

MANDATORY PROVIDENT FUND SCHEMES AUTHORITY

III.5 Guidelines on Investment Managers

INTRODUCTION

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) when appointing an investment manager to manage the investment of the funds of the scheme.

2. Section 45(4) of the Regulation provides that the investment manager may delegate its investment management functions to a company or corporation or partnership of companies or corporations that is solvent and, among other things, it is 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. Under section 17(2)(g) of Schedule 1 to the Regulation, one of the requirements a pooled investment fund must comply with is that any investment manager appointed by the trustee in relation to the fund must comply with such of the requirements of the Regulation, 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, participating employers and their employees, self-employed persons, regulated persons and other persons concerned with the Ordinance.

5. The Authority hereby issues guidelines to:

- (a) clarify the requirements to be complied with by the investment managers and their delegates in respect of registered schemes and approved pooled investment funds; and
- (b) set out the list of regulatory authorities recognized by the Authority for the purposes of section 45(4) of the Regulation (recognized regulatory authorities).

EFFECTIVE DATE

6. These revised Guidelines (Version 8 – January 2024) shall become effective on 15 January 2024. The previous version of these Guidelines (Version 7 – March 2015) shall be superseded on that day.

REQUIREMENTS TO BE COMPLIED WITH BY THE INVESTMENT MANAGERS AND THEIR DELEGATES

7. 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, apart from the requirements imposed under the Regulation.

LIST OF RECOGNIZED REGULATORY AUTHORITIES

8. The list of recognized regulatory authorities for the purposes of section 45(4) of the Regulation is as follows:

Australian Securities and Investments Commission (ASIC)
Autorité des marchés financiers (France) (AMF)
Bundesanstalt für Finanzdienstleistungsaufsicht (Germany) (BAFin)
Central Bank of Ireland (CBI)
China Securities Regulatory Commission (CSRC)
Commission de Surveillance du Secteur Financier (Luxembourg) (CSSF)
Financial Conduct Authority (United Kingdom) (FCA)
Monetary Authority of Singapore (MAS)
Securities and Exchange Commission (United States of America) (SEC)

9. Approved trustees and investment managers may apply to the Authority for other regulatory authorities to be added to the list of recognized regulatory authorities for the purposes of section 45(4) of the Regulation. In general, a non-local regulatory authority referred to in the application made by approved trustees and investment managers must carry out inspections of investment managers within its jurisdiction in a manner generally consistent with that of the Securities and Futures Commission (SFC) in Hong Kong. When processing the relevant application, the Authority will consider all relevant factors, including but not limited to the SFC's list of acceptable inspection regimes.

DEFINITION OF TERMS

10. 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.