

# China Life MPF Master Trust Scheme ("China Life Scheme")

## NOTICE TO PARTICIPATING EMPLOYERS AND MEMBERS

This notice is important. Terms used in this notice (unless otherwise defined below) bear the same meaning as in the Principal Brochure September 2019 Edition of China Life Scheme. If you are in doubt about the contents of this notice, you should seek independent professional financial advice.

### Summary of Updates to China Life Scheme

Below changes to the principal brochure of China Life Scheme have been updated on 31 March 2020.

1. Updates in relation to the Code on Disclosure for MPF Investment Funds ("Code")

The Code has been revised to require that information and risk disclosure in an offering document of MPF scheme should be presented in a clear, concise and easy-to-understand manner. As such, the principal brochure of China Life Scheme ("PB") has been updated accordingly to reflect the latest requirements of the Code.

2. Anti-Money Laundering

The Approved Trustee is statutorily required from 1 March 2018 to conduct due diligence procedures before establishing business relationship for the purpose of money laundering prevention. The Approved Trustee may request such information as is necessary to verify the identity of an applicant applying for participation of China Life Scheme ("Applicant") and the source of contribution payment. If an Applicant does not provide relevant information as and when necessary for completing the verification process, the Approved Trustee may refuse to accept any account opening application and the contribution monies to the extent permitted under the applicable law of Hong Kong.

3. Automatic Exchange of Financial Account Information ("AEOI")

Starting from 1 January 2020, the Approved Trustee must obtain a self-certification from an Applicant to conduct due diligence procedures to identify tax residency for the purpose of AEOI compliance. If an Applicant does not provide a valid self-certification as required, the account opening process will be adversely affected and/or could not be completed. If account holders are not overseas tax residents in any jurisdiction outside Hong Kong, their account information will not be reported to the Inland Revenue Department for transmission to any tax authority outside Hong Kong.

Dear Employer(s)/Member(s),

We are writing to inform you of the following updates made to the PB.

1. **Updates in relation to the Code**

According to Part G of the Code, an offering document of MPF scheme will be required to be renamed as an "MPF Scheme Brochure" and be presented in a standardized manner (including provision of information and risk disclosures). The Code emphasizes that the objective is to present information in a clear, concise and easy to understand manner in order to promote readability and recognition of the MPF Scheme Brochure and to facilitate comparison between MPF schemes and decision making by participating as well as prospective employers and members. The PB has therefore been updated accordingly to reflect the latest requirements of the Code, and this update does not result with any change of the operation or features of China Life Scheme.

2. **Anti-Money Laundering (AML)**

The Anti-Money Laundering and Counter-Terrorist Financing Ordinance requires a trust or company service provider ("TCSP") to conduct due diligence procedures before establishing business relationship for the purpose of money laundering prevention starting from 1 March 2018. As a TCSP, the Approved Trustee is obligated to conduct due diligence procedures and may request an Applicant to provide relevant information as and when necessary for AML compliance. If an Applicant does not provide relevant information as and when necessary for completing the due diligence procedures, the Approved Trustee may refuse to accept any account opening application and the contribution monies to the extent permitted under the applicable law of Hong Kong. Relevant information of AML can be found under chapter 7 (Other Information) of the PB.

### 3. **Automatic Exchange of Financial Account Information (“AEOI”)**

Exchanging financial account information on an automatic basis is a new international standard, designed to enhance tax transparency and combat cross-border tax evasion. AEOI is implemented in Hong Kong under the Inland Revenue Ordinance which requires financial institutions to apply due diligence procedures to identify account holders who are overseas tax residents of AEOI partner jurisdictions and report the required information (including but not limited to personal data such as name, address, jurisdiction of residence, TIN (i.e. taxpayer identification number) and date of birth) to the Inland Revenue Department (“IRD”) for transmitting of information to that AEOI partner jurisdiction.

MPF schemes are regarded as reporting financial institutions under the Inland Revenue Ordinance. Thus, with effect from 1 January 2020, China Life Scheme shall conduct due diligence procedures to identify tax residency of MPF account holders for AEOI purpose as a reporting financial institution. In this respect, the Approved Trustee must obtain a self-certification from an Applicant for verification of tax residency status. If an Applicant does not provide a valid self-certification as required, the account opening process will be adversely affected and/or could not be completed. The Approved Trustee may also request pre-existing account holders (i.e. account in existence as at 31 December 2019) to provide a self-certification so as to establish their tax residences.

If account holders are not overseas tax residents in any jurisdiction outside Hong Kong, their account information will not be reported to the IRD for transmission to any tax authority outside Hong Kong.

When there are changes in circumstances that affect the tax residency status or cause the information contained in a self-certification to become incorrect, account holders should inform the Approved Trustee by providing a suitably updated self-certification within 30 days of such change in circumstances.

Relevant information of AEOI can be found under chapter 7 (Other Information) of the PB and FAQ on our website [www.chinalife.com.hk](http://www.chinalife.com.hk).

We confirm that the above do not have any adverse impact on the interests of Employers and Members of China Life Scheme.

The updated version of the PB is effective on 31 March 2020 and is already made available free of charge on our website [www.chinalife.com.hk](http://www.chinalife.com.hk). If there are any queries regarding the above matters, please contact our hotline 3999 5555.

China Life Trustees Limited  
March 2020

This is a computer printout and no signature is required.