

STATEMENT OF DISCIPLINARY ACTION

The disciplinary action

1. The Mandatory Provident Fund Schemes Authority (**MPFA**) has suspended the registration of WONG Wing Fat (**WONG**) as a Mandatory Provident Fund (**MPF**) intermediary for 7 months from 1 February 2023 to 31 August 2023.
2. The MPFA found that:
 - (a) WONG disclosed a scheme member's personal information to a third party and arranged the third party to impersonate the scheme member in calling an MPF trustee to obtain the scheme member's account information;
 - (b) WONG failed to ensure that three MPF forms were duly completed before asking the scheme member to sign on them; and
 - (c) WONG failed to provide copies of the signed forms to the scheme member.
3. The MPFA also found that such misconduct of WONG constitutes non-compliance with the internal policy and guideline of his principal intermediary.
4. WONG'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, III.9 and III.20 of the Guidelines on Conduct Requirements for Registered Intermediaries (**Conduct Guidelines**).

Summary of case

5. WONG has been a subsidiary intermediary attached to Manulife (International) Limited (**Manulife**) since 9 August 2012. The scheme member became a client of WONG in around 2016.
6. During a conversation with WONG on 16 January 2018, WONG told the scheme member that he was the servicing agent of the scheme member's MPF account and offered to help the scheme member to consolidate her MPF accounts into an MPF scheme of Manulife (**Manulife Scheme**). The scheme member indicated interest in consolidating her MPF accounts. From January 2018 to August 2019, there were several discussions between WONG and the scheme member about MPF consolidation.
7. Upon WONG's request, the scheme member signed forms for consolidating her accounts from other MPF schemes to the Manulife Scheme in August 2019.
8. In the course of investigation, WONG admitted that:
 - (a) he had disclosed the scheme member's personal information to a third party and arranged the third party to impersonate the scheme member in calling an MPF trustee to obtain the scheme member's account information in September 2019;
 - (b) he had asked the scheme member to sign on incomplete forms; and

(c) he 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.9 of the Conduct Guidelines states that a registered intermediary should treat all information supplied by a client as confidential, must not disclose or use such information except as permitted at law, and avoid any misuse of the personal information obtained in the course of its business activities.
13. 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.
14. Having considered all the circumstances of the case, the MPFA is of the view that WONG 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) disclosing the scheme member's personal information to a third party and arranging the third party to impersonate the scheme member in calling an MPF trustee to make enquiries about the scheme member's account;
 - (b) failing to ensure that the MPF forms was duly completed before asking the scheme member to sign on them; and
 - (c) failing to provide copies of the signed forms to the scheme member.
15. In doing so, WONG had breached the regulatory requirements under the MPFSO and the Conduct Guidelines and also failed to comply with Manulife's internal policy or guideline.

Conclusion

16. The MPFA's view is that WONG's conduct has breached the conduct requirements under sections 34ZL(1)(a) and (b) of the MPFSO, and paragraphs III.3, III.9 and III.20 of the Conduct Guidelines. The MPFA has therefore decided to take the disciplinary action set out in paragraph 1 hereinabove against WONG.
17. In determining the disciplinary sanction, the MPFA took into account all relevant circumstances, including the nature, seriousness and impact of WONG's breaches and that he has no previous disciplinary record with the MPFA.