

SIX smart tips

To protect your interests, it is recommended that you follow the advice below whenever an MPF intermediary is promoting MPF schemes or funds to you.

1

Verify that the intermediary is registered

- ✓ Obtain the intermediary's business card, which contains his/her MPF intermediary registration number and registered name, and the company he/she represents; and
- ✓ View the [Public Register of MPF Intermediaries](http://www.mpfa.org.hk) on the MPFA website (<http://www.mpfa.org.hk>) or call the MPFA hotline on 2918 0102.

2

Understand the fees

- ✓ Ask whether the intermediary will receive any benefits directly or indirectly for the services he/she offers; and
- ✓ Ask whether the amount of any benefits he/she receives depends on your choice of MPF schemes/funds.

3

Learn more about the products

- ✓ Read the latest MPF Scheme Brochure of the MPF schemes carefully; and
- ✓ Ask the intermediary to explain in detail the features of the MPF schemes and funds being sold.

4

Conduct a "suitability assessment" (if relevant)

- ✓ Ensure the intermediary has conducted a "suitability assessment" for you to evaluate your risk profile² before he/she recommends a particular MPF fund to you;
- ✓ Ensure the intermediary recommends fund(s) to you having regard to your risk profile; and

4

- ✓ No "suitability assessment" is required if the intermediary is simply promoting MPF schemes, and is not providing you with advice about specific MPF funds.

5

Check the documentation

- ✓ Ask for copies of all relevant documents and forms, e.g. the documented account of the rationale behind any advice offered by the intermediary, your signed transfer election form, etc.

6

Sign / pay with caution

- ✓ Never sign a blank or incomplete form or cheque; and
- ✓ Do not pay cash to MPF intermediaries; cheques should be made payable to the trustee or the registered scheme only.

If, after a meeting, you have further questions or need more information, either contact the MPF intermediary directly or get in touch with the relevant MPF trustee or Principal Intermediary. You can also refer to the "Guidelines on Conduct Requirements for Registered Intermediaries" issued by the MPFA if you wish to learn more about the conduct requirements for MPF intermediaries.

Please note that your MPF intermediary **SHOULD NOT**:

- ✗ offer you rebates, gifts or incentives (except under special circumstances, e.g. discounts on MPF fees);
- ✗ sell you or advise you to buy a particular MPF fund if he/she is not able to complete the "suitability assessment" with you due to lack of information;
- ✗ check your MPF account information with the MPFA without your written authorization.

How to lodge a complaint with the MPFA?

If you think that your MPF intermediary has not complied with the conduct requirements, or suspect any person is carrying on unregistered marketing or sales activities, you may consider lodging a complaint with the MPFA.

You can do this by post, phone, fax or email:

Address	Level 8, Tower 1, Kowloon Commerce Centre, 51 Kwai Cheong Road, Kwai Chung
Hotline	2918 0102
Fax no	2259 8806
Email	mpfa@mpfa.org.hk

You can also make a complaint in person at any MPFA office.

Please include the following in your complaint where possible:

- ▶ Your name, address, telephone number and email address (note: the MPFA may not be able to follow up anonymous complaints effectively);
- ▶ The name and contact details of the person and company you are complaining about;
- ▶ Details about your complaint;
- ▶ Other supporting documentation, e.g. the intermediary's business card, copies of enrolment forms or relevant documents, written correspondence or email records, receipts, etc.

In following up your complaint, the MPFA may have to pass the above information to third parties (including the relevant Principal Intermediary, Frontline Regulator or other enforcement bodies). The MPFA will therefore need to obtain your *written consent to disclose your personal data*³ in order to follow up your complaint.

¹ A "personal account" accrues the MPF benefits derived from your previous employment or self-employment, and/or the MPF benefits transferred from your "contribution account" under current employment if you have exercised your transfer right under the Employee Choice Arrangement. For more details, please refer to the MPFA publication "New Wisdom in MPF Management - Tips on Managing Personal Accounts".

² An intermediary should assess your risk profile by gaining an understanding of your personal circumstances, e.g. your age, financial situation, investment experience, risk tolerance, etc.

³ Please refer to the "Personal Information Collection Statement" available on the MPFA website.

Learn more about MPF intermediaries



Under the Mandatory Provident Fund (“MPF”) System, not only employers and self-employed persons (“SEPs”) can make their own choices about the MPF trustees and MPF schemes they prefer, employees are also able to make their own choices about trustees and schemes whenever they open an MPF personal account¹. Trustees may employ MPF intermediaries or offer them incentives to promote their MPF schemes to employers, SEPs and even individual employees. Before accepting the services of MPF intermediaries, you should understand their roles and the statutory regime under which they must operate.

What roles do MPF intermediaries play in the MPF System?

Knowing the three major processes of the operation of the MPF System is useful for understanding the roles of MPF intermediaries:

Process	Roles of employers, employees and SEPs	Roles of MPF intermediaries
1 Enrolment in MPF schemes	Employers Select MPF trustees and schemes for their employees and contact the trustees directly to make the necessary arrangements. Employees <ul style="list-style-type: none"> Choose funds under the schemes selected by their employers; Contact a trustee of their own choice directly to open a personal account after consideration of personal circumstances. SEPs Select MPF trustees, schemes and funds on their own and contact the selected trustees directly to make the necessary arrangements.	<ul style="list-style-type: none"> Promote the MPF schemes they represent by directly approaching employers, SEPs and employees. Provide employers, SEPs and employees with information and advice about the MPF schemes and funds they represent, and offer help in handling administrative arrangements upon their requests. In general, do not charge fees or receive commission directly from scheme members for the services they provide.
2 Making contributions	Employers Send employee and employer contributions to the MPF trustees on the contribution day for each wage period. SEPs Send regular contributions to their selected MPF trustees.	
3 Investment/ account management	Employees Contact their selected trustees directly for MPF account management, e.g. fund switching and transferring accrued benefits. SEPs	

Statutory regime to regulate MPF intermediaries

To enhance the protection of scheme members’ interests, a statutory regime to regulate MPF intermediaries became effective on 1 November 2012. All marketing and sales activities related to MPF schemes, as well as the provision of advice about MPF schemes, are regulated.

Under the regime, all companies and individuals carrying on the above activities are required to register with the Mandatory Provident Fund Schemes Authority (“MPFA”). In general, companies conducting MPF marketing and sales activities should register as “Principal Intermediaries”; the employees and representatives of these companies who engage in marketing activities of MPF schemes should register as “Subsidiary Intermediaries”. Subsidiary Intermediaries should be attached to at least one Principal Intermediary. Principal Intermediaries are responsible for ensuring that all of their Subsidiary Intermediaries comply with the statutory conduct requirements.

The law states that:

- It is an offence to sell MPF schemes/funds or provide advice about MPF schemes if the intermediary is unregistered. The maximum penalties are:

Non-compliant bodies	Fine	Imprisonment
An employee, agent or individual working as a representative	\$1 million	2 years
Others	\$5 million	7 years

- All MPF intermediaries must comply with the statutory conduct requirements;
- MPF intermediaries are regulated by the MPFA, the Hong Kong Monetary Authority (“HKMA”), the Insurance Authority (“IA”) and the Securities and Futures Commission (“SFC”). The regulatory roles are as follows:

Regulators	Roles and responsibilities
MPFA	<ul style="list-style-type: none"> To be the sole authority for registering MPF intermediaries; To issue guidelines on statutory conduct requirements; To receive complaints about MPF intermediaries; and To impose disciplinary sanctions against non-compliant intermediaries.
HKMA IA SFC	To act as Frontline Regulators to supervise registered MPF intermediaries whose core business is in the banking, insurance or securities respectively; and to investigate complaints.