
Mandatory Provident Fund Schemes (Amendment) Ordinance 2020

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HONG KONG SPECIAL ADMINISTRATIVE REGION

ORDINANCE NO. 16 OF 2020



Carrie LAM
Chief Executive
23 July 2020

An Ordinance to amend the Mandatory Provident Fund Schemes Ordinance to empower the Mandatory Provident Fund Schemes Authority to establish a wholly owned subsidiary; to revise the amount of the annual registration fee payable by the approved trustee of a registered provident fund scheme; to prohibit the trustee from passing on the fee to the scheme or its constituent fund or scheme members; and to make related amendments.

[24 July 2020]

Enacted by the Legislative Council.

Part 1

Preliminary

1. Short title

This Ordinance may be cited as the Mandatory Provident Fund Schemes (Amendment) Ordinance 2020.

2. Enactments amended

The enactments specified in Parts 2 to 5 are amended as set out in those Parts.

Part 2

Amendments to Mandatory Provident Fund Schemes Ordinance (Cap. 485)

3. **Section 2 amended (interpretation)**

(1) Section 2(1), Chinese text, definition of 職業退休計劃—

Repeal

“sheme”

Substitute

“scheme”.

(2) Section 2(1)—

Add in alphabetical order

“*wholly owned subsidiary* (全資附屬公司) means a wholly owned subsidiary established under section 6DA;”.

4. **Section 6 amended (establishment of Mandatory Provident Fund Schemes Authority)**

After section 6(2)(c)(iv)—

Add

“(v) receive and expend monies; and”.

5. **Section 6DA added**

After section 6D—

Add

“6DA. Authority may establish wholly owned subsidiary

The Authority may, with the approval of the Financial Secretary, establish a wholly owned subsidiary to facilitate the performance of the Authority’s functions.”.

6. Section 6F amended (Authority may delegate functions)

Section 6F—

Repeal subsection (1)

Substitute

“(1) The Authority may delegate any of its functions (other than this power of delegation) to—

- (a) a committee established under section 6D;
- (b) a wholly owned subsidiary; or
- (c) a designated person.”.

7. Section 6G amended (power to appoint staff and consultants)

After section 6G(4)—

Add

“(5) The Authority may arrange for any of its staff to assist in the operations of a wholly owned subsidiary.”.

8. Section 6KA amended (designation of electronic system by Authority)

(1) Section 6KA(2)—

Repeal

“by it.”

Substitute

“by—

- (a) the Authority; or
- (b) a wholly owned subsidiary.”.

(2) Section 6KA—

Repeal subsection (4)

Substitute

- “(4) The Authority or the wholly owned subsidiary operating a designated electronic system (*operator*) may recover from a person who uses the system any fee or charge paid or payable by the operator to a third party in relation to the operation and administration of the system that is attributable to the person’s use.”.

9. Section 22C added

After section 22B—

Add

“22C. Approved trustee must not charge certain fees

The approved trustee of a registered scheme must ensure that no fee representing an annual registration fee payable by the trustee under section 22B is charged, whether in whole or in part, to—

- (a) the scheme;
- (b) a constituent fund of the scheme; or
- (c) a member of the scheme.”.

10. Section 42B amended (immunity)

After section 42B(1)—

Add

- “(1A) No civil liability is incurred by—
- (a) a wholly owned subsidiary; or
 - (b) a director or employee of the subsidiary,
in respect of anything done, or omitted to be done,
by the subsidiary, director or employee, as the case
may be, in good faith in the performance or
purported performance of any function delegated to
the subsidiary under section 6F(1)(b).”.
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Part 3

Amendment to Mandatory Provident Fund Schemes (General) Regulation (Cap. 485 sub. leg. A)

11. Schedule 4 amended (financial penalties)

Schedule 4, Part 1, after item 4—

Add

“4AA	22C	Approved trustee to ensure that no fee is charged to registered schemes, constituent funds or scheme members for annual registration fees payable under section 22B of the Ordinance	\$5,000 or 10% of the amount of the fee charged, whichever is the greater”.
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Part 4

Amendments to Mandatory Provident Fund Schemes (Fees) Regulation (Cap. 485 sub. leg. C)

12. Section 1A added

Before section 2—

Add

“1A. Interpretation

In item 4 of Schedule 1—

immediately preceding financial period (對上一個財政期),
in relation to a registered scheme, means the
immediately preceding financial period determined in
accordance with section 79 of the Mandatory
Provident Fund Schemes (General) Regulation
(Cap. 485 sub. leg. A).”.

**13. Schedule 1 amended (fees prescribed for the purposes of the
Mandatory Provident Fund Schemes Ordinance (Cap. 485))**

(1) Schedule 1—

Repeal

“[ss. 2 & 3]”

Substitute

“[ss. 1A, 2 & 3]”.

(2) Schedule 1, item 4—

Repeal everything in column 4

Substitute

“An amount equal to—

- (a) if the immediately preceding financial period of the scheme ends before 1 October 2020—0% of the net asset value of the scheme as at the end of that period; or
 - (b) if the immediately preceding financial period of the scheme ends on or after 1 October 2020—0.03% of the net asset value of the scheme as at the end of that period”.
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Part 5

Related Amendment to Prevention of Bribery Ordinance (Cap. 201)

14. Schedule 1 amended (public bodies)

Schedule 1—

Add

- “135. Any wholly owned subsidiary established by the Mandatory Provident Fund Schemes Authority under section 6DA of the Mandatory Provident Fund Schemes Ordinance (Cap. 485).”.