

MANDATORY PROVIDENT FUND (UK)

What is the Mandatory Provident Fund?

- The Mandatory Provident Fund (MPF) is a compulsory retirement saving scheme for the people of Hong Kong. Most employees and their employers are required to contribute five percent of the employee's income, up to HK\$1,500 (£155) per month, to MPF schemes provided by approved financial institutions.
- The Mandatory Provident Fund Schemes Authority (MPFA) in Hong Kong supervises the provision of MPF schemes through various MPF trustees.
- Ordinarily, anyone leaving Hong Kong permanently is entitled to withdraw their savings held in their MPF. However, a unilateral declaration from the Chinese Ministry of Foreign Affairs in response to the opening of the British National (Overseas) (BNO) visa scheme in January 2021 to no longer recognise the BNO identity has blocked access for hundreds of thousands of Hong Kongers to their MPF. This retaliatory action has been conducted by fiat with no laws or regulations being changed in Hong Kong regarding the operation of the MPF.

Role of HSBC in MPF

- London-headquartered HSBC is a trustee for five of Hong Kong's MPF schemes, occupying 29% of the MPF market with assets totalling HK\$329 billion (£33 billion).
 - HSBC is denying access to £870 million of assets (29% of £3 billion) which belong to BNO visa holders who have permanently left the city.¹
- While giving evidence to the House of Commons Foreign Affairs Select Committee in January 2021, Chief Executive of HSBC Noel Quinn said, "I cannot cherry-pick which law to follow or which legal instruction to follow from a police authority anywhere in the world."²

Policy ask

- His Majesty's Treasury to provide a formalised commitment to apply for British citizenship on behalf of Hong Kongers on the BNO visa scheme to present to UK-headquartered and MPF trustees (a) HSBC or (b) Standard Chartered should they be denied access to their pensions, given that 99 percent of Hong Kongers who hold a British National (Overseas) visa intend to apply for British citizenship.

¹<https://static1.squarespace.com/static/58ecfa82e3df284d3a13dd41/t/664f4963e1f7181886d501fe/1716472163670/Updated+UK+MPF+Briefing+2024.docx+%281%29.pdf>

²https://static1.squarespace.com/static/58ecfa82e3df284d3a13dd41/t/643c2841a4044330cc5b690d/1681664066162/HKW+MPF+briefing_2023.pdf