



MANDATORY PROVIDENT FUND  
SCHEMES AUTHORITY

# Mandatory Provident Fund Schemes Authority (MPFA) - Annual Report 2018-19 (Summary)

## Input

## Work Done with Our Commitment to Excellence

## Outcome and Recognition



### Corporate Governance & Culture

High Standards of Governance



### Resources Invested

\$496.3 million

552 staff members

### Core Values

Commitment Teamwork

Quality Community Perspective

Over 8 100 hours of training for staff



### Supervision of MPF Industry

#### MPF Trustees

Supervision of 15 MPF trustees who offered 32 MPF schemes with 476 constituent funds

Thematic programmes on compliance, complaints handling, data risk management and cybersecurity risk management of trustees

Promotion of a high standard of governance

- Governance Charter
- Governance Principles

Approval of products and entities

#### Transparency of MPF information

- Repository of MPF Scheme Documents on MPFA's website
- Standardized format for trustees' commentaries on fund performance
- Disclosure of breakdown of management fees charged by different operators
- Improvement of offering documents
- Launch of MPF Fund Platform

#### MPF Intermediaries

Supervision of 33 459 MPF intermediaries

Two series of train-the-trainer workshops and industry briefings to help intermediaries provide a higher standard of service



### Reforms & Refinements of the MPF System

#### eMPF Platform Project

#### Reviews

- Relevant income levels
- Investment regime

#### Support for Government initiatives

- Tax deductible voluntary contributions



### Enforcement against Non-compliance

#### Employers

- 43 990 cases of suspected non-compliance investigated
- 826 civil claims filed
- \$995,730 financial penalty imposed on 122 employers
- criminal prosecutions (568 summonses issued; over 50 employers convicted)

Scheme members (65 summonses issued; 15 convicted)

MPF trustees (11 financial penalty notices amounting to a total sum of \$3,250,000 were issued to trustees)

MPF intermediaries (disciplinary orders made against 5 subsidiary intermediaries)



### Education, Engagement & Publicity

Education programmes for scheme members and prospective scheme members

Networking and engagement with stakeholders

Thematic publicity programmes



### ORSO Schemes

Monitoring of 3 564 ORSO registered schemes

Legislative amendment proposals to improve regulatory effectiveness



### MPF System

\$893.3 billion (Net Asset Value; including \$252.5 billion investment returns (net of fees))

Annualized rate of return (net of fees) since inception of the MPF System: 4.0%

Estimated enrolment statistics: employers (100%) relevant employees (100%) self-employed persons (71%)

\$172.0 million MPF contributions in arrears recovered on behalf of employees

Over half (234 funds) of active MPF funds are low fee funds

Out of 9.82 million MPF accounts, around 20% (1.9 million accounts involving \$35.4 billion of assets) partly or fully invested according to the Default Investment Strategy or invested in its constituent funds

1 102 employers received the 2017-18 Good MPF Employer Awards



### ORSO Schemes

\$352.4 billion (Net Asset Value)



### MPFA

Two staff members won The Ombudsman's Awards (MPFA's staff members won the awards for 16 years in a row)

1 700 hours of volunteer service contributed by staff members

Awarded the Caring Organization logo (14 years in a row)

Awarded the Excellence Level of Wastewi\$e Certificate (9 years in a row)

\* Unless otherwise specified, all figures and information are related to the work in 2018-19 or as at 31.3.2019.