Registrar’s Guidelines on the preparation of the Statement of the Employer’s Auditor under section 20(7A) of the Ordinance

General

1. Pursuant to subsection (7A) of section 20 of the Ordinance, the Registrar hereby issues these guidelines and the attached forms for the employer’s auditor (the auditor appointed under subsection (7B)(a) of the said section of the Ordinance by the relevant employer of a registered scheme) to discharge the duty imposed on him under the said subsection (7A).

2. The primary purpose of these guidelines is to assist the employer’s auditor to conduct his examination of the relevant records of the relevant employer and to prepare the employer’s auditor’s statement. These guidelines also apply to the relevant employer and may be of interest to the administrator and the administrator’s auditor, as they may also be involved in the exercise as well.

3. In carrying out the independent examination, the basic principles and practices prescribed by relevant pronouncements issued from time to time by the Hong Kong Institute of Certified Public Accountants should be followed.

4. These guidelines and the attached forms apply to both defined contribution schemes and defined benefit schemes. In the case of a defined benefit scheme, in carrying out the procedures on Form B in respect of contributions, the employer’s auditor should have regard to the latest actuarial report on and funding recommendations for the scheme as well as the undertaking (“the relevant undertaking”) by the relevant employer of the scheme to the administrator of the scheme to contribute to the scheme’s funds in accordance with the actuary’s recommendations.

5. The employer’s auditor’s statement should be made in the form set out in the attached Form A.

6. The employer’s auditor should request the relevant employer (with the assistance from the administrator, where necessary) to provide information as required in Form B and submit it to him (the employer’s auditor) for examination.

7. Where appropriate, the information required in Form B may be presented in a different format by agreement between the relevant employer (with the administrator’s assistance, where necessary) and the employer’s auditor.

8. There may be occasions where the administrator’s auditor, for example, having regard to section 20(3)(b)(ii)(B) of the Ordinance, may reasonably require the employer’s auditor to clarify or provide additional information to that provided in Form B (including any notes attached thereto as well as other accompanying documents). The employer’s auditor should, unless otherwise agreed with the administrator’s auditor, as soon as practicable after receipt of the request, give such explanation or provide such information to the administrator’s auditor.
9. In the case of a pooling agreement, for each of the participating schemes concerned, the respective employer’s auditor should request the relevant employer (with the assistance from the pool administrator, where necessary) to provide information as required in Form B in respect of that scheme and submit it to him (the employer’s auditor) for examination.

10. If the scheme covers 2 or more relevant employers under section 67 of the Ordinance, the employer’s auditor of each of the relevant employers should request the respective relevant employers (with the assistance from the administrator of the group scheme, where necessary) to provide information in a separate Form B and submit it to him (the employer’s auditor) for examination.

11. Where there are changes in relation to the scheme, which would affect the preparation of Form A or B, the circumstances should be disclosed by way of explanatory notes to be attached to the form(s).

Completion Instructions

Form A

12. Where the employer’s auditor expresses a qualified opinion in relation to item 2(a) and/or 2(b) of Form A, he should explain the reasons therefor.

13. Under section 20(7A)(c) of the Ordinance, where the employer’s auditor has been denied access to the employer’s books and records or has not obtained all the information and explanations necessary for his work, he should state that fact and the exact limitation on the scope of his work.

Form B

14. For the purpose of Form B, “payroll” means the salary or other remuneration based on which contributions are determined under the terms of the scheme.

15. Each payment of salaries and hence contributions should generate an entry in Part I or II of Form B, e.g. if salaries are paid monthly, there would be twelve entries in the form for a financial year of 12 months duration.

16. All contributions paid in the current financial year should be shown under Part I. The entries should be separated into two sections:

   (i) Contributions in respect of previous financial years (i.e. contributions payable brought forward from previous years and paid during the current financial year); and

   (ii) Contributions in respect of the current financial year (i.e. contributions payable and paid in the current financial year).

17. Any contribution payable in respect of the current and previous financial years that has not been paid as at the end of the current financial year should be shown under Part II. The entries should be separated into two sections:

   (i) Payable in respect of previous financial years (i.e. contributions payable brought forward from previous years and not paid as at the end of the current financial year); and
(ii) Payable in respect of the current financial year (i.e. contributions payable for the current financial year but which have not been paid as at the end of that year).

Where contributions have been paid after the current financial year end but before the completion of Form B, the date of such payment should be entered in column (9).

18. Where different contribution rates apply to different classes of members of the scheme, the contributions in respect of each class should be shown as separate entries in relevant Parts of Form B and the sub-total of such entries should also be given.

19. For Parts I and II, column (3) is obtained from the salary records, columns (4) and (6) are obtained from the terms of the scheme and columns (5) and (7) should be equal to column (3) multiplied by columns (4) and (6) respectively. Column (8) is the sum of columns (5) and (7).

20. For all contributions payable for the current financial year, irrespective of whether or not they have been paid during that year, the amounts should be entered in column (10) of Parts I and II. Total contributions payable for the current financial year should be distinguished between those paid during the current financial year (to be shown under item (a) of column (10) of Part I) and those not paid as at the end of that year (to be shown under item (b) of column (10) of Part II). Item (c) is the sum of items (a) and (b).

21. For each contribution entry in Parts I and II, there should be shown under column (2), the total number of members involved.

22. In column (9) of Parts I and II, the “Date received by administrator” should be the date on which the payment by the employer to the administrator had been received by the latter.

23. Where the “Date received by administrator” shown on Form B differs by more than 14 days from the date of payment as recorded in the employer’s records, the opinion in Form A should be qualified in this respect and details of such differences should be provided as part of Form A.

24. Any special contributions or additional voluntary contributions made by either the relevant employer or the members under the scheme should be disclosed under Parts III and IV, separated from ordinary contributions (or regular contributions, in the case of a defined benefit scheme).

25. Special contributions are contributions other than ordinary/regular contributions, paid by the relevant employer under the scheme rules. Additional voluntary contributions are the contributions, if any, (over and above the ordinary/regular contributions required from a member under the scheme rules) which a member elects to pay in order to secure additional benefits.

26. Any lump sum contributions recommended by the actuary and agreed upon by the relevant employer in the relevant undertaking should be regarded as special contributions for inclusion under Part III.

August 2013
FORM - A

Occupational Retirement Schemes Ordinance (Cap. 426)
(“the Ordinance”)

The Employer’s Auditor’s Statement to the Administrator’s Auditor under section 20(7A) of the Ordinance

Name of the Relevant Employer : ___________________________________________
(“the relevant employer”)

Name of the Occupational Retirement Scheme : ___________________________________________
(“the Scheme”)

Registration No. of the Scheme : ___________________________________________

Types of Scheme (indicate by a tick in the appropriate boxes):-

- Defined contribution ☐
- Defined benefit ☐
- Governed by trust ☐
- Subject of or regulated by insurance arrangement ☐
- Participating in a pooling agreement: Yes ☐
- No ☐

If “Yes”, name of pooling agreement: ___________________________________________

Participating in a group scheme Yes ☐
(see Paragraph 10 of Registrar’s Guidelines):
- No ☐

If “Yes”, name of representative employer: ___________________________________________

Name of employer’s auditor : ___________________________________________

Name of administrator’s auditor : ___________________________________________

Address of administrator’s auditor : ___________________________________________
I/We, ________________________________, of ____________________________, (name of employer’s auditor)

___________________________, (address of employer’s auditor)

being the employer’s auditor duly appointed under section 20(7B)(a) of the Ordinance, hereby state as follows:-

1. *I/We have completed procedures on the Statement on Details of Contributions (Form B attached) for the financial year ended ______________ in so far as they relate to the Scheme, having regard to the guidelines issued by the Registrar and in accordance with the pronouncements issued by Hong Kong Institute of Certified Public Accountants.

2. Based on these procedures in *my/our opinion:-

   (a) proper accounts and records *have/have not been kept in relation to contributions; and

   (b) the Statement on Details of Contributions is in accordance with the books and records of the relevant employer (*except as noted here-under):-

   (Signed)  
   (Name of employer’s auditor)

   _____________________________
   (Date)

   _____________________________
   (Place)

* Delete whichever is not applicable.

   (This Form and the attached Form B should be returned directly to the administrator’s auditor.)

August 2013
**FORM - B**

**STATEMENT ON DETAILS OF CONTRIBUTIONS**

Name of the Relevant Employer: ____________________________

Name of Scheme: ____________________________

Statement on details of contributions for the financial year ended ____________________________

("the current financial year")

**Ordinary/Regular Contributions**

I. Contributions paid in the current financial year (see Paragraph 16 of Registrar’s Guidelines):

<table>
<thead>
<tr>
<th>Year and Month</th>
<th>No. of members</th>
<th>Total payroll of the members on which contributions are based HK$</th>
<th>Percentage of payroll</th>
<th>Ordinary contributions from relevant employer HK$</th>
<th>Percentage of payroll</th>
<th>Ordinary contributions from members HK$</th>
<th>Total contributions paid in the current financial year HK$</th>
<th>Date received by administrator</th>
<th>Total contributions payable for the current financial year HK$</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Contributions in respect of previous financial years</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Sub-total</td>
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<td></td>
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</tr>
</tbody>
</table>

| (ii) Contributions in respect of the current financial year |
| Sub-total | | | | | | | | | |

| TOTAL | | | | | | | | |

(a)
II. Contributions payable in respect of the current and previous financial years not paid as at the end of the current financial year (see Paragraph 17 of Registrar’s Guidelines):

<table>
<thead>
<tr>
<th>Year and Month</th>
<th>No. of members</th>
<th>Total payroll of the members on which contributions are based HK$</th>
<th>Percentage of payroll</th>
<th>Amount HK$</th>
<th>Percentage of payroll</th>
<th>Amount HK$</th>
<th>Total contributions outstanding as at the end of the current financial year HK$</th>
<th>Date received by administrator (after the end of the current financial year)</th>
<th>Total contributions payable for the current financial year HK$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

(i) **Payable in respect of previous financial years**

Sub-total

<p>| | | | | |</p>
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(ii) **Payable in respect of the current financial year**

<p>| | | | | |</p>
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</table>

Sub-total

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TOTAL

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</tr>
</thead>
</table>

(c) = (a) + (b)

N/A
Other Contributions

III. Special Contributions paid by the relevant employer to the Scheme during the current financial year:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Date received by administrator</th>
</tr>
</thead>
<tbody>
<tr>
<td>HK$</td>
<td></td>
</tr>
</tbody>
</table>

IV. Additional Voluntary Contributions paid by the members of the Scheme during the current financial year:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Date received by administrator</th>
</tr>
</thead>
<tbody>
<tr>
<td>HK$</td>
<td></td>
</tr>
</tbody>
</table>

*I/We hereby confirm that the above information has been correctly compiled from the books and records maintained by me/us.

____________________________________  
(Signature)

____________________________________  
(Name of person signing)

____________________________________  
(Title or position)

____________________________________  
(Date)

* Delete whichever is not applicable.

August 2013