

DEPOSIT PROTECTION SCHEME – A DECADE OF DEVELOPMENT



The Deposit Protection Scheme (DPS) was launched on 25 September, providing effective protection to depositors in Hong Kong.



The global financial crisis deepened while the banking system of Hong Kong remained generally stable. The DPS was not activated during the crisis but stood ready to do so if needed.

The Legislative Council passed amendments to enhance the protection limit, scope of coverage and representation requirements of the DPS.



2006

2007

2008

2009

2010

2011

The first payout rehearsal was held to test the overall readiness of the system and improve payout efficiency.



Proposals to enhance the scope and coverage level of the Scheme were concluded after two rounds of public consultation.

The protection limit on deposits was raised from HK\$100,000 to HK\$500,000 from 1 January and the Scheme's coverage was extended to include secured deposits.



Hong Kong chaired the Financial Stability Board's peer review of deposit insurance systems to finalise a report for developing guidance based on international best practices.

• 2012

The DPS was assessed as a transparent and trusted scheme under the International Monetary Fund's Financial Sector Assessment Program.



Enactment of the Deposit Protection Scheme (Amendment) Ordinance 2016 enabled the implementation of a fast payout regime with a target of full payment within seven days compared with the previous payment benchmark of six weeks.

• 2016

Strategic plans were formulated for achieving fast payouts and establishing an early warning system with the banking supervisor.



• 2013

The amendment bill to achieve fast payouts by adopting the gross payout approach and other technical enhancements was introduced into the Legislative Council on the back of broad support received from the public consultation.



Photo source: The Legislative Council (www.legco.gov.hk)

• 2015

• 2014