

立法會
Legislative Council

LC Paper No. CB(1)1456/20-21
(These minutes have been seen
by the Administration)

Ref: CB1/BC/11/20

**Bills Committee on
Mandatory Provident Fund Schemes (Amendment) Bill 2021**

**Minutes of first meeting
on Wednesday, 4 August 2021, at 2:30 pm
in Conference Room 3 of the Legislative Council Complex**

Members present : Hon WONG Ting-kwong, GBS, JP (Chairman)
Hon Abraham SHEK Lai-him, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon CHAN Kin-por, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon YIU Si-wing, SBS
Hon LEUNG Che-cheung, SBS, MH, JP
Hon Christopher CHEUNG Wah-fung, SBS, JP
Hon CHUNG Kwok-pan
Hon Jimmy NG Wing-ka, BBS, JP
Hon CHAN Chun-ying, JP
Hon LUK Chung-hung, JP

Members absent : Dr Hon CHIANG Lai-wan, SBS, JP
Dr Hon CHENG Chung-tai

Public officers attending : Agenda item II

Mr Aaron LIU, JP
Deputy Secretary for Financial Services and the
Treasury (Financial Services)2

Miss Cheryl CHOW
Principal Assistant Secretary for Financial
Services and the Treasury (Financial Services)
Mandatory Provident Fund Reform

Ms Frances HUI
Senior Assistant Law Draftsman
Department of Justice

Mr Michael CHOI
Senior Government Counsel (Acting)
Department of Justice

**Attendance by
invitation** : Agenda item II

Ms Gabriella YEE
Executive Director (Policy)
Mandatory Provident Fund Schemes Authority

Mr Eric CHENG
Director (Policy Development & Research)
Mandatory Provident Fund Schemes Authority

Clerk in attendance : Mr Boris LAM
Chief Council Secretary (1)3

Staff in attendance : Mr Alvin CHUI
Assistant Legal Adviser 3

Mr Joey LO
Senior Council Secretary (1)8

Ms May LEUNG
Legislative Assistant (1)3

Miss Teresa HO
Clerical Assistant (1)3

I. Election of Chairman

Mr WONG Ting-kwong, the Member who had the highest precedence among members of the Bills Committee on Mandatory Provident Fund Schemes (Amendment) Bill 2021 ("the Bills Committee") present at the meeting, presided at the election of the chairman of the Bills Committee. Mr WONG invited nominations for the chairmanship of the Bills Committee.

2. Mr WONG Ting-kwong was nominated by Mr CHAN Kin-por and the nomination was seconded by Mr LUK Chung-hung. Mr WONG accepted the nomination.

3. Mr CHAN Kin-por, the Member who had the highest precedence among the members not nominated for the office took over the chair from Mr WONG to preside over the election.

4. There being no other nomination, Mr CHAN Kin-por declared that Mr WONG Ting-kwong was elected Chairman of the Bills Committee. Mr WONG then took the chair.

5. Members agreed that it was not necessary to elect a Deputy Chairman.

II. Meeting with the Administration

(LC Paper No. CB(3)773/20-21	--	The Bill
File Ref: MPF/2/1/43C	--	Legislative Council Brief issued by the Financial Services and the Treasury Bureau
LC Paper No. LS96/20-21	--	Legal Service Division Report on the Bill
LC Paper No. CB(1)1158/20-21(01) (<i>Restricted to members only</i>)	--	Marked-up copy of the relevant provisions of the Mandatory Provident Fund Schemes Ordinance (Cap. 485) to be amended by the Bill prepared by the Legal Service Division
LC Paper No. CB(1)1158/20-21(02)	--	Background brief prepared by the Legislative Council Secretariat

- LC Paper No. CB(1)1158/20-21(03) -- Assistant Legal Adviser's letter dated 21 July 2021 to the Administration
- LC Paper No. CB(1)1158/20-21(04) -- Administration's reply to Assistant Legal Adviser's letter dated 21 July 2021
- LC Paper No. CB(1)1160/20-21(01) -- Administration's paper on Mandatory Provident Fund Schemes (Amendment) Bill 2021) (power-point presentation material)
- LC Paper No. CB(1)1175/20-21(01) -- Submission from the Hong Kong Trustees' Association dated 3 August 2021)
(*English version only, tabled at the meeting and subsequently issued on 4 August 2021*)

Disclosure of pecuniary interest

6. The Chairman reminded members that in accordance with Rule 83A of the Rules of Procedure of the Legislative Council ("LegCo"), they should disclose the nature of any direct or indirect pecuniary interests relating to the subjects under discussion at the meeting before they spoke on the subjects.
7. Mr CHAN Chun-ying declared that the group of companies he was working for consisted of an Mandatory Provident Fund ("MPF") trustee.

Discussion

8. The Bills Committee deliberated (Index of proceedings attached at **Annex**).

Follow-up actions to be taken by the Administration

9. The Administration was requested to provide the following information –
- (a) given the difficulty for some MPF scheme members to make enquiries about their personal accounts through the Mandatory Provident Fund Schemes Authority ("MPFA"), whether there was any existing legislation precluding the disclosure of information contained in a scheme member's own personal account to the scheme member by MPFA; and

- (b) given that the MPF benefits accrued in the MPF account opened under the former employer of a scheme member would be held in a separate personal account when the scheme member terminated his/her employment, many such personal accounts under the name of the same member were in fact inactive. As such, what was the actual percentage of active accounts (i.e. contribution accounts) out of the 10 million-odd MPF accounts which had joined the Default Investment Strategy.

(Post-meeting note: The Administration's response was issued to members vide LC Paper No. CB(1)1213/20-21(02) on 19 August 2021.)

III. Any other business

Invitation for views

10. Taking into account the situation of Coronavirus Disease-2019 epidemic in Hong Kong and the need to maintain social distancing to prevent the spread of the disease, the Bills Committee agreed to invite written submissions from the public on the Bill.

(Post-meeting note: A notice was posted on the website of LegCo on 4 August 2021 to invite the public to provide written submissions on the Bill. The 18 District Councils were also notified of the invitation. No written submission was received by the Bills Committee.)

Date of next meeting

11. Members noted that the next meeting would be held on Monday, 23 August 2021 at 10:45 am.

12. There being no other business, the meeting ended at 4:18 pm.

Council Business Division 1
Legislative Council Secretariat
28 October 2021

**Proceedings of the first meeting of
the Bills Committee on Mandatory Provident Fund Schemes (Amendment) Bill 2021
on Wednesday, 4 August 2021, at 2:30 pm
in Conference Room 3 of the Legislative Council Complex**

Time Marker	Speaker	Subject(s)	Action Required
Agenda item I – Election of Chairman			
000450 – 000700	Mr WONG Ting-kwong Mr CHAN Kin-por Mr LUK Chung-hung	Mr WONG Ting-kwong was elected Chairman of the Bills Committee.	
Agenda item II – Meeting with the Administration			
000701 – 002600	Chairman Administration	Briefing by the Administration on the Mandatory Provident Fund Schemes (Amendment) Bill 2021 ("the Bill") (LC Paper Nos. CB(3)773/20-21 and CB(1)1160/20-21(01), and File Ref: MPF/2/1/43C).	
002601 – 002656	Chairman Mr CHAN Chun-ying	The Chairman reminded members of the requirements for disclosure of pecuniary interests under Rule 83A of the Rules of Procedure of the Legislative Council.	
002657 – 003235	Chairman Mr Christopher CHEUNG Administration	<p>Mr Christopher CHEUNG made the following remarks/enquiries –</p> <p>(a) the Administration had previously undertaken to review the statutory management fee cap of 0.75% per annum of Default Investment Strategy ("DIS") constituent funds after three years of implementation, but it was now deferred until full implementation of the eMPF Platform in around 2025 when all trustees and their schemes had migrated to the new eMPF Platform. Mr CHEUNG enquired about the reasons for the deferment; and</p> <p>(b) given the strong annual growth of the overall pool of DIS constituent funds, tremendous savings could be achieved from an early review of the statutory management fee cap.</p> <p>The Administration advised that –</p> <p>(a) the Administration undertook to review the statutory fee caps on DIS constituent funds three years after the operation of DIS (i.e. in 2020) in the course of the scrutiny of the DIS-related legislation in the 2016-2017 Legislative Council</p>	

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		<p>("LegCo") session;</p> <p>(b) the current legislative proposals relating to the eMPF Platform, including the requirements for "straight pass-on" of cost savings and the "corresponding reduction in the fund expense ratio", would be applicable to DIS constituent funds;</p> <p>(c) upon implementation of the eMPF Platform and the related fee control, there would be an average 30% cut in the administration fee to be enjoyed by scheme members. As administration fee constituted mostly to the management fee payable by scheme members invested in DIS funds, any cost savings in scheme administration arising from the implementation of the eMPF Platform would also be applicable to DIS constituent funds after the trustees concerned got onboard the eMPF Platform; and</p> <p>(d) when all MPF trustees and their schemes migrated to the eMPF Platform in around 2025, more detailed information on the degree of reduction in management fee of each DIS constituent fund due to cost savings in scheme administration would be available to facilitate the Administration's review on the adjustment to the statutory management fee cap of 0.75%.</p> <p>The Chairman asked the Administration and the Mandatory Provident Fund Schemes Authority ("MPFA") to note Mr CHEUNG's concern, monitor the market management fee levels closely and make timely reports to LegCo as and when necessary.</p>	
003236 – 003848	Chairman Mr CHAN Chun-ying Administration	<p>Mr CHAN Chun-ying made the following enquiries –</p> <p>(a) given that scheme members were expected to enjoy an average 30% reduction in the scheme administration fee payable if a 90% digital take-up rate could be achieved in five years after implementation of the eMPF Platform, what measures would be taken to ensure that a 90% digital take-up rate could be achieved and what implications it would have if the rate could not be achieved in five years;</p> <p>(b) given that under the "safe harbour" provisions, trustees would be entitled to a statutory defence or</p>	

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		<p>not subject to relevant financial penalty if trustees' non-compliance with the statutory requirements under the Mandatory Provident Fund Schemes Ordinance (Cap. 485) ("MPFSO") was solely due to the failure of the system operator to perform its duties, which party would be the adjudicating authority in such cases; and</p> <p>(c) the types of possible offences that would be charged on trustees as well as the respective duties and responsibilities of the system operator and trustees.</p> <p>The Administration advised that –</p> <p>(a) the responsibility for the contractor of the system operator to achieve a 90% digital take-up rate in five-year time after implementation of the eMPF Platform was stipulated in the tender document and the contract for the development of the eMPF Platform. Failure of the contractor to achieve the 90% target take-up rate would be liable to contractual remedies and consequences;</p> <p>(b) due to the Coronavirus Disease 2019 pandemic, the digital take-up rates of both participating employers and scheme members had seen remarkable increases. Digital take-up rate of employers had risen from around 30% to 40% in mid-2019 to 51% in December 2020, and the take-up rate of scheme members had risen from some 90% to 98% during the same period;</p> <p>(c) under the tender document and contract of the eMPF Platform, the system operator was required to take a multi-pronged approach to boost the digital take-up rate of the eMPF Platform, including enhancing promotion and technical support, introducing user-friendly interface and functionality, and providing incentives for users to adopt digital means to use the eMPF Platform. The Administration, MPFA and the eMPF Platform Company would closely monitor the digital adoption situation and implement suitable and timely measures to boost the take-up rate; and</p> <p>(d) as the regulator of the MPF sector and the oversight body for the operation of the eMPF Platform and the eMPF Platform Company, the</p>	

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		<p>MPFA would be responsible for monitoring the compliance with the relevant operating rules and statutory requirements, and would take enforcement actions as necessary in a fair and objective manner.</p>	
<p>003849 – 004535</p>	<p>Chairman Mr YIU Si-wing Administration</p>	<p>Mr YIU SI-wing raised the following enquiries –</p> <p>(a) whether there was a supervisor-subordinate relationship between MPFA and the eMPF Platform Company; whether MPFA was represented in any executive committee(s) of the eMPF Platform Company; and whether the eMPF Platform Company had independent authority to initiate investigation into suspected cases of non-compliance by trustees, or had to refer such cases to MPFA for investigation;</p> <p>(b) given that the Government had so far committed over \$4.9 billion of public money to fund the hardware and software development and maintenance of the eMPF Platform, as well as support the initial years of operation of the eMPF Platform Company, and would further commit \$210 million to facilitate trustees' boarding onto the eMPF Platform and managing the associated risks, when would the eMPF Platform cease to require additional Government funding and begin to generate income, or even allow the Government to partially recoup its funding injection; and</p> <p>(c) given that some trustees might not be willing to migrate to the eMPF Platform early and charge their scheme members a lower management fee, what would be the criteria for determining the order of migration by trustees to the eMPF Platform.</p> <p>The Administration advised that –</p> <p>(a) the eMPF Platform Company was established by MPFA as its wholly owned subsidiary company to build and maintain the eMPF Platform as a public utility, on a cost-recovery and not-for-profit basis, through charging fees on trustees for the scheme administration services it provided;</p> <p>(b) the implementation of the eMPF Platform would not change the existing relationship between MPFA as the regulating authority and the trustees</p>	

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		<p>as regulatees. The eMPF Platform Company would function as a system operator and would not assume a regulatory role. Any suspected cases of non-compliance identified by the eMPF Platform Company would be referred to MPFA for follow-up or investigation;</p> <p>(c) the eMPF Platform Company, being a subsidiary of MPFA, would have its own Articles of Association and corporate governance code setting out its public functions and powers, subject to the supervision of the Board of Directors with representatives from MPFA and the Government;</p> <p>(d) LegCo approved a total non-recurrent capital commitment to the development work of the eMPF Platform and initial operation of the eMPF Platform Company of about \$4.9 billion, including the \$210 million to incentivize and facilitate trustees' early boarding onto the eMPF Platform. The Government had no plan to recover the non-recurrent capital grant, thereby lowering the recurrent cost of operating the eMPF Platform for the benefit of scheme members;</p> <p>(e) no further funding requirement was anticipated at this stage as the eMPF Platform Company would operate on a cost-recovery basis, through charging fees on trustees for the scheme administration services it provided; and</p> <p>(f) the Administration, MPFA and the eMPF Platform Company would work out the criteria for determining the order of migration to the eMPF Platform by trustees in batches, taking account of the trustees' readiness for migration and operational risks, etc.</p>	
004536 – 005523	Chairman Mr CHUNG Kwok-pan Administration	<p>Mr CHUNG Kwok-pan raised the following views/enquiries –</p> <p>(a) given that there were now some 4.5 million members enrolled into MPF schemes with a total of 10 million-odd accounts administered by 13 trustees, whether there was any room for incentivizing account consolidation by scheme members to streamline processes and reduce paperwork;</p> <p>(b) given that MPF trustees were already running a</p>	

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		<p>lucrative business, what was the rationale for injecting \$210 million to incentivize trustees' boarding onto the eMPF Platform when it would become mandatory to do so after the enactment of the proposed legislative amendments; and</p> <p>(c) apart from the administration fee, whether there was room under the existing fee structure for further regulation or reduction of other fees, i.e. custodian fee, trustee fee, sponsor fee and investment management fee.</p> <p>The Administration advised that –</p> <p>(a) the MPFA had all along been encouraging scheme members to consolidate their personal accounts. The eMPF Platform was designed as a one-stop shop to allow scheme members to manage and consolidate their MPF accounts and investment portfolios under different MPF schemes and trustees more easily;</p> <p>(b) given the sheer number of accounts under the trustees' management, the additional funding provision of \$210 million to be allocated to those trustees who opted for early onboarding would facilitate trustees' onboarding to the eMPF Platform and managing the associated risks in relation to the work of data transfer, cleansing and reformatting;</p> <p>(c) the eMPF Platform was aimed at tackling the high administration costs of the MPF system, being one of the major concerns of the stakeholders. With standardization, streamlining and automation of the scheme administration work, the eMPF Platform would bring down the administration fee of MPF funds by an average 30%. In the long run, the average administration fee would be further lowered from the existing 0.58% of the asset under management to around 0.2% in 2032;</p> <p>(d) as new trustee would no longer need to develop their own electronic administration system, the eMPF Platform would also reduce barriers to market entry and introduce more competition to the MPF market; and</p> <p>(e) compared to scheme administration fee, investment management fee varied more widely</p>	

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		among investment funds or products requiring different level of investment management skills and risks, etc.	
005524 – 010140	Chairman Mr LEUNG Che-cheung Administration	<p>Noting that one of the main objectives of the eMPF Platform was to reduce the overall costs of the MPF System, Mr LEUNG Che-cheung enquired whether the service of the trustees (and hence fees charged by trustees) could be dispensed with over time with the implementation of the eMPF Platform.</p> <p>The Administration advised that the eMPF Platform was aimed to streamline, standardize and automate scheme administration work and reduce related costs of the MPF System. The eMPF Platform would not perform other functions currently taken up by trustees, including investment management, product design and other trustee services.</p>	
010141 – 011200	Chairman Ms Starry LEE Administration	<p>Ms Starry LEE welcomed the proposal to launch the eMPF Platform to enhance the efficiency of the MPF System. She made the following enquiries/remarks –</p> <p>(a) given the cumbersome procedure and difficulty for scheme members to make enquiries about their own personal accounts through MPFA, whether there was any existing legislation precluding the disclosure of information contained in a scheme member's own personal account to the scheme member by MPFA; and</p> <p>(b) MPFA should introduce measures to encourage scheme members to consolidate different personal accounts now without awaiting the launch of the eMPF Platform.</p> <p>The Administration advised that –</p> <p>(a) MPF schemes were privately managed by MPF trustees and there was limitation in the current legislative framework preventing MPFA from accessing to or disclosing details of personal account information pertaining to a scheme member (including account number, account balance and investment portfolio) which was held by the trustee concerned; and</p> <p>(b) with the passage of the Bill and the phased implementation of the eMPF Platform from 2023,</p>	The Administration to follow up as per paragraph 9(a) of the minutes.

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		<p>scheme members would be able to check the details of their own accounts and perform account consolidation and other functions at their fingertips on the eMPF Platform as a one-stop shop.</p>	
<p>011201 – 012615</p>	<p>Chairman Mr CHAN Kin-por Mr CHUNG Kwok-pan Administration</p>	<p>Mr CHAN Kin-por relayed the Hong Kong Trustees' Association's support to the key objectives of the Bill. Mr CHAN and the Chairman requested the Administration to provide before the next meeting a written response to the concerns over some key issues of the Bill which were set out in the Association's submission tabled at the meeting (LC Paper No. CB(1)1175/20-21(01)).</p> <p>Mr CHAN then summed up the key concerns raised by the Association in its submission –</p> <ul style="list-style-type: none"> (a) while there were safe harbour provisions in the Bill, given that the eMPF Platform Company was a wholly-owned subsidiary of MPFA, there might be potential conflict of interest if MPFA played any active roles in determining the "proportionality" of the liabilities of any non-compliance acts to be allocated between the system operator and the trustees; (b) section 43 of the Mandatory Provident Fund Schemes (General) Regulation ("MPFSGR") (Cap. 485A) provided for the fundamental duties of the trustees. However, with the new function of MPFA of overseeing the operation of the eMPF Platform, there would be fundamental changes to the existing operating model of scheme administration functions which were currently handled by trustees or their delegates. Such changes could have significant impact on how trustees would discharge their duties prescribed under section 43 of MPFSGR; (c) confusion would arise as the term "administration" for the purposes of eMPF was not defined in the Bill; (d) the power of MPFA to determine the rate of administration fee under the proposed section 19ZB of MPFSO was too wide; (e) the proposed approach to use the fund expense ratio ("FER") for implementation of 	

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		<p>corresponding topline reduction was unfair;</p> <p>(f) as there was insufficient information regarding the operating rules to be introduced, MPFA was urged to share with the industry early the contents of the operating rules;</p> <p>(g) MPFA should share with trustees in advance more details on the arrangements of the subscription agreement which was the sole official instrument providing legal basis on which trustees could seek reasonable remedies from the system operator;</p> <p>(h) there were concerns over the impact of the proposed administration fee cap on trustees with bundled fee arrangements; and</p> <p>(i) section 206 of MPFSGR should be amended to the effect that members and employers who joined an MPF scheme be provided with electronic documents unless they opted out of communication by electronic means.</p> <p>At the request of Mr CHUNG Kwok-pan, the Administration gave a preliminary response to the key concerns of the Association as follows –</p> <p>(a) there would not be any conflict of role or interest for MPFA to oversee the operation of the eMPF Platform and to determine the responsibility for non-compliance with the legislation as MPFA would discharge these duties as a regulator tasked to ensure and oversee the proper and efficient operation of the MPF System;</p> <p>(b) the overarching principle for the regulation of fees was to ensure straight pass-on of cost savings in scheme administration and corresponding reduction to FER to reflect the cost savings to be enjoyed by scheme members in full;</p> <p>(c) the Administration noted trustees' request for more information or details of the operating rules and subscription agreement. MPFA and the eMPF Platform Company would consult trustees on the draft documents in the first half of 2022; and</p> <p>(d) given that there would still be a significant number of scheme members who were less tech-savvy, the Administration considered it more appropriate to</p>	

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		<p>adopt an opt-in model, instead of an opt-out model, for the use of the eMPF Platform at this stage. Nevertheless, MPFA would monitor the digital adoption situation and provide incentives to boost the take-up rate as appropriate.</p>	
012616 – 013040	Chairman Mr Christopher CHEUNG Administration	<p>Mr Christopher CHEUNG's enquiry and the Administration's response on the corresponding timing of implementation of: (a) account management functions on the eMPF Platform by scheme members; and (b) review of the prevailing statutory management fee cap of 0.75% per annum of DIS constituent funds.</p> <p>The Administration advised that –</p> <p>(a) scheme members would be able to manage their own MPF accounts effectively upon the launch of the eMPF Platform in 2023 when MPF schemes started to migrate to the eMPF Platform; and</p> <p>(b) the fee reduction requirements proposed under the Bill would apply to DIS constituent funds, and hence the administration fee of DIS constituent funds would be lowered in accordance with the statutory requirements, without having to wait for the review of the statutory management fee cap of 0.75%.</p> <p>On the Chairman's enquiry on the anticipated 30% cut in fee level upon implementation of the eMPF Platform, the Administration clarified that the average 30% cut was applicable to the administration fee portion of FER.</p>	
013041 – 014200	Chairman Mr CHUNG Kwok-pan Administration	<p>Mr CHUNG Kwok-pan made the following enquiries –</p> <p>(a) given that the use of the eMPF Platform was mandatory and would benefit the trustees by streamlining their workflow and cutting down paperwork, it appeared that the \$210 million funding to incentivize trustees' early onboarding to the eMPF Platform was a double benefit to trustees. As such, what were the justifications for the relevant funding; and</p> <p>(b) the deadline for opting for early boarding.</p> <p>Mr CHAN Kin-por made the following observations –</p>	

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		<p>(a) the use of the eMPF Platform would involve high risk for the early-bird trustees due to the uncertainty arising from the connection of their systems to the eMPF Platform; and</p> <p>(b) trustees having a relatively large market share would be less willing to get on board the eMPF Platform early as it could mean an early fee cut, whereas small to medium trustees with a smaller customer base would be more interested to get on board the eMPF Platform early, so as to benefit from the incentive funding whilst attracting more scheme members with lower fees.</p> <p>The Administration advised that –</p> <p>(a) given that the onboarding to the eMPF Platform would result in the lowering of administration fee and correspondingly the overall fee level of MPF funds, the \$210 million funding was considered appropriate to encourage trustees' early onboarding to the eMPF Platform by meeting the trustees' associated transition and risk management costs;</p> <p>(b) trustees in different forms and sizes would have different considerations as to their preferred timing to migrate to the eMPF Platform. The Administration and MPFA would work out with trustees the onboarding sequence and details of the early bird scheme, with a view to firming up the transitional arrangement and implementation timetable of the eMPF Platform; and</p> <p>(c) only those trustees which opted for early onboarding would be entitled to a share of the \$210 million funding.</p> <p>The Chairman's enquiry and the Administration's response on whether the approval of the Finance Committee of LegCo was required for the \$210 million funding to incentivize trustees' boarding onto the eMPF Platform. The Administration clarified that the \$210 million funding was approved by LegCo vide passage of the Appropriation Bill 2021.</p>	
014201 – 014606	Chairman Mr CHUNG Kwok-pan	Mr CHUNG Kwok-pan enquired how the eMPF Platform could facilitate the abolition of the arrangement of offsetting severance payments and	

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	Administration	<p>long service payments against MPF accrued benefits ("the offsetting arrangement").</p> <p>The Administration advised that –</p> <p>(a) after the abolition of the offsetting arrangement, employers would be required to set up Designated Savings Accounts ("DSAs") under their own names to save up in advance so as to meet their potential liabilities for making severance and long service payments; and</p> <p>(b) employers would be able to handle DSA-related transactions on the eMPF Platform. The Labour Department would also develop and manage a separate back-end DSA System to connect to the eMPF Platform.</p> <p>Mr CHUNG Kwok-pan enquired about the system readiness of the eMPF Platform to handle the 300 000-odd DSAs under the names of the same number of employers.</p> <p>The Administration advised that DSA account holders should overlap with those participating employers of the MPF schemes under the existing MPF System. Relevant system specifications for the DSA accounts had been incorporated into the tender documents and contract of the development of the eMPF Platform.</p> <p>In response to Mr CHUNG Kwok-pan's enquiry, the Administration advised that 2.5 million-odd MPF accounts had already invested in accordance with DIS or in the constituent funds of DIS, representing some 24% of the total number of 10 million-odd MPF accounts.</p>	
014607 – 014955	Chairman Mr CHUNG Kwok-pan Administration	<p>Mr CHUNG Kwok-pan said that as the MPF benefits accrued in the MPF account opened under the former employer of a scheme member would be held in a separate personal account when the scheme member terminated his/her employment and did not consolidate his/her personal accounts, many such accounts under the name of the same member were in fact inactive. Mr CHUNG requested the Administration to provide supplementary information on the actual percentage of active accounts (i.e. contribution accounts) out of the 10 million-odd MPF accounts which had joined DIS.</p>	The Administration to follow up as per paragraph 9(b) of the minutes.

Time Marker	Speaker	Subject(s)	Action Required
		The Administration undertook to provide the relevant information before the next meeting to facilitate discussion by the Bills Committee.	
014956 – 015130	Chairman Mr CHAN Kin- por	Invitation for written submissions from the public on the Bill Meeting arrangements	
Agenda item III – Any other business			
015131 – 015140	Chairman	Closing remarks	

Council Business Division 1
Legislative Council Secretariat
28 October 2021