



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

電話號碼 Tel. No. : 2292 1352  
傳真號碼 Fax. No. : 2259 8825  
電郵地址 Email :  
本局檔號 Our Ref. : MPFA/S/TR/91/6 (C)  
來函檔號 Your Ref.:

**By Email Only**

10 June 2016

**Circular Letter: SU/CTR/2016/004**

**To All Approved MPF Trustees**

Dear Sirs,

**Responsibilities of approved trustees upon occurrence of significant market events**

As you are aware there is speculation regarding the outcome of a number of upcoming and high-profile macroeconomic events that may lead to significant volatility in financial markets and impact on the performance of investments in the MPF system. Over the next few weeks and months the market is expected to anticipate and react to, amongst other things, the outcome of the referendum in the UK regarding its membership of the European Union, the potential of an increase in interest rates in the United States, the possible launch of the Shenzhen-Hong Kong Stock Connect Scheme as well as the outcome of discussions on including China A-shares in the MSCI indices.

All approved trustees have a responsibility to keep abreast of the latest developments in the financial markets and to proactively assess the impact of such developments on the MPF funds under your respective trusteeship. Approved trustees are expected to have formulated actionable measures to ensure that any negative financial impact on scheme members is minimized. Accordingly the Authority expects, as part of such measures, for all approved trustees to monitor and liaise closely with their respective investment managers to ensure that appropriate strategies and mitigation measures are in place to safeguard the interest of scheme members and that approved trustees understand their investment manager's view on the risk of such market events to their portfolios.

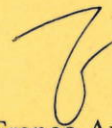


Furthermore, approved trustees must ensure their operational readiness to handle potential increases in the number of subscription, redemption and switching instructions as well as the potential increase of enquiries from scheme members in the event of sudden market fluctuations. Approved trustees should also handle members' instructions with due care in the volatile market, especially those related to MPF schemes undergoing restructuring exercise.

Finally, the Authority wishes to remind all approved trustees of their obligations, pursuant to section 62 of the Mandatory Provident Fund Schemes (General) Regulation, to report to the Authority all events of a significant nature. Such events include, for example, receipt of large redemption orders that lead to restriction of redemption in accordance with the relevant governing rules, suspension of dealing of MPF funds, or significant disruption to the daily operations of approved trustees.

Should you wish to discuss with the Authority any of the matters raised above, please contact the undersigned on 2292 1352.

Yours faithfully,



Franco Au  
Senior Manager  
Supervision Division