

# MAJOR RESULTS AND FUTURE INITIATIVES

The major results of MPFA's work in 2012–13, as well as the initiatives to be taken in 2013–14 and beyond, are set out below.

## OBJECTIVE 1:

**To refine, simplify and vigilantly regulate and supervise the MPF System to maximize its value to scheme members**

Major results in 2012–13	More information	Initiatives in 2013–14 and beyond
<b>Reviewing the regulatory framework and refining the MPF System</b>		
<ul style="list-style-type: none"> <li>● Attended to the enactment of the Mandatory Provident Fund Schemes (Amendment) Ordinance 2012, which mainly provides for a statutory regulatory regime for MPF intermediaries</li> </ul>	Page 33	
<ul style="list-style-type: none"> <li>● Attended to the enactment of the Mandatory Provident Fund Schemes (General) (Amendment) Regulation 2012, which provides for an automatic levy triggering mechanism for the Compensation Fund</li> </ul>	Page 33	
<ul style="list-style-type: none"> <li>● Started to prepare legislative proposals after a review of the regulation of withdrawal of MPF benefits and a public consultation thereon in order to allow early withdrawal of MPF accrued benefits by scheme members having been certified as suffering from a terminal illness and phased withdrawal of MPF accrued benefits</li> </ul>	Page 31	<ul style="list-style-type: none"> <li>● Assist the Government in introducing legislative proposals into the Legislative Council to effect the suggested changes</li> </ul>
<ul style="list-style-type: none"> <li>● Completed a review of the contribution calculation methods for casual employees in Industry Schemes and commenced work to draw up relevant legislative proposals</li> </ul>	Page 32	<ul style="list-style-type: none"> <li>● Introduce legislative proposals into the Legislative Council to effect the proposed changes</li> </ul>
<ul style="list-style-type: none"> <li>● Commenced a review of the statutory adjustment mechanism for the minimum and maximum levels of relevant income ("RI") for MPF contribution purposes</li> </ul>	Page 32	<ul style="list-style-type: none"> <li>● Consult stakeholders on proposals to refine the adjustment mechanism and report the findings to the Government</li> </ul>
<ul style="list-style-type: none"> <li>● Proposed adjustments to the minimum and maximum RI levels for MPF contribution purposes</li> </ul>	Page 32	<ul style="list-style-type: none"> <li>● Assist the Government in introducing legislative proposals into the Legislative Council</li> </ul>

## MAJOR RESULTS AND FUTURE INITIATIVES (CONTINUED)

Major results in 2012–13	More information	Initiatives in 2013–14 and beyond
<ul style="list-style-type: none"> <li>Put forward to the Government fundamental reform approaches for the MPF System</li> </ul>	Page 31	<ul style="list-style-type: none"> <li>Assist the Government in conducting a public consultation on proposals regarding rationalization of the types and numbers of MPF funds and controlling fees of MPF funds</li> <li>Develop proposals on providing a type of simple choice, low-fee default fund arrangement</li> <li>Review MPFA’s powers in controlling MPF fees and approving MPF funds</li> <li>Set out different options for implementing full portability</li> </ul>
<b>Member protection</b>		
<ul style="list-style-type: none"> <li>Recovered \$120.3 million in default MPF contributions on behalf of employees</li> </ul>	Page 37	<ul style="list-style-type: none"> <li>Continue to improve efficiency and effectiveness of enforcement actions against non-compliance with MPF statutory requirements</li> </ul>
<ul style="list-style-type: none"> <li>Implemented measures to enhance the compliance of self-employed persons (“SEPs”) and took enforcement actions against non-compliant SEPs</li> </ul>	Page 38	
<ul style="list-style-type: none"> <li>Applied for summonses against 83 scheme members who made false statements to withdraw their MPF accrued benefits on grounds of permanent departure from Hong Kong</li> </ul>	Page 38	
<ul style="list-style-type: none"> <li>Continued to promote awareness and understanding of MPF requirements through publicity and public education</li> </ul>	Page 39	<ul style="list-style-type: none"> <li>Pursue initiatives to promote the public’s understanding of the MPF legislation and enhance deterrent effect against non-compliance</li> </ul>
<b>Supervision</b>		
<ul style="list-style-type: none"> <li>Launched a Trustee Service Comparative Platform to provide information on the services offered by different MPF schemes</li> </ul>	Page 41	
<ul style="list-style-type: none"> <li>Supervised the industry’s preparation for and implementation of the changes to the MPF System that came into effect in 2012–13, including the Employee Choice Arrangement (“ECA”), a statutory regulatory regime for MPF intermediaries, and a new maximum RI level</li> </ul>	Pages 42 to 44	<ul style="list-style-type: none"> <li>Supervise the industry’s preparation for and implementation of changes to the MPF System that may come into effect in 2013–14, for example, new minimum and maximum RI levels, and simplified contribution calculation methods for casual employees in Industry Schemes</li> </ul>

<b>Major results in 2012–13</b>	<b>More information</b>	<b>Initiatives in 2013–14 and beyond</b>
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<ul style="list-style-type: none"> <li>● Completed a Consultancy Study on MPF Trustees' Administration Costs. Commenced work on short-term measures to simplify and enhance the efficiency of the MPF System, including requesting trustees to provide low-fee funds, and facilitating further automation and streamlining of administration processes among trustees, merger of smaller scale or less efficient schemes and funds and consolidation of scheme members' personal accounts</li> </ul>	<p>Page 42</p>	<ul style="list-style-type: none"> <li>● Continue the work on the short-term measures to simplify and enhance the efficiency of the MPF System, including requesting trustees to provide low-fee funds, and facilitating further automation and streamlining of administration processes among trustees, merger of smaller scale or less efficient schemes and funds and consolidation of scheme members' personal accounts</li> </ul>
<ul style="list-style-type: none"> <li>● Commenced the statutory regulatory regime for MPF intermediaries</li> </ul>	<p>Pages 43 and 44</p>	<ul style="list-style-type: none"> <li>● Maintain close liaison with frontline regulators and monitor the implementation of the regulatory framework</li> <li>● Register, by 31 October 2014, MPF intermediaries with valid registration immediately before the commencement of the statutory regime and who wish to carry out regulated activities under the statutory regime</li> </ul>

**Preparing for and Implementing ECA**

<ul style="list-style-type: none"> <li>● Prepared for the launch of ECA by issuing relevant operational policies and MPF Guidelines, enhancing training for MPF intermediaries, and supervising trustees' preparatory work</li> </ul>	<p>Pages 56 and 57</p>	<ul style="list-style-type: none"> <li>● Monitor and review the operation of ECA and identify areas that call for improvement</li> <li>● Continue to study issues in relation to the introduction of full portability of MPF accrued benefits and complete drawing up the implementation plans before 2016</li> </ul>
<ul style="list-style-type: none"> <li>● Rolled out publicity and communication programmes on ECA in phases</li> </ul>	<p>Pages 58 and 59</p>	<ul style="list-style-type: none"> <li>● Continue to roll out publicity and communication programmes on ECA</li> </ul>
<ul style="list-style-type: none"> <li>● Launched an electronic Portability Automation Services System for electronic transmission of data on transfer of MPF accrued benefits between MPF trustees</li> </ul>	<p>Page 57</p>	<ul style="list-style-type: none"> <li>● Devise and implement more electronic business solutions to enhance efficiency</li> </ul>
<ul style="list-style-type: none"> <li>● Launched a Personal Account Register</li> </ul>	<p>Page 57</p>	<ul style="list-style-type: none"> <li>● Encourage scheme members with multiple personal accounts to consolidate their accounts</li> </ul>

## MAJOR RESULTS AND FUTURE INITIATIVES (CONTINUED)

### OBJECTIVE 2:

**To strengthen public support and promote understanding of the MPF System, MPF investment, and the work of MPFA**

Major results in 2012–13	More information	Initiatives in 2013–14 and beyond
<ul style="list-style-type: none"> <li>● Launched new MPF investment education programmes to educate scheme members on MPF investment decision-making process</li> </ul>	Pages 48 and 49	<ul style="list-style-type: none"> <li>● Roll out investment education programmes to equip scheme members with knowledge on managing their MPF investment and accounts</li> </ul>
<ul style="list-style-type: none"> <li>● Organized 272 joint programmes with stakeholders to broaden and consolidate support for the MPF System</li> </ul>	Page 50	<ul style="list-style-type: none"> <li>● Expand networking activities and step up communication with stakeholders to enhance their understanding of the MPF System and the work of MPFA</li> </ul>
<ul style="list-style-type: none"> <li>● Launched thematic campaigns for different target groups including SEPs, members of Industry Schemes and ethnic minorities</li> </ul>	Page 50	<ul style="list-style-type: none"> <li>● Continue to organize new thematic campaigns for different target groups including SEPs and members of Industry Schemes</li> </ul>
<ul style="list-style-type: none"> <li>● Educated the younger generation and their parents on the merits of starting early in financial planning through school activities and parenting programmes as well as online publicity</li> </ul>	Pages 51 to 54	<ul style="list-style-type: none"> <li>● Organize renewed education and publicity activities for different age groups</li> </ul>
<ul style="list-style-type: none"> <li>● Publicized MPFA's new initiatives, the roles and functions of the MPF System and MPFA, changes to the MPF System, and proposed directions to reform the MPF System</li> </ul>	Pages 54 and 55	<ul style="list-style-type: none"> <li>● Organize communication, publicity and education programmes to enhance understanding of MPF reform initiatives, and changes to the MPF System and the roles and functions of MPFA</li> <li>● Conduct an image-building exercise for MPFA and the MPF System</li> </ul>

### OBJECTIVE 3

To build a strong team and effective systems to achieve MPFA’s mission and deliver the planned programmes

Major results in 2012–13	More information	Initiatives in 2013–14 and beyond
<ul style="list-style-type: none"> <li>Commissioned a study on the remuneration for MPFA’s staff and started an organization structure review</li> </ul>	Page 73	<ul style="list-style-type: none"> <li>Review and refine the manpower requirements and organization structure of core operations</li> </ul>
<ul style="list-style-type: none"> <li>Established an MPFA Training and Development Framework to provide a structure for staff’s training and development activities</li> </ul>	Page 77	<ul style="list-style-type: none"> <li>Continue to step up our efforts in offering training and development opportunities to gear our colleagues up for their current and prospective roles</li> </ul>
<ul style="list-style-type: none"> <li>Reviewed accommodation needs and renewed leases for some offices</li> </ul>	Page 78	
<ul style="list-style-type: none"> <li>Adopted green measures in office operations and participated in community service and charitable activities</li> </ul>	Pages 74 to 76	<ul style="list-style-type: none"> <li>Continue to extend MPFA’s care towards employees, the environment and the community in fulfilment of its corporate social responsibility</li> </ul>
<ul style="list-style-type: none"> <li>Two staff members won the Ombudsman’s Awards for Officers of Public Organizations</li> </ul>	Page 78	
<ul style="list-style-type: none"> <li>Awarded the Caring Organization logo, the Class of Excellence Wastewi\$e Environmental Label, “Excellent Class” certificates under the Indoor Air Quality Certification Scheme, the “Manpower Developer” title, and a Bronze prize under the Best Annual Reports Awards for the 2010–11 Annual Report</li> </ul>	Pages 74, 77, 78, 79 and 71	