MANDATORY PROVIDENT FUND SCHEMES AUTHORITY (MPFA) – CORPORATE PLAN 2025-26 (SUMMARY)

INTRODUCTION

The Corporate Plan of MPFA outlines the objectives and major activities that MPFA will focus on for the financial year 2025-26. The planning process involves a broadly participative approach. The management team converges and plans prospectively for MPFA's activities in the financial year concerned, with guidance from MPFA's Management Board and advice from the Mandatory Provident Fund (MPF) Schemes Advisory Committee.

The Corporate Plan for the financial year 2025-26 covers 20 action points and 44 programmes in five areas of work.

(A) – eMPF PLATFORM OPERATION OVERSIGHT

What we aim to achieve

- Reliable operation of the eMPF Platform (eMPF / Platform) post-launch, ensuring system quality, robustness, security, and user-friendliness
- eMPF as the most popular retirement management tool

(1) eMPF oversight

- Oversee and ensure the overall operation of the Platform
- Provide directives and steer relating to management of the Core Contractor[1] in delivering remaining system functions of the Platform
- Oversee and ensure eMPF Platform Company Limited (eMPF Company)[2]'s management of key risk areas of Platform operation
- Provide guidance to eMPF Company in its review of feedback and comments on Platform operation and functionality for continuous enhancement

(2) Legislation and regulatory framework

- Support the preparation of legal notices[3] in relation to the Platform
- Amend relevant MPF guidelines for full operation of the Platform

(3) MPF Trustee onboarding

- Supervise MPF trustees (trustees)' implementation of onboarding preparation plans and readiness of their preparatory work
- Review and ensure smooth post-onboarding operations of trustees and their interface with the Platform

(4) Exercise regulatory oversight of the Platform

- Ensure compliance of the Platform with regulatory oversight requirements[4] and Operating Rules[5]

(5) Publicity and engagement

- Promote the features, benefits and onboarding arrangement of the Platform to the community to facilitate Platform uptake and usage

1. The Core Contractor for designing, building and operating the eMPF is PCCW Solutions Limited
2. eMPF Company is a wholly-owned subsidiary of MPFA established to take forward the eMPF project
3. Legal notices regarding (i) mandatory use of the Platform for schemes scheduled to get onboard (ii) commencement of fee control on funds under schemes which have got onboard; and (iii) commencement of remaining provisions of the Mandatory Provident Fund Schemes (Amendment) Ordinance 2021 for the full implementation of the Platform
4. MPFA's framework for regulatory oversight sets out the principle-based requirements to oversee the operation of the Platform to safeguard the integrity and stability of the system
5. The Operating Rules govern the administration, operation and suspension of the Platform

(B) – FURTHERING MPF SCHEME MEMBERS’ INTERESTS

What we aim to achieve

- Lower fees
- Better fund performance potential
- Better value for money
- Adequate basic savings for retirement

(6) Fees and performance

- Ensure trustees’ compliance with the requirements of “straight pass-on” of cost savings and corresponding fee reduction[6] after onboarding the Platform
- Require trustees to review other fee components, such as investment management fee and sponsor fee, to identify room for further fee reduction and heighten their five-year fee reduction plan
- Further “value-for-money” assessment in supervision and study on relevant regulatory powers taking into account international experience

(7) Improve products and choice

- Review continually the current framework of permissible investments for MPF purposes with a view to proposing amendments to provide better performance potential and diversification of risks to MPF scheme members (scheme members / members)
- Conduct a holistic review of the default investment strategy (DIS) to better meet the needs of scheme members
- Develop implementation details of full portability of MPF benefits and support the legislative amendment process

(8) Other measures to enhance adequacy of retirement savings

- Review the minimum and maximum relevant income levels of MPF contributions in accordance with the statutory review mechanism
- Render support to the Government in the development of the necessary details regarding the initiative of paying MPF contributions for low-income persons, taking into account the Government’s way forward upon completion of a consultancy study

(9) Member protection / enforcement

- Support the preparatory work for legislative amendments proposed to enhance MPFA’s enforcement tools and powers for better ensuring compliance of trustees and MPF intermediaries (intermediaries)
- Support the preparatory work for legislative amendments proposed for enhancing scheme member protection in relation to default contributions by employers

(C) – SUPPORT FOR INDUSTRY DEVELOPMENT

What we aim to achieve

- Help the industry keep pace with new developments, leverage new technologies and better cater for the needs of scheme members

(10) Facilitate new developments in the industry

- Collaborate with the Government and other financial regulators to develop green and sustainable finance market in Hong Kong, while supporting and aligning relevant actions and policies, so as to benefit scheme members
- Promote the responsible use of innovation and technology by trustees and intermediaries

(11) Raise standards amongst trustees and intermediaries

- Maintain regular dialogues with trustees and intermediaries on regulatory and operational issues
- Provide training for the MPF industry

6. The MPF legislation requires that after MPF schemes get onboard the Platform, the administration fee to be charged by trustees on scheme members must not exceed the 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

(D) – EDUCATION, PROMOTION AND ENGAGEMENT

What we aim to achieve

- Build the image of MPF and MPFA as trusted companions in retirement protection

(12) Educate scheme members, prospective scheme members and employers on the MPF System and eMPF

- Promote MPF rights and responsibilities to existing and prospective scheme members and employers
- Roll out member education programmes on how to manage MPF investment and the benefits of planning early for retirement protection, and adopt artificial intelligence (AI) for online public education
- Step up the promotion of DIS
- Publicize new developments in relation to the MPF System

(13) Enhance stakeholders engagement

- Step up efforts to reach out to various stakeholders, especially grassroots employees, to promote latest MPF initiatives and eMPF and listen to their views
- Promote the core values, key features and latest development of the MPF System and eMPF to the general public through various channels, including traditional media, online and social media platforms
- Continue to give suitable recognition to employers, encouraging them to provide their employees with extra retirement protection

(14) Promote the merits of the MPF System and eMPF, and enhance connection with other pension regulators through high level official engagements at international, regional, national and local levels

- Continue to contribute to the work and events of the International Organisation of Pension Supervisors (IOPS) and its committees
- Identify opportunities for MPFA management to speak at or participate in international/regional/Mainland pension-related events with a view to enhancing exposure and image of MPFA and eMPF outside Hong Kong
- Arrange engagement activities/meetings with overseas and Mainland delegations and visits outside Hong Kong to international/regional/Mainland regulatory counterparts and stakeholders
- Plan for co-hosting of OECD/IOPS Global Forum on Private Pensions, IOPS annual general meeting and committee meetings in Q4 2026

(15) 25th anniversary of MPF[7]

- Design logo and tagline, as well as prepare write-ups, etc., for 25th anniversary of MPF System
- Riding on the 25th anniversary of the setting up of MPF System as well as onboarding of all trustees to the Platform by end 2025, review the image of MPFA to ensure it remains vibrant in the digital era

7. The MPF System was set up on 1 December 2000

(E) – ORGANIZATION EFFICIENCY, EFFECTIVENESS AND SUSTAINABILITY

What we aim to achieve

- Prepare the organization for the future
- Right work mode with right resources allocated

(16) Pursue digitalization and enhance efficiency

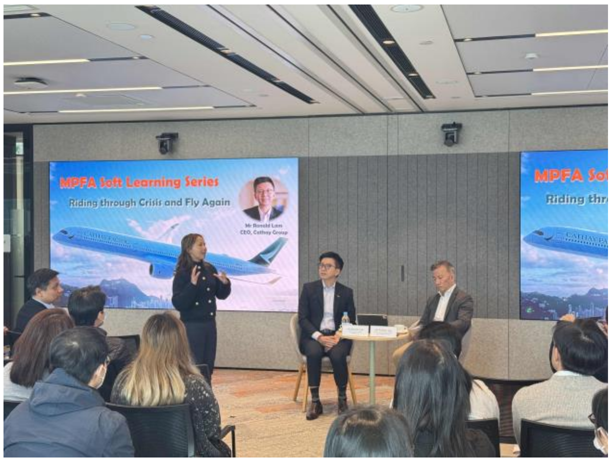
- Complete enhancements to MPFA's information systems and business processes to interface with the Platform and to ensure effective operation after onboarding of all trustees to the Platform
- Continue to implement initiatives to streamline operations, re-engineer processes and digitalize daily operations (by enhancing existing systems, developing new systems and leveraging AI technologies)
- Develop a corporate digitalization strategy with a clear roadmap

(17) Enhance risk management framework

- Implement enhancements to MPFA's risk management framework to align with the evolving business landscape and the operation of eMPF

(18) Workforce agility and capacity building

- Enhance organizational learning and career development opportunities for our people



(19) Maintain financial sustainability of MPFA

- Continue with the work on long-term financial sustainability of MPFA, including reviewing the level of annual registration fee

(20) Reforms of all functions of MPFA

- Finalize review of all functions of MPFA and implement reforms covering various aspects from work procedures to team restructuring to optimize the way we work