

## STATEMENT OF DISCIPLINARY ACTION

### The disciplinary action

1. The Mandatory Provident Fund Schemes Authority (**MPFA**) has suspended the registration of LAU Pui-size (**LAU**) as a Mandatory Provident Fund (**MPF**) intermediary for 6 months from 2 June 2022 to 1 December 2022.
2. The MPFA found that:
  - (a) LAU impersonated a scheme member on two occasions in calling an MPF trustee (**Trustee**) to make enquiries about the scheme member's account;
  - (b) LAU failed to obtain the scheme member's initials or authentication for the alterations made by LAU to a completed form;
  - (c) LAU failed to ensure that an MPF form was duly completed before asking the scheme member to sign on it; and
  - (d) LAU failed to provide copies of the signed forms to the scheme member.
3. The MPFA also found that such misconduct of LAU constitutes non-compliance with the internal policy and guideline of her principal intermediary.
4. LAU's conduct was in breach of the conduct requirements under sections 34ZL(1)(a) and (b) of the Mandatory Provident Fund Schemes Ordinance, Cap 485 (**MPFSO**), and paragraphs III.3 and III.20 of the Guidelines on Conduct Requirements for Registered Intermediaries (**Conduct Guidelines**).

### Summary of case

5. LAU has been a subsidiary intermediary attached to Sun Life Hong Kong Limited (**Sun Life**) since 16 February 2017. The scheme member became a client of LAU in or around 2019.
6. At a meeting with LAU on 25 March 2019, the scheme member expressed interest in consolidating some but not all of her MPF accounts. LAU introduced an MPF scheme of Sun Life to the scheme member and suggested the scheme member to transfer her MPF benefits to the MPF scheme of Sun Life (**Sun Life Scheme**).
7. Upon LAU's request, the scheme member signed forms for opening a personal account with the Sun Life Scheme, consolidating accounts from other MPF schemes to the Sun Life Scheme and checking the scheme member's MPF accounts information with the MPFA during the meeting.
8. In the course of investigation, LAU admitted that:
  - (a) in the phone calls she made to the Trustee, she claimed to be the scheme member to make enquiries about the scheme member's account;
  - (b) she had amended the scheme member's information and the date on a completed form without the scheme member's authentication;

- (c) she had asked the scheme member to sign on an incomplete form; and
- (d) she had not provided the scheme member with any copies of the signed forms.

**Breaches and reasons for action**

9. Section 34ZL(1)(a) of the MPFSO states that, when carrying on a regulated activity, a principal intermediary or a subsidiary intermediary attached to a principal intermediary must act honestly, fairly, in the best interests of the client, and with integrity.
10. Section 34ZL(1)(b) of the MPFSO states that, when carrying on a regulated activity, a principal intermediary or a subsidiary intermediary attached to a principal intermediary must exercise a level of care, skill and diligence that may reasonably be expected of a prudent person who is carrying on the regulated activity.
11. Paragraph III.3 of the Conduct Guidelines states that a registered intermediary should ensure that any form to be signed by a client is duly completed in all material respects before asking the client to sign on it, and provide the client with a copy of the form as soon as reasonably practicable. Any alterations to the completed form must be initialed by the client or, where it is not practical to do so, otherwise authenticated as representing the client's instruction.
12. Paragraph III.20 of the Conduct Guidelines states that a subsidiary intermediary should comply with the controls, procedures and standards of conduct as required by his principal intermediary.
13. Having considered all the circumstances of the case, the MPFA is of the view that LAU had when carrying on a regulated activity failed to (i) act honestly, fairly, in the best interests of the client, and with integrity; and (ii) exercise a level of care, skill and diligence that may reasonably be expected of a prudent person who is carrying on the regulated activity by:
  - (a) impersonating the scheme member on two occasions in calling an MPF trustee to make enquiries about the scheme member's account;
  - (b) failing to obtain the scheme member's initials or authentication for the alterations made by LAU to a completed form;
  - (c) failing to ensure that an MPF form was duly completed before asking the scheme member to sign on it; and
  - (d) failing to provide copies of the signed forms to the scheme member.
14. In doing so, LAU not only breached the regulatory requirements under the MPFSO and the Conduct Guidelines, she also failed to comply with the Sun Life's internal policy/ guideline.

## **Conclusion**

15. The MPFA's view is that LAU's conduct has breached the conduct requirements under sections 34ZL(1)(a) and (b) of the MPFSO, and paragraphs III.3 and III.20 of the Conduct Guidelines. The MPFA has therefore decided to take the disciplinary action set out in paragraph 1 hereinabove against LAU.
16. In determining the disciplinary sanction, the MPFA took into account all relevant circumstances, including the nature, seriousness and impact of LAU's breaches and that she has no previous disciplinary record with the MPFA.