



Frequently Asked Questions

Frequently Asked Questions relating to MPF Products

This FAQ is prepared by the Investment Products Division of the Securities and Futures Commission (the “SFC”) and aims to provide basic information to market practitioners in respect of mandatory provident fund (“MPF”) products, subject to the SFC Code on MPF Products (“MPF Code”) effective on 1 January 2019. Applicants are encouraged to contact the relevant case team in the Investment Products Division if in doubt on any specific issues arising from the application/interpretation of the MPF Code or this FAQ. Please note that each application for authorization is considered on a case-by-case basis.

The information set out below is not meant to be exhaustive. This FAQ may be updated and revised from time to time. This FAQ is only for general reference. Compliance with all the requirements in this FAQ does not necessarily mean an application will be accepted or authorization will be granted. The SFC reserves the rights to exercise all powers conferred under the law.

Unless otherwise defined herein, all capitalised terms shall have the meanings given to such terms in the MPF Code.

Note: For ease of reference, collective investment schemes that are referred to as “MPF products” in the following FAQ include MPF schemes, constituent funds and pooled investment funds.

Section 1: FAQ in respect of application procedures for new MPF product applications received by the SFC before 9 November 2015 in respect of which no authorization has been granted by the SFC

Question		



Section 1A: FAQ in respect of application procedures for authorization of MPF products under the application lapse policy (For new MPF product applications received on or after 9 November 2015)

	Question	Answer
1.	This FAQ is obsolete and has been removed.	
1A.	The revised MPF Code w 407.52 T3/TT1 1 Tf5.0cb:	

	Question	Answer
3.	How do I apply for authorization of an MPF product (such as a master trust scheme or a pooled investment fund) and where applicable, the issue of its offering document?	New

¹ Please refer to the circular entitled “Circular on launch of e-IP application/submission system on WINGS” dated 8 July 2024.

	Question	Answer
4.	Who can issue the Chinese translation confirmation?	The Chinese translation confirmation may be issued by any of the following parties: x a qualified lawyer in Hong Kong;

Question	Answer																																				
	<table><tr><td colspan="2"><u>Master Trust Scheme and Constituent Funds</u></td><td><u>Master Trust Scheme</u></td><td><u>Each constituent fund (see Note 1 below)</u></td></tr><tr><td>Application Fee¹</td><td>HK\$</td><td>40,000</td><td>5,000</td></tr><tr><td>Authorization Fee²</td><td>HK\$</td><td>20,000</td><td>2,500</td></tr><tr><td>Annual Fee³</td><td>HK\$</td><td>7,500</td><td>4,500</td></tr></table> <u>Pooled Investment Funds</u> <table><tr><td></td><td></td><td><u>Single fund</u></td><td><u>Umbrella fund</u></td><td><u>Sub-fund</u></td></tr><tr><td>Application Fee¹</td><td>HK\$</td><td>20,000</td><td>40,000</td><td>5,000</td></tr><tr><td>Authorization Fee²</td><td>HK\$</td><td>10,000</td><td>20,000</td><td>2,500</td></tr><tr><td>Annual Fee³</td><td>HK\$</td><td>6,000</td><td>7,500</td><td>4,500</td></tr></table> The applicable fees payable are as provided in the Securities and Futures (Fees) Rules (Cap. 571AF) (“Fees Rules”) subject to the SFC’s power to grant waiver pursuant to section 11 (waiver of fees) of the Fees Rules. Upon an application for fee waiver supported by valid reasons, if the SFC is of the opinion that the payment of any of the above-mentioned fees would be unduly burdensome or inappropriate, the SFC may waive, in whole or in part, the payment of any fees, or refund, in whole or in part, any fees paid, subject to any applicable minimum amount. Note 1: The SFC is prepared to consider an application for fee waiver to any such constituent fund investing solely in a pooled investment fund authorized under section 104 of the Securities and Futures Ordinance. Note 2: The SFC is prepared to consider an application for annual fee waiver if an application for withdrawal of authorization of a fund has been approved and the annual fee due date falls within the notice period of withdrawal of authorization.	<u>Master Trust Scheme and Constituent Funds</u>		<u>Master Trust Scheme</u>	<u>Each constituent fund (see Note 1 below)</u>	Application Fee ¹	HK\$	40,000	5,000	Authorization Fee ²	HK\$	20,000	2,500	Annual Fee ³	HK\$	7,500	4,500			<u>Single fund</u>	<u>Umbrella fund</u>	<u>Sub-fund</u>	Application Fee ¹	HK\$	20,000	40,000	5,000	Authorization Fee ²	HK\$	10,000	20,000	2,500	Annual Fee ³	HK\$	6,000	7,500	4,500
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	Question	Answer
		¹ Once the application fee is paid, it will not be refunded. ² Authorization fee is required upon the granting of authorization. ³ The first annual fee is required upon the granting of authorization.
6.	Is the SFC's authorization required for updates to existing marketing/advertising materials which are already SFC-authorized?	For those marketing/advertising materials which have been granted authorization in respect of its issue and re-issue, as long as the updates are permitted under the authorization conditions specified in the SFC's authorization letter, no further authorization by, or filing with, the SFC is required. For all other updates/amendments (to the existing SFC-authorized marketing/advertising materials) which are not permitted under the original authorization conditions, authorization of the revised marketing/advertising materials by the SFC is required prior to their issuance. The updates/amendments of the marketing/advertising materials must be clearly marked against the previously authorized version for submission to the SFC. The MPF scheme provider must set out in detail and explain all these revisions for our consideration.
7.	When can the SFC be expected to respond to the	

	Question	Answer
		comments to the applicant, provided that the submission is in good order and in suitably advanced form. More complex or lengthier applications for authorization of advertising material may take longer to review and authorize.
<i>Application lapse policy</i>		
8.	When will the SFC take up an application after I have submitted my application?	Generally, an application will only be taken up by the SFC when an applicant has submitted all relevant documents that meet the applicable requirements as mentioned in Q.3 above. If the SFC is not satisfied with the completeness or sufficiency of the information contained in the first submission package or considers that documents submitted are not in good order or otherwise not suitable for clearance, the package will be returned to the applicant and the application will not be taken up. The SFC also reserves the right not to take up an application if such application is accompanied by documents that do not meet the requirements of the MPF Code in any material aspect. The SFC will also refuse to take up an application where: - x the applicant has not obtained the AIP from the MPFA on the application for the new MPF products; or - x the documents submitted are different from the version which MPFA has granted AIP and MPFA has not confirmed the AIP would remain valid for the different version of the documents. In general, the Investment Products Division will issue an acknowledgement of take-up ("Take-up Letter") within 5 business days upon receipt of the Application Form, Compliance Checklist and all the necessary documents in support of the application, to inform the applicant that the SFC will process the application. As mentioned in Q.2, the Take-up Date is the date on which the SFC formally takes up the application. The applicant is expected to submit the applicable application fee as mentioned in Q.5 above as soon as practicable upon receipt of the Take-

	Question	Answer
		Up Letter from the SFC, and shall contact its SFC case team to discuss the payment arrangement. Once the application fee is paid, it will not be refunded. For further details on the application process, please refer to the separate Q.12 below.
8A.	What are the requirements for submitting documents and application fee in support of a new MPF product application to the SFC?	To commence an application, various documents, including, for example, offering documents, completed compliance checklist and confirmations, as well as the application fee are required to be submitted to the SFC via e-IP. A) <u>Submission of application documents by soft copy</u> Applicants shall submit all application-related documents by soft copy. The official receipt date of a new MPF application shall be a business day on which the full and complete set of soft copy documents is received by the SFC via e-IP at or before 6 pm (after which the receipt date will be deemed as the following business day). B) <u>Signing of application documents</u> During the application process, you must complete the signing process for certain application documents (including the application form and the compliance checklist) in e-IP. Please see section 4.1.2.5. entitled – “Completing the signing process for the Ordinary Form(s) & Checklist(s) (where applicable)” of the e-IP (Investment Products Division) User Guide for details. For other application documents not covered in the signing process in e-IP, please refer to the options

Question	Answer
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an applicant, trustee / custodian, investment manager, investment delegate of the MPF products or other parties, provided that the Relevant Documents shall be submitted with an email confirmation or other equivalents (from a person who meets the signatory requirements) that all in2 (on.6(t)-6.6 (s)-A8r3(t)-6.6 (h)d(y)8.[6 (es3 (on)1075 (t)-2 Td r

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	Question	Answer
13.	Will the SFC extend the application beyond the 6-month Period?	In general, the answer is no. Any extension of the application period may be granted by the SFC where there is no substantive outstanding issue at the time of the extension, except for the receipt of the response from overseas regulator by the SFC in the case where overseas regulatory check has to be conducted on the overseas delegate(s) of the investment manager. In general, the SFC will only consider granting an extension under exceptional circumstances upon the submission of satisfactory grounds by the applicant.
14.	What would the SFC take into account when considering whether to grant authorization of a collective investment scheme and/or for the issue of its relevant offering document(s)?	Under Part IV of the Securities and Futures Ordinance, on an application to the

	Question	Answer
15.	Will the MPFA be informed about the SFC's comments on the submitted documents? Do I need to do any filing or communicate with the MPFA after the SFC has granted authorization? If the MPFA has comments on the offering documents authorized by the SFC, do I need to obtain further approval from the SFC?	During the review process by the SFC, the SFC will keep the MPFA informed of any key and material issues (e.g. the acceptability of an investment manager not currently managing SFC-authorized collective investment schemes, lapse of the application) noted by the SFC. After the SFC has granted conditional authorization, the applicant should send to the MPFA the offering documents conditionally authorized by the SFC reflecting changes appropriately tracked against the version that MPFA has granted AIP for the MPFA's final review. In case of any changes made to the offering documents during the MPFA's final review, applicant should notify the SFC promptly and in general, if the content and format of the revised offering documents remain fundamentally the same as the SFC's authorized version, no further approval from the SFC would be required.
16.	What does the applicant need to submit to the SFC after the SFC has granted authorization with conditions to the new MPF product application in order for the authorization to become effective?	Under section 104(1) and section 105(1) of the Securities and Futures Ordinance, the SFC may, where it considers appropriate, authorize an MPF product and, where applicable, the issue of its offering document respectively, subject to such conditions as the SFC considers appropriate. For the authorization of an MPF product and, where applicable, its offering document ("Authorization") to become effective, the applicant is required to fully comply with all the conditions that are required to be satisfied for the Authorization to take effect as set out in the SFC's authorization letter ("Authorization Letter"). In particular, a key condition will be the granting of final approval by the MPFA (which is the primary regulator of the MPF products) in order for the Authorization to become effective. For the Authorization to become effective, the applicant must submit to the SFC a duly completed and executed Confirmation of Fulfilment of Authorization Conditions together with the required documents as stated in the Authorization



Section 2: Others

	Question	Answer
1.	Can we use gifts in promoting our MPF products?	In order to help protect investors from being distracted by the gifts without paying sufficient attention to the features and risks of the specific investment product, all marketing materials of investment products authorized by the SFC should not contain an offer of gift, other than a discount of fees and charges, in promoting a specific investment product.

	Question	Answer
	requirements, do we need to submit the revised fund fact sheet(s) to the SFC for prior approval?	For example, as many of the MPF schemes and their constituent funds are approaching or had approached an establishment period of 10 years, their periodic rate of return over the period of 10 years are required to be disclosed pursuant to the MPFA requirements. Insertion of additional performance information into the fund fact sheet to reflect solely such regulatory requirements do not require the SFC's prior approval. The revised fund fact sheet must, nevertheless, be filed with the SFC within one week from the date of issuance.
4.	To the extent that changes are made to the offering documents of an MPF scheme pursuant to legislative amendments which have been promulgated publicly and/or regulatory requirements issued by the relevant regulators in Hong Kong (the "Amendment(s)"), what are the requirements under the MPF Code for (i) the revisions (if any) to the existing MPF scheme offering documents and/or (ii) scheme changes in connection with the Amendments?	<u>Revised Offering Documents of SFC-authorized MPF Schemes</u> If the changes to the offering documents are made solely to reflect the Amendment(s) and the content and format of such documents remain fundamentally the same as the version previously authorized, then such changes do not require the SFC's prior approval and the filing requirements under 8.2B of the MPF Code shall be followed. Otherwise, the revised offering documents will need to be submitted to the SFC for prior approval in accordance with the usual procedures/requirements. <u>Scheme Changes</u> Given that the Amendments are requirements pursuant to legislative changes which have been promulgated publicly and/or regulatory requirements issued by the relevant regulators in Hong Kong, changes to the offering documents of an MPF scheme which are made solely to reflect the Amendment(s) do not fall within 8.2 of the MPF Code. Accordingly, these changes do not require the SFC's prior approval and the notice requirement under 8.2A of the MPF Code does not apply. However, MPF issuers are reminded (as this may also be required by the MPFA) to put in place appropriate and effective means of communications in order to keep scheme participants informed of any such changes to the offering documents of an MPF scheme as regards the Amendment(s).

Question	Answer
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b. Changes in fees and charges

- i. change in the minimum initial subscription amount and/or subsequent



	Question	Answer
7.	Will	8.2B Change will be subject to post vetting by the SFC.

	Question	Answer
		- x Confirmation(s) and undertaking(s) as set out in the Compliance Checklist which are applicable to the change(s) are duly completed and properly executed and submitted to the SFC. (b) Removal of investment delegate(s) - x The investment manager confirms that the confirmation(s)/undertaking(s) previously provided remain(s) valid; and - x The investment delegate(s) to be removed was/were not appointed and delegated at all times with the investment management functions subject to the authorization conditions imposed by the SFC. For the avoidance of doubt, the above streamlined arrangements do not apply to changes in investment delegate(s) which will involve newly proposed all-time investment management delegation arrangements or result in a change in any all-time investment management delegation arrangements currently adopted by the MPF product(s). Although the SFC's prior approval is not required under the above streamlined approach, it is generally expected that one month's prior written notice should be provided to scheme participants. As part of the filing of the scheme changes, the investment manager is required to file the "Filing Form for Notice of Scheme Change(s) falling within 8.2B of the SFC Code on MPF Products (MPF Code) and Do Not Require SFC's Prior Approval"² together with the duly completed and properly executed confirmation(s) and undertaking(s) as set out in the Compliance Checklist which

² For an APIF of which the offering document does not require the SFC's authorization, the confirmations of compliance with the requirements as set out under paragraphs 3(iii) and 3(iv) in such form, where applicable, should be submitted to the SFC in writing instead.



	Question	Answer
	such as a retirement date (collectively, “target date fund”)?	target date fund should be provided in the offering document to scheme participants or fund holders :- i. an explanation of the nature and features of a target date fund, including an explanation that the allocation among different types of investments of the target date fund (the “asset allocation”) changes over time; ii. disclosure regarding the date at which the asset allocation becomes fixed, and if such date is different from the target date, disclosure highlighting such fact; iii. where applicable, a statement that the target date fund will not be automatically terminated at the target date, but will continue to be managed in accordance with the existing investment objectives and policies disclosed in its offering document; iv. where a date has been set for the target date fund to be terminated (the “maturity date”), details of any switching out option available to scheme participants or fund holders prior to or at the maturity date, and actions that will be taken by the investment manager / trustee at the maturity date; v. corresponding disclosure on the risks and considerations that are important for scheme participants or fund holders when deciding whether to invest in a target date fund, including a statement that a target date fund should not be selected based solely on age or retirement date, that scheme participants or fund holders may suffer loss at and after the target date, and that there is no guarantee that scheme participants or fund holders will receive the principal on retirement date; vi. an asset allocation chart, graph and/or table that clearly depicts the intended asset allocation in percentage terms over the entire duration of the fund at identified periodic intervals that are no longer than 5 years in duration, including the asset allocation at the launch of the fund, at the target date, at the date when the asset allocation becomes fixed (if different from the target date) and, where applicable, at the maturity date. If the asset allocation becomes fixed at the target date, corresponding disclosure in the chart, graph and/or table; and

	Question	Answer
		vii. appropriate disclosure where such intended asset allocation may be subject to change.
10.	What is the expectation on the notice requirements to investors in respect of changes of the controlling shareholder(s) of a key operator of a MPF Product^{Note?} (Note: “Key operators” refers to the applicant, the trustee / custodian and investment manager and its delegates for the purpose of the FAQs herein.)	8.3 of the MPF Code sets out the notice requirements to investors in respect of matters relating to a MPF Product. For changes in the ultimate controlling shareholder(s) of the key operators of a MPF Product, although SFC’s prior approval is not required under 8.2 of the MPF Code, it is normally expected that one3lkey(er)-5.9 (s)8.8 (r)-5.9 (el)2.66s1 (ey)8.rro6 (us)8.9 (t)-6.6 (ee /)-6.6 ()JTJ urpr 9 54.6 (k)

	Question	Answer
14A.	Under what circumstance(s) may MPF issuers shorten the written notice period to scheme participants or fund holders for 8.2 Scheme Change(s)?	Normally, one month's prior written notice is expected to be provided to scheme participants or fund holders for 8.2 Scheme Change(s), whereas a shorter notice period may be permitted where the proposed scheme changes are of demonstrable benefit to scheme participants or fund holders as provided under 8.3 of the MPF Code (with respect to Note (2) to 11.2 of the UT Code) or otherwise agreed by the SFC. A shorter notice period is acceptable for 8.2 Scheme Change(s) if the MPF issuer has obtained written consent from all of the scheme participants or fund holders. In case of doubt, early consultation with the SFC is encouraged.
15.	Will SFC's prior approval and advance notice to investors be required for changes made to comply with the revised MPF Code?	If changes are made by existing MPF Products to comply with the revised MPF Code and there are no material changes to the MPF Product's investment objectives, policies or strategies, prior approval from the SFC and advance notice to scheme participants or fund holders will generally not be required. However, investment managers should provide necessary updates to scheme participants or fund holders regarding the changes made to the MPF Product as soon as reasonably practicable (e.g. by a specific notice) for scheme participants' or fund holders' appraisal of the MPF Product and their investments. A summary of the changes (including the reason(s) and description of the change, implications to the MPF Product and the resulting impact on scheme participants or fund holders) is expected to be provided to keep scheme participants or fund holders informed and enable them to appraise the position of the MPF Product.

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	Question	Answer
		Option 2: An applicant may submit scanned copies of the Relevant Documents signed by a person who meets the signatory requirements.

Section 3: Novel coronavirus (COVID -19)

	Question	Answer
1.	This FAQ has been removed.	Please refer to Q.8A under section 1A and Q.16 under section 2 of this FAQ.

Last updated: 29 November 2024