

STATEMENT OF DISCIPLINARY ACTION

The Disciplinary Action

1. The Mandatory Provident Fund Schemes Authority (**MPFA**) reprimands and disqualifies YAN Yuen Yee Angel (**YAN**) from being registered as a Mandatory Provident Fund (**MPF**) intermediary for 2 months from 12 February 2025 to 11 April 2025 (both dates inclusive).
2. The MPFA found that YAN had prepared marketing materials for selling an MPF scheme but failed to seek approval of the marketing materials from her principal intermediary¹ before distribution to scheme members.
3. The MPFA also found that such misconduct of YAN constitutes a non-compliance with the related internal policy and guideline of her principal intermediary.
4. YAN's conduct was also in breach of the conduct requirements under sections 34ZL(1)(a) and 34ZL(1)(b) of the Mandatory Provident Fund Schemes Ordinance, Cap 485 (**MPFSO**), and paragraphs III.5 and III.20 of the Guidelines on Conduct Requirements for Registered Intermediaries² (**Conduct Guidelines**).

Summary of Facts

5. YAN was an MPF subsidiary intermediary³ attached to an MPF principal intermediary, Manulife (International) Limited (**Manulife**) from 27 May 2014 to 31 October 2022. YAN has ceased to be a subsidiary intermediary since 7 February 2023.
6. At a meeting with the scheme member on 16 March 2021, YAN showed a PowerPoint file (**PowerPoint File**) to the scheme member when YAN explained the Manulife Global Select (MPF) Scheme (**Manulife Scheme**) to the scheme member.
7. The PowerPoint File contained marketing materials with information of the Manulife Scheme.
8. YAN admitted that the PowerPoint File was prepared by herself. YAN also admitted that she had shown the PowerPoint File to other clients when selling the Manulife Scheme.
9. Manulife confirmed that some information in the PowerPoint File was extracted from Manulife's official sites/leaflet but no approval was granted from Manulife to YAN for using such self-made marketing materials.

¹ A principal intermediary is a business entity registered by the MPFA to engage in conducting MPF sales and marketing activities and giving regulated advice.

² Version 1 – September 2012 was in force at the time of the breaches.

³ A subsidiary intermediary is a person registered by the MPFA to carry out MPF sales and marketing activities and to give regulated advice on behalf of a principal intermediary to which the person is attached.

10. The case was referred to the MPFA for follow-up action in April 2024 following an investigation by the Insurance Authority.

Breaches and reasons for action

11. Section 34ZL(1)(a) of the MPFSO states that, when carrying on a regulated activity, a principal intermediary or a subsidiary intermediary attached to a principal intermediary must act honestly, fairly, in the best interests of the client, and with integrity.
12. Section 34ZL(1)(b) of the MPFSO states that, when carrying on a regulated activity, a principal intermediary or a subsidiary intermediary attached to a principal intermediary must exercise a level of care, skill and diligence that may reasonably be expected of a prudent person who is carrying on the regulated activity.
13. Paragraph III.5 of the Conduct Guidelines states that a subsidiary intermediary should only distribute or give out marketing material approved by his principal intermediary.
14. Paragraph III.20 of the Conduct Guidelines states that a subsidiary intermediary should comply with the controls, procedures and standards of conduct as required by his principal intermediary.
15. Having considered all the circumstances of the case, the MPFA is of the view that YAN, when carrying on a regulated activity, had failed to (i) act honestly, fairly, in the best interests of the client and with integrity and (ii) exercise a level of care, skill and diligence that may reasonably be expected of a prudent person who is carrying on the regulated activity by failing to seek approval of the marketing materials from Manulife before use and distribution.
16. In doing so, YAN had breached the regulatory requirements under the MPFSO and the Conduct Guidelines and also failed to comply with Manulife's internal policy or guideline.

Conclusion

17. The MPFA's view is that YAN's conduct has breached the conduct requirements under sections 34ZL(1)(a) and (1)(b) of the MPFSO and paragraphs III.5 and III.20 of the Conduct Guidelines. The MPFA has therefore decided to take the disciplinary action set out in paragraph 1 hereinabove against YAN.
18. In determining the disciplinary sanction, the MPFA took into account all relevant circumstances, including (a) the nature, seriousness and impact of the breach by YAN; (b) YAN has no previous disciplinary record with the MPFA; and (c) the need to send a deterrent message to the industry.