

### Business Plan and Key Initiatives

#### DPS Enhancements

Following the implementation of the legislation to enable a fast payout process in early 2016, the Board will continue to explore ways to gain better operational efficiency through the use of the latest payment technology, simplifying data requirements and the enhancements to the internal payout procedures. As the recently passed legislation empowers the Board to communicate with depositors by electronic means, it provides the opportunity for exploring the possibility of making an electronic payment and the issuance of an electronic notice to a depositor at the same time. After considering information security and data privacy, the Board will embark on a plan to study the feasibility of using e-cheques for payouts. In addition, the Board will work closely with Scheme members to further streamline the data requirements to take full advantage of the gross payout approach in speeding up the process. The existing payout procedures will be updated to ensure that the gross payout approach can function as efficiently and effectively as intended.

The Board will also continue to work with the HKMA to ensure a proper interface between the DPS and the resolution tools (e.g. deposit transfer) that may be deployed for handling a banking crisis under the proposed resolution regime for financial institutions.

#### Payout Readiness

To further improve the operational effectiveness and efficiency of payouts, the Board will conduct a review of the existing computer systems and infrastructure with the aim of enhancing and strengthening the resilience of the overall systems set-up. Payout walk-throughs and simulation tests will be performed to ensure that payout agents are fully conversant with the revised information requirements, and the enhanced payout policies and procedures. Given the importance of data quality in facilitating a fast payout process, the Board will continue to ensure the readiness of Scheme members in submitting the relevant information according to the prescribed format.

#### Ensuring Effective DPS Coverage and Compliance of Scheme Members

The effectiveness of the DPS hinges on its coverage of depositors and it is the Board's objective that most depositors are fully protected by the DPS protection limit. Against this background, the Board will conduct a survey to keep track of the latest coverage position of the DPS. In addition, to ensure that depositors are properly informed of the protection status of deposits held with Scheme members, the Board will continue to monitor the overall compliance with the Representation Rules through self-assessment reviews conducted by Scheme members and the HKMA's thematic on-site examinations regarding DPS representation requirements.

### Reinforcing Public Awareness and Understanding

The Board will reinforce its efforts on publicity and community education to ensure that the public is aware of the protection available to their deposits and the scope of coverage. There will also be suitable updates to enable depositors to understand more about the newly implemented gross payout approach. Based on readings from the opinion surveys, the Board will continue to monitor the trend of awareness and understanding about the DPS and factor in any material findings in the formulation of the communication and public education plan.

As the DPS will mark its 10th Anniversary in September 2016, the Board will take the opportunity to engage with general depositors through tailored programmes. Among them, real stories will be gathered from people from different walks of life. The anecdotes based on their own experiences in savings and deposits will be shared with the public to instil a greater understanding of deposit protection. To allow a wider appreciation of these different aspects of Hong Kong people's lives, some of the stories will be produced as short videos for broadcast on multimedia channels.

### Maintaining Administrative Efficiency and Effectiveness

The Board will collect contributions from Scheme members for 2017. A well-established mechanism is in place to assess the amount of contributions based on the Scheme members' returns of relevant deposits and the supervisory ratings assigned to them by the HKMA. The accuracy of these returns will be subject to the monitoring of the Board through reviews of the members' audit reports.