

MPF Symposium
“What’s Next? The New Trends of MPF”
17 November 2022

Opening Address
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Chairman
Mandatory Provident Fund Schemes Authority

Good afternoon everyone

1. Welcome to the MPF Symposium. Our theme for today is “What’s Next? The New Trends of MPF”. Over the next couple of hours, we are going to look into the future of the MPF, with a special focus on investments and on the new eMPF Platform we are currently building. We have lined up some great speakers and a panel who are sure to generate a lot of interesting and lively discussions on these important topics.

2. For many local workers, MPF is the largest pot of retirement savings they will accumulate during their working lives. But here’s the challenge they face. People in Hong Kong today are living longer than ever, at an average 83 years or more for men and over 87 years for women. A longer life span means they will have more expenses to take care of, so it is important that their MPF funds can generate a sustainable retirement income for them. That’s why our trustees and investment managers must continuously look for investment strategies that yield better long-term returns.

3. At the MPFA, we work with the industry to produce appropriate investment solutions that increase the diversity of investment choices for scheme members. We also review permissible MPF investments whenever there are new developments in the market. Let me give you a recent example. This year, the Central People’s Government, the People’s Bank of China, and the three Mainland

policy banks were added to the “exempt authorities” list. As a result, an MPF fund may now invest up to 30% of its funds in debt securities of the same issue that are issued or unconditionally guaranteed by these or other exempt authorities, or it can invest all of its funds in debt securities of the same issuer comprising at least six different issues that are issued or unconditionally guaranteed by an exempt authority. We will continue to work closely with the industry on investment solutions.

4. Currently, there are 27 MPF schemes with 412 constituent funds on the market. A typical MPF scheme offers an average of 15 funds, and some even have more than 20 MPF funds. We are well aware that the range of constituent funds in an MPF scheme should be diverse enough to address the needs of scheme members who have different risk appetites and expectations in both the accumulation and post-retirement phases of their MPF investments.
5. Given the importance of the subject, the MPFA provides guidance to assist the industry. Earlier today, we issued a circular to the industry outlining the refined approval criteria for constituent funds. More details on this will be shared with you later by our Executive Director for Policy, Gabriella Yee. She will also discuss our efforts to promote a sound investment governance framework and transparency for the MPF schemes.
6. Turning to the current top priority of the MPFA, I would like to update you on the progress we are making with the eMPF Platform project. The system development of the eMPF Platform is now heading towards the finish line. We have come a long way working shoulder to shoulder with trustees who have devoted a lot of time and efforts to this project. Trustees have already commenced preparatory work for onboarding and are actively collaborating with our eMPF Platform Company to get the MPF schemes onboarded, in sequence, starting in the middle of next year the earliest.
7. The launch of the eMPF Platform will have far-reaching implications for all stakeholders in the MPF ecosystem, including our sponsors and trustees who have

a critical role to play. The eMPF Platform represents the single largest reform ever carried out by the MPFA. This cost-efficient administration platform will not only meet the needs of all stakeholders, but also act as a driver for behavioural change in the MPF System, encouraging more direct involvement in retirement investment. What's more, it will help improve the public perceptions of the System as it will allow scheme members to manage their retirement investments by themselves anytime, anywhere, and it will open up new opportunities for the industry. I think it's fair to say that the eMPF Platform will herald the dawn of a whole new era for MPF, benefiting all our stakeholders.

8. From now till 2025 when the eMPF Platform comes into full operation, the MPFA and the industry are going to be very busy. We are most grateful for the continuous support of the industry during the development phase of the eMPF Platform over the past two years. Trustees and various industry members have tirelessly participated in numerous working meetings with us to ensure a seamless and smooth transition to the Platform. I want to take this opportunity to say a big thank you to the industry for your support and contributions to the eMPF Platform project to date. We are counting on your continual active participation in this challenging yet meaningful reform journey that will transform Hong Kong's retirement protection system and take it to the next level.

9. Thank you for joining the MPF Symposium. I hope you will find the information and insights sharing useful and thought-provoking, and will enjoy the networking.
Thank you