

羅兵咸永道會計師事務所

PricewaterhouseCoopers
33rd Floor Cheung Kong Center
2 Queen's Road Central
Hong Kong
Telephone (852) 2289 8888
Facsimile (852) 2810 9888

By fax and by mail

Mr Simon Riley
Technical Director (Financial Reporting)
Hong Kong Society of Accountants
4th Floor, Tower Two, Lippo Centre
89 Queensway
Hong Kong

29 April 2004

Dear Mr Riley

Exposure Draft of a Proposed SSAP, Accounting and Reporting by Retirement Benefit Plans

We are responding to the invitation to comment on the above exposure draft issued by the Hong Kong Society of Accountants on 14 January 2004.

Our comments are set out in the Appendix for your consideration and are provided on the assumption that no amendments will be made to the main body of the proposed standard as it is based on IAS 26.

We trust that our comments are of assistance to you. If you require any clarifications, please contact Maria Tsui (Senior Manager – Investment Management Industry Group) at 2289 1205 or maria.tsui@hk.pwc.com.

Yours faithfully



Robert Grome
Asia Pacific Leader
Investment Management Industry Group

References	Comments
Paragraph 22 of the Appendix	We recommend that either (a) a statement of changes in net assets available for benefits or (b) a separate revenue statement and a statement of movement in capital account be prepared for an MPF scheme or an ORSO scheme. We suggest that both presentations are acceptable.
Paragraph 26 of the Appendix	We agree with the suggested classification/recognition criteria for the contributions received by trustees pending allocation to members' investment accounts. Please also consider providing additional guidance on the recognition criteria for other items such as contribution receivable and benefit payable to promote consistency of the accounts of the MPF schemes.
Paragraph 32(b)(iii) of the Appendix	Equalisation on issue and cancellation of units for a unitised fund is not applicable/meaningful as the constituent fund cannot be a distributing fund.
Paragraph 33 of the Appendix	We suggest to clearly identify which disclosure requirements of paragraph 33 are applicable to MPF schemes, ORSO schemes or both as there are ambiguities for certain requirements, such as sub-paragraphs (d), (f) and (g).
Paragraph 33(a)(ii) of the Appendix	Please change the word "trustees" to "trustee" in the first paragraph. Please add the word "constituent" in front of "fund" in the second paragraph to provide clarity.
Paragraph 33(c) of the Appendix	In accordance with Guideline II.4 issued by the MPFA and our understanding from the MPFA, we should "state <u>whether</u> there are any advertising expenses, promotional expenses or commissions or brokerage fees payable to the MPF intermediaries of the registered scheme deducted from the constituent fund during the year". As such, we recommend to revise sub-paragraph (c) to reflect such requirement of the MPFA as the current wording suggests that no disclosure is required if no such expenses are deducted from the constituent fund.
Paragraph 34 of the Appendix	The date "31 May 2001" should be revised to "31 December 2003" in order to be consistent with paragraph 2 of the Appendix.