

STATEMENT OF DISCIPLINARY ACTION

The Disciplinary action

1. The Mandatory Provident Fund Schemes Authority (**MPFA**) has suspended the registration of TIN Lok Man (**TIN**) as a Mandatory Provident Fund (**MPF**) intermediary for 21 months from 12 June 2025 to 11 March 2027 (both dates inclusive).
2. The MPFA found that TIN (i) misused a scheme member's personal information, disclosed it to a third party and arranged the third party to impersonate the scheme member in calling three MPF trustees to obtain the scheme member's account information; (ii) failed to promptly and accurately carry out the scheme member's instructions to transfer MPF benefits from two MPF schemes to another scheme; and (iii) failed to ensure that the relevant MPF forms were duly completed before asking the scheme member to sign on them.
3. TIN's conduct was in breach of the conduct requirements under sections 34ZL(1)(a) and 34ZL(1)(b) of the Mandatory Provident Fund Schemes Ordinance, Cap 485 (**MPFSO**), and paragraphs III.3, III.9 and III.17 of the Guidelines on Conduct Requirements for Registered Intermediaries (**Conduct Guidelines**) (version 1 of September 2012)¹.

Summary of facts

4. TIN has been a subsidiary intermediary² attached to Convoy Financial Services Limited and OnePlatform Wealth Management Limited since 25 January 2019 and 8 February 2022 respectively.
5. In or about February 2021, TIN met with the scheme member to discuss MPF matters. The scheme member told TIN that she held MPF accounts under three different MPF schemes. Upon TIN's invitation, the scheme member agreed to consolidate her MPF benefits from two specified MPF schemes to another scheme and signed some forms.
6. After the meeting, TIN however failed to follow up the scheme member's transfer instructions and forgot about executing the transfer instructions. Upon becoming aware of his delay after around three months, in early May 2021, TIN executed two transfers based on his recollection of the scheme member's verbal instructions without confirming with the scheme member. As a result, one of the transfers was mistakenly made from an MPF scheme that was not what the scheme member had requested.

¹ Version 1 – September 2012 was in force at the time of the breaches. Two versions of new Guidelines on Conduct Requirements for Registered Intermediaries (version 2 of October 2023) and Guidelines on Conduct Requirements for Registered Intermediaries (version 3 of June 2024) were implemented on 1 Mar 2024 and 26 June 2024 respectively.

² A subsidiary intermediary is a person registered by the MPFA to carry out MPF sales and marketing activities and to give regulated advice on behalf of a principal intermediary to which the person is attached.

7. In the course of investigation, TIN admitted that:
 - (a) he disclosed the scheme member's personal information to a third party and arranged the third party to impersonate the scheme member to call three MPF trustees to obtain the scheme member's MPF account information;
 - (b) he had forgotten to promptly execute the scheme member's instructions given at the meeting in February 2021 to transfer the scheme member's MPF benefits from two specified MPF schemes to another scheme. He also admitted that, after three months, he had executed the transfers based on his recollection of the scheme member's verbal instructions on which two out of the scheme member's original three MPF schemes were to be transferred out, without confirming with the scheme member; and
 - (c) he failed to ensure that the MPF forms were duly completed before asking the scheme member to sign on them.
8. The case was referred to the MPFA for follow-up action in August 2024 after an investigation by the Insurance Authority.

Breaches and reasons for action

9. Section 34ZL(1)(a) of the MPFSO states that, when carrying on a regulated activity, a principal intermediary³ 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.
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 business activities of the registered intermediary.
13. Paragraph III.17 of the Conduct Guidelines states that a registered intermediary should take all reasonable steps to carry out a client's instructions promptly and accurately, notify the client after the instructions have been carried out and alert the client within a reasonable time in case of any delay or failure to execute the client's instructions by the registered intermediary.

³ A principal intermediary is a business entity registered by the MPFA to engage in conducting MPF sales and marketing activities and giving regulated advice.

14. Having considered all the circumstances of the case, the MPFA is of the view that TIN, when carrying on a regulated activity, had 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) misusing the scheme member's personal information, disclosing it to a third party and arranging the third party to impersonate the scheme member in calling three trustees to obtain the scheme member's account information;
 - (b) failing to promptly and accurately carry out the scheme member's instructions to transfer MPF benefits from two specified MPF schemes to another scheme; and
 - (c) failing to ensure the relevant MPF forms were duly completed before asking the scheme member to sign on them.

Conclusion

15. The MPFA's view is that TIN's conduct has breached the conduct requirements under sections 34ZL(1)(a) and (1)(b) of the MPFSO and paragraphs III.3, III.9 and III.17 of the Conduct Guidelines. The MPFA has therefore decided to take the disciplinary action set out in paragraph 1 hereinabove against TIN.
16. In determining the disciplinary sanction, the MPFA took into account all relevant circumstances, including (a) the nature, seriousness and impact of TIN's breaches; (b) TIN has no previous disciplinary record with the MPFA; and (c) the need to send a strong deterrent message to the industry that the MPFA will not tolerate such misconduct.