

eMPF Platform Project



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I'm proud to be a member of the eMPF Project Oversight Team. We play an active role in overseeing and monitoring the contractors and trustees, and have made determined efforts overcoming challenges to ensure that the onboarding of MPF schemes to the eMPF Platform will start in June 2024.

Objective

The eMPF Platform project remains the top priority of MPFA. It is the most important reform since the establishment of the MPF regime, with aims to standardize, streamline and automate the administration processes of all MPF schemes.

Currently, the administration of MPF schemes operates under a highly decentralized landscape. Over 4.7 million scheme members with over 11 million accounts and about 360 000 employers are scattered across 24 MPF schemes administered by 12 trustees without a standardized administration platform. The diversified business models and

system infrastructure and high volume of paper-based transactions make it difficult to achieve standardization and economies of scale.

MPFA has set up a wholly-owned subsidiary, eMPF Platform Company Limited (eMPF Company), to design, build and operate the eMPF Platform. The eMPF Platform project (Project) took off with the engagement of the core contractor, PCCW Solutions Limited, in January 2021. The eMPF Platform will centralize the current MPF scheme administration, reshape the pertinent ecosystem, and re-engineer the processes and operations through innovative solutions.



Benefits to Different Stakeholders

Scheme Members

- One-stop handling of all accounts
- Operate anytime, anywhere
- Real-time viewing of all accounts
- Create room for fee reduction¹

Employers and Self-Employed Persons

- One-stop for enrolment and contributions
- Automate calculation of contributions and contribution date reminder
- Operate anytime, anywhere
- Reduce paper work and human errors

MPF Trustees

- Standardize, streamline and automate scheme administration
- Reduce administrative burden and associated compliance burden and costs
- To focus on investment performance and add value to the savings of scheme members

MPFA

- Improve efficiency and reliability of the MPF System
- Facilitate supervision of trustees and protection of scheme members' interests
- Pave way for future reform initiatives

¹ The MPF legislation requires that after MPF schemes get onboard the eMPF Platform, the administration fee to be charged by trustees on scheme members must not exceed the eMPF Platform fee payable by trustees to the system operator, such that the cost savings for scheme administration can be passed on to scheme members in full, and the overall fund expense ratio of MPF funds must fully reflect the cost savings to ensure that there is corresponding reduction in the overall fee level.

Latest Progress

Project Implementation

MPFA and eMPF Company have been making best efforts to drive the delivery of a robust, reliable, secure and user-friendly system by the core contractor. There are three main categories of work to be delivered by the core contractor:

Category A Software	Category B Hardware	Category C Operation and Service
<ul style="list-style-type: none"> Collection of functional and technical requirements, system analysis and design, and various system development and testing 	<ul style="list-style-type: none"> Setting up and maintenance of the digital infrastructure, including both the production and backup data centres for the eMPF Platform 	<ul style="list-style-type: none"> Design and operation of the system including contact centres, back-end administration offices and frontline service to users (e.g. service centres, hotline service, and outreach service)

In 2023–24, development of functional modules (e.g. enrolment, employers' contribution, fund switching and withdrawal) and testing of individual modules under Category A were ready for commencement of onboarding of MPF schemes and system operation. To ensure a fully functional eMPF Platform, eMPF Company and the core contractor conducted a series of testing on various fronts, including system integration, security, resilience, load, user acceptance, external integration and privacy.

A security risk assessment and audit, as well as a privacy impact assessment, conducted by an independent auditor was completed. In addition, eMPF Company engaged an independent consultant to conduct an external assessment on the eMPF Platform to provide additional and objective assurance on system readiness for the commencement of onboarding and system operation. Final results from the independent assessment confirmed such readiness.

Set-up of the major digital infrastructure including the data centres under Category B supporting the eMPF Platform was completed. For Category C, contact centres, service centres and administration offices are gradually commencing operation to support the launch of the eMPF Platform.

The eMPF Platform has commenced phased onboarding and system operation. MPFA and eMPF Company will continue to work with the core contractor to roll out awareness and marketing campaigns, user-level communication and education programmes, training as well as engagement and collaboration with key stakeholders to promote the eMPF Platform and boost the uptake by MPF scheme members and employers.

Preparation for Onboarding

The transition of all MPF schemes to the eMPF Platform will involve data migration of over 11 million MPF accounts under 24 schemes managed by 12 trustees, currently using different scheme administration systems, without affecting the day-to-day live administration of the schemes. An onboarding sequence of MPF schemes to the eMPF Platform has been set. To ensure a smooth and seamless transition, MPF schemes are getting onboard the eMPF Platform in ascending order of size of MPF asset-under-management of each trustee. The process of onboarding of MPF schemes one by one has begun in June 2024 and the entire process is expected to be completed by end 2025.

eMPF Company and the core contractor collaborate with trustees to conduct comprehensive tests and data verification to ensure MPF accounts are accurately migrated to the eMPF Platform. MPFA actively monitors trustees' onboarding preparatory actions to ensure that onboarding is conducted in a timely and orderly manner. A number of dedicated teams have been set up to assess trustees' preparatory work and supervise the onboarding progress of each trustee. All 12 trustees commenced the preparation work for onboarding with positive progress made in 2023–24. On-site inspections were conducted at the workplaces of the first five trustees during the fourth quarter of 2023 in order to review their preparation work for onboarding and assess their readiness. They were required to ensure that any issues identified from the inspections would be properly remediated prior to data migration. Some high-level observations of the five trustees were shared with other trustees for their better preparation.

MPFA has issued a written notice to all trustees requiring them to put in place an effective contingency plan and a business continuity plan to tackle any unexpected circumstances for onboarding and post-onboarding operations respectively. MPFA has reviewed the plans and provided comments to help trustees improve their plans.

Development of Regulatory Oversight Framework

MPFA is empowered by the Mandatory Provident Fund Schemes Ordinance (MPFSO) to oversee the operation of the eMPF Platform, including giving eMPF Company directions or instructions that MPFA considers appropriate for safeguarding the integrity and stability of the eMPF Platform.

In this connection, MPFA has formulated a Regulatory Oversight Framework for the purpose of articulating the regulatory oversight requirements and providing guidance to eMPF Company regarding its duties and obligations under section 19K of the MPFSO. The Regulatory Oversight Framework covers areas including the governance of eMPF

Company, system safety, operational efficiency, compliance with the operating rules as well as the processes and approaches that MPFA would follow in overseeing the eMPF Platform.

The Regulatory Oversight Framework became effective on the date that the designation of the eMPF Platform according to section 19K(1) of the MPFSO took effect. MPFA will implement oversight activities including on-site inspection and off-site monitoring on operations of the eMPF Platform to ascertain compliance with regulatory oversight requirements and compliance with the operating rules.



The management of MPFA, eMPF Company and representative of the eMPF Platform contractor meet with the Chief Executive Officers of MPF trustees

Preparation of Legal Notices

The respective onboarding date of each scheme is to be published in the Gazette of the HKSAR Government by way of legal notice. The respective date for application of statutory provisions in relation to regulation of administration fees after onboarding is to be similarly published.

MPFA has been working closely with the Government on the preparatory work for the publication of these notices in batches, which will be subject to negative vetting by the Legislative Council (LegCo).

The first and second batches of legal notices with relevant onboarding dates² of the first five trustees were published in the Gazette on 19 April 2024 and 24 May 2024 respectively.

2 The onboarding dates of the first five trustees are as follows:

- YF Life Trustees Limited: 26 June 2024
- China Life Trustees Limited: 29 July 2024
- Bank of Communications Trustee Limited: 3 September 2024
- Standard Chartered Trustee (Hong Kong) Limited: 2 October 2024
- Bank of East Asia (Trustees) Limited: 29 October 2024 (for BEA (MPF) Value Scheme only)

Stakeholder Engagement Exercise and Trial Use Sessions

To promote awareness of the eMPF Platform and secure buy-in, a Stakeholder Engagement Exercise (SEE) commenced in April 2023. As part of the SEE, over 170 talks, seminars, exchange sessions and public speaking engagements have been conducted to update different stakeholder groups, including employees, employers, human resources practitioners, non-government organizations, MPF intermediaries, and industry bodies on the latest development of the eMPF Platform and to highlight the benefits that it will bring to different stakeholders.

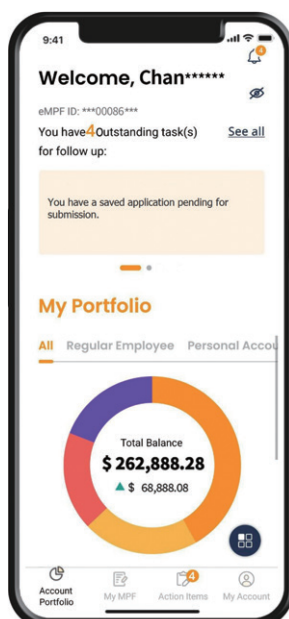
In anticipation of the commencement of the phased onboarding, a series of trial use sessions (TUS) was arranged starting March 2024 for a vast array of stakeholders so that they could advise on their user interface and user experience of the eMPF Platform. Among others, a series of TUS was arranged for over 40 LegCo Members and their assistants. Dedicated sessions were also arranged for the Secretary for Financial Services and the Treasury and Permanent Secretary for Financial Services and the Treasury. TUS for other stakeholders were also arranged. The feedback collected would be assessed by the project team for continuous enhancement of the eMPF Platform.



Sharing on eMPF Platform at a seminar organized by an industry body



Briefing on the eMPF Platform for HR practitioners



To cater for the needs of less tech-savvy users, MPFA has drawn up a plan to conduct briefings for key personnel and executives of stakeholder groups serving the grassroots/frontline scheme members and employers of micro, small and medium-sized enterprises. Members of these stakeholder groups will be encouraged to register with the eMPF Platform through on-site support services by the project team and make use of the eMPF Platform.

Meanwhile, recognizing the operational needs of human resources practitioners and administrative personnel, MPFA has steered the core contractor to engage a professional training organization to arrange free training courses for them. The relevant training courses will be conducted throughout the onboarding journey.



A series of trial use sessions for the Secretary for Financial Services and the Treasury Mr Christopher Hui (above), LegCo Members and their assistants

