

MPFA suspends the registration of Chu Pui-shan as an MPF intermediary for six months

The Mandatory Provident Fund Schemes Authority (MPFA) has suspended the registration of Chu Pui-shan as a Mandatory Provident Fund (MPF) intermediary for six months from 10 January to 9 July 2019¹.

An MPFA spokesperson reminds all MPF intermediaries to abide by the law and relevant guidelines when engaging in MPF sales or marketing activities. The MPFA may impose a disciplinary order on the intermediaries who have failed to comply with the law or the guidelines and the disciplinary order can be a reprimand, fine, suspension of registration, revocation of registration, or disqualification of registration. There are complaints against MPF intermediaries received by the MPFA from time to time involving impersonation of scheme members to check their account information or asking scheme members to sign on incomplete forms. The MPFA considers that such acts are serious misconduct and will take deterrent disciplinary actions when appropriate.

The MPFA found that when Chu invited a scheme member to transfer accrued benefits from other MPF schemes to the Manulife Global Select (MPF) Scheme (Scheme) in mid-2017, she contravened the requirements of acting honestly, fairly, in the best interests of the clients and with integrity, and of exercising a level of care, skill and diligence as stipulated in the Mandatory Provident Fund Schemes Ordinance² (MPFSO) and the Guidelines on Conduct Requirements for Registered Intermediaries³. The key facts of Chu's misconduct are summarized as follows:

- I. Chu impersonated the scheme member in calling an MPF trustee to obtain the scheme member's account information;
- II. Chu failed to ensure that three forms were duly completed before the scheme member signed on the forms;
- III. Chu failed to provide the scheme member with copies of five signed forms;
- IV. Chu failed to record the date and time of receipt of the scheme member's instructions; and
- V. Chu failed to comply with Manulife's internal requirements to register her personal assistant with Manulife.

In deciding on the disciplinary order of suspension, the MPFA took into account all the circumstances of the case including that the scheme member has not suffered loss, Chu has made certain admissions and has no previous disciplinary record with the MPFA.

The case was referred to the MPFA following an investigation by the Insurance Authority.

– Ends –

10 January 2019

1. Chu Pui-shan (MPF Registration No. 114824) is registered as a subsidiary intermediary attached to Manulife (International) Limited (Manulife).

2. Section 34ZL(1)(a) of the MPFSO provides that when carrying on a regulated activity, an MPF intermediary must act honestly, fairly, in the best interests of the client, and with integrity. Section 34ZL(1)(b) provides that when carrying on a regulated activity, an MPF 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.

3. Paragraph III.3 of the Guidelines provides that a copy of the signed form should be provided to the client as soon as reasonably practicable. Paragraph III.16 provides that a registered intermediary should record the particulars of any order instructions relating to material decisions received from a client (including the date and time of receipt and details of the order). Paragraph III.20 provides that a subsidiary intermediary should comply with the controls, procedures and standards of conduct as required by his principal intermediary.

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