












# Major Results and Future Initiatives

 In progress and continue in coming year(s)

 Completed

## Refining the Regulatory Framework


















Goal	How we did in 2015–16	Further commitments in 2016–17 and beyond
<b>Provide better investment solutions</b> (see page 42)	<ul style="list-style-type: none"> <li> Work on the design and technical issues of the proposed Default Investment Strategy (“DIS”)</li> <li> Oversee the industry’s preparation for bringing about the launch of the DIS</li> <li> Formulated legislative proposals and helped prepare the Mandatory Provident Fund Schemes (Amendment) Bill 2015</li> <li> Support the Government in the legislative process<sup>1</sup></li> <li> Carry out publicity and public education on the DIS</li> </ul>	<ul style="list-style-type: none"> <li> Prepare for the launch of the DIS</li> <li> Facilitate smooth transition to and implementation of the DIS</li> </ul>
<b>Improve efficiency and effectiveness of the MPF System</b> (see pages 42–43)	<ul style="list-style-type: none"> <li> Formulated legislative proposals and helped prepare the Mandatory Provident Fund Schemes (Amendment) Bill 2015, which covers amendments to enhance the efficiency and cost-effectiveness of the MPF System</li> <li> Support the Government in the legislative process</li> </ul>	<ul style="list-style-type: none"> <li> Make preparations for implementing the new provisions</li> <li> Work on other issues to enhance the efficiency of the MPF System and protect retirement savings</li> </ul>
<b>Increase flexibility of withdrawing MPF accrued benefits</b> (see page 43)	<ul style="list-style-type: none"> <li> Implemented the new legislative provisions allowing early withdrawal of MPF benefits on the ground of terminal illness and withdrawal by instalments upon retirement and early retirement</li> </ul>	<ul style="list-style-type: none"> <li> Continue to oversee the implementation of the new provisions</li> </ul>
<b>Improve efficiency of adjusting the minimum and maximum relevant income levels</b> (see page 43)	<ul style="list-style-type: none"> <li> Followed up the results of a public consultation on a proposal for an automatic mechanism for reviewing and adjusting the minimum and maximum relevant income levels</li> <li> Made recommendations to the Government</li> </ul>	<ul style="list-style-type: none"> <li> Commence a review of the minimum and maximum relevant income levels based on the existing statutory mechanism</li> </ul>
<b>Improve MPF information presentation and disclosure</b> (see page 43)	<ul style="list-style-type: none"> <li> Liaised with the industry on the implementation of proposals to improve the readability and usefulness of the offering documents for MPF schemes</li> </ul>	<ul style="list-style-type: none"> <li> Make preparations for implementing the proposals</li> </ul>

<sup>1</sup> The Mandatory Provident Fund Schemes (Amendment) Bill 2015 was passed by the Legislative Council on 26 May 2016.





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### Supervising the Industry

Goal	How we did in 2015–16	Further commitments in 2016–17 and beyond
<b>Supervise trustees</b> (see pages 44–45)	<ul style="list-style-type: none"> <li> Monitor trustees' compliance with regulatory requirements</li> <li> Conducted thematic inspections and surveys on the record keeping of accounts and unit balances of scheme members</li> <li> Visited trustees' boards of directors to discuss governance and risk management issues</li> </ul>	<ul style="list-style-type: none"> <li> Evaluate areas in existing guidelines and compliance standards that need improvement to facilitate onward development of holistic regulatory standards to enhance trustees' operation and governance</li> <li> Pursue a focused supervisory programme to address operational risks and governance issues of trustees with key compliance issues</li> </ul>
<b>Supervise intermediaries</b> (see pages 46–47)	<ul style="list-style-type: none"> <li> Collaborate with Monetary Authority, Insurance Authority and Securities and Futures Commission (frontline regulators) on the supervision of intermediaries</li> <li> Enhance the quality of training for intermediaries</li> </ul>	<ul style="list-style-type: none"> <li> Prepare for the smooth transition of regulatory functions in relation to Insurance Authority upon the setting up of Independent Insurance Authority</li> </ul>
<b>Standardize, streamline and automate scheme administration</b> (see pages 48–49)	<ul style="list-style-type: none"> <li> Simplified statutory procedures and requirements and introduced an enhanced electronic platform for data submission to reduce trustees' operational and compliance costs</li> <li> Identified a preliminary conceptual model to standardize, streamline and automate scheme administration with the help of technology (tentatively called "eMPF")</li> <li> Commissioned a consultancy study on eMPF</li> </ul>	<ul style="list-style-type: none"> <li> Formulate proposals to improve the contribution and default contribution recovery processes</li> <li> Map out the major reform direction of introducing eMPF</li> </ul>
<b>Facilitate the market and reduce the costs of the MPF System</b> (see pages 48–49)	<ul style="list-style-type: none"> <li> Encourage and facilitate consolidation and merger of MPF schemes and funds for achieving greater synergy and cost reduction in the MPF System</li> <li> Facilitate compliance of ORSO employers and administrators with the United States Foreign Account Tax Compliance Act</li> </ul>	<ul style="list-style-type: none"> <li> Propose further reforms to simplify the MPF System for lowering its overall operating costs</li> <li> Implement the fee control on the DIS</li> </ul>

### Enforcing the Law

Goal	How we did in 2015–16	Further commitments in 2016–17 and beyond
<b>Ensure compliance with the MPF and ORSO legislation</b> (see pages 44–47 and 50–51)	<ul style="list-style-type: none"> <li> Handle complaints, investigate suspected breaches or non-compliance and take enforcement actions</li> <li> Organized a publicity campaign to help employers understand their MPF obligations</li> </ul>	<ul style="list-style-type: none"> <li> Continue to take necessary enforcement actions and deter non-compliance</li> <li> Review the suitability and effectiveness of existing statutory enforcement powers and sanctions against non-compliant trustees</li> </ul>

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### Educating the Public

Goal	How we did in 2015–16	Further commitments in 2016–17 and beyond
<b>Educate the public on MPF investment</b> (see pages 53–56)	<ul style="list-style-type: none"> <li> Launched campaigns on fundamentals of MPF investment and MPF investment review</li> <li> Organized roving exhibitions focusing on how to make informed MPF decisions and consolidation of MPF accounts</li> <li> Organized retirement planning workshops at workplaces for “keen-to-know” scheme members</li> <li> Launched a new Facebook fan page to disseminate MPF messages</li> <li> Launched a new mobile phone application containing money management tools</li> </ul>	<ul style="list-style-type: none"> <li> Continue to strengthen MPF education to help different target groups better understand the MPF System and make informed decisions for their MPF investments</li> </ul>
<b>Educate the younger generation on early financial planning and on MPF</b> (see pages 57–60)	<ul style="list-style-type: none"> <li> Organized programmes for students from pre-primary to tertiary</li> <li> Organized talks for students of tertiary institutions and members of youth centres and participated in various career and education fairs for fresh graduates and job-seekers</li> <li> Spread MPF messages via social media platforms</li> </ul>	<ul style="list-style-type: none"> <li> Organize programmes to educate young working adults and students on the features of the MPF System and the importance of saving for the future and early planning for retirement</li> </ul>
<b>Generate public awareness of MPFA’s new initiatives, changes in the MPF System, and roles and functions of the MPF System</b> (see pages 61–65)	<ul style="list-style-type: none"> <li> Organized respective publicity campaigns on the new legislative provisions on withdrawal of MPF benefits, new reform initiatives, employers’ MPF obligations, MPF account management, and 15-year MPF investment performance</li> <li> Organized the first (2014–15) Good MPF Employer Award</li> <li> Published the book <i>Towards Retirement Security</i> on the development and achievements of the MPF System on its 15th anniversary</li> <li> Produced and broadcast a video series on real life stories of four scheme members from different sectors who shared how MPF assisted employees in saving for their retirement</li> </ul>	<ul style="list-style-type: none"> <li> Organize communication, publicity and education programmes to enhance awareness and deepen understanding of the new developments of the MPF System among stakeholders and scheme members</li> <li> Organize the 2015–16 Good MPF Employer Award</li> <li> Organize for the first time the International Organisation of Pension Supervisors meetings and Global Forum on Private Pensions in 2016</li> <li> Produce a new corporate brochure and video to reflect the achievements of MPF and the latest MPF reform initiatives</li> </ul>

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### Educating the Public *(continued)*

Goal	How we did in 2015–16	Further commitments in 2016–17 and beyond
<b>Reach out to the community</b> (see pages 65–66)	<ul style="list-style-type: none"> <li> Organized talks, seminars and district programmes on MPF issues for various stakeholders</li> <li> Organized outreach programmes and lunch talks for members of Industry Schemes<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li> Further enhance networking and liaison with stakeholders and scheme members to gain a broad-based understanding and support from the public for MPF</li> </ul>

### Building a Strong Team and Effective Systems

Goal	How we did in 2015–16	Further commitments in 2016–17 and beyond
<b>Create a supportive workplace for staff</b> (see pages 75–77)	<ul style="list-style-type: none"> <li> Reviewed training and development framework to better address the needs of MPFA and its staff</li> <li> Develop new information technology architecture and infrastructure in support of MPF reforms and internal operations of MPFA</li> </ul>	<ul style="list-style-type: none"> <li> Review remuneration policy</li> <li> Conduct information technology security assessment and review security enhancement needs</li> </ul>
<b>Maintain financial sustainability of MPFA</b> (see pages 17–18)	<ul style="list-style-type: none"> <li> Consolidated various offices and relocated to premises at a lower rent</li> </ul>	<ul style="list-style-type: none"> <li> Explore steady income sources</li> </ul>

### Corporate Social Responsibility

Goal	How we did in 2015–16	Further commitments in 2016–17 and beyond
<b>Extend care towards employees, the environment and the community</b> (see pages 72–77)	<ul style="list-style-type: none"> <li> Pursue various initiatives to reduce paper and energy consumption, enhance operational efficiency, and encourage reuse and recycling of resources</li> <li> Pursue initiatives on staff development, staff recognition, and enhancement of staff's physical and mental well-being to maintain a happy, healthy and engaged workforce</li> <li> Staff members and their families and friends clocked up more than 1 900 hours of volunteer service</li> </ul>	<ul style="list-style-type: none"> <li> Continue to implement green initiatives within MPFA to contribute to a green future</li> <li> Further explore family-friendly measures</li> <li> Continue to extend MPFA's care towards employees and the community in fulfilment of its corporate social responsibility</li> </ul>

<sup>2</sup> Industry Schemes refer to provident fund schemes registered under section 21A of the Mandatory Provident Fund Schemes Ordinance for employers and employees of the catering and construction industries, which are of high intra-industry labour mobility.