

## **MANDATORY PROVIDENT FUND SCHEMES AUTHORITY**

### **III.4 Guidelines on Approved Exchanges**

#### **INTRODUCTION**

Section 2 of the Mandatory Provident Fund Schemes (General) Regulation (the Regulation) defines “approved stock exchange” to mean:

- (a) a recognized stock market; or
- (b) any stock exchange established in a place outside Hong Kong that is declared by the Mandatory Provident Fund Schemes Authority (the Authority) by notice published in the Gazette to be an approved stock exchange for the purposes of the Regulation.

2. Section 2 of the Regulation also defines “approved futures exchange” to mean:

- (a) a recognized futures market; or
- (b) any futures exchange established in a place outside Hong Kong that is declared by the Authority by notice published in the Gazette to be an approved futures exchange for the purposes of the Regulation.

3. 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, participating employers and their employees, self-employed persons, regulated persons and other persons concerned with the Ordinance.

4. The Authority hereby issues guidelines to:
  - (a) set out the names of the stock exchanges, established in a place outside Hong Kong, which have been declared by the Authority to be approved stock exchanges for the purposes of section 2 of the Regulation; and
  - (b) set out the names of the futures exchanges, established in a place outside Hong Kong, which have been declared by the Authority to be approved futures exchanges for the purposes of section 2 of the Regulation.

#### **APPROVED EXCHANGES**

5. The lists of approved stock exchanges and approved futures exchanges established in a place outside Hong Kong are set out in Annexes A and B respectively.

6. The approval of an exchange continues notwithstanding a change of the name of the approved exchange. The Authority also approves an exchange which is established by the merging of two or more approved exchanges.

7. Approved trustees and their delegates should note that:
- (a) approval of an exchange does not represent endorsement by the Authority of any investment in securities listed on the exchange;
  - (b) approval of an exchange does not suggest or imply that the Authority would approve a country specific constituent fund investing in that market; and
  - (c) acquisition of securities on an approved exchange should only be made where the trustee is satisfied that its delegates exercising investment discretion have suitable qualifications and experience.

## **LISTING AND TRADING ON DIFFERENT STOCK EXCHANGES**

8. For the avoidance of doubt, where a security is listed on an approved stock exchange, the requirement that the security is so listed is fulfilled even though the security may be traded through another stock exchange.

## **DEFINITION 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.