

## **MANDATORY PROVIDENT FUND SCHEMES AUTHORITY**

### **IV.23 Guidelines on Transfer Statement and Confirmation**

#### **INTRODUCTION**

Section 154 of the Mandatory Provident Fund Schemes (General) Regulation (the Regulation) provides that as soon as practicable after a transferor trustee has transferred benefits for a scheme member, the transferor trustee must give to the scheme member concerned a transfer statement specifying information relating to the transfer as prescribed under that section. Sections 154(1)(g) and 154(3)(f) of the Regulation provide that the Mandatory Provident Fund Schemes Authority (the Authority) may specify other information to be contained in a transfer statement by means of guidelines. Section 154(2) of the Regulation requires the transferor trustee to give to the transferee trustee a copy of the transfer statement.

2. Section 155 of the Regulation provides that the transferee trustee must, as soon as practicable after receiving benefits transferred from another registered scheme, give to the scheme member concerned a written notice confirming the transfer and stating the amount of those benefits.

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 and other persons concerned with the Ordinance.

4. Section 47A of the Ordinance empowers the Authority to specify or

approve the form and contents of documents required for the purposes of the Ordinance. The section also provides that the form is not properly completed unless it includes all the information required by the Authority in the form.

5. The Authority hereby issues guidelines to:
  - (a) set out the other information to be contained in a transfer statement pursuant to sections 154(1)(g) and 154(3)(f) of the Regulation;
  - (b) set out the form and contents of the transfer statement and transfer confirmation pursuant to section 47A of the Ordinance; and
  - (c) provide guidance as to the timing for issuing transfer statements and transfer confirmations.

## **EFFECTIVE DATE**

6. These revised Guidelines (Version 2 – March 2019) shall become effective on 1 April 2019. The previous version of these Guidelines (Version 1 – August 2012) shall be superseded on that day.

## **TRANSFER STATEMENT AND TRANSFER CONFIRMATION**

### **Transfer Statement**

7. For the purposes of sections 154(1)(g) and 154(3)(f) of the Regulation, the following information (see Annex A for the template) has to be contained in a transfer statement:
  - (a) in case of transfer of benefits derived from employee mandatory contributions under section 148A(2)(b) or section 148A(3) of the Regulation, the date the transferee trustee received the effective transfer election, and in case of transfer of benefits derived from employee mandatory contributions under section 148A(2)(a) of the Regulation, the date that the transferor trustee received the effective transfer election, and an explanation of the use of this date to count

- the number of such transfers in a calendar year;
- (b) for each constituent fund, the following details of redemption:
  - (i) the redemption date;
  - (ii) the number of units redeemed in each constituent fund;
  - (iii) the redemption price of units;
  - (iv) the net amount redeemed; and
  - (v) the bid spread deducted; and
- (c) a reconciliation between the redemption balance of each sub-account of the member's account and the final amount transferred out, showing, where applicable, the amount of benefits vested, the long service payment/severance payment refunded to the employer, the long service payment/severance payment made to the member, the cash payout to the member and others.

8. The form of the transfer statement incorporating the information in paragraph 7 is set out at Annex A. The transferor trustee is required to include the information specified in that Annex when preparing the transfer statement.

9. The transferor trustee should issue the transfer statement to the scheme member concerned within five business days after the date of transfer of benefits.

### **Transfer Confirmation**

10. The form of the transfer confirmation issued by the transferee trustee to the member pursuant to section 155 of the Regulation is set out at Annex B. The transferee trustee is required to include the information specified in that Annex when preparing the transfer confirmation.

11. Under normal circumstances, the transferee trustee should issue the

transfer confirmation to the same member concerned as soon as practicable after receiving the accrued benefits, and within:

- (a) 14 business days after receiving the accrued benefits if it is a transfer to an account within the same registered scheme; and
- (b) 17 business days after receiving the accrued benefits if it is a transfer from an account in another registered scheme.

### **Transfer After Recovery of Outstanding Contributions and Surcharges**

12. Section 157A of the Regulation requires a transferor trustee to transfer the amount of outstanding contributions or contribution surcharges subsequently received within 30 calendar days after receiving the amount (not applicable to transfer scenarios under sections 148A and 148B of the Regulation which relate to transfer out of employee contribution accounts whilst the employee member is in employment). The transferor trustee and the transferee trustee should issue a transfer statement and a transfer confirmation respectively in relation to the transfer of the outstanding contributions and surcharges. The contents set out in paragraph 7(b) may not be required if there are no subscription and redemption activities involved in the original scheme.

### **DEFINITION OF TERMS**

13. “Business day” means any day other than a Saturday, a public holiday, a gale warning day or a black rainstorm warning day within the meaning of section 71(2) of the Interpretation and General Clauses Ordinance (Cap 1).

14. 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.