



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

Our Ref.: D1/1C

2 July 2010

The Chief Executive
All Scheme members

Dear Sir/Madam,

Revised Return of Relevant Deposits

I am writing to draw to your attention that the Deposit Protection Scheme (Amendment) Ordinance 2010 (“Amendment Ordinance”) was passed by the Legislative Council on 30 June 2010. As a result, Scheme members are required to start reporting their amounts of relevant deposits to the Hong Kong Deposit Protection Board (the “Board”) for contribution assessment purposes on a new reporting basis by the end of this year.

Scheme members are currently required by the Board, under section 48(1) and (2) of the Deposit Protection Scheme Ordinance, to submit an annual return, the Return of Relevant Deposits (the Return), to the Board showing the amount of relevant deposits held with them as at 20 October of a year by 20 December of the year. The amount reported by a Scheme member will form the basis for the Board to assess the contribution to the DPS Fund payable by the Scheme member in the coming year, that is, the amount of contribution payable for 2011 will be determined with reference to the position as at 20 October 2010.

As a result of the passage of the Amendment Ordinance, the DPS protection limit will be increased from HK\$100,000 to HK\$500,000 and its scope will be expanded to cover secured deposits, starting from 1 January 2011. To align the basis for assessing contributions for 2011 with the new limit and scope of protection, the Amendment Ordinance requires Scheme members to start reporting the amount of relevant deposits held with them as at 20 October 2010 under the new limit and scope of protection. In addition, according to the Amendment Ordinance, an option is provided to Scheme members to report the amount on a net deposit basis.

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In consultation with the Hong Kong Association of Banks, the Board has developed a revised Return for Scheme members to report their amounts of relevant deposits under the new reporting basis. The revised Return and its Completion Instructions are enclosed with this letter. All Scheme members should start using the revised Return for reporting the amount of relevant deposits held with them as at 20 October 2010. The completed return should be submitted to the Board by **20 December 2010**.

We are in the course of designing the standard template to facilitate the completion and submission of the Return through the STET (Submission Through Electronic Transmission) system. A briefing to explain the new reporting basis will be held on 23 July 2010. If your institution is interested in attending the briefing, please kindly complete the enrolment form attached and return it to us by fax on or before 9 July 2010. Each institution may nominate up to two representatives to attend the briefing.

Should you have any questions relating to this letter, please feel free to call the hotline of the Board for the revised Return at 2111 6731 or 2111 6730.

Yours faithfully,

A handwritten signature in black ink, consisting of a large, sweeping loop at the top, followed by a smaller loop and a horizontal line that ends in a small hook.

(Colin Pou)

Acting Chief Executive Officer

Encl.