



Hong Kong Trustees' Association Ltd  
香港信託人公會

## **Regulatory Update**

### MPFS (Amendment) No. 1 Ordinance 2008: effective on 1 November 2008

- Inclusion of housing allowances as relevant income;
- Removal of the 30-day settlement period; and
- Enabling the MPFA not to issue surcharge notices to employers in specified circumstances, clarifying certain uncertainties in the law to facilitate the recovery of default contribution by the MPFA in circumstances where recovery steps cannot be undertaken; and
- From 1 November 2008 trustee no longer needs to publish on newspapers the list members with unclaimed benefits but instead to report them to the MPFA on a quarterly basis.

### MPFS (Amendment) No. 2 Ordinance 2008: effective on 1 December 2008

- Appointment of controller of trustees;
- Strengthen legislative provisions against employers who fail to (a) enroll employees in MPF schemes or (b) pay contribution after having deducted employee mandatory contributions;
- Obligations to pay mandatory contributions to the MPFA are also imposed on employers with employees who are not members of registered schemes;
- Participating employers will commit an offence if they provide false or misleading information in pay records; and
- Since cheque payment would not be accepted and bank transfer would not be made on Saturday, "Saturday" will be excluded from the definition of "Contribution Day".

### MPFS (Amendment) No. 3 Ordinance 2008: effective on 18 July 2008

- Amend the MPFSO and General Regulation to (i) provide the MPFA with necessary powers such as to pay special contributions into the accounts of MPF scheme members; (ii) require trustee/employers/other persons to furnish information for the purpose of paying special contributions; (iii) recover special contributions paid to ineligible accounts; and (iv) stipulate the obligations of trustees and employers, with the attendant provisions for financial penalties for non-compliance.

### Latest update on the Government Injection Project ("GIC") of HK\$6,000

- The Special Contribution will be primarily injected into Preserved Accounts of eligible MPF members instead of the active MPF accounts with the highest account balance as initially intended. In case the eligible member does not have any preserved account; the Special Contribution will be injected into his / her active MPF account with the highest account balance.
- For eligible ORSO members, the MPFA will notify the relevant MPF trustees in February 2009 requiring them to send notification (using MPFA letterhead and envelope) of the Special Contribution to be injected into their newly opened preserved accounts and also request them to provide investment mandate for the preserved accounts.



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- The Special Contribution for eligible MPF and ORSO members will be transferred to MPF trustees in early March 2009 and early April 2009 respectively.

Comparative Platform

- The MPFA launched the Fee Comparative Platform on 17 October 2008. The purpose of this platform is to help members compare information about fees and charges across different schemes and funds.