

MANDATORY PROVIDENT FUND (CANADA)

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 (\$260 CAD) 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.

Roles of Manulife and Sun Life in MPF

- Manulife and Sun Life are MPF trustees, occupying 40% of the MPF market.
- In April 2024, Hong Kong Watch Canada updated a survey which found that Manulife and Sun Life rejected over 80% of customers applying for MPF withdrawal on the grounds that the BNO visa was either not a valid document or does not show permission to reside outside Hong Kong.
 - The survey had a sample size of 396 respondents, composed of Hong Kongers now residing in the UK or in Canada.
 - Respondents who have over 5 years of contributions in their MPF are four times more likely to be unsuccessful when attempting to withdraw.¹
 - These findings follow Hong Kong Watch research from April 2023 showing that Hong Kongers who have fled to the UK are being denied access to over C\$3.9 billion in savings held in the MPF.² As of May 2024, this estimate is C\$5.3 billion.³

¹<https://www.hongkongwatch.org/all-posts/2023/10/24/manulife-and-sun-life-reject-over-90-of-hong-kongers-who-have-trying-to-withdraw-their-mpf-pension-savings>

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

³<https://static1.squarespace.com/static/58ecfa82e3df284d3a13dd41/t/664f4963e1f7181886d501fe/1716472163670/Updated+UK+MPF+Briefing+2024.docx+%281%29.pdf>