

# eMPF PLATFORM PROJECT

## OBJECTIVE

The Government and MPFA are building a digital eMPF Platform which will streamline MPF scheme administration, enhance user experience, improve efficiency and reduce the overall costs of the MPF System. The eMPF Platform project represents the most sweeping reform of the MPF System to date. It is expected to forge a new landscape for the MPF ecosystem, deepen market competition, pave way for future reforms and ultimately bring about a better user experience with lower administration costs for the benefit of scheme members.

Currently, the administration of MPF schemes operates under a highly decentralized landscape, i.e. 4.6 million scheme members with about 10 million

accounts under 27 MPF schemes administered by 13 trustees involving 13 scheme administration platforms with different standards. The multiple business models, data standards, process designs, high volume of paper-based transactions and administration system infrastructure make it difficult to achieve standardization and economies of scale. The eMPF Platform is introduced to re-shape the current MPF scheme administration ecosystem and re-engineer the processes and operations through innovative solutions. Enabling full digitalization and straight-through processing for MPF scheme administration processes, the eMPF Platform will bring a faster, simpler, better and more economical MPF service to all parties involved.

## Benefits of the eMPF Platform



### Faster

- Instant notification
- Shorter processing time
- Speedier transactions



### Simpler

- Standardized single log-on for all accounts
- Easy consolidation of personal accounts
- Easier management of accounts



### Better

- 24/7 payment systems for making contributions
- One-stop overview of all MPF investments
- Reduce risk of administrative errors caused by paper transactions



### More Economical

- Reduce MPF management fees
- Enhance market openness and competition
- Greener administration process

## eMPF Platform Project

### LATEST PROGRESS

#### Project Implementation

MPFA and its wholly-owned subsidiary, eMPF Platform Company Limited (Company), have been closely supervising the contractor's work in developing the eMPF Platform. There are three main categories of work to be delivered by the contractor:

Category A Software	Category B Hardware	Category C Operation and Service
<ul style="list-style-type: none"> <li>Collection of functional and technical requirements, system analysis and design, and various system development and testing</li> </ul>	<ul style="list-style-type: none"> <li>Setting up and maintenance of both the production and backup data centres for the eMPF Cloud</li> </ul>	<ul style="list-style-type: none"> <li>Design and operation of the operation sites including back-end administration offices and frontline service centres which provide on-site services to users</li> </ul>

In 2021–22, apart from setting up the production and backup data centres, the contractor completed the collection of functional and technical requirements as well as system analysis and design for the eMPF Platform.

Development and programming is underway. Our target is to complete the development of the eMPF Platform by end 2022 at the earliest, with a view to enabling MPF trustees to migrate account information of their MPF schemes to the eMPF Platform in a sequential and orderly manner upon completion of system testing and relevant preparatory work starting from around Q2 2023, thereby making the eMPF Platform fully operational in 2025.



Mr John Wan (far left), General Manager (eMPF), shares progress of the eMPF Platform project in a conference

## eMPF Platform Project

### Preparation for Onboarding

The transition of all MPF schemes to the eMPF Platform will involve data migration of some 10 million MPF accounts under 27 schemes managed by 13 trustees using different scheme administration systems, without affecting the day-to-day live administration of the schemes. The entire transitional period for all schemes is expected to take around two years.

The contractor has started discussion with trustees on the data migration plans for MPF schemes under their respective trusteeship.

A number of dedicated teams have been set up at MPFA to assess trustees' preparatory work for onboarding and supervise the onboarding progress of

each trustee. Trustees' preparation will be assessed on the basis of technical milestones set out in individual trustees' migration plans as well as requirements on governance, resources plan and incident management.



MPFA has frequent meetings with trustees on the eMPF Platform project

### Legislative Amendments

The MPF Schemes (Amendment) Bill 2021 was passed by the Legislative Council (LegCo) on 22 October 2021 and the MPF Schemes (Amendment) Ordinance 2021 (Amendment Ordinance 2021) was gazetted on 29 October 2021.

#### Key Objectives of the Amendment Ordinance 2021

- |   |  |  |
|---|--|--|
| <ul style="list-style-type: none"> <li>To provide legal basis for the designation of eMPF Platform as the common gateway for MPF scheme administration processes and mandatory use by trustees</li> </ul> | <ul style="list-style-type: none"> <li>To delineate the roles, functions, powers and responsibilities of the Government, MPFA, the Company and trustees</li> </ul> | <ul style="list-style-type: none"> <li>To ensure “straight pass-on” of cost savings to scheme members and reduction of overall topline fees going forward</li> </ul> |
| <ul style="list-style-type: none"> <li>To reflect streamlined workflow and reduced compliance burden on trustees</li> </ul>   | <ul style="list-style-type: none"> <li>To make miscellaneous and technical amendments</li> </ul>   |  |

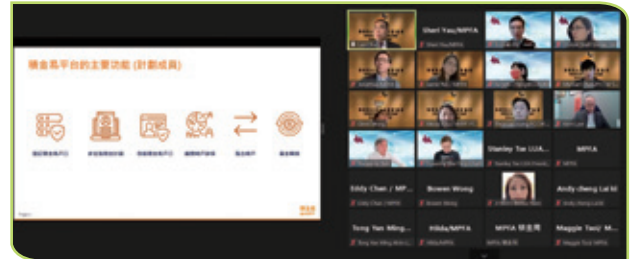
The Amendment Ordinance 2021 has empowered the Secretary for Financial Services and the Treasury to publish notices in the Gazette for (i) designating the eMPF Platform to provide services and facilities to facilitate MPF trustees in performing their scheme administration functions; (ii) specifying the dates on which an existing MPF scheme must begin to use the

eMPF Platform; and (iii) in this connection specifying the dates for the application of statutory provisions in relation to regulation of fees on constituent funds of the MPF scheme. MPFA has been working closely with the Government on the preparatory work for the publication of these notices, which will be subsidiary legislation subject to negative vetting by LegCo.

## eMPF Platform Project

### Stakeholders Consultation Exercise

With a view to perfecting the front-end portal design of the eMPF Platform before the development work is finalized as well as garnering wider public support for the eMPF Platform project, MPFA started a large-scale Stakeholders Consultation Exercise (SCE) in December 2021. Consultation targets are stakeholders along the MPF value chain, including employees, employers, human resources practitioners, self-employed persons, intermediaries, LegCo Members, political parties and the media. The views and comments collected will be assessed by the Company and the contractor for adoption in the finalized front-end portal where appropriate. The SCE is expected to last until mid-2022.



Consultation sessions are held, both virtually and physically