

Hong Kong Deposit Protection Board

Guidance Note for Payment of Contributions

Determination of Contribution Payable

1. The obligation of a Scheme member to make contribution to the Deposit Protection Scheme (DPS) Fund is specified in section 15 of the DPS Ordinance. In accordance with Schedule 4 to the DPS Ordinance, the amount of contribution payable by a Scheme member is the sum calculated by multiplying the amount of relevant deposits maintained with the Scheme member as at 20 October of the immediately preceding year¹ by the percentage specified in the following table opposite the MA supervisory rating of the Scheme member. The minimum amount of contribution is HK\$50,000.

<u>MA supervisory rating</u>	<u>Percentage</u>
1	0.0175%
2	0.0280%
3	0.0385%
4 or 5	0.0490%

Confidentiality

2. Section 46(4) of the DPS Ordinance forbids any person to disclose the supervisory rating of a Scheme member as well as the amount of contribution payable by a Scheme member to any party other than the Hong Kong Deposit Protection Board (the Board) and the Hong Kong Monetary Authority (HKMA).

Payment Details

3. The DPS (Payment of Contributions, Late Payment Fees and Rebates) Rules (referred to as “Contribution Rules”) issued by the Board on 19 May 2006 prescribe the manner in which a Scheme member should pay its contributions and late payment fees and the period within which the contributions are to be paid. Any payment of contributions by Scheme members must be made in the manner and within the period prescribed by this set of rules. In particular,
 - Payment must be made within 21 calendar days after the date of the demand note issued by the Board and through the Hong Kong dollar interbank settlement accounts opened and maintained by Scheme members under section 3A(1) of the Exchange Fund Ordinance;
 - Payment should be received by the HKMA **between 9 a.m. and 12:30 p.m.** on a working day² during the 21-day payment period;
 - Payment should be made to the HKMA RTGS account code “888” (SWIFT BIC

¹ For new Scheme members, the amount of relevant deposits on the date that a Scheme member becomes a member of the Scheme (i.e. the date on which its banking licence is granted) should be used.

² “Working day” is defined in the Contribution Rules to mean any day other than a public holiday, a Saturday, or a day on which a gale warning or a rainstorm warning is in force at any time between 9 a.m. and 12:30 p.m.

Code HKMAHKHHXXX) with a **payment code of “32”**. The demand note number should also be quoted in the payment instructions.

- Any payment made not in accordance with the manner and period specified in the Contribution Rules may be rejected. The Scheme member concerned will need to effect another payment to fulfill its payment obligation under the DPS Ordinance.
4. If a Scheme member does not maintain a Hong Kong dollar interbank settlement account under section 3A(1) of the Exchange Fund Ordinance, the Scheme member should arrange with another authorized institution to make payment on its behalf. The Scheme member should obtain the HKMA’s prior consent for it to disclose the amount of contribution to that authorized institution for such purpose.
 5. A receipt will not be issued after payment.

Late Payment Fee

6. Pursuant to section 15(4), if a Scheme member fails to pay any contribution within the period or in the manner prescribed in the Contribution Rules, the Board may impose on the Scheme member a late payment fee of HK\$5,000, or 10% of the outstanding amount of contribution not paid, whichever is greater.

Enquiries

7. For any enquiries about payment of contributions, please call 2878 1145.