



ONE HUNDRED SEVENTEENTH CONGRESS
SENATOR JEFF MERKLEY, CHAIRMAN
REPRESENTATIVE JAMES P. MCGOVERN, COCHAIRMAN

February 28, 2022

Noel Quinn
Group Chief Executive
HSBC
8 Canada Square
London E14 5HQ
United Kingdom

Dear Mr. Quinn,

We are writing to raise questions and concerns about HSBC's business practices in Hong Kong and globally, including restrictions placed on the accounts of American citizens and the freezing of accounts of Hong Kong activists, independent media, and civic groups. We ask you to provide transparent answers to us about why HSBC has engaged in such activities, in order to assist the U.S. Congress in its oversight of the Hong Kong Autonomy Act (Public Law No. 116-149), the Hong Kong Human Rights and Democracy Act (Public Law No. 116-76), and the Hong Kong Policy Act (Public Law No. 102-383).

Statements by HSBC Asia Pacific's chief executive Peter Tung-shun Wong publicly pledging support for the National Security Law heighten our concern. Since his statement in June 2020, the Hong Kong authorities have put almost the entirety of the city's opposition figures behind bars and denied bail to most. The government further disqualified and arrested previously elected legislators and district councilors, and went on to rewrite electoral rules to allow only "patriots" fully vetted by the national security police to run in future elections. In July 2021, Mr. Wong was appointed to the 1,500-member Election Committee tasked with nominating, appointing, and electing 40 out of 90 legislators in Legislative Council elections on December 19, 2021. U.S. Secretary of State Anthony Blinken expressed "grave concern over the erosion of democratic elements of the Special Administrative Region's electoral system." The Election Committee will pick the next Chief Executive in May 2022.

In addition, HSBC has frozen the bank accounts of activists, independent media, and civic groups, many which were forced to close or end operations. Some of the most prominent cases include:

- In November 2019, HSBC closed a corporate account used to raise funds for the non-profit Spark Alliance which provided legal, medical, food, and education assistance to protestors against the extradition bill;
- In August 2020, HSBC froze the personal accounts of Apple Daily's top executives -- publisher Jimmy Lai, his aide Mark Simon, and CEO Cheung Kim-hung -- after the police

arrested Lai, Cheung, and others under the National Security Law. The city's only print pro-democracy newspaper was later forced to shut down in June 2021 after its business accounts with other banks were frozen. A total of 7 top executives including Lai have been arrested and denied bail as of today;

- In December 2020, HSBC froze the accounts of Ted Hui, a former pro-democracy legislator who had fled to Europe, along with the accounts of his wife and parents;
- In December 2020, HSBC froze the accounts of pastor Ray Chan and the Good Neighbour North District Church whose senior volunteers organized "Protect Our Children" to de-escalate clashes between protesters and police officers during the anti-extradition protests of 2019;
- In September 2021, HSBC, along with Hang Seng Bank and Bank of East Asia, froze HK\$2.2 million assets of the Hong Kong Alliance in Support of Patriotic Democratic Movements of China. The Alliance was forced to close down. Former top officers have been convicted and sentenced for commemorating the June 4 massacre in addition to being charged and denied bail under the National Security Law; and
- Holders of the British National (Overseas) passports have been denied the ability to withdraw pension funds from HSBC as they leave the city for the UK which raises questions whether HSBC is aiding and abetting the government's policy to restrain exit.

We have also been told that the accounts of American citizens are restricted, including at HSBC branches in the United States. If true, this practice targeting American citizens or legal permanent residents is unacceptable and requires immediate rectification.

We ask HSBC to address the concerns stated above and to justify why these actions were taken, including whether these actions were requested by Hong Kong authorities or officials from the People's Republic of China and whether these actions are consistent with HSBC's stated policies and the UN Guiding Principles on Business and Human Rights. While you are reviewing HSBC's policies and actions, we ask that you reverse all actions taken targeting the groups listed above and end any and all restrictions immediately on the accounts of American citizens or legal permanent residents.

Above all, we ask HSBC to answer directly whether or not the actions listed in this letter contribute in any way to the "inability of the people of Hong Kong (a) to enjoy freedom of assembly, speech, press, or independent rule of law; or (b) to participate in democratic outcomes" as stipulated under the Hong Kong Autonomy Act of 2020 (Public Law No. 116-149). To assist the U.S. Congress in its oversight of the laws referenced in this letter, we ask for a timely and transparent response from HSBC on the matters cited above.

Sincerely,



Senator Jeffrey A. Merkley
Chairman



Representative James P. McGovern
Cochair



Senator Marco Rubio
Ranking Member



Representative Christopher H. Smith
Ranking Member



Senator Dianne Feinstein
Commissioner



Representative Tom Malinowski
Commissioner



Senator James Lankford
Commissioner



Representative Michelle Steel
Commissioner



Senator Steve Daines
Commissioner



Representative Vicky Hartzler
Commissioner



Senator Angus S. King, Jr.
Commissioner



Representative Thomas R. Suozzi
Commissioner



Representative Jennifer Wexton
Commissioner