



香港存款保障委員會
HONG KONG DEPOSIT
PROTECTION BOARD

Our Ref.: B9/62/2C

19 July 2006

The Chief Executive
All Scheme members

Dear Sir/Madam,

Subsidiary Legislation under the Deposit Protection Scheme Ordinance

Further to my letter of 19 May 2006, I am pleased to inform you that the negative vetting process of the following four pieces of subsidiary legislation relating to the Deposit Protection Scheme (“DPS”) was completed in the Legislative Council sitting that commenced on 12 July 2006:

- (i) DPS Ordinance (Amendment of Schedules 1 and 4) Notice 2006 (referred to as “Amendment Notice”);
- (ii) DPS (Representation on Scheme Membership and Protection of Financial Products under Scheme) Rules (referred to as “Representation Rules”);
- (iii) DPS (Payment of Contributions, Late Payment Fees and Rebates) Rules (referred to as “Contribution Rules”); and
- (iv) DPS Ordinance (Commencement) Notice 2006.

In order to ensure that foreign currency deposits will not be inadvertently captured under the definition of “structured deposit” thereby being excluded from deposit protection, the definition of “structured deposit” in the Amendment Notice has been slightly amended. A copy of the relevant resolution passed by the Legislative Council to give effect to the amendments is enclosed for your reference.

With the completion of the negative vetting of the subsidiary legislation, the DPS will start providing deposit protection and collecting contributions on 25 September 2006. The Representation Rules and the Contribution Rules will also take effect on the same day. Accordingly, Scheme members should ensure full compliance with the two sets of Rules on 25 September 2006. As regards the payment of contributions, we will issue a separate letter to Scheme members setting out the detailed arrangements in due course.

If you have any questions, please do not hesitate to contact Ms Tess Leung at 2878 8280 or Mr Raymond Tsai at 2878 1060.

Yours faithfully,

(Raymond Li)
Chief Executive Officer

Encl.

cc Hong Kong Association of Banks (Attn: Mr Alan Sze)
Secretary for the Financial Services and the Treasury (Attn: Mr Clement Chan)