



強制性公積金計劃管理局
MANDATORY PROVIDENT FUND SCHEMES AUTHORITY

電話號碼 Tel No : 2292 1126

傳真號碼 Fax No : 2259 8808

電郵地址 Email :

本局檔號 Our Ref :

來函檔號 Your Ref :

By Email

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Circular Letter: SU/CCI/2018/003

To: All Principal Intermediaries

Dear Responsible Officers,

Conduct of Registered Intermediaries (RIs)

The MPF system is a mandatory retirement system covering the working population and the impact of any RIs' misconduct or non-compliance could be far-reaching. RIs are therefore expected to uphold high professional standards when carrying on any regulated activities in respect of MPF matters and are required to meet the standards of conduct as set out in the conduct requirements under section 34ZL of the Mandatory Provident Fund Schemes Ordinance (Cap. 485) (MPFSO) and the Guidelines on Conduct Requirements for Registered Intermediaries (Conduct Guidelines). The Mandatory Provident Fund Schemes Authority (MPFA) notes the following areas of concerns that RIs must pay special attention to.

1. Unauthorized transfer of accrued benefits

The MPFA has concerns about the recurring complaints against subsidiary intermediaries (SIs) by scheme members alleging unauthorized transfers of their accrued benefits.

A number of the complaints concern improper acts and practices by SIs when they were conducting marketing activities at promotional booths in public area or assisting employees in completing enrolment procedures upon the change of MPF service providers by their employers. SIs often took these opportunities to invite scheme members to consolidate their personal accounts.

The MPFA observes that, in order to complete the transfer of members' accrued benefits, some SIs might have required the members to sign some MPF forms (e.g. forms for transferring accrued benefits from one scheme to another) without providing sufficient information and explanation on the purpose and effect of the forms. Further, some of the forms might be blank or not duly completed when signed by the members. In some complaint cases, the members were not aware that they had signed forms for transferring accrued benefits from one scheme to another but misunderstood that they had signed authorization forms for enquiring personal account information only. Some SIs might then make use of the members' personal information and/or forms signed by them to process the transfers without the members' knowledge or authorization.

In some cases, it has come to the attention of the MPFA that some of the MPF forms submitted to the principal intermediaries (PIs) by their SIs for transferring the scheme members' accrued benefits might involve fraudulent acts, such as forging members' signatures or photocopying the signatures from other documents signed by the members.

In this regard, RIs are reminded that unauthorized transfer is a very serious misconduct and in breach of the conduct requirements under the MPFSO, which can give rise to disciplinary proceedings and/or criminal liability under the MPFSO, or other laws such as the Crimes Ordinance (Cap. 200). If the MPFA becomes aware of any suspected criminal offence, the MPFA may take enforcement action and report the matter to the relevant enforcement agency such as the Police.

The MPFA reminds the PIs to step up its internal controls and procedures in order to prevent any unauthorized use of members' information by the SIs and avoid any unauthorized dealings of the MPF accounts and accrued benefits of scheme members. Examples of good control practices include sending SMS alerts to the relevant member upon receipt of the transfer request and conducting independent enquiry with the member to confirm the transfer when appropriate. These examples are not exhaustive. PIs are advised to implement appropriate controls that best mitigate the risk of unauthorized transfers by taking into account their operations and needs.

2. Engagement of personal assistants by SIs

The MPFA notes that some SIs engage personal assistants to handle their administrative work (which might involve handling of client information) but these personal assistants might not have any contractual relationship with the relevant PIs. The MPFA wishes to remind that both PIs and SIs may be liable for any improper acts by such personal assistants which are contrary to the conduct requirements under the MPFSO. In particular, the relevant RIs should implement measures and controls to ensure that all client information shall be treated in a confidential manner and avoid any misuse of personal data.

3. False examination records

It has also come to the attention of the MPFA that certain applicants applying for registration as SIs might have made false declaration in the application form, namely, Form INT-2 for “Application for Registration as a Subsidiary Intermediary (by an Individual) and Approval of Attachment of a Subsidiary Intermediary to a Principal Intermediary”, that they had passed the qualifying examination specified by the MPFA when in fact they had failed the examination. Some of these applicants also provided the MPFA with a copy of the examination result which was suspected to be a forged document.

In this regard, RIs are reminded that the making of any false or misleading statement in any document given to the MPFA may give rise to criminal liability under section 43E of the MPFSO. Further, any act of forgery or falsification of instrument may give rise to criminal liability under other laws such as the Crimes Ordinance. MPFA will check with the relevant examination bodies to verify the examination results as reported by the applicants in the applications. If the MPFA becomes aware of any suspected criminal offence that might have been committed, the MPFA will report the matter to the relevant enforcement agency such as the Police. The MPFA requires the PIs to step up its internal controls and procedures to ensure that the persons they intend to apply for approval of attachment to them via Form INT-2 have genuinely fulfilled all the registration requirements as an MPF intermediary.

Should you have any questions about the contents of this letter, please contact Ms Clio Wong on 2292 1369.

Yours sincerely,



Paul Yu
Chief Manager
Intermediaries Registry
Supervision Division

c.c. Mr Kevin Sham, Senior Manager, Banking Conduct Department, Hong Kong Monetary Authority
Ms Emily Ho, Associate Director, Licensing, Intermediaries, Securities and Futures Commission
Ms Shirley To, Senior Manager, Market Conduct Division, Insurance Authority