

MESSAGE FROM THE CHAIRPERSON



It was both an honour and a privilege to take the helm of the Deposit Protection Board (the Board) which is entrusted with the crucial role of protecting all depositors in Hong Kong. My appointment last July came at an opportune time when the Deposit Protection Scheme (the Scheme) was about to celebrate its 10th anniversary. The 10th anniversary marked a very major milestone and provided me with an excellent opportunity to revisit the tireless efforts made by my past and present colleagues in enhancing the coverage and efficiency of the Scheme. Such accomplishments enabled us to sail through the global financial crisis in 2008 without any disruptions to depositors, the impact of which has reverberated around the world for years. In particular, I was truly impressed by the successful implementation of significant improvements to the Scheme, including a five-fold increase in the protection limit for deposits and the introduction of a fast payout regime. Together, these have provided a solid foundation for us to continue enhancing the Scheme, thus further strengthening Hong Kong's financial stability.

While we all hope the Scheme will never have to be triggered, our priority is to always ensure that we are well prepared for any challenges, as quickly and efficiently as possible. During the year, we were busy completing the necessary operational adjustments for a smooth transition from the net to gross payout approach following passage of the relevant legislative amendments in March 2016. The work included system tuning, updating policies and procedures, streamlining information requirements for Scheme members, and organising training sessions for our payout agents. These enhancements were undertaken, step by step, to achieve the objective of fast payouts within seven days should the situation arise. In addition, a full rehearsal will be conducted later this year to test and confirm that the procedures, system and people can all function as expected.

The ability of Scheme members in providing the necessary information to us in a timely manner is equally important in the execution of a fast payout. In view of this, we regularly monitor their compliance with the relevant requirements to ensure accuracy, completeness and timeliness in submission of bank records. We are glad to note that the results of the compliance reviews and simulation tests conducted so far have confirmed the readiness of information for swift payouts to depositors.

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We are also building for the future. To support a speedy payout process in the next decade, we have embarked on a system modernisation project scheduled for completion by the end of 2018. The installation of more advanced hardware infrastructure, coupled with new functions through application redevelopment, will significantly improve our overall system efficiency and effectiveness; and we will continue to explore convenient and secure electronic channels as an alternative to paper cheques to reimburse depositors.

As the new Chairperson, I am also endeavouring to build on the success we have had in the past decade in raising awareness among members of the public that their deposits are being well protected by the Scheme, especially for the unexpected rainy days. This is crucial to the overall confidence in the Scheme and our financial stability. Through the ongoing publicity and community education programmes, we have maintained the level of awareness and understanding of the Scheme at a healthy 78%. In the Deposit Story Competition held last year, we were able to engender a deeper appreciation of what “every dollar counts” means to different depositors, and how the Scheme protects each of their dreams. For instance, pursuing further studies, starting up a new business, buying a new home, or enjoying retirement, to name just a few! Some of the real-life stories and anecdotes were also developed into short videos to show how people can “Save with Confidence”. Indeed, we plan to continue with this theme as the focal point in a new publicity campaign. Our community education programme was also advanced with outreach initiatives to further engage ethnic communities, the younger generation, homemakers, and the elderly, so they could have a better understanding of the Scheme.

The smooth operation of the Scheme relies on the concerted efforts of the Board and its key stakeholders, so it is timely for me to express my heartfelt gratitude to fellow Board Members, and Members of the Advisory Panel on Communication and Public Education for their invaluable contribution and insight over the years. In particular, I would like to pay special tribute to my predecessor, Mrs Pamela Chan, for her sterling leadership and wisdom, and retired Board Members, Miss Annie Chan, Professor Francis Chin, Mr Eugene Ho and Mr David Kidd, for their distinguished service, and offer my best wishes to each of them for their continued success after their six years of firm commitment and dedication to the Board. On the other hand, I extend a warm welcome to fellow new Board Members, Ms Anita Gidumal, Mr Mat Ng, Ms Barbara Shiu and Professor Tam Kar-yan. I am also truly grateful to the Hong Kong Monetary Authority, the Financial Services and the Treasury Bureau, and Scheme members for the indispensable partnership forged over a decade, and I look forward to further collaboration with them in the years ahead. Finally, I would like to record my sincere appreciation to the Board’s dedicated and conscientious staff under the excellent leadership of the CEO, Mr Li Shu-pui, and the two Deputy CEOs, Ms Tess Leung and Ms Anita Chan. Their professionalism and perseverance underpin the smooth operation and sound development of the Scheme – a cornerstone of the sustained financial stability of our city as an international financial centre.

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