Business Operations

MPFA is a leading advocate of the MPF System and protector of scheme members' interests. We are committed to enhancing the MPF System and building a retirement system valued by the citizens of Hong Kong, recognizing increasing community expectations and the challenges ahead.

This section relates our efforts made in 2015–16 to achieve a better MPF System.

Refining the Regulatory Framework

Provide better investment solutions

Scheme members are given the right to make investment choices under the MPF System. While some individuals may enjoy the freedom of choice, the average scheme members may find it difficult to choose among the great variety of funds, as the process involves difficult decisions on pricing, asset allocation, risk tolerance, and risk and return tradeoff.

Riding on the work in previous years, we advanced a policy proposal to improve the MPF investment choice framework by ensuring that all MPF schemes make available a highly-standardized and fee-controlled Default Investment Strategy ("DIS"). Having regard to the comments from the public consultation entitled "Providing Better Investment Solutions for MPF Members" conducted in 2014, we refined the proposals within the framework that the DIS in each MPF scheme will be based on the same investment approach, and will apply to contributions to or accrued benefits in an MPF scheme for which (i) a member does not make a choice of MPF funds; or (ii) a member specifically chooses to invest according to the DIS. The DIS will reduce investment risks as a member approaches age 65 by adjusting the members' accrued benefits and contributions in two constituent funds in each scheme. A mechanism will be incorporated to control the fee levels of funds in the DIS.

Details of the design, and technical and transitional issues have been further developed with the industry. Preparatory work on the part of trustees regarding operation and application for fund approval is underway to bring about the launch of the DIS as soon as possible.

We assisted the Government in preparing the Mandatory Provident Fund Schemes (Amendment) Bill 2015 to provide for the establishment of the DIS. The Bill was passed by the Legislative Council on 26 May 2016. The originally proposed cap of 0.75% of assets per annum on management fees was agreed and an additional cap of 0.2% of assets per annum on recurrent out-of-pocket expenses was included in the enacted legislation. We will work closely with the industry on the preparatory work and strive to launch the DIS as soon as possible.

Improve efficiency and effectiveness of the MPF System

The Mandatory Provident Fund Schemes (Amendment) Bill 2015 also covers the following amendments to enhance the efficiency and cost-effectiveness of the MPF System:

(a) providing that making a false or misleading statement in connection with matters under an MPF exempted ORSO registered scheme is an offence under the MPFSO such that the criminal sanction for the dishonest act will be brought in line with that for making a false or misleading statement in connection with matters under an MPF scheme;

Business Operations

(b) removing the requirement of publishing prescribed savings rates[1] in newspapers and empowering MPFA to publish the rates in a manner that it considers appropriate; and

(c) excluding Saturday, which is generally not a business day of trustees and professional firms, when counting the time limit for certain reporting obligations by trustees and specified parties.

Increase flexibility of withdrawing MPF accrued benefits

After several months of preparation, new legislative provisions were implemented in August 2015 and February 2016 respectively allowing withdrawal of MPF benefits by scheme members on the ground of terminal illness[2] before retirement and withdrawal of MPF benefits by instalments upon retirement and early retirement.

Improve efficiency of adjusting the minimum and maximum relevant income levels for MPF contribution purposes

We conducted a public consultation from 23 January to 5 March 2015 on a proposal to refine the statutory mechanism for reviewing and adjusting the minimum and maximum relevant income ("RI")[3] levels to better reflect changes in the earnings distribution of the working population. Widely diverse views were expressed in the responses and there was also no consensus on the proposal among the major stakeholder groups (including labour unions, employer groups and industry bodies). About one-third of the respondents who provided additional comments in their submissions indicated preference for the existing adjustment mechanism. In view of the results of the consultation, the Government agreed to MPFA's recommendation that the proposed mechanism should not be pursued at this stage and the minimum and maximum RI levels should continue to be reviewed under the existing statutory mechanism for the time being.

Improve presentation and disclosure of MPF information

To facilitate scheme members' decisions in retirement planning and in choosing suitable MPF schemes and funds, we have been developing proposals that will improve the presentation and disclosure of MPF information so that scheme members are provided with useful information in an easily accessible way. This year, the focus of the project continued to be simplifying and standardizing information presentation and risk disclosure in the key disclosure document, i.e. the offering documents for MPF schemes[4]. Proposals have been developed that will improve the readability and usefulness of the documents for general users. We have worked closely with trustees on the details and timing of implementation of the proposals, and made appropriate refinements.

1 Prescribed savings rate is prescribed by MPFA pursuant to section 37(8) of the Mandatory Provident Fund Schemes (General) Regulation for the operation of MPF Conservative Funds.

2 Terminal illness refers to an illness that is life endangering, such that the remaining life expectancy of an individual suffering from it is reduced to 12 months or less. Before 1 August 2015, accrued benefits derived from mandatory contributions of an MPF scheme member must be preserved until the scheme member reaches the retirement age of 65 or satisfies other circumstances specified in the MPF legislation, namely early retirement at the age of 60, permanent departure from Hong Kong, death, total incapacity and small balance account.

3 Relevant income ("RI") refers to wages, salary, leave pay, fee, commission, bonus, gratuity, perquisite or allowance, expressed in monetary terms, paid or payable by an employer to an employee. It does not include severance payments or long service payments under the Employment Ordinance. An employee or a self-employed person whose RI is less than the minimum RI level is not required to make mandatory contributions. This does not affect the obligation of the employer to make mandatory contributions to the employee's MPF account. The maximum RI level is the level beyond which an employee or a self-employed person is not required to make mandatory contributions in respect of the excess amount of RI. The employer is likewise not required to make mandatory contributions for the employee in respect of such excess amount.

4 Offering document refers to a document that invites participation in an MPF scheme by prospective members. It should contain necessary information (including information about the scheme, operators, constituent funds, contributions and withdrawals, fees and charges, warnings and other important issues) for an individual to make informed decisions about the scheme.

Business Operations

Supervising the Industry and Enforcing the Law

MPF trustees

We adopt a proactive and risk-based supervisory approach in monitoring and supervising trustees. We maintain dialogues with them to understand their business models, risks and control environment. Through ongoing monitoring, on-site visits and thematic reviews of specific areas of operation, we assess their compliance with statutory requirements and applicable standards and detect potential weaknesses, and provide necessary guidance or take supervisory/enforcement actions as appropriate.

Surveillance, monitoring and enforcement

We oversee trustees' compliance with regulatory requirements through ongoing monitoring, handling enquiries or complaints and trustees' self-reporting. In respect of areas of concern, we provide guidance through issuing circulars. During the year, we issued 13 circulars to trustees on subjects related to compliance and administration of MPF schemes, as well as other MPF issues.

In following up issues of supervisory concern and complaints, we investigate suspected non-compliance cases and take appropriate regulatory responses in accordance with established procedures and guidelines having regard to factors including the nature and scope of non-compliance.

(1.4.2015–31.3.2016)

253 **enquiries conducted into issues related to trustee scheme administration**

arising from inspection, monitoring, enquiries, complaints and trustees' self-reporting

30 **cases of suspected non-compliance followed up by investigation**[5]

299 **complaint cases against MPF trustees received**

- 194 cases are service-quality related, involving dissatisfaction with trustees' services and were referred to relevant trustees to directly address the issues concerned
- 105 cases are non-service quality related, which MPFA enquired into with the trustees concerned

Regulatory actions taken

supervisory compliance letters issued to trustees in

67 **cases closed**

to undertake enhancement measures to improve internal controls, regulatory obligations, record keeping, investment compliance, and scheme administration efficiency

11 **independent reviews engaged by trustees**

16 **financial penalty notices issued to trustees**[6]

*(fined **$28,070,000** in total)*

in relation to scheme administration non-compliance — mainly concerning late reporting of default contributions to MPFA, late processing of transfer or payment of MPF benefits and failure to obtain MPFA's consent for certain transfers and payments

5 Some cases involved more than one suspected breach of statutory provisions.
6 A total of 17 non-compliance of statutory provisions are involved as one financial penalty notice covered two breaches of statutory provisions.

Business Operations

Thematic inspection and supervision

To safeguard members' interest, it is of paramount importance that trustees maintain accurate records relating to scheme members' accrued benefits and investments. We proceeded with a round of thematic inspections on the record keeping of accounts and unit balances of scheme members and completed the inspection on a number of trustees. As part of the project, we conducted a survey to collect information on how trustees manage records of scheme members' accrued benefits under their internal control framework and to understand industry practice.

Meanwhile, we continued to monitor trustees' management of custodial risks and exchanged views with Monetary Authority and Securities and Futures Commission in supporting Monetary Authority's supervision over custodian banks in Hong Kong.

Governance and risk culture

Robust governance and risk culture at senior management level and the board of directors of trustees are increasingly important as they play a pivotal role in fostering the right compliance culture and are in the best position to oversee the situations and address any gaps identified. Weak governance and risk culture could lead to a higher chance of operational mistakes in scheme administration.

To strengthen trustees' governance and risk culture, we continued with the campaign on promoting good governance and risk culture among the trustee industry. We conducted visits to trustees' boards of directors and engaged in intensive regulatory dialogues with them on issues relating to governance and risk management. We also highlighted to trustees the importance of lower fee levels and good governance on fund performance, and regularly requested them to review the performance of MPF funds and cost saving initiatives as well as administration efficiencies and to adopt best practices in scheme administration.

Following the regulatory visits to trustees' boards of directors, we held discussions with individual trustees to remind them to strengthen their governance on different aspects of operations, and provided feedback on specific governance issues for their follow-up actions.

Regular liaison

We maintain a regular dialogue with trustees on MPF-related issues and work closely with them to pursue initiatives to enhance the MPF System. The Trustees Operations Liaison Group, comprising representatives from trustees and MPFA, met two times during the year to discuss the development of information systems, MPF scheme operation issues, and developments in the MPF System. A working group was formed with trustees and met nine times during the year to discuss and resolve the operational issues relating to withdrawal of benefits on the ground of terminal illness and withdrawal by instalments upon retirement and early retirement for the implementation of the amendments under the Mandatory Provident Fund Schemes (Amendment) Ordinance 2015. We also held regular meetings with individual trustees to discuss governance, compliance, operational and trustee-specific issues.

Milestones
Chairman's Statement
Managing Director's Report
Corporate Governance
Business Operations
Corporate Social Responsibility
Financial Statements
Statistics and Appendices

Business Operations

MPF intermediaries

Registration

A person is required to be registered with MPFA as an MPF intermediary before he/she can engage in MPF sales and marketing activities. Members of the public can check MPF intermediaries' registration through a public register on MPFA's website or by calling MPFA's hotline.

New applicants for registration or applicants who had left the industry for three years or more are required to take an MPF intermediaries examination. In 2016, we issued the ninth edition of study notes for the examination to incorporate information on the latest changes to the MPF legislation.

Training

To maintain their professional competencies in MPF business, MPF subsidiary intermediaries must comply with the Continuing Professional Development ("CPD") requirement by undertaking a minimum of 10 hours of CPD activities each year. Non-compliance may result in suspension or revocation of registration.

As at 31 March 2016, there were 39 activities in the form of courses, seminars, lectures or conferences recognized as MPF core CPD activities. We carried out quality assurance checks on these activities, which included vetting the materials used, visiting classes and reviewing participants' evaluation. Moreover, we developed two new CPD training activities and organized nine train-the-trainer sessions for MPF principal intermediaries and CPD activity providers.

Supervision

We maintain regular communication with the intermediaries on regulatory requirements and legislative changes that impact on their compliance. During the year, four circulars were issued to intermediaries on regulatory issues covering the handling of contribution payments, the offering of advice on the transfer of accrued benefits, the implementation of legislative amendments relating to withdrawal of accrued benefits by instalments, as well as the enhanced arrangements for conducting personal account enquiries for scheme members. In addition, three circulars were issued on administration issues, such as revised MPF guidelines and forms.

MPF intermediaries are required to submit annual returns to MPFA within one month after the end of a calendar year. To enhance efficiency, we provide an "eService" platform on MPFA's website for electronic filing of annual returns by intermediaries. Response has been encouraging, and 60% of principal intermediaries and 44% of subsidiary intermediaries made use of the facility to submit their returns for 2015. We will continue to promote wider use of the platform.

Regulatory collaboration and enforcement

MPF intermediaries are regulated in conjunction with the frontline regulators under a multi-regulator model. While registered with MPFA, they are supervised by the regulator of their respective trade (i.e. Monetary Authority, Insurance Authority or Securities and Futures Commission). During the year, we convened three meetings of the MPF Intermediaries Regulation Committee with the frontline regulators for the exchange of views on supervisory and enforcement issues relating to MPF intermediaries. Nine on-site inspections were conducted by the frontline regulators.

Business Operations

Where intermediaries or unlicensed persons are suspected to have conducted regulated activities in contravention of the law, we will refer the cases to the relevant frontline regulator(s) for investigation, and impose disciplinary sanctions where appropriate.

Three liaison meetings were held during the year with Insurance Authority for mutual progress updates in relation to complaints handled by MPFA, cases referred by MPFA to it for investigation, and supervisory work conducted by it.

(1.4.2015–31.3.2016)

27 **complaints and referral cases against MPF intermediaries received**
mainly concerning failure to comply with the conduct requirements under the MPFSO

8 **cases concerning MPF intermediaries referred to frontline regulators for investigation**

2 **compliance advice letters issued to one principal intermediary and one subsidiary intermediary respectively**

ORSO schemes

The MPFA is the Registrar of Occupational Retirement Schemes. Major work includes processing of applications and notifications of changes in relation to ORSO schemes, and monitoring of compliance with requirements by ORSO schemes. Information on the operations of MPFA as the Registrar is in Appendix 5 and detailed statistics on ORSO schemes are in Part D of the Statistics section.

Funding status of ORSO registered schemes

We monitor the funding status of ORSO registered schemes by examining their annual returns and audited financial statements. In the case of defined benefit schemes, actuarial certificates must be supplied to MPFA by designated persons at least once every three years.

According to the relevant reports received up to 31 March 2016,

11 out of **216**
defined-benefit ORSO schemes were under-funded
(covering around ***900*** *scheme members)*

Total asset size of these under-funded schemes:
$860 million

Shortfall:
$115 million:
(about ***13.3%*** *of the total assets of these under-funded schemes)*

Such shortfalls were caused by investment loss and/or salary increase higher than the assumption used by actuaries. The relevant employers were required to make up the shortfall in funding by making a lump sum contribution or regular monthly contributions within three years and to submit actuarial certificates annually until the schemes were fully funded. We closely monitored the situation, and the process of making up the shortfall by the relevant employers was smooth.

Business Operations

Relinquishing of MPF exemption status of ORSO schemes

Before the launch of the MPF System on 1 December 2000, employers operating ORSO schemes had an option to apply for exemption from MPF requirements. During the year, 123 MPF exempted ORSO schemes[7] (covering about 5 600 scheme members) relinquished their exemption status. The employers concerned subsequently submitted notices of termination of these schemes and had to enrol the employees concerned in MPF schemes[8].

Facilitating the Market and Reducing the Costs of the MPF System

Streamline product authorization process

The MPFA and the Securities and Futures Commission jointly agreed on a streamlined vetting process of applications of new MPF products, which shortened the processing time to within six months. Under the six-month lapse policy implemented during the year, an application for a new MPF product will automatically lapse if the application process is not completed within six months. In 2015–16, five new constituent funds, two approved pooled investment funds ("APIFs") and 19 index-tracking collective investment schemes were authorized, while one constituent fund and 14 APIFs were terminated.

Facilitate market consolidation

With a long-term goal to enhance the economies of scale of MPF schemes and help the industry reduce costs in a sustainable manner, we have been actively involved in facilitating market consolidation of MPF schemes and supervising key operations in scheme mergers. Since 2003, applications have been received for 29 schemes to be consolidated into 11 schemes. During the year, three MPF schemes comprising total assets under management of $57.5 billion were merged into one and more scheme mergers would be expected in the coming year.

Regarding business consolidation, in November 2014, AXA China Region Insurance Company (Bermuda) Limited ("AXA") entered into a sale and purchase agreement with Principal International (Asia) Limited ("Principal") to dispose of its MPF and ORSO businesses, involving, among others, the transfer of ownership of AXA China Region Trustees Limited from AXA to Principal. With regulatory approvals from local and overseas regulatory bodies, the transaction was completed on 1 September 2015.

In September 2015, Standard Chartered Bank (a sponsor of MPF products) announced the disposal of its MPF and ORSO scheme businesses to Manulife Provident Funds Trust Company Limited ("Manulife") (an MPF trustee). We will ensure that Manulife fulfils its fiduciary duty to protect scheme members' interests and communicate with the affected scheme members and employers should the transaction involve any changes to the existing MPF and ORSO schemes.

Standardize, streamline and automate scheme administration

Administrative complexity is one of the challenges to maintaining cost-efficiency and effectiveness of the MPF System. Various measures had been taken to standardize, streamline and automate scheme administration processes to achieve greater cost-efficiency and effectiveness so as to create more room for reduction of MPF fees. Simplified and automated administration would also enhance user experience by bringing more flexibility and higher quality services to employers and scheme members.

During the year, statutory procedures and requirements were simplified. These include the cancellation of issuance of paper-based Participation Certificates to employers, and combination of the Notice of Acceptance and Membership Certificate into one single Notice of Participation for scheme members. A new system platform was implemented for more efficient submission of data to MPFA by trustees.

7 MPF exempted ORSO scheme refers to an ORSO scheme in respect of which an exemption has been granted under section 5 of the MPFSO. Members, or a class of members, of such a scheme and their employer are exempt from the operation of all or any specified provisions of the MPFSO.

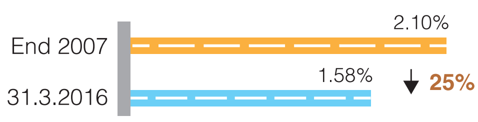
8 For ORSO schemes which no longer have MPF exemption status, the employers concerned may choose to freeze or terminate the schemes, or to retain them as top-up schemes to provide benefits supplementary to those provided under an MPF scheme. If they terminate the schemes, they have to enrol their employees in MPF schemes or other MPF exempted ORSO schemes unless they cease business operation.

Business Operations

We have also been exploring more fundamental measures to standardize, streamline and automate MPF scheme administration in the long run with the help of technology. MPF schemes are privately managed by different trustees with individual systems for handling numerous scheme administration matters, and many of the processes are manual and paper-based. As such, high on MPFA's work agenda is to explore ways to reduce administrative complexity and enable the provision of all major member-related services via electronic means. To this end, we have identified a preliminary conceptual model of infrastructure and processes and are close to finalizing a consultancy study on the feasibility and cost-benefit of the model.

Bring down fees and charges of MPF funds

Having pursued various measures to facilitate market forces and streamline scheme administration, we are pleased to note that, over the years, there has been a steady reduction in the average Fund Expense Ratio ("FER")[9] of MPF funds.



Average FER of MPF funds

During the year, we approved fee reduction for 33 constituent funds. As mentioned above, respective caps will be imposed on the management fees and recurrent out-of-pocket expenses of the DIS. The introduction of these controls may have a further impact on market forces placing further downward pressure on fees of other funds over time.

(as at 31.3.2016)

41% or **189** **MPF funds**

were low-fee funds (with fee of 1% or below or FER of 1.3% or below) of different types (141 of them investing in equities and/or bonds)

Facilitate compliance with the United States Foreign Account Tax Compliance Act

The HKSAR Government signed an intergovernmental agreement ("IGA") with the United States ("US") authorities in late 2014 to facilitate compliance with the US Foreign Account Tax Compliance Act ("FATCA")[10]. According to the IGA, retirement funds that qualify as exempt beneficial owners are exempt from the requirements of FATCA, as they present a low risk of being used by US persons to evade US tax. As such, MPF schemes are exempted and ORSO schemes are conditionally exempted under FATCA. Since then, we have been granting consent to ORSO employers and administrators to disclose information to the US authorities for compliance with FATCA requirements.

9 Fund Expense Ratio ("FER") is a ratio that measures the expenses of an MPF fund as a percentage of fund size based on data from the most recently ended financial period. The higher the FER, the higher the percentage of expenses to fund size. The types and names of fees and expenses vary from scheme to scheme, but generally include (a) fees of trustees, custodian, administrator, investment manager and sponsor; (b) guarantee charge (for guaranteed funds); (c) compensation fund levy (currently not levied); (d) audit fees and legal costs; and (e) miscellaneous items, such as establishment costs, indemnity insurance, and other out-of-pocket disbursements like postage.

10 FATCA is a law of the US against tax evasion by US citizens, resident aliens and entities through the use of foreign financial institutions ("FFIs") and non-financial foreign entities ("NFFEs"). Under FATCA, all withholdable payments made to FFIs and NFFEs will be subject to a withholding tax unless the FFIs and NFFEs comply with certain reporting, disclosure and related requirements or are deemed to comply with those requirements.

Business Operations

Enforcing the Law against Non-Compliant Employers and Scheme Members

As a law enforcement agency, we closely monitor compliance of various parties with the MPF and ORSO legislation, handle complaints, investigate suspected breaches or non-compliance and take supervisory and/or enforcement actions as necessary. Supervisory and enforcement activities in respect of trustees and intermediaries are reported above under "Supervising the Industry and Enforcing the Law" (pages 44 to 47).

In respect of employers, to enhance the efficiency of MPFA's enforcement efforts, we maintain close contact and exchange intelligence with labour unions to monitor and keep abreast of the situations of specific industries. To facilitate compliance, we launched a publicity campaign during the year to help employers understand their MPF obligations.

Meanwhile, we maintain close communication and collaboration with the Commercial Crime Bureau of the Police on enforcement actions against illegal activities relating to MPF matters. In 2015, a number of claims for early withdrawal of accrued benefits on the ground of permanent departure from Hong Kong involving suspected syndicates aiding and abetting MPF scheme members to make false statutory declarations were referred to the Police for investigation. The Police subsequently conducted two arrest operations. To enhance the deterrent effect, the Police and MPFA held a joint press briefing to publicize our joint efforts in tackling such crimes.

Enforcement actions against employers

(1.4.2015–31.3.2016)

2 075 **employment establishments visited under proactive inspection**

to check compliance with MPF requirements; major targets included catering establishments, retail outlets and construction sites

56 984 **cases investigated**

Breakdown of alleged offences

56 567 (default contribution)
1 393 (non-enrolment)
35 (forced change to self-employed person)
808 (others[11])

As one case may be related to several types of alleged offences, figures may not sum up to the total

457 **summonses issued by the Police to employers and directors/managers of limited companies for prosecution in respect of their suspected non-compliance**

Prosecution status (as at 31.3.2016)

Nature of offences	Guilty	Results not yet available	Withdrawn[12]
Contributions in arrears	282*	99	2
Non-enrolment of employee	40*	18	
Failure to comply with court order	10^	6	

* *involving **51** employers (total fine: **$923,300**) and **5** directors/managers of limited companies (fined between **$5,500** and **$18,500** each)*

^ *involving **6** employers and **2** directors of a limited company (fined between **$3,000** and **$50,000** each)*

300 700

payment notices issued in respect of default contribution under MPF schemes[13]

160

payment notices issued in respect of default contribution under MPF exempted ORSO registered schemes[14]

71

financial penalty notices issued to repeat defaulters for breach of section 7A(8) of the MPFSO[15]

*involving **68** employers (total penalty: **$582,926**)*

11 Others include failure to notify trustees of termination of employment, failure to issue monthly pay record, etc.
12 Summonses could not be effectively served by the Police or Bailiff, as the defendants had moved away, closed, become untraceable, wound up or become bankrupt.
13 A surcharge calculated at 5% of the amount of MPF contributions in arrears is imposed on employers who failed to make MPF contributions for their employees within the prescribed period. The surcharges received are credited into the MPF accounts of the employees concerned.
14 A surcharge calculated at 15% or 20% of the amount of ORSO contributions in arrears is imposed on employers who failed to make ORSO contributions for their employees. No surcharge will be imposed in the first payment notice in respect of ORSO contributions.
15 Failure to pay MPF contributions in respect of an employee to the approved trustee within the prescribed period.

Business Operations

Cases submitted to Small Claims Tribunal, District Court, Bailiff and Liquidators in respect of substantiated non-compliance

	MPF schemes	ORSO registered schemes
Small Claims Tribunal	451	2
District Court	41	3
Bailiff	33	
Liquidators	168	

3 **court orders applied to compel convicted employers to rectify their non-compliance with contribution requirements**

74 **Garnishee Orders applied in respect of non-compliance under MPF schemes**

$133.7 million outstanding contributions in MPF schemes and **$981,000 outstanding contributions in MPF exempted ORSO registered schemes** recovered on behalf of employees through the courts, by persuasion and counselling of the employers concerned

Non-compliant Employer and Officer Records

To increase the transparency of MPFA's enforcement actions against non-compliant employers under the MPF System for greater deterrent effect, we maintain a Non-Compliant Employer and Officer Records section on MPFA's website.

From the database, members of the public can view and search for information on employers and officers with MPF non-compliance records, including criminal convictions and civil awards of judgments.

2 517 **non-compliance records contained in the database** (as at 31.3.2016)

1 825 (civil awards or judgments)

692 (criminal conviction records)

Enforcement actions against members of MPF or ORSO registered schemes

(1.4.2015–31.3.2016)

92 **summonses issued by the Police for prosecution under MPF schemes**

Prosecution status (as at 31.3.2016)

Nature of offences	Guilty	Results not yet available
False statement under the MPFSO[16]	68#	24

\# *involving **58** MPF scheme members (average fine imposed: about **$5,800**)*

4 **ORSO-related cases referred to the Police for investigation and the prosecution result of**

2 **ORSO-related cases reported from the Police**

Prosecution status (as at 31.3.2016)

Nature of offences	Guilty	Results not yet available	Investigation terminated by the Police
False statement under the Crimes Ordinance[17]	2#	2	2

\# *the cases were referred to the Police before the 2015–16 financial year, and involve **2** ORSO scheme members (sentenced to **80 hours of community service** and imposed a fine of **$4,000** respectively)*

16 MPF scheme members made a false statement in order to withdraw their MPF accrued benefits on the ground of permanent departure from Hong Kong.

17 ORSO scheme members made a false statement in order to withdraw their minimum MPF benefits on the ground of permanent departure from Hong Kong.