

LCQ13: Operational problems of eMPF Platform

Following is a question by the Hon Carmen Kan and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (December 4):

Question:

It has been reported that some users of the eMPF Platform (the Platform) have relayed that they have encountered problems in handling contributions and other administrative tasks when using the Platform, including employers' contributions not being displayed instantly in employees' accounts. In this connection, will the Government inform this Council:

(1) whether it knows if the Mandatory Provident Fund Schemes Authority (MPFA) has set up a complaint handling mechanism for the Platform; if MPFA has, of the details; if not, the reasons for that;

(2) whether it knows the following monthly data and its month-on-month rate of change of the Platform since its launch (set out in a table):

(i) the number of complaints received by MPFA (set out by nature and handling progress), as well as the handling time of the cases that have been handled and whether such cases have been completed within the target time set out in the service pledge;

(ii) the number of digitally processed transactions and administrative instructions received via the Platform (set out by type of instructions, type of users, handling progress and handling time), and the percentage of such number in the estimated total number of instructions received (estimated on the basis of the number of onboarded trustees); and

(iii) the number of paper-based transactions and administrative instructions submitted (set out by type of instructions, type of users, handling progress and handling time), and the percentage of such number in the estimated total number of instructions received (estimated on the basis of the number of onboarded trustees);

(3) regarding the problems encountered by the aforesaid users in using the Platform, whether it knows:

(i) if MPFA has identified the causes; if MPFA has, of the details and the relevant solutions (set out by nature of the problems); if not, the reasons for that;

(ii) the number of users affected (set out by nature of the problems and type of users); and

(iii) the relevant amounts in dispute and the mechanism for claiming compensation;

(4) as the Secretary for Financial Services and the Treasury has indicated earlier on the social platform that he has demanded prompt response and action from MPFA, the eMPF Platform Company Limited (eMPF Company) and the contractor of the Platform project to the relevant problems, of the progress of the relevant work, and how the authorities will give an account to the public;

(5) given that section 19K of the Mandatory Provident Fund Schemes Ordinance (Cap. 485) sets out the general duties of the system operator of an electronic MPF system, what punishment mechanism the Government and MPFA have put in place for the system operator that fails to discharge such duties; how the Financial Services and the Treasury Bureau will step up its efforts in supervising the system operator, so as to ensure that similar problems with the aforesaid Platform system will not recur;

(6) given that according to the Framework for Regulatory Oversight of the Operation of an Electronic MPF System issued by MPFA, the system operator is required to report significant events/incidents and submit a written report to MPFA, whether it knows the clear definition of significant events/incidents, and the content to be covered in the relevant report (e.g. whether it will analyse who should be held responsible for the incidents and elaborate on the legal responsibilities to be discharged under the contractual agreement when the contractor of the system is to be held responsible); and

(7) as the eMPF Company has indicated that before the launch of the Platform, it had engaged an independent consultant to conduct an independent assessment on the Platform and confirmed that the Platform system was ready for use, whether the authorities have examined the reasons why there are still problems with the Platform system after completion of the independent assessment and confirmation of its readiness?

Reply:

President,

In consultation with the Mandatory Provident Fund Schemes Authority (MPFA), our reply to the seven parts of the question is as follows.

(1) The eMPF Platform has a comprehensive complaint handling mechanism. Employers and scheme members may lodge complaints through various channels, including the eMPF mobile application and online platform, the eMPF customer service hotline, email, and post. Upon receipt of the complaints, the eMPF Platform Company Limited (eMPF Company) and the contractor will conduct thorough investigations in accordance with the established procedures, and will notify the complainants of relevant results upon completion of investigations.

(2) As at end-November this year, key figures pertinent to the eMPF

Platform's operation are as follows:

(i) Number of complaints received

Category	Number of complaints received	
	Employers	Scheme members
eMPF registration	27	26
Enrolment in Mandatory Provident Fund (MPF) schemes	20	8
Making MPF contributions	89	53
Transfer of MPF accrued benefits	3	16
Change of account information and user particulars	2	8
Change of investment portfolios	Not applicable	17
Withdrawal of MPF accrued benefits	Not applicable	24
Offsetting of (LSP)/severance payment (SP)	3	2
Customer services	14	16
Others	8	8
Total	166	178
	344	

Over half of the complaints were already processed, with an average processing time of about ten working days. Longer processing time was required for more complicated cases. eMPF Company has already instructed that the contractor must continue to refine the complaint handling mechanism. Measures already implemented include arranging dedicated customer service staff to follow up on cases and maintain close communication with complainants, and strengthening the liaison and co-ordination between the staff of the contractor and its sub-contractor, etc, so as to expedite the processing of complaint cases. MPFA and eMPF Company will continue to closely monitor the complaint handling mechanism of the eMPF Platform to ensure that scheme members' MPF assets are fully protected.

(ii) Number of administrative instructions processed

Category	Number of administrative instructions processed (Rounded to the nearest hundred)		
	Submitted via electronic means	Submitted in paper	Total
Enrolment in MPF schemes	5 800	5 600	11 400
Making MPF contributions	31 100	18 800	50 000
Transfer of MPF accrued benefits	500	5 700	6 200
Change of account information and user particulars	5 100	2 200	7 300
Change of investment portfolios	18 400	1 400	19 800
Withdrawal of MPF accrued benefits	400	500	800
Termination of MPF accounts	3 600	3 900	7 600
Offsetting of LSP/SP	100	300	400
Total	65 000 (63%)	38 500 (37%)	103 500

(iii) Average processing time of administrative instructions (Note)

Category	Average processing time (Unit: Number of working days)	
	Submitted via electronic means	Submitted in paper
Enrolment in MPF schemes	2-5	4-7
Making MPF contributions	5-6	8-10
Transfer of MPF accrued benefits	13-19	16-22
Change of investment portfolios	1-3	
Withdrawal of MPF accrued benefits	9-15	12-18
Offsetting of LSP/SP		

Note: Including the time required for handling back-end tasks upon receipt of

administrative instructions, such as verifying MPF contribution information and/or supporting documents submitted by Platform users, and sending subscription instructions to trustees and the lead time required for them to complete the fund subscription process based on the relevant instructions, etc. The various service pledges of the eMPF Platform have been uploaded onto the Platform's official website for public reference.

(3) and (7) Prior to the official launch of the eMPF Platform, eMPF Company has not only requested the contractor to conduct numerous internal testing but also engaged an independent consultant to conduct an external assessment on the Platform to provide additional and objective assurance on system readiness for the commencement of trustee onboarding. Final results from the independent assessment indicated at that time that the Platform's system attained readiness in terms of software development, testing and operation, and that MPF trustees could commence onboarding to the Platform in an orderly manner from end-June this year.

Since the launch of the eMPF Platform in end-June this year, MPFA and eMPF Company have been continuously reviewing the Platform's operation to ensure its robustness and reliability. As at end-November this year, the Platform has successfully processed over 103 000 administrative instructions. In response to the feedback from employers and scheme members on the user interface/user experience, the contractor has, at eMPF Company's request, implemented a series of enhancement measures to improve service quality, including providing clearer guidelines on contributions on the Platform, shortening the default recordings of the customer service hotline, as well as refining the facial recognition software to simplify the eMPF Platform registration process under the premise of ensuring the safety of users' personal data.

eMPF Company is aware of the situation encountered by users at the initial stage of using the eMPF Platform to handle contributions and other administrative work, including cases where contributions were not timely reflected in scheme members' account balance after contributions had been made by employers. Employers and scheme members may not be fully familiarised with the Platform's functions, such as inputting incomplete information or not fully complying with the system requirements when making contributions, resulting in the contributions received not being immediately displayed on the user interface. eMPF Company has actively followed up on these cases and taken additional measures, including assigning dedicated officers to help the employers concerned to familiarise with the Platform's specific operation as soon as possible.

If it is assessed that losses are attributable to the fault of the Platform, eMPF Company will handle the cases in accordance with the established mechanism and make appropriate compensation having regard to the relevant terms and conditions. Since cases involving claims for compensation contain commercially sensitive information, eMPF Company cannot disclose the relevant information.

(4) The Financial Services and the Treasury Bureau (FSTB) attaches great

importance to the situations encountered by employers and employees when they first used the eMPF Platform to process MPF contributions and perform other administrative work, including the failure of having the relevant contributions reflected in employees' account balances timely after employers' making contributions. eMPF Platform's functions are most crucial to the retirement savings of over four million scheme members. To provide the public with timely information about the incident details, the Secretary for Financial Services and the Treasury, MPFA Chairman and the Chief Executive Officer of eMPF Company already published articles on official social media platform, online blog and newspaper on November 13, November 17 and November 20 respectively to explain the root causes of the incidents and the follow-up actions taken by various parties, and will continue to disclose major incidents pertinent to the Platform in a pragmatic and open manner in the future.

The FSTB considers any incident that may affect scheme members' MPF accrued benefits unacceptable, and has immediately instructed MPFA, eMPF Company and the contractor to promptly respond to the situation, analyse the root cause of the issue, and take corresponding enhancement measures, so as to ensure that scheme members' MPF assets are fully protected.

eMPF Company and the contractor have proactively contacted the relevant employer and employees concerned to offer assistance, and have addressed the issues involved, with MPF contributions made by the relevant employer for June to October fully reflected in employees' account balance. Upon receipt of cases involving assistance requests, enquiries and complaints from eMPF Platform users, both eMPF Company and the contractor would conduct in-depth analysis of the root causes of the issues and take corresponding enhancement measures to ensure that similar problems will not recur in the future.

To enhance the eMPF Platform's service quality, eMPF Company and the contractor have already implemented a series of enhancement measures, including setting up an eMPF contribution enquiry hotline (3197 2834) dedicated to enquiries from employers and employees on contributions, as well as strengthening staff training and enhancing the reporting mechanism for exceptional cases (e.g. incomplete information), etc, with a view to providing better customer service. eMPF Company will continue to provide appropriate and timely support to employers and scheme members, including arranging outreach teams to strengthen communication with employers to ensure that the employers concerned can make contributions successfully. At the same time, eMPF Company will strengthen its supervision on the contractor's work and continue to improve the system, and co-ordinate the relevant collaboration among different MPF trustees to ensure smooth operation of the Platform.

(5) and (6) As the system operator of the eMPF Platform, eMPF Company must fulfill the statutory obligations set out in section 19K of the Mandatory Provident Fund Schemes Ordinance (Cap. 485) (the Ordinance). The Ordinance also provides a framework to ensure that these statutory obligations are properly discharged in accordance with the applicable standards. As far as the eMPF Platform's operation is concerned, eMPF Company's performance is

subject to the stringent supervision of MPFA pursuant to section 6E(1)(ec) of the Ordinance. According to the Framework for Regulatory Oversight of the Operation of an Electronic MPF System (Regulatory Framework) published by MPFA, eMPF Company is required to submit a detailed report to MPFA within three specified working days after becoming aware of the significant events/incidents as follows –

(i) events that are caused by eMPF Company or trustees leading to non-compliance with the Operating Rules or Service Agreements which may have a materially adverse effect (e.g. financial impact) to the interests of scheme members or could pose risk to the administration and operation of the eMPF Platform;

(ii) breaches of other statutory and regulatory requirements, such as the Personal Data (Privacy) Ordinance (Cap. 486) and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615);

(iii) system failures which affect eMPF Company or trustees to discharge its/their duties; and

(iv) events that may have material impacts on the interests of scheme members or employers (e.g. having an adverse financial impact on employers or scheme members, loss or leakage of data, cyber-attack, fraud, etc).

The content of the report should cover key facts, causes and impacts of the significant event/incident, as well as the mitigating measures already taken/to be taken by eMPF Company in handling that event or incident. eMPF Company is also required to submit an assurance report issued by a third party confirming that it has duly fulfilled the relevant statutory obligations. Upon receipt of the report, MPFA will conduct thorough investigation, including determining the share of responsibilities. If it is confirmed after investigation that the incident was attributable to the fault or negligence of the contractor, the contractor will have to fulfil the relevant contractual obligations, including making compensations in accordance with the established mechanism.

Where appropriate, MPFA will provide recommendations to eMPF Company to facilitate its compliance with the various requirements set under the Regulatory Framework. MPFA will continue to closely monitor the implementation progress of these recommendations. If eMPF Company fails to execute these recommendations effectively, MPFA may exercise its power to require eMPF Company to take specific actions within a specified period of time or adopt other necessary follow-up measures on eMPF Company.