

Networking and Engagement

The support from our stakeholders is essential to the sustainable development of the MPF System. We collaborate with various parties to supervise the operation of MPF schemes, promote public understanding of the MPF System as well as the rights and obligations of employers and scheme members, gather views from a broad spectrum of society, gauge the needs of scheme members, and work with all parties (in particular MPF trustees) to enhance the MPF System. Our common goal is to make the MPF System work better as an important pillar in Hong Kong's retirement protection framework.

MPFA's Network Context



MPF TRUSTEES



We maintain a regular dialogue with MPF trustees on MPF-related issues and work closely with them to pursue initiatives to enhance the MPF System.

The Trustees Operations Liaison Group ("TOLG"), comprising representatives from trustees and MPFA, met two times during the year to discuss developments of the MPF System, MPF scheme operation, compliance issues and the development of information systems. Focused discussions on cybersecurity were also held.

The Information Technology Projects Advisory Committee under TOLG met two times during the year to discuss system project plans, application system interfaces, technical infrastructure and ePASS disaster recovery testing arrangement.

A working group was formed with trustees and met five times during the year to discuss and resolve the operational issues relating to the implementation of the DIS.

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The Managing Director of MPFA meets regularly with the chief executive officers (“CEO”) of MPF trustees to share updates on the development of the MPF System, brief them on the focus of MPFA’s work, and exchange views with them on MPF-related issues. We started CEO roundtables during the year to exchange views on matters relating to governance and risk management.

The supervision team also holds meetings with the senior management of trustees regularly. The meetings allow MPFA to assess how the trustee controls its operations and views its business prospects, and to discuss supervisory concerns arising from off-site review, on-site inspection and other sources. During the year, we held 14 regular prudential meetings with individual trustees.

Through the Education Liaison Group, trustees join hands with MPFA on initiatives to promote the MPF System and provide MPF investment education to scheme members.

OTHER REGULATORS



We maintain a close dialogue with HKMA and SFC in respect of their supervision of MPF custodians and MPF investment managers and exchange views with them on regulation of MPF products, fund operation issues and the conduct of MPF investment managers from time to time.

Apart from half-yearly meetings, we maintain a close dialogue with the IA in regulating financial groups with both MPF scheme operators and insurance entities, and on matters related to MPF investment funds in form of insurance policies providing retirement-related benefits (i.e. insurance policy APIFs).

In respect of regulation of MPF intermediaries, we convened three meetings of the MPF Intermediaries Regulation Committee in 2016-17 with the frontline regulators (i.e. Monetary Authority, SFC and IA) to exchange views on supervisory and enforcement issues. Three meetings were held during the year with the IA for mutual progress updates in relation to complaints handled by MPFA, cases referred by MPFA to it for investigation, and supervisory work conducted by it.

THE HKSAR GOVERNMENT

GovHK

The MPFA communicates regularly with relevant Government bureaux and departments and collaborates with them in overseeing compliance with the legislation and seeking improvements to the MPF System. These include regular liaison with the Financial Services and the Treasury Bureau, cooperation with the Department of Justice on preparation of legislative proposals and prosecution cases, liaison with the Hong Kong Police on enforcement issues, and joint inspection exercises and coordination of complaint cases with the Labour Department.

LEGISLATIVE COUNCIL AND DISTRICT COUNCILS



Representatives of MPFA participate in meetings of relevant panels/committees of the Legislative Council and District Councils to explain legislative proposals or developments of the MPF System. Monthly reports on the operation of the MPF System are submitted to the Legislative Council Panel on Manpower.

Apart from regular liaison with the offices of Legislative Councillors, a round of meetings was held in December 2016 and January 2017 for MPFA’s senior management to update new and re-elected legislators on the latest developments of the MPF System. A briefing session was also conducted for their assistants and researchers.

Briefings were held for all 18 District Councils from October 2016 to March 2017 on the implementation details of the DIS and its impact on scheme members. District Councillors were also invited to join hands with MPFA to disseminate DIS messages by holding DIS talks in collaboration with MPFA at the district level.

LABOUR UNIONS AND EMPLOYER ASSOCIATIONS



The MPFA closely engages different labour unions and employer associations on various MPF issues. In the year, we sponsored over a dozen activities organized by labour unions at which MPF-related messages were disseminated to some 4 000 union members.

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We collaborated with labour unions and employer associations of the construction and catering industries, organized and participated in about 30 outreach activities with a view to promoting the MPF System and the Industry Schemes.

We also consulted major business and employer bodies on relevant legislative amendments that might have an impact on employers.

As a whole, a total of about 150 briefings and talks were delivered to different stakeholders over the year, attracting a total audience of 5 000. While various MPF topics were included in the talks, the DIS was invariably among the main ones.



▲ Reaching out to construction employees



▲ Members of professional bodies provide free one-on-one consultation service to MPF scheme members

PROFESSIONAL BODIES

A number of professional bodies, including those of the legal and accounting professions, are represented on MPFA's Guidelines Committee to advise on the preparation of guidelines relating to the operation of the MPF System. Members of the Institute of Financial Planners of Hong Kong participate in our education programmes from time to time to offer free and independent advice to participants.

In 2016-17, we for the first time engaged the Hong Kong Society of Financial Analysts ("HK SFA") in a seminar jointly organized by MPFA and a local university. Apart from having a representative speaking at the seminar, the HK SFA also engaged volunteers to provide free one-on-one consultation service to Friends of MPF¹ on management of their MPF accounts and investment.

¹ "Friends of MPF" is a programme under which communication with stakeholders and their understanding of MPF are enhanced through the quarterly publication "MPFA Newsletter" and activities arranged for members of the programme.

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THE MEDIA



The MPFA works closely with the media to disseminate MPF messages to the general public. During the year, press conferences and briefings were held, including sessions on the preparation for and implementation details of the DIS. Workshops on specific topics were organized for frontline reporters while interviews with MPFA Chairman and directors were arranged.



▲ Press briefing on MPFA's submission to the Commission on Poverty on its public consultation on retirement protection

Notably, MPFA held a press conference on its submission to the Commission on Poverty on the public consultation on retirement protection and another on the release of the research report *Fees and Expenses of MPF Funds: An Overview of the Fund Expense Ratio and Its Trends*. Both events attracted extensive media coverage and helped the public gain a better understanding of the MPF System.

The MPFA also contributed articles to an array of publications on various MPF topics.



▲ Press conference on MPFA's report of Fees and Expenses of MPF Funds: An Overview of the Fund Expense Ratio and Its Trends

GENERAL PUBLIC



Members of the public are provided with information about MPF through various channels, including the media, MPFA's website and mobile applications, online social media platforms, seminars and talks, roving exhibitions, education programmes and publicity campaigns.

Services to the public are provided via a hotline, enquiry counters in MPFA's offices and MPFA's website. Through these channels, we listen to the views of the general public, answer enquiries and handle complaints. Statistics on the enquiries and complaints handled in 2016-17 are on pages 141 to 142.



▲ Infographic videos developed and released on various online social media platforms

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SCHEME MEMBERS



We pursue programmes to maintain communication with MPF scheme members, help them understand their rights and obligations under the MPF System, get to know their retirement needs, and learn how to manage their retirement and MPF investment.

In 2016-17, various public education programmes on retirement investment and retirement planning were rolled out to complement the launch of the DIS, including videos, advertisements, advertorials presented in the form of case study analyses by a Certified Financial Planner (“CFP”), publication, comic strips featuring popular local illustrators and public seminar. These reinforce scheme members’ understanding of the principles of

MPF investment and retirement planning, educate them on the importance of early planning for retirement, and draw their attention to the fact that retirement investment should de-risk with age.

Meanwhile, 15 sessions of a retirement planning workshop were organized at the workplaces of individual companies to directly engage “keen-to-know” scheme members, providing them with practical tips on retirement planning and MPF investment. In the workshop, a CFP explained to participants the factors to consider when doing retirement planning, and introduced the MPFA retirement planning mobile application “樂享退休GPS” as well as some useful tools available on MPFA’s website.



▲ Advertorials in the form of case study analyses by a Certified Financial Planner



▲ Investment education video “MPFA TV”



▲ Five Keys to Retirement Investment booklet helps scheme members develop good retirement saving plans

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PROSPECTIVE SCHEME MEMBERS



To enhance prospective scheme members' understanding of the MPF System and MPF investment as well as the concept of retirement investment, educational activities and school-based programmes are organized for students of different ages and parents of younger students. Online social media platforms, very popular among many young people, are widely used.

New initiatives in 2016-17 include:



Financial planning-cum-MPF workshops for tertiary students hosted by an expert in financial education;



A series of short videos, interactive games and crossover programmes featuring popular illustrators/ key opinion leaders launched on the Facebook fan page "Rolling My Money" to motivate young people to get to know the importance of financial management, and learn more about the MPF System and MPF investment. The programmes adopt a lively approach in line with the young generation's lifestyle and interests; and



A series of on-campus activities at local tertiary institutions to disseminate messages about the MPF System and MPF investment to tertiary students who would shortly enter the workforce or who currently had part-time jobs. The activities included interactive virtual reality and interactive games.



▲ Financial planning-cum-MPF workshop for tertiary students



◆ On-campus activities at local tertiary institutions



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EMPLOYERS



In addition to passing MPF information to employers through employer associations, we organize seminars for new employers, advising them on their MPF obligations as employers and offering tips on the handling of MPF administration work.

The annual Good MPF Employer Award gives recognition to employers who are compliant with the MPF legislation and provide additional retirement benefits to their employees beyond the statutory requirements. A total of 849 employers received the 2015-16 Award, representing an increase of nearly 30% compared to the year before when the Award was first organized. Among them, 543 employers received the Award for two years in a row.



▲ The Good MPF Employer Award presentation ceremony

OVERSEAS AUTHORITIES/ ORGANIZATIONS



International Organisation of Pension Supervisors ("IOPS")

The MPFA is a member of the IOPS, an international standard-setting body for pension supervisory issues with an aim to improve the supervision of private pensions systems around the world. Our Chief Regulation & Policy Officer, Mr Darren McShane, chaired its Technical Committee from June 2014 to March 2017.

We take part in the development of global thinking on private pensions through exchange of experience with IOPS members from over 70 countries and territories and engaging in the drafting of working papers relating to pension regulation and supervision for IOPS. The insights gained further assist us in ongoing reforms of the MPF System.

The IOPS Technical Committee held three meetings in 2016-17, one of which was held in Hong Kong together with the IOPS Annual General Meeting and back-to-back with the OECD/IOPS Global Forum on Private Pensions.

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OECD/IOPS Global Forum on Private Pensions

On 9-10 November 2016, MPFA co-hosted with the OECD and IOPS the OECD/IOPS Global Forum on Private Pensions, a major annual event of IOPS, in Hong Kong for the first time, in commemoration of the 15th anniversary of the MPF System.

Over 200 representatives from pension supervisors of 44 jurisdictions and the local MPF and pension fund industries attended the event. The participants discussed cutting-edge issues facing private pensions systems around the world and exchanged views on how to address them and how to manage and react to the evolution of these systems.

The forum covered major developments in Hong Kong's retirement savings systems, current trends in other Asian and global pension systems, the challenges of rationalizing the costs of private pension arrangements, and the interaction between private and public pensions in some countries.



“Our multi-pillar retirement protection system is built upon the key principle that caring for the elderly is a responsibility to be shared by individuals, families and the community. For our system to be sustainable in the long run, it should continue to encourage private savings among those able and willing to work so that public resources can be targeted to those in need. The Government should play a crucial role in making each of the pillars, namely the social security pillar, the in-kind support pillar, the voluntary savings pillar and the MPF pillar, work better.”

– Mrs Carrie Lam, then Chief Secretary for Administration, HKSAR Government

“The issue of pensions and retirement savings is a crucially important one all around the world. The Forum confronts many aspects of a broad challenge that all jurisdictions represented here have to grapple with – how to provide income security for the elderly in an increasingly ageing world.”

– Dr David Wong, Chairman, MPFA



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Participating in international conferences and meetings

Our executives take opportunities to participate in international conferences and meetings to establish a close rapport and exchange information with local and global professionals.

April 2016

Asia Pacific Pension Forum

(by Association of Superannuation Funds of Australia and Hong Kong Retirement Schemes Association)
(in Hong Kong)

- Chairman spoke on “MPF is an Integral Part of Hong Kong’s Retirement Protection”
- Chief Regulation & Policy Officer was the panellist at a discussion session on MPF

June 2016

Roundtable on Insurance and Retirement Saving

(by OECD, Asian Development Bank Institute)
(in Tokyo, Japan)

- Chief Regulation & Policy Officer spoke on “Different approaches to design a balanced public and private retirement provision”

July 2016

MPF Forum: Marching Ahead for Default Investment Strategy

(by Gain Miles)
(in Hong Kong)

- Chief Corporate Affairs Officer spoke on “New milestone in the MPF System – DIS”

Seminar on the MPF System

(by Fundo de Segurança Social of Macao SAR Government)
(in Macao)

- Our representative talked about the developments and challenges of the MPF System, and its role in the retirement protection system in Hong Kong

September 2016

Hong Kong Pension Actuary Symposium

(by Actuarial Society of Hong Kong)
(in Hong Kong)

- Chief Regulation & Policy Officer spoke on “How the new DIS will change the retirement savings landscape”

Global Pension and Savings Conference

(by World Bank)
(in Washington, DC, USA)

- Chief Corporate Affairs Officer and Head (Enforcement) attended

November 2016

HR Conference

(by Classified Post)
(in Hong Kong)

- Chief Corporate Affairs Officer spoke on “Evolution of the MPF System – DIS”

Annual Meeting of the Global Future Councils

(by World Economic Forum)
(in Dubai, United Arab Emirates)

- Chief Operating Officer attended

Seminar on Investment Funds

(by Hong Kong Institute of Certified Public Accountants)
(in Hong Kong)

- Head (Trustees Supervision) spoke on “The implementation of DIS and the role of the auditing profession”

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Receiving visitors

We receive visitors from overseas and the Mainland, briefing them on the key features and latest developments of the MPF System as well as the roles of MPFA. We also exchange views and share regulatory experience with them, thereby promoting understanding of the MPF System and enhancing the image of the System and MPFA internationally.

Visitors in 2016-17 include:

11 April 2016	Mr Ruslan Yerdenayev of Unified Accumulative Pension Fund, The Republic of Kazakhstan	
27 June 2016	A delegation from Association of Provident Funds, Thailand	
27 June 2016	A delegation from International Centre of Social Security Studies at Chinese Academy of Social Sciences	
28 June 2016	A delegation from Institute for Social Security Research, Ministry of Human Resources and Social Security, the Mainland	
7 July 2016	A delegation from the State Administration of Foreign Experts Affairs of Qinghai Province, the Mainland	
7 November 2016	A delegation from Retirement Protection Section, Shenzhen Social Insurance Fund Office, the Mainland	
11 November 2016	IOPS members	
22 November 2016	Mr Thierry de Longuemar and Mr Edward Cheng of Asian Infrastructure Investment Bank	
30 November 2016	A delegation from China Insurance Regulatory Commission	
20 January 2017	A delegation from China Securities Regulatory Commission	