

Date: 10 October 2014

To: Investment Regulation Department, MPFA
Attn: Providing Better Investment Solutions for MPF Members

cc: The MPF Industry Scheme Committee
c/o Committee Secretariat, MPFA

From: Mr. Raymond Ng,
Bank of East Asia (Trustees) Limited

Ms. Ka Shi Lau, BBS
BCT Financial Ltd / Bank Consortium Trust Co

Subject: Joint Submission on the Core Fund Consultation

The two trustees of the industry schemes (i.e. Bank Consortium Trust Company Limited and Bank of East Asia (Trustees) Limited) are in agreement with the submission presented by the HKTA to the MPFA on the Core Fund Consultation. Please find below additional comments relating to the operation of the industry schemes.

行業計劃的兩個受託人(即銀聯信託有限公司及東亞銀行(信託)有限公司)同意由香港信託人公會遞交就核心基金諮詢的意見。以下是就行業計劃運作而言的附加意見。

I. Additional comments on Q6 就問題 6 的附加意見

- a. The use of electronic means for contribution submission 利用電子平台遞交供款

Compared with master trust scheme, majority of employers participating in the Industry Scheme (“IS”) still use hard copy to submit contribution, incurring additional administration work for the trustees/administrators. Therefore, it is even more difficult for industry scheme sponsors to achieve a fee level at or under 0.75%.

While we understand that there might be difficulty, but we would suggest that the MPFA considers mandating employers to use electronic means to submit contribution for cost efficiency.

相對集成信託計劃而言，大部份參與行業計劃的僱主仍然將供款資料填在紙張上再遞交予受託人，這樣會令受託人或行政管理人的處理工序增加。因此，行業計劃保薦人認為很難實現 0.75% 或以下的收費水平。

我們雖然明白在立法上可能有一定難度，但受託人希望積金局應考慮要求僱主必須要利用電子平台遞交供款從而可達到成本效益。

- b. Relaxation of regulations (e.g. re-define contribution day for casual employees and further simplify contribution arrangement for casual employee) 放寬法例要求(如重新介定為臨時僱員供款的供款日及再簡化臨時僱員的供款安排)

The existing regulations governing the operation of industry scheme are relatively strict. For example, for employers who have chosen not to make contribution on the next working day after the payment of relevant income, they may need to make 4 contribution payments per month if the contribution period for their casual employees is on a weekly basis. Therefore, we believe that the existing regulations on IS may need to be amended so as to make it more effective to operate.

Another example is the contribution arrangement for casual employees. Although the process has been simplified since November 2013, for employers whose casual employees are remunerated on a daily basis but not paid on a daily basis, they need to provide contribution records for each working day separately. Trustees' effort in processing these contributions will inevitably increase. Hence, we would suggest that the MPFA takes this opportunity to further simplify the contribution arrangement for casual employees.

現行法例對行業計劃的運作比較嚴謹，假若僱主並非選擇於發薪後的下一個工作日供款，如有關臨時僱員的供款期為每週，該僱主可能要在每一個月供款四次。故此，我們相信現行法例可能需要再修改從而令行業計劃更有效地運作。

另一例子是關於臨時僱員的供款安排。雖然有關法例於 2013 年 11 月起作出簡化，但如果臨時僱員是日薪制僱員但他們並非每日支薪，有關僱主主要為該等臨時僱員的每一個工作日提供供款資料。受託人用於處理有

關供款的時間亦無可避免地增加。因此，我們建議積金局應藉此機會將有關的供款安排再度簡化。

- c. Using electronic means to communicate with casual employees (CEE) 利用電子途徑向臨時僱員提供資訊

Currently, monthly statements are sent to CEE after their contributions are processed. The cost for printing and mailing these statements drives up the FER. To assist IS trustees to keep the FER down and be environmental friendly, it is suggested that for casual employees who have provided e-mail addresses or mobile phone numbers, trustees can send message via e-mail or SMS advising these employees to check their contribution records online. Such e-mail and SMS message could replace the existing monthly CEE statements. For casual employees who do not provide e-mail addresses or mobile phone numbers, the IS trustees will continue to send monthly CEE statements.

現時，受託人均會於處理供款後向有關的臨時僱員發出臨時僱員月結單。編印及郵寄有關月結單的成本會增加基金開支比率。為協助行業計劃的受託人減低基金開支比率及考慮環保因素，我們建議如果臨時僱員已經提供他們的電郵地址或手提電話號碼，受託人可向他們發出電郵或短訊通知他們可於受託人的網頁核實供款記錄。有關的電郵或短訊將取締臨時僱員月結單。倘若臨時僱員沒有提供他們的電郵地址或手提電話號碼，行業計劃受託人將繼續向他們發出臨時僱員月結單。

II. Additional comments on Q4 or Q12 就問題 4 及 12 的附加意見

- a. The use of glide path to reduce risk over time 利用“資產調配進程”來將投資風險降低

Both IS schemes have a number of “dummy” account members (i.e. casual employees who are not properly enrolled in the scheme) where IS trustees only have the name or HKID/passport number of these “dummy” account members. As the date of birth for these members is not available, appropriate application of the glide path to de-risking would be difficult. In case the transitional arrangement as set out in paragraphs 78 and 79 is implemented (especially for existing dummy account members where

members' existing benefits would be switched to the new "default/core" fund), we would suggest applying the glide path applicable to the risk profile for age 65 for these members.

兩個行業計劃均有一定數量的未正式登記的臨時帳戶成員（即未完成登記程序的臨時僱員）而受託人只儲存了他們的姓名及身分證/護照號碼。因為受託人沒有該等成員的出生日期，故此利用"資產調配進程"來將投資風險降低將十分困難。如實施就第 78 及第 79 段上的過渡性安排（特別是現有的未正式登記的臨時帳戶成員而他們的資產由現時的基金轉移至新的"核心/預設"基金），我們建議在"資產調配進程"時將利用 65 歲的風險度來為該等成員進行資產調配。

We hope the MPFA would take the above into consideration and work with the two Industry Scheme trustees on addressing the above issues in the coming months.

我們希望積金局考慮以上的事項並於未來數月內與行業計劃的兩個受託人一同解決以上的問題。