

DH's operation "Thunderstone" combats illegal sale of alternative smoking products (with photo)

The Tobacco and Alcohol Control Office (TACO) of the Department of Health (DH) conducted an operation codenamed "Thunderstone" yesterday (December 3) against the illegal sale of alternative smoking products (ASPs). A batch of 1 200 suspected ASFs and a batch of 1 200 suspected dutiable cigarettes were seized during the operation.

Through in-depth investigations, officers of TACO yesterday conducted an operation by posing as customers to contact people suspected of selling ASFs illegally. In the operation, a batch of 1 200 suspected ASFs and a batch of 1 200 suspected dutiable cigarettes were seized. Officers initiated an investigation against two 35-year-old males for suspecting of selling ASFs and possessing ASFs for commercial purposes. Charges will be laid against offender(s) when sufficient evidence is found regarding the sale of ASFs. The DH will also refer the suspected violation of the Dutiable Commodities Ordinance (Cap. 109) to the relevant enforcement department for investigation.

The Smoking (Public Health) Ordinance (Cap. 371) prohibits the promotion, manufacture, sale and possession for commercial purposes of ASFs. Offenders are subject to a maximum fine of \$50,000 and imprisonment for six months.

A spokesman for the DH said that the department will continue to take stringent enforcement action. The spokesman also cautioned against the use of any ASFs and stressed that these products contain amounts of nicotine similar to those of conventional cigarettes in order to sustain addiction. In addition, health hazards of long-term exposure to these new products are unknown. The Government appeals to smokers to quit smoking as early as possible for their own health and that of others. They are encouraged to call the DH's Integrated Smoking Cessation Hotline on 1833 183. The hotline is operated by registered nurses and provides professional counselling services on smoking cessation. Information on smoking cessation can also be obtained from www.livetobaccofree.hk.



LCQ14: Promoting living and working in same district

Following is a question by the Hon Luk Chung-hung and a written reply by the Secretary for Development, Ms Bernadette Linn, in the Legislative Council today (December 4):

Question:

There are views that unbalanced district development in the past has resulted in a large number of residents of New Territories districts having to travel across districts for employment, with some of them commuting for as long as three hours every day, and the increase in residents' travelling expenses and commuting time is not conducive to their physical and mental health as well as work-life balance. As regards promoting living and working in the same district, will the Government inform this Council:

- (1) whether it has compiled statistics respectively on the home-job ratios and the proportions of residents taking up cross-district employment in the 18 districts across the territory;
- (2) given the Government's replanning of Tuen Mun West Area (including Lung Kwu Tan) and development of the Northern Metropolis (including Hung Shui Kiu/Ha Tsuen New Development Area), whether it has estimated to what level such development will raise the home-job ratios in the Tuen Mun District, Yuen Long District and North District;
- (3) as the Government has indicated in the Hong Kong's Climate Action Plan 2050 that it will cease using coal for daily electricity generation by 2035, and CLP Power Hong Kong Limited has also indicated in the 2022 Sustainability Report that older coal-fired generation units at the Castle Peak A Power Station will be retired in the next few years, how the Government will make

use of the site of the Castle Peak Power Station to raise the home-job ratio in the district; and

(4) of the current progress of the revitalisation and re-industrialisation of the industrial areas in Tuen Mun and Yuen Long; whether the relevant revitalisation measures will tie in with the development of new quality productive forces, and whether it has estimated the number of additional employment places that can be created?

Reply:

President,

In Hong Kong, industrial and commercial development in traditional urban areas is relatively more mature, leading to the concentration of more job positions in the urban areas of Hong Kong Island and Kowloon. It remains commonplace that citizens residing in the New Territories need to commute to urban areas for work. In planning the long-term development of Hong Kong, it is one of our visions to improve home-job balance. To this end, in the final report of "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030" (Hong Kong 2030+) promulgated in 2021, the Government proposed introducing more land for different types of economic use in New Development Areas (NDAs) such as the Northern Metropolis through strategic land use planning, with a view to fostering development of industries and creating job opportunities. We will also provide residential housing within such NDAs to bring jobs closer to homes, thereby reducing the commuting time and improving the quality of life for workers.

My reply to various parts of the question is as follows:

(1) According to the statistics of the Census and Statistics Department, as of mid-2023, approximately 55 per cent (around 1 900 000 persons) of the overall labour force of Hong Kong reside in the New Territories. However, only about 32 per cent (around 860 000 persons) of the employed persons in Hong Kong work in the New Territories. The figures on labour force and employed persons across 18 districts of Hong Kong are shown at Annex. The Government does not maintain data on how residents take up cross-district employment.

(2) As a direction set out in the final report of Hong Kong 2030+ mentioned above, the Government will strive to make available more industry sites and create more job opportunities in the course of taking forward the development of various NDAs in the New Territories. Taking the Northern Metropolis as an example, one of the development targets is to achieve "industry-driven planning and better home-job balance". The Government expects that around 500 000 new jobs will be created upon the completion of the whole Northern Metropolis. We believe the new job opportunities will help reduce the need for residents of the relevant districts to commute across districts for work and promote home-job balance. For instance, the Hung Shui Kiu/Ha Tsuen NDA located in the western part of the Northern Metropolis, together with the Yuen Long, Tin Shui Wai, Yuen Long South NDA and Lau Fau Shan, Tsim Bei Tsui

and Pak Nai (Lau Fau Shan) areas, are positioned as the high-end professional services and logistics hub of the Northern Metropolis. NDAs not only could provide a considerable number of public and private housing units to address the current shortage of housing supply, but could also provide commercial and industry sites for development of finance, professional services and logistics services, etc., thereby facilitating economic development and job creation. On the other hand, new railway and major road infrastructure being planned in accordance with development of NDAs will also improve the overall traffic and commuting situation for residents.

In addition, we are conducting a planning and engineering study for Lung Kwu Tan reclamation and the re-planning of Tuen Mun West area, with a view to developing high value-added economic industries such as high-end green technology industries, advanced construction industry and modern logistics parks. It is anticipated that new job opportunities will be created in Tuen Mun district, in turn further promoting home-job balance within the district. The study will also propose improvement measures based on the traffic demand of the proposed development, which include exploring the feasibility of widening Lung Mun Road which connects Lung Kwu Tan and Tuen Mun West areas to Tuen Mun town centre, and constructing a new road within the Lung Kwu Tan reclamation area, so as to improve the local and external transport connectivity for facilitating people who work within or outside the area. We plan to consult the relevant stakeholders on the land use proposals for this area in the first half of next year.

(3) The Environment and Ecology Bureau (EEB) states that the Government has announced in the Hong Kong's Climate Action Plan 2050 the target to cease using coal for daily electricity generation by 2035, and to achieve the long-term target of net-zero electricity generation before 2050. Three of the four coal-fired generation units at the CLP Power Hong Kong Limited (CLP) Castle Peak A Power Station have already been retired in or before 2024, while the remaining coal-fired generation unit is expected to be repurposed for emergency backup or retired in the coming few years. The EEB understands that the CLP would start the demolition works as early as 2027 and thereafter the works are expected to be completed in phases within about five to six years. The Government will discuss the long-term arrangement for the site with the CLP in due course.

(4) The Innovation, Technology and Industry Bureau indicates that the Government has put in place various measures to promote new industrialisation and to allow traditional manufacturing industries to upgrade and transform their operations through technology. These measures aim to enhance production efficiency, improve competitiveness of corporates, and inject new momentum into the development of Hong Kong's economy. On promotion of new-industrialisation, we expect that facilities such as light weight workshop and co-working space in the Microelectronics Centre in Yuen Long InnoPark, will be made available by end 2024 for tenants to move in gradually in a bid to promote the development of microelectronics.

The Development Bureau has all along encouraged the industry to revitalise old industrial buildings (IBs). The 2024 Policy Address has

announced the extension of various measures under the Revitalisation Scheme for Industrial Buildings to the end of 2027, with a view to continuing to encourage redevelopment and conversion of aged IBs. Since the measures were rolled out in 2018, the Town Planning Board has approved a total of 71 applications for relaxation of plot ratio (up to 20 per cent) for redevelopment of IBs, including three cases with IBs situated in Tuen Mun and Yuen Long districts. Extension of the measures facilitates better utilisation of existing IBs in various districts and fosters economic development.

LCQ17: Developing visitor sources from Middle East and ASEAN

Following is a question by the Hon Vincent Cheng and a written reply by the Secretary for Culture, Sports and Tourism, Mr Kevin Yeung, in the Legislative Council today (December 4):

Question:

The Chief Executive has proposed in the 2024 Policy Address to develop visitor sources from the Middle East and the Association of Southeast Asian Nations (ASEAN). In addition, many organisations in the community have recently proposed to further develop Hong Kong into a Muslim-friendly tourist city to attract tourists from the Middle East and ASEAN regions. Such proposals include allocating resources to introduce a subsidy scheme for Halal-certified restaurants (the Subsidy Scheme) and encouraging hotels to strive to become Muslim-friendly hotels. In this connection, will the Government inform this Council:

- (1) whether the authorities will allocate additional resources to assist restaurants, hotels and tourist attractions, etc. in obtaining Muslim-related certification, thereby making Hong Kong a Muslim-friendly tourist city; if so, of the details;
- (2) apart from allocating additional resources, whether the authorities will introduce new measures, such as the Subsidy Scheme, and encouraging more restaurants and hotels to become Muslim-friendly restaurants and hotels, so as to attract more Muslim tourists to visit Hong Kong; if so, of the details;
- (3) as regards Muslim tourists from regions such as the Middle East and ASEAN, whether the authorities have plans to conduct further publicity and promotion in the future, so as to make Hong Kong their premier tourism destination; if so, of the details; and
- (4) in respect of high-spending Muslim tourists, whether the Government will introduce measures or encourage the tourism, hotel or catering sectors to

launch high-end tourism products or mega event packages, etc., to attract them to visit Hong Kong; if so, of the details (including what new plans are in place)?

Reply:

President,

The Chief Executive has announced in his 2024 Policy Address that the Government will develop visitor sources from the Middle East and the Association of Southeast Asian Nations (ASEAN), actively encourage various sectors of the community to enhance tourism-support measures for creating a friendly environment for visitors. The Middle East and ASEAN markets have large population of Muslims. We will actively encourage various sectors of the community to enhance Muslim-friendly tourism-support measures, including compiling a list of restaurants offering halal food; encouraging more commercial establishments to provide appropriate facilities, such as worship facilities in hotels; and stepping up staff training to strengthen their knowledge on receiving visitors from different cultural backgrounds. At the same time, we will continue to step up promotions in Muslim source markets to attract more Muslim visitors to Hong Kong.

In respect of the question raised by the Hon Vincent Cheng, in consultation with the Transport and Logistics Bureau, the reply is as follows:

(1) and (2) The Culture, Sports and Tourism Bureau and the Hong Kong Tourism Board (HKTb) have been promoting Hong Kong to become a Muslim-friendly travel destination. CrescentRating, an internationally recognised halal travel certification authority, was commissioned to assess hotels, attractions and meetings, incentive travels, conventions and exhibitions (MICE) venues based on categories and standards on par with international benchmarks while taking into account Hong Kong's actual situations. So far, more than 40 hotels, attractions and MICE venues have successfully applied for and been awarded the rating from CrescentRating. For restaurants, the HKTb works with local Halal certification authority, Incorporated Trustees of the Islamic Community Fund of Hong Kong, to promote the existing accreditations in the city and encourage food and beverage establishments to apply for certification. The number of certified restaurants has increased from about 100 at the beginning of the year to more than 130. Recently, a high-end establishment became Hong Kong's first fine-dining Chinese restaurant to receive Halal-friendly certification, providing Muslim visitors with more of the city's premier cuisine.

In respect of training, the HKTb invites tourism industry partners to participate in briefings and training sessions, while encouraging them to pursue Muslim-friendly rating and promoting Halal accreditations for restaurants. This helps them understand the dining, accommodation, attraction, and MICE facility requirements for visitors from the Middle East and ASEAN countries. Through obtaining rating or certification, the trade can enhance their service standards to better cater for visitors from these

regions.

We have been encouraging different tourist attractions to continue to improve supporting facilities, especially Muslim supporting facilities, to create a more friendly environment for visitors. The HKTB has been providing assistance throughout the rating assessment by CrescentRating, including registration and certification procedures. For example, Ngong Ping 360 (NP360) and Ocean Park were awarded a Rating of Accredited Attraction – Gold, by CrescentRating, in recognition of their efforts in creating a Muslim-friendly environment for visitors. NP360 has set up prayer rooms at Ngong Ping Village, equipped with prayer garments for ladies, prayer mats, Quran, Tasbeeh and other prayer amenities for use. Besides, ablution facilities and water-friendly washrooms are also available at Ngong Ping Village. A Halal restaurant can also be found in Ngong Ping Village to provide dining option for Muslim visitors to enhance their travel experience. For Ocean Park, there is a newly set-up prayer room with better equipment, and Halal-certified restaurants for Muslim visitors. Besides, Hong Kong Disneyland Resort has a Halal-certified restaurant and a Quiet Room inside the Park, while Halal-certified menus are also available at hotel restaurants. The Kai Tak Cruise Terminal will also set up a prayer room for use by visitors early next year.

Besides, the Transport and Logistics Bureau advised that they would help encourage the Airport Authority Hong Kong and taxi fleets to provide service information in Arabic.

The Government will continue to adopt diversified strategies to develop visitor sources from the Middle East and the ASEAN, promote Hong Kong to become a Muslim-friendly travel destination, and attract more Muslim visitors to Hong Kong.

(3) We leverage different channels to attract Muslim visitors to Hong Kong, including a webpage dedicated to Muslim visitors on HKTB's DiscoverHongKong.com website, which consolidates travel information on food, accommodation, prayer facilities, cultural experiences and activities suitable for Muslim visitors. Contents will be constantly updated with the latest information to ensure visitors and the trade can keep abreast of Hong Kong's latest offerings. The webpage is available in 4 languages, i.e. English, Malay, Indonesian and Arabic.

We have launched a series of promotional campaigns targeting countries in the Gulf Cooperation Council, including Saudi Arabia, the United Arab Emirates, and Qatar, to attract more visitors to come to Hong Kong, including:

(i) Leading the largest trade delegation ever to the Middle East, with over 30 Hong Kong trade representatives from travel agencies, attractions and hotels to the Arabian Travel Market in Dubai. This premier travel trade exhibition provided a platform for establishing networks with trade partners from the Middle East and exploring collaboration opportunities;

(ii) Signing Memorandums of Understanding with Emirates Airlines, the

region's leading carrier, and Dnata Travel Group, a top online travel agency in the Middle East, to collaboratively promote Hong Kong as a preferred destination for Middle East visitors;

(iii) Launching a new premium travel guide – "Travel in Luxe¹/₄ŽHong Kong", showcasing high-end tourism experiences across four main themes: arts and culture, Hong Kong exploration, family experiences and exclusive concierge services;

(iv) Organising familiarisation trips for Middle East travel trade and media representatives to experience Hong Kong's diverse tourism offerings firsthand; and

(v) Conducting promotional activities in Saudi Arabia with Hong Kong trade representatives, capitalising on the relaunch of direct flights between Hong Kong and Riyadh of Saudi Arabia in late October this year to intensify marketing efforts.

As for Southeast Asia, we also joined hands with the Department of Culture and Tourism of Guangdong Province and the Macao Government Tourism Office to organise a promotional event for the Greater Bay Area tourism brand "Greater Bay Area – Connecting Great Experiences" in Jakarta, Indonesia. The event showcased the rich tourism resources in the Greater Bay Area to the Indonesian market and introduced Hong Kong's Muslim-friendly tourism offerings.

Moving forward, we will continue to strengthen training for the trade and encourage them to join Muslim-friendly accreditations, while expanding promotions in Muslim source markets through social media and other channels. Additionally, more Muslim trade and media familiarisation visits will be organised to utilise their networks in positioning Hong Kong as a Muslim-friendly destination.

(4) Hong Kong's tourism industry is mature with many travel agents in the market providing personalised themed itinerary planning and other services for high-spending clients. With reference to visitors' budget and preferences, travel agents tailor-make itineraries of different themes and contents, so as to provide tourists with high-quality travel experiences and attract high-spending Muslim visitors. For instance, to attract visitors having a preference in high-end tourism experiences and specially curated itineraries, the HKTB collaborated with the travel trade and launched in May this year a new guidebook "Travel in Luxe¹/₄ŽHong Kong" featuring a wide range of the city's distinctive lifestyle travel experiences. Some examples of these experiences include whole-venue blocked-out theme park exploration, VIP-exclusive interactions in attractions, accommodation in luxurious suites in star-rated hotels. The guidebook also introduces other exquisite services, which are of great interest to high-spending visitors, such as private jets, helicopters, yachts, VIP group reservation of the Peak Tram, exclusive shopping at luxury brand stores and more. The luxury travel experience guidebook enables high-spending Muslim visitors to plan their trip to Hong Kong. We will continue to adopt a multi-faceted strategy, including

encouraging the trade to tailor high-end dining and travel experiences for Muslim visitors, to enrich their travel experience, extend their stay and increase their spending in Hong Kong.

LCQ7: Implementation progress of public works projects

Following is a question by the Hon Gary Zhang and a written reply by the Secretary for Development, Ms Bernadette Linn, in the Legislative Council today (December 4):

Question:

It is learnt that among the public works for which funding approval has been granted by the Finance Committee (FC) of this Council in the current financial year, the implementation progress of some projects has been slow, with works not formally commencing for a protracted period of time. In this connection, will the Government inform this Council:

- (1) in respect of the public works projects submitted individually to the FC for vetting and approval and granted funding approval, of the time taken in general from the closure of the tender exercise, approval of funding, to the actual commencement of works, as well as the administrative procedures involved and the time taken for the various procedures;
- (2) in the past three years, whether the implementation time of any public works projects submitted individually to the FC for vetting and approval and granted funding approval exceeded the time generally required as mentioned in (1); if so, of the reasons for that;
- (3) in each of the years from 2020 to 2023 and this year to date, (i) of the total number of projects for which funding approval has been granted by the FC for carrying out technical feasibility studies, detailed design and/or investigation for public works projects, and the total funding approved (excluding projects committed through block allocations under the Capital Works Reserve Fund), and (ii) among them, of the number of projects for which funding has been sought from the FC for the relevant construction works (set out in the table below); if there are projects for which funding approval has not yet been sought from the FC so far for carrying out the construction works, of the progress of each of such projects;

Year	(i)		(ii)
	Total number of projects	Total amount of funding	
2020			
2021			
2022			
2023			

(4) of the annual estimated expenditure on works-related block allocations (i.e. Heads 702 to 709 and 711) approved under the Capital Works Reserve Fund in the past five financial years, as well as the actual expenditure as at the end of the financial years concerned (set out in a table); and

(5) of the total estimated annual expenditure on public works projects submitted individually to the FC and granted funding approval in the past five financial years, as well as the actual expenditure as at the end of the financial years concerned (set out in a table)?

Reply:

President,

The Government has been implementing public works projects in a timely and orderly manner with a view to improving people's quality of living, enhancing the long-term competitiveness and promoting the economic development of Hong Kong. After securing funding from the Finance Committee (FC), depending on the scale of projects, they would be implemented in phases through different works contracts. In addition, the Government has issued internal guidelines in September 2020 requesting that, under normal circumstances, the Controlling Officers should adopt parallel tendering for the procurement of works contracts and works-related consultancies. The objective of parallel tendering is to reflect the returned tender price of works contract/works-related consultancy in the application of Approved Project Estimate from the FC as far as practicable to reduce the risk of cost overrun or unnecessary lock-up of public resources, and to enable responsible departments to early commence works/consultancy services after obtaining funding approval from the FC. In general, the entire procurement process of works contracts and works-related consultancies would normally take about four to six months.

Our responses to the five parts of the question are as follows:

(1) In general, there are different procedures involved in the entire process from tendering to actual commencement of works, including (i) tender invitation – subject to the nature and complexity of the works or consultancy services, the tendering period generally takes about 1.5 to two months; (ii) after tender closing, tender evaluation under the “two-envelope” approach comprises two parts. First, tenderers' technical competence and past performance will be assessed, followed by considering their tender prices. Finally, a combined score for each of the tenders will be derived. The whole process takes about two to 2.5 months; (iii) preparation of final tender report for submission to the Tender Board and obtaining its approval of the tender evaluation recommendation in about 0.5 to one month; and (iv) signing of the contracts by two parties, site handover and commencement of actual site work by the contractor in about 0.5 months.

(2) According to our information, a small number of projects (about 15 per cent) took longer than the above-mentioned time from tendering to actual

commencement of works in the past three years. The main reasons include (i) the relevant departments needed to clarify the information of the tender submissions with the tenderers during evaluation of tenders for the projects, and sometimes even needed to seek legal advice to determine the validity of the tenders; (ii) the approval and contract-signing of some projects needed to dovetail with the meetings of the Public Works Subcommittee (PWSC) and the FC; (iii) longer time would be taken to evaluate tenders for projects involving complex nature and technical requirements or when there were a large number of tender submissions.

(3) During the period from 2020 to 2024 (up to November), (i) the total number of projects and funding approved by the FC for carrying out pre-construction works, and (ii) the number of those projects for which funding has been sought from the FC for the relevant construction works, are as follows:

Year	Projects for pre-construction works approved by the FC		Number of projects for which funding has been sought from the FC for the relevant construction works
	Total number	Total amount of funding	
2020	7	\$1.78 billion	4
2021	5	\$1.5 billion	1
2022	2	\$0.566 billion	0
2023	3	\$1.115 billion	0
2024 (up to November)	1	\$0.263 billion	0

Some of the above-mentioned projects have not yet proceeded to the main construction stage since different planning and design works are being carried out according to the planning for the pre-construction works. These pre-construction works include conducting site investigation, technical impact assessment (such as environment, traffic, drainage, sewerage, water supply, geotechnical engineering, tree, ventilation and visual impact) and engineering design, carrying out consultation with relevant departments and stakeholders, processing statutory procedures (such as the Roads (Works, Use and Compensation) Ordinance and the Water Pollution Control (Sewerage) Regulation), and estimating project cost. When the planning and design of the project are completed, further consultation with the relevant Legislative Council Panel will be conducted before submission to the PWSC for consideration and, ultimately, the FC for funding approval for implementing the project.

(4) and (5) The actual annual capital works expenditure reflects the actual progress of the projects. Therefore, even if the approved project estimates remain unchanged, the actual annual expenditure will be slightly different from the estimated expenditure. The estimated and actual capital works expenditure in the past five financial years (i.e. 2019-2020 to 2023-24) are

as follows:

Financial year	Estimated capital works expenditure	Actual capital works expenditure
2019-20	\$64.2 billion (including block allocation \$10.7 billion)	\$65.4 billion (including block allocation \$10.7 billion)
2020-21	\$66.9 billion (including block allocation \$12.1 billion)	\$70.0 billion (including block allocation \$12.0 billion)
2021-22	\$75.6 billion (including block allocation \$13.7 billion)	\$77.1 billion (including block allocation \$13.5 billion)
2022-23	\$87.1 billion (including block allocation \$13.5 billion)	\$87.6 billion (including block allocation \$13.2 billion)
2023-24	\$85.0 billion (including block allocation \$13.6 billion)	\$85.8 billion (including block allocation \$13.2 billion)

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
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(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.