

MANDATORY PROVIDENT FUND SCHEMES AUTHORITY

VI.4 Guidelines on Continuing Training for Subsidiary Intermediaries

INTRODUCTION

Section 34ZP(1) of the Mandatory Provident Fund Schemes Ordinance (the Ordinance) provides that the Mandatory Provident Fund Schemes Authority (MPFA) may specify the training to be undertaken by individuals who are subsidiary intermediaries and the time within which that training is to be completed as the MPFA considers necessary for ensuring that those individuals will be able to comply with the performance requirements.

2. Section 34ZP(2) of the Ordinance provides that if the MPFA is satisfied that an individual has failed to complete the training specified under section 34ZP(1) within the time specified under section 34ZP(1), the MPFA may give the individual a notice in writing requiring the individual to complete the training within 30 days beginning on the date on which the notice is given or any longer period specified in the notice.

3. Section 34ZP(3) of the Ordinance provides that the MPFA may suspend the registration of an individual as a subsidiary intermediary for a period, or until the occurrence of an event, determined by the MPFA, if the MPFA is satisfied that the individual has failed to comply with a notice given under section 34ZP(2). Pursuant to section 34ZP(4), if, within 30 days after the suspension takes effect, the individual has not complied with the requirement set out in the notice given under section 34ZP(2), the MPFA may revoke the registration of the person as a subsidiary intermediary.

4. Section 6H of the Ordinance provides that the MPFA 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 MPFA hereby issues guidelines to:

- (a) set out the training specified by the MPFA to be undertaken by individuals who are subsidiary intermediaries and the time specified by the MPFA within which that training is to be completed; and
- (b) provide guidance for individuals who are subsidiary intermediaries for complying with the training requirements so specified.

EFFECTIVE DATE

6. These revised Guidelines (Version 2 – August 2023) shall become effective on 1 January 2024. The previous version of these Guidelines (Version 1 – December 2012) is applicable to the calendar year of 2023 and before.

SPECIFICATION OF CONTINUING TRAINING REQUIREMENTS

7. Pursuant to section 34ZP(1) of the Ordinance, the MPFA has specified that the training to be undertaken by individuals who are subsidiary intermediaries consists of the continuing professional development (CPD) requirements set out in paragraphs 8 to 12 below which must be completed within the time specified in paragraph 13 below.

Continuing Professional Development Requirements

8. An individual who is a subsidiary intermediary is required to attend 15 hours of CPD activities between 1 January and 31 December of each calendar year of which 4 hours must be core CPD activities approved by the MPFA. Where an individual is newly registered by the MPFA as a subsidiary

intermediary on or after 1 April in a calendar year, the total number of hours of CPD activities (including core CPD activities and non-core CPD activities) and the number of hours of core CPD activities required in that calendar year are pro-rated as follows:

Date of registration	Total number of hours of CPD activities	Minimum number of hours of core CPD activities
1 April to 30 June	12	4
1 July to 30 September	8	4
1 October to 31 December	0	0

9. In calculating the number of hours of core CPD activities or non-core CPD activities undertaken in a calendar year, any hour spent during the calendar year on training required by the MPFA pursuant to section 34ZP(2) of the Ordinance for the purpose of completing the CPD requirements for the preceding calendar year will be disregarded.

10. Core CPD activities refer to face-to-face or virtual training activities approved by the MPFA (the List of Currently Approved MPF Core CPD Activities is published on the MPFA website). Core CPD activities are relevant for ensuring that subsidiary intermediaries will be able to comply with the performance requirements as set out in the Ordinance. The topics of core CPD activities include the following:

- (a) topics related to “regulatory compliance” comprising the Ordinance, circulars, codes and guidelines issued by the MPFA, and other local legislations directly related to the work of subsidiary intermediaries, such as the Prevention of Bribery Ordinance (Cap 201) and the Personal Data (Privacy) Ordinance (Cap 486);
- (b) topics related to understanding the MPF System, MPF products

and/or relevant concepts; and

- (c) topics related to “ethics” comprising ethical principles concerning integrity, fairness, due care and diligence, good faith and objectivity, best interests of clients, accurate representations, disclosure of clear, accurate and relevant information to clients, avoidance of conflict of interest, confidentiality of clients’ information, professional competence and the application of the relevant principles or concepts.

11. Non-core CPD activities refer to face-to-face or virtual training activities which (i) are relevant for ensuring that subsidiary intermediaries will be able to comply with the performance requirements as set out in the Ordinance and (ii) cover the following topics:

- (a) basic accounting theories;
- (b) communication skills;
- (c) computer knowledge;
- (d) economic/financial analysis;
- (e) environmental, social and governance (ESG);
- (f) financial planning;
- (g) financial products;
- (h) financial technology (Fintech);
- (i) insurance;
- (j) investment;
- (k) law and legal knowledge;
- (l) management/supervisory skills; and
- (m) risk management.

12. Non-core CPD activities can also refer to training activities which are approved or accepted by an industry regulator for the purpose of maintaining

the Type B regulatee¹ status of a subsidiary intermediary.

13. The above CPD requirements must be completed by 31 December in the year under report.

GUIDANCE FOR COMPLIANCE WITH CPD REQUIREMENTS BY SUBSIDIARY INTERMEDIARIES

14. The number of hours of CPD activities required to be completed by a subsidiary intermediary in paragraph 8 above is not affected by any change of attachment to a principal intermediary by the subsidiary intermediary during a calendar year.

15. In addition to complying with the CPD requirements, an individual who is a subsidiary intermediary is responsible for:

- (a) retaining records of his/her activities relating to compliance with the CPD requirements (such as attendance certificates issued by activity providers) for the past three calendar years to facilitate the MPFA in monitoring his/her compliance with the CPD requirements. The records should be produced when required by the MPFA; and

¹ Type B regulatee:

- (a) in relation to the Insurance Authority, means:
 - (i) a licensed long term individual insurance agent;
 - (ii) a licensed long term insurance agency; or
 - (iii) a licensed long term technical representative;
- (b) in relation to the Monetary Authority, means:
 - (i) a relevant individual who is registered under section 20 of the Banking Ordinance (Cap 155) as engaged in respect of Type 1 or Type 4 regulated activity, or both, within the meaning of the Securities and Futures Ordinance (Cap 571); or
 - (ii) a person who, with the consent of the Monetary Authority under section 71C of the Banking Ordinance (Cap 155), is an executive officer of a registered institution appointed under section 71D of that Ordinance to be responsible for directly supervising the conduct of each business conducted by the registered institution that constitutes Type 1 or Type 4 regulated activity, or both, within the meaning of the Securities and Futures Ordinance (Cap 571); or
- (c) in relation to the Securities and Futures Commission, means a person who is licensed under section 120 of the Securities and Futures Ordinance (Cap 571) to carry on Type 1 or Type 4 regulated activity, or both, within the meaning of that Ordinance.

- (b) reporting on his/her compliance with the CPD requirements to the MPFA in an annual return (as specified under Guidelines VI.3 on Annual Returns to be Delivered by Registered Intermediaries) within one month after the last day of the reporting year (i.e. by 31 January of the following year).

16. An individual who is a subsidiary intermediary is required to comply with the CPD requirements so long as he/she remains registered as a subsidiary intermediary. This period of registration includes any period of suspension of registration as a subsidiary intermediary, suspension of approval of attachment to a principal intermediary, or revocation of approval of attachment to a principal intermediary.

DEFINITION OF TERMS

17. 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.