

Gazettal of Mandatory Provident Fund Schemes (Amendment) Bill 2021

The Government published in the Gazette today (July 9) the Mandatory Provident Fund Schemes (Amendment) Bill 2021 (the Bill). The Bill seeks to enable the implementation of the common electronic platform for the administration of Mandatory Provident Fund (MPF) schemes (i.e. the eMPF Platform) and make other related amendments.

The Secretary for Financial Services and the Treasury, Mr Christopher Hui, said, "The eMPF Platform will bring multi-faceted benefits to MPF scheme members, employers, self-employed persons and trustees. Through standardising, streamlining, and automating scheme administration processes, and enabled by economies of scale and digitalisation, the eMPF Platform will enhance the operational efficiency and cost effectiveness of the MPF System, thereby creating room for fee reductions and a better experience for users."

Mr Hui said, "It is estimated that as soon as the MPF trustees and their schemes migrate to the eMPF Platform in sequence, scheme members can enjoy an average of about a 30 per cent cut in the scheme administration fee payable, with a corresponding reduction to the overall fee level. The total cumulative quantifiable cost savings to scheme members would reach \$30 billion to \$40 billion in 10 years of the operation of the eMPF Platform. The industry will also benefit from the enhanced operational efficiency and reduced administrative and regulatory burden."

Apart from setting out the operating framework and mandatory use of the eMPF Platform, the Bill will also delineate the public functions of the eMPF Platform Company Limited that will administer and operate the Platform, the overseeing role of the Mandatory Provident Fund Schemes Authority (MPFA), the requirements on cost savings and setting of the administration fee, as well as the streamlined work flow. The Bill will also make certain miscellaneous amendments to the existing legislations.

The Government and the MPFA are working full steam to implement the eMPF Platform project. It is expected that the development of the eMPF Platform will be completed by the end of 2022 and that the Platform would come into full operation in around 2025 at the earliest following the phased migration of trustees.

The Bill will be introduced into the Legislative Council for first reading on July 14.