



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

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By Email

16 June 2014

Circular Letter: SU/CCI/2014/003

To: All Principal Intermediaries

Dear Responsible Officer,

**Revised Form for
“Employee Choice Arrangement (“ECA”) – Transfer Election Form”**

The Employee Choice Arrangement has been implemented for over a year. The Authority has recently reviewed and simplified the “Employee Choice Arrangement (“ECA”) – Transfer Election Form” (FORM MPF(S) – P(P)) and the “Guide to Transfer Benefits under Employee Choice Arrangement” (attached to the FORM MPF(S) – P(P)). We have also developed a leaflet “Step-by-Step Guide on How to Fill in the Transfer Form” to provide guidance for scheme members to complete the transfer form. A copy of the revised FORM MPF(S) – P(P), the Guide to Transfer Benefits under Employee Choice Arrangement and the Step-by-Step Guide on How to Fill in the Transfer Form are attached for your reference. Please share this information with your subsidiary intermediaries.

As stated in paragraph III.44 of the "Guidelines on Conduct Requirements for Registered Intermediaries", a registered intermediary in inviting, inducing or advising a client on transfers under employee choice arrangement, should provide a copy of the Guide to Transfer Benefits under Employee Choice Arrangement to the client.

After simplifying the FORM MPF(S) – P(P) and the Guide to Transfer Benefits under Employee Choice Arrangement, the flow chart of benefits transfer process has been removed. Registered intermediaries may refer to the “Three steps to transferring your accrued benefits” in the Step-by-Step Guide on How to Fill in the Transfer Form in explaining to the client the processes involved in transfers and the timeframe for processing transfers. In particular, the registered intermediary should explain to the scheme members the investment time-lag of one to two weeks, during

which the accrued benefits will not be invested in any fund. There is a risk of a “sell low, buy high” scenario occurring.

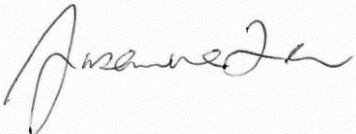
The FORM MPF(S) – P(P), and the Guide to Transfer Benefits under Employee Choice Arrangement and Step-by-Step Guide on How to Fill in the Transfer Form can be downloaded from the Authority’s website at www.mpfa.org.hk. Please click “Forms” under “Useful Tools” and then “Transfer of Accrued Benefits” under “For Scheme Members” to access the PDF file of the FORM MPF(S) – P(P) together with the Guide to Transfer Benefits under Employee Choice Arrangement. In addition, please click “Notes on How to complete the Form” to access the Step-by-Step Guide on How to Fill in the Transfer Form.

MPF intermediaries are reminded that when carrying on a regulated activity (including inviting, inducing or advising a client to transfer from one registered scheme to another and / or to invest in a particular constituent fund within that registered scheme), they should comply fully with the relevant provisions in the Mandatory Provident Fund Schemes Ordinance (MPFSO) and any subsidiary legislation under the MPFSO, and all relevant Guidelines issued by the Authority. Failure to comply may result in disciplinary action being taken by the Authority.

Should you have any questions, please do not hesitate to contact your case officer.

Thank you for your attention.

Yours sincerely,



(Susanna Lee)
Senior Manager
(Intermediaries / ORSO Schemes)

Encl

c.c. Hong Kong Monetary Authority – Mr Kevin Sham
Securities and Futures Commission – Mr Sam Tung
Office of the Commissioner of Insurance – Ms Shirley To