



2022 Hong Kong FinTech Week

eMPF Platform:

Revolutionizing Hong Kong's Pension System Through Fintech

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A glance at the Mandatory Provident Fund (MPF) System in Hong Kong

Role of MPF in Retirement Protection

World Bank's
Multi-pillar Retirement Protection Framework
The pillars complement each other

0	1	2	3	4
Non-contributory, publicly financed and managed system	Mandatory, contributory and publicly managed system	Mandatory, privately managed, fully funded contribution system	Voluntary savings	Informal support, other formal social programmes and other individual assets
Hong Kong				
<ul style="list-style-type: none"> • Old Age Allowance • Old Age Living Allowance • Comprehensive Social Security Assistance Scheme 	Nil	<ul style="list-style-type: none"> • MPF (mandatory part) • Occupational retirement schemes 	<ul style="list-style-type: none"> • MPF (voluntary part) • Personal savings/ investment 	<ul style="list-style-type: none"> • Family support • Public housing • Public healthcare

Provide basic retirement protection

Major Features



Mandatory



**Privately managed
under trust**



**Decentralized
administration**



**Fully funded
Defined contribution**



**Employer 5% of relevant income
Employee 5% of relevant income**



Employment based



**Employer chooses scheme
Employee chooses funds***

* Employee Choice Arrangement introduced in 2012 allows employees to transfer MPF benefits derived from their own contributions to a trustee/scheme of their own choice



Key Statistics

(As of 31.8.2022)



4.6 Million
Scheme Members
(237 000 self-
employed persons)



337 000
Employers



13
Trustees



27
Schemes



> 10 Million
Accounts

~4.47 Million Contributions A/Cs
~6.23 Million Personal A/Cs



13 Scheme
Administration
Systems



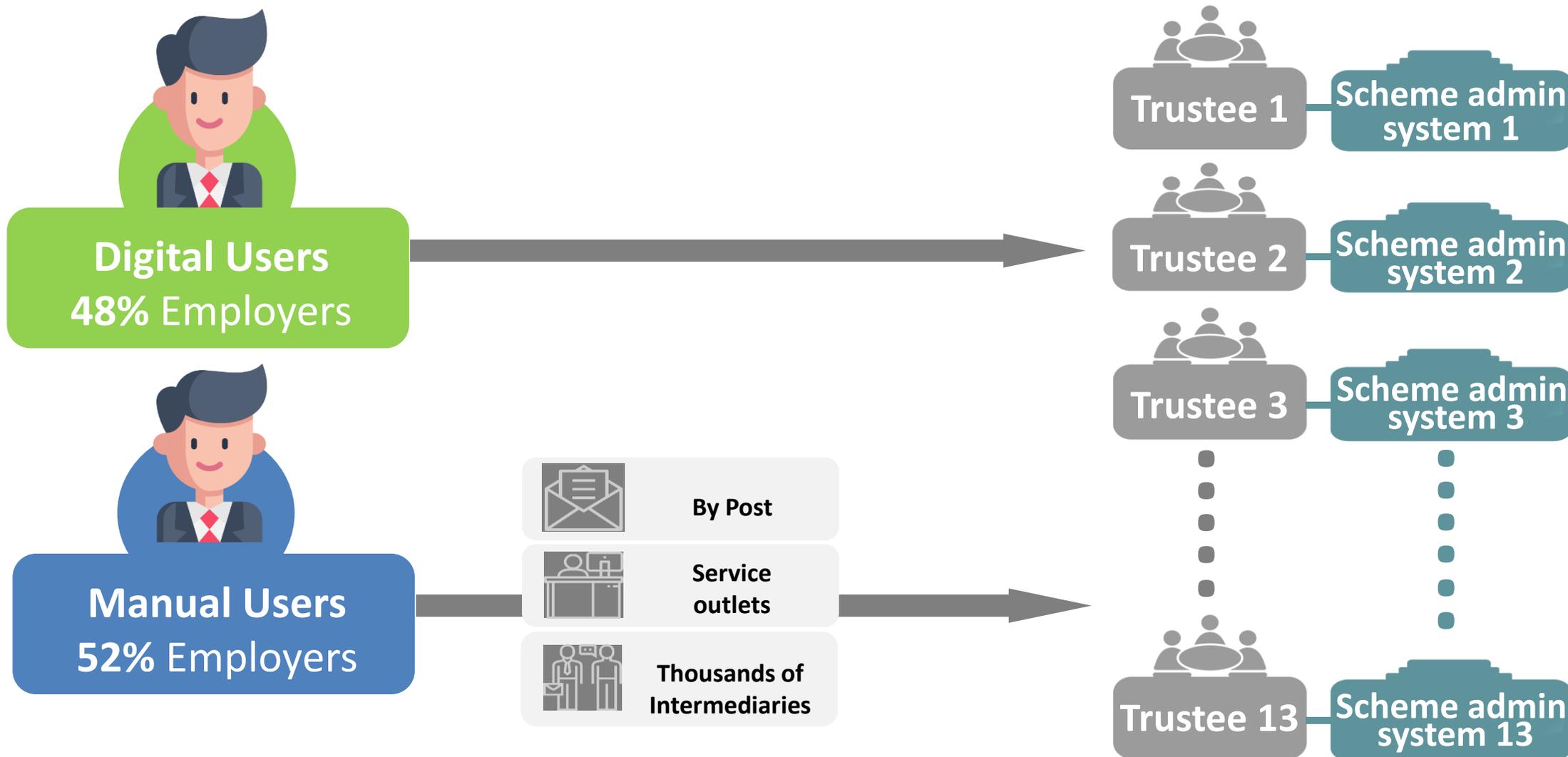
412
Funds



MPF Digital Revolution by eMPF Platform

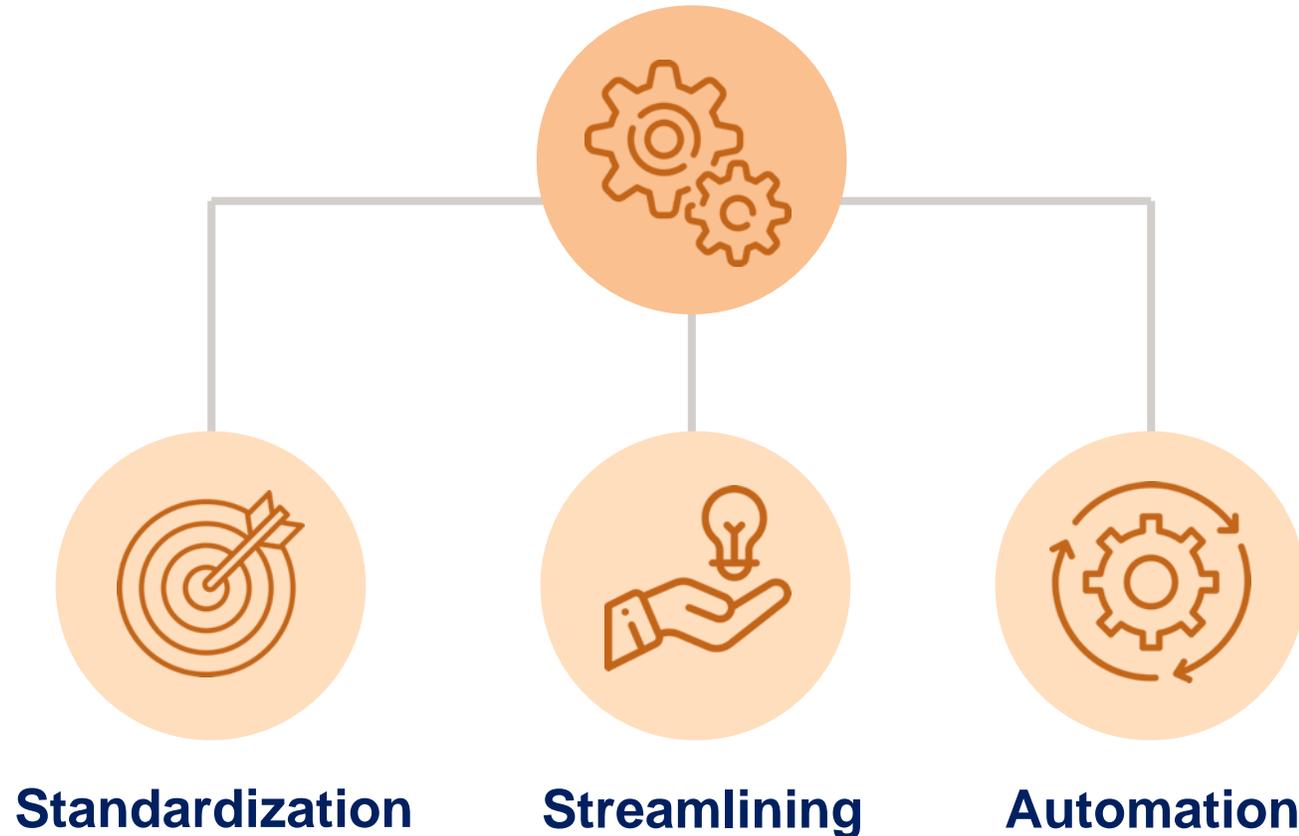


Current State of MPF Scheme Administration



Objectives of eMPF Platform

MPF scheme administration



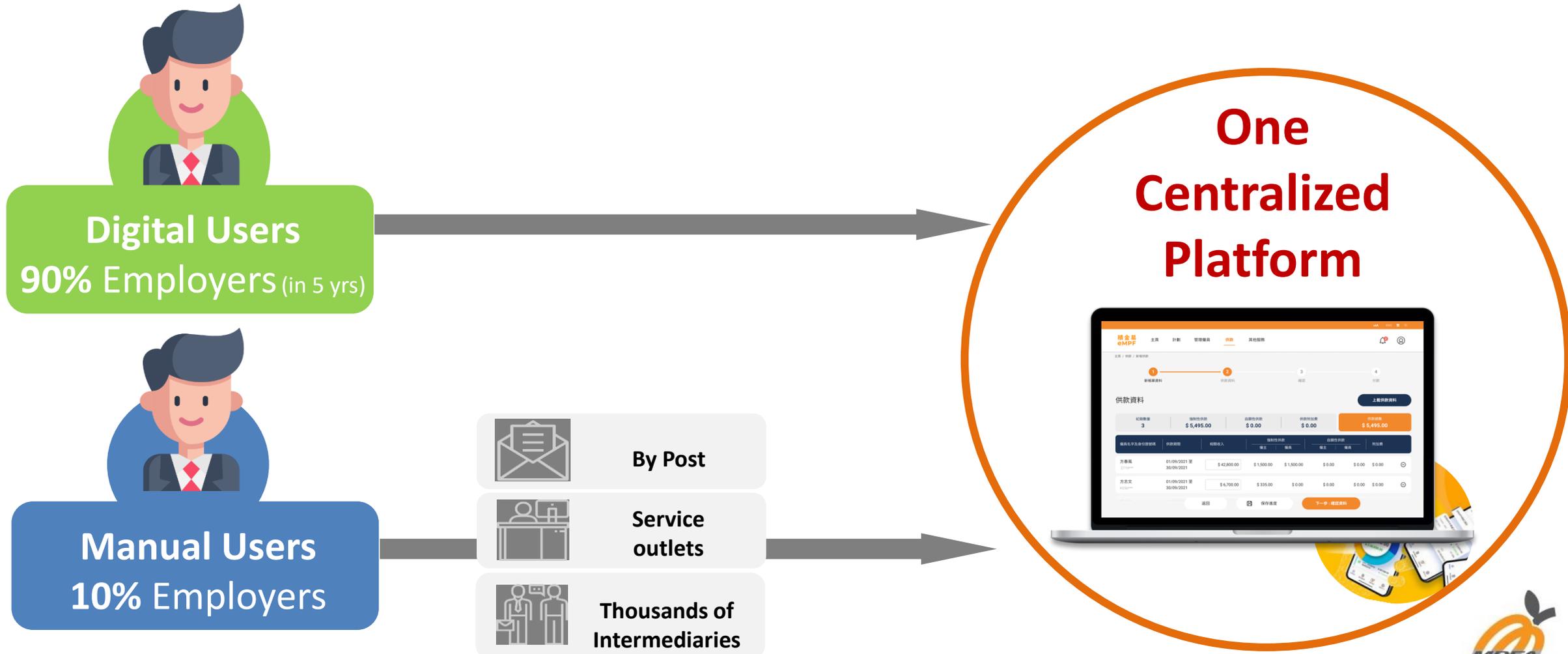
What is eMPF Platform

Most significant reform of the MPF System to-date



- **Not for profit public utility** increases cost efficiency
- **One-stop common platform** to standardize, streamline and automate
- **Digitalize** scheme administration for 4.6m scheme members (>10m accounts), 337 000 employers
- Driver for fees reduction, higher efficiency and better user experience

MPF Scheme Administration after the launch of the eMPF Platform



All MPF Scheme Administration on eMPF



Handle contributions

- Mandatory contributions
- Voluntary contributions
- Recover default contributions



Manage MPF accounts

- Fund switching
- Scheme transfer



Benefit withdrawal

- Withdraw benefits
- Long Service Payment (LSP) / Severance Payment (SP) made by employers
- Handle Unclaimed Benefits



Account activation and enrolment

- Register eMPF account
- Enrol MPF scheme

eMPF Platform covers all MPF Scheme administrative procedures



Communication channels and connectivity

- Online Platform
- Service centre



Process Payments



Generates notices, documents and reports

- Issue notices and documents
- Data maintenance and information management system



General administration and compliance

- Complaints & enquiries
- Fee payment methods
- Report to MPFA
- Continuous interface for historical data migration to eMPF platform



Timeline



Key Benefits



Employers and SEPs

- ✓ One-stop enrolment and contribution
- ✓ Reduce paper work and human error
- ✓ Reminder of contribution due date



Employees

- ✓ One-stop management of all accounts
- ✓ Operate anytime, anywhere
- ✓ Create room for fee reduction



Trustees

- ✓ Standardize, streamline and automate scheme administration
- ✓ Reduce administrative burden and associated compliance burden and cost



MPFA

- ✓ Improve reliability and accuracy of the MPF System and facilitate enforcement actions
- ✓ Pave way for future reform initiatives



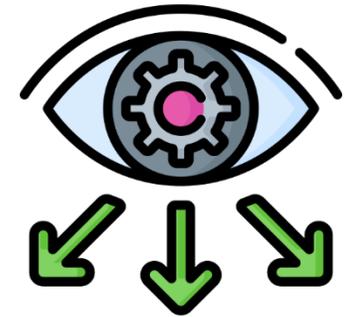
Going forward to a new Fintech era for MPF

How will eMPF Platform reshape the future MPF ecosystem?

MPF System as a whole

➤➤ Transform the operating model of the industry

- ✓ MPFA leads the transformation as well as takes on new oversight role over the eMPF Platform via eMPF Platform Company Limited



➤➤ Future long-term reform initiatives are made possible

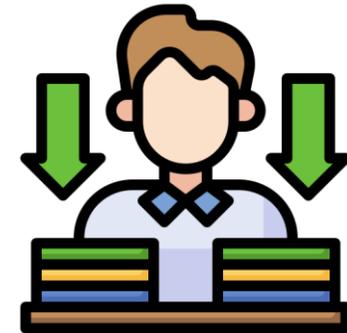


How will eMPF Platform reshape the future MPF ecosystem?

MPF Industry

➤➤ Foster the digitalization of MPF industry & reduce administrative burden

- ✓ Eliminate paper processes, lower costs
- ✓ Better utilize their resources to investment management which can generate more value to scheme members
- ✓ Focus on wealth management and retirement planning services



How will eMPF Platform reshape the future MPF ecosystem?

Users

➤➤ Enhance user experience for both employers and scheme members

- ✓ A brand new fully automated, paperless MPF journey which facilitate efficient MPF management
- ✓ All to enjoy value-for-money services

Centralised Management

View and manage MPF accounts across schemes

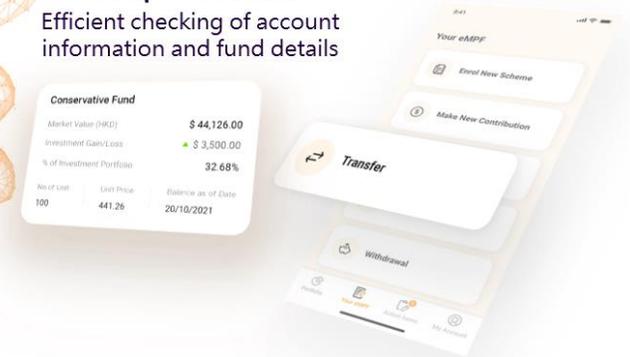


One-stop MPF accounts management

Simple and Convenient
Efficient consolidation can be performed within a week

Comprehensible

Efficient checking of account information and fund details



What will eMPF Platform bring about for the fintech industry?



Embrace innovation and technology together with other digital infrastructures in Hong Kong to build a Smart City



Model of digitalization of pension administration



Platform effect:

Link up all stakeholders where they can interact and generate enormous business opportunities and potentials



Facilitate start-ups for innovation:

Barrier of entry for industry players will be lowered, fostering opportunities for those which have special edge on innovation, products or services to join the game



Thank you

