

Press Release
Deposit Protection Scheme (Amendment) Ordinance 2016 gazetted
Thursday, March 24, 2016

The Government today (March 24) gazetted the Deposit Protection Scheme (Amendment) Ordinance 2016 (the Amendment Ordinance).

With the implementation of the Amendment Ordinance today, a gross payout approach is adopted for the determination of compensation under the Deposit Protection Scheme (DPS) in case the scheme is triggered. Under this approach, any compensation paid to depositors is determined on the basis of their aggregate protected deposits held with a failed bank (up to HK\$500,000 per depositor) without deducting the amount of liabilities owed by those depositors to the same bank.

The gross payout approach enables the affected depositors to have faster access to their deposits - within seven days under most circumstances.

The Secretary for Financial Services and the Treasury, Professor K C Chan, said, "The Amendment Ordinance equips the DPS with a speedier payout capability, which further strengthens its function within the financial safety net, reinforcing the status of Hong Kong as an international financial centre."

The Chief Executive of the Hong Kong Monetary Authority, Mr Norman Chan, said, "The enhanced DPS with an expedited compensation payout process contributes to the maintenance of banking and financial stability. It is in line with the global reform trend."

The Amendment Ordinance was enacted by the Legislative Council on March 17, and takes effect today upon gazettal.

Ends