarterly return in accordance with the revised Guidelines (Version 4 – December 2011) is required for the financial quarter ending after 30 June 2011.

QUARTERLY RETURN

Prescribed Format and Information

6. The prescribed information and format of the quarterly return are set out in the Annex (FORM PF(QR)-IR).

Submission of Quarterly Return

7. The quarterly return should be filed by the authorized insurer in relation to an APIF being one or a series of Class G insurance policies guaranteed by the insurer for each financial quarter of the APIF.

8. The authorized insurer is to submit the quarterly return within 6 weeks from the end of each relevant financial quarter of the APIF either by electronic means (such as e-mail or diskettes) or in hard copies to:

Mandatory Provident Fund Schemes Authority
Level 16, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

Definitions of Terms

9. 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.

FORM PF(QR)-IR

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

**QUARTERLY RETURN OF APPROVED POOLED INVESTMENT FUND
BEING A SERIES OF CLASS G INSURANCE POLICIES
GUARANTEED BY AN INSURER**

NOTES:

- (1) This Form must be completed by the authorized insurer in relation to a series of insurance policies.*
- (2) The authorized insurer of the Approved Pooled Investment Fund ("APIF") should refer to the "Guidelines on Quarterly Returns of Approved Pooled Investment Funds" for the purpose of submitting the quarterly return of the APIF.*
- (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 APIF

- (1) Name of the APIF: _____
- (2) Name of the insurer: _____

SECTION II – PARTICULARS OF THE QUARTERLY RETURN

- (1) Person accepting responsibility for the report and the underlying results _____
- (2) The capacity and qualifications of the person accepting responsibility for the completion of the report _____
- (3) The 3-month period to which this return applies _____

SECTION III - SUMMARY OF QUARTERLY RETURN

The quarterly return should provide the following information:

1. Aggregate account balances and notional/guaranteed account balances of the APIF (if applicable), or if relevant, of each class of units of the APIF. The net asset value of the APIF should also be provided if different from the account balances.
2. The asset holdings of the APIF in percentage term, by broad investment classes (e.g. equities and debt securities) and geographical exposure.
3. A movement report (reconciliation of beginning and end of period account balances, both actual and notional) showing new contributions, gross investment returns, administrative expenses (with breakdown by types, e.g. custody fees, investment management fees, guarantee fees and reserving charge etc.), withdrawals, interest credited and other adjustments for the APIF, or if relevant, for each class of units of the APIF.
4. The reserve valuation results for the APIF (with breakdown by provision for account balance, provision for investment guarantee, provision for smoothing of investment returns and other provisions if applicable), for each class of units of the APIF. Also, indicate where the relevant provisions are accounted for in financial statements.

5. An explanation of any material changes since submission of the latest report, clearly identifying and quantifying (where applicable) the material changes. The company needs not separately quantify every change, but should highlight the relative impact or significance of each revision or modification, including that of:
 - (a) fund features;
 - (b) data;
 - (c) models, methods or software;
 - (d) assumptions;
 - (e) reliance on other parties;
 - (f) management policy, oversight or controls.
6. A description of any limitations which should be noted either in the data, methodologies or assumptions.
7. Compliance with the Guidance Note on the Reserve Provision for Class G of Long Term Business (“GN7”) and standards which are applicable, including, but not limited to, “Guidelines on Reserving Standards for Investment Guarantees” (Guidelines III.9).