



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

16 August 2006

The Chief Executive  
All Scheme members

Dear Sir/Madam,

**Payment of Contribution**

I am writing to inform you of the logistical arrangement for payment of contributions by Scheme members under section 15 of the Deposit Protection Scheme (DPS) Ordinance.

Immediately after the launch of the DPS, the Hong Kong Deposit Protection Board (the Board) will issue a notice (i.e. a demand note) under section 15(2) of the DPS Ordinance to each Scheme member. The demand note will specify the amount of contribution payable by the Scheme member for the period from 25 September 2006 to 31 December 2006.

The DPS (Payment of Contributions, Late Payment Fees and Rebates) Rules (referred to as "Contribution Rules") issued by the Board in May 2006 have laid down the manner and the period in which Scheme members should pay contributions. Under this set of rules, payment must be made within 21 calendar days after the date of the demand note issued by the Board and through the Scheme member's Hong Kong dollar interbank settlement account maintained with the Monetary Authority (the MA). If a Scheme member does not maintain a settlement account, the Scheme member should arrange with another authorized institution to make payment on its behalf and obtain the MA's prior consent for it to disclose the amount of contribution to that authorized institution for payment purpose.

Your attention is also drawn to section 46(4) of the DPS Ordinance which forbids any person to disclose the supervisory rating of a Scheme member as well as the amount of contribution payable by a Scheme member. Since the demand note will set out the amount of contribution payable by a Scheme member, the Board will issue the demand note to the Chief Executive of each Scheme member under confidential cover. Scheme members are reminded to exercise extra care in handling the demand note and the related payment.

A copy of the Contribution Rules and the Guidance Note for Payment of Contributions is enclosed for your reference. If there are any questions on the above arrangement, please do not hesitate to contact Ms Tess Leung at 2878 8280 or Mr Raymond Tsai at 2878 1060.

Yours faithfully,

(Raymond Li)  
Chief Executive Officer

cc Hong Kong Association of Banks (Attn: Mr Alan Sze)  
Hong Kong Monetary Authority (Attn: Mr Arthur Yuen)