

# SECRET

## Under the Deposit Protection Scheme Ordinance

### RETURN OF RELEVANT DEPOSITS

#### FOR POSITION OF THE HONG KONG OFFICE(S) OF A SCHEME MEMBER

As at \_\_\_\_\_ (dd/mm/yyyy)

Name of Scheme Member	Date of Submission (dd/mm/yyyy)

#### The Deposit Protection Scheme Ordinance

Information requested in this return is required under section 48(1) and (2) of the Deposit Protection Scheme Ordinance. The return should be submitted to the Hong Kong Deposit Protection Board (the Board) not later than 2 months after the reporting date, unless otherwise advised by the Board.

*Note: This return is to be prepared in accordance with the completion instructions issued by the Board.*

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We certify that this return is, to the best of our knowledge and belief, correct.

.....  
*Chief Accountant*

.....  
*Chief Executive*

.....  
*Name*

.....  
*Name*

*Name and telephone number of responsible person who may be contacted by the Board in case of any query.*

.....  
*Name*

.....  
*Telephone Number*

**Part I - Amount of Relevant Deposits**

(HK\$'000)

	Amount of Relevant Deposits	Total Amount
1.	Held in the depositor's own right	
2.	Held under trusts and bare trusts	
3.	Held in client accounts	
4	Total	

**Part II - Other Information**

1. Estimate of number of deposit accounts of the Scheme member ('000) \_\_\_\_\_
- 1(i). Of which number of trust and bare trust accounts ('000) \_\_\_\_\_
- 1(ii). Of which number of client accounts ('000) \_\_\_\_\_
2. Estimate of number of depositors of the Scheme member ('000) \_\_\_\_\_

## **Completion Instructions**

### **Return of Relevant Deposits**

#### **Introduction**

1. This return collects information on the amount of relevant deposits of each Scheme member. Based on the information contained in the return, as well as other relevant information supplied by the Monetary Authority (MA) (the MA supervisory ratings of individual Scheme members), the Hong Kong Deposit Protection Board (the Board) will assess the amount of contribution payable by each Scheme member.

#### **Section A: General Instructions**

2. All Scheme members are required to complete this return showing the positions of their Hong Kong offices as at 20 October of the year preceding the year of assessment (e.g. the amount of contribution for 2017 is assessed with reference to the amount of relevant deposits as at 20 October 2016). For new Scheme members, the reporting date should be the date when it becomes a member of the Scheme.
3. The return should be submitted to the Board not later than 2 months after the reporting date, unless otherwise specified by the Board. If the submission deadline falls on a public holiday, it will be deferred to the next working day.
4. Terms used in these completion instructions have the same meanings as in the Deposit Protection Scheme Ordinance (the DPS Ordinance). Specifically, the terms “relevant deposits” and “amount of relevant deposits” are defined in Schedule 1 and Schedule 4 to the DPS Ordinance respectively. Scheme members should familiarise themselves with these Schedules before completing the return. Following the enactment of the Deposit Protection Scheme (Amendment) Ordinance 2016, compensation under the Deposit Protection Scheme (DPS) is to be calculated on a gross basis (i.e. without netting depositors’ liabilities against deposits protected under the DPS) and the definition of “amount of relevant deposits” has been revised accordingly, i.e. also on a gross basis. As a result, starting from the return as of position date of 20 October 2016 (to be submitted in December 2016), a liability owed by a depositor to the Scheme member should not be deducted from the relevant deposits held by the depositor when reporting the relevant deposit figures in this return.
5. Amounts should be shown to the nearest thousands, in HK\$ or HK\$ equivalent in the case of foreign currency items. The closing middle market T/T rates prevailing at the reporting date should be used for conversion purpose.

## **Section B: Specific Instructions**

### **Part I – Amount of Relevant Deposits**

#### **Item 1 – Relevant deposits held in the depositor’s own right**

6. Report in this item the amount of relevant deposits held by depositors in their own rights.
7. Report the amount arrived at by adding up, for all depositors, the amount by which the amount of all relevant deposits held by each depositor in the depositor’s own right, subject to a limit of \$500,000 per depositor.
8. In the case of a relevant deposit held in a joint account, a Scheme member may assume that the relevant deposit in the account is equally held by the account holders. The share of the relevant deposit attributable to an account holder should then be aggregated with the other relevant deposits of the account holder maintained with the Scheme member.
9. In the case of a relevant deposit held by a partnership, the individual members of the partnership should be treated as a single and continuing body of persons as distinct from the persons who may from time to time be the members of the partnership. The relevant deposits held by the partnership should be treated as separate from the relevant deposits held by the individual partners in their own rights.
10. According to the definition of “relevant deposit”, a deposit held by an excluded person or, in the case of a joint deposit, that portion of the deposit attributable to the excluded person is not a relevant deposit. Having said that, an officer of a Scheme member or of its related company is not an excluded person for the purpose of “relevant deposit”. Hence, a deposit held by or a portion of deposit attributable to such a person should not be excluded.
11. Stored value facility (SVF) deposits or float<sup>1</sup> (collectively referred to as “SVF monies”) are not protected by the Deposit Protection Scheme, and hence they should not be included as “relevant deposits” in the return. This applies to SVF monies of facilities issued or distributed by Scheme members.
12. Interest accrued on a relevant deposit should not be included.
13. See the illustrations in the **Annex** on how the above reporting principles operate.

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<sup>1</sup> Please refer to section 2 of the Payment Systems and Stored Value Facilities Ordinance for definitions of “SVF deposit” and “float”.

**Item 2 – Relevant deposits held under trusts and bare trusts**

14. Report in this item the amount of relevant deposits held by trustees<sup>2</sup> under trusts and by bare trustees under bare trusts. Scheme members are not required to differentiate a trust from a bare trust for the purpose of reporting this return (hereinafter, all references to “trust” and “trustee” will also include bare trust and bare trustee respectively).
15. Report the amount arrived at by adding up, for all trustees holding any relevant deposits under any trusts, the amount of all relevant deposits held by each trustee under a trust, subject to a limit of \$500,000 per trust.
16. A deposit held by a trustee for an excluded person needs not be excluded from the calculation of the amount of relevant deposits. This means that Scheme members are not required to look beyond the trustees to identify the underlying beneficiaries of the trusts so as to determine whether a beneficiary is an excluded person or not.
17. A deposit of SVF monies held by a trustee needs not be excluded from the calculation of the amount of relevant deposits. This means that Scheme members are not required to trawl through their deposits so as to identify such SVF monies for the purpose of excluding the amount from relevant deposits in the return.
18. The relevant deposits held under a trust by a trustee should be treated as separate from the relevant deposits held by the trustee or the beneficiaries of the trust in their own rights, and deposits held under other trusts by the trustee.
19. Interest accrued on a relevant deposit should not be included.
20. See the illustrations in the **Annex** on how the above reporting principles operate.

**Item 3 – Relevant deposits held in client accounts**

21. Report in this item the amount of relevant deposits held by depositors in client accounts<sup>3</sup> for clients.
22. Report the amount arrived at by adding up, for all depositors holding any relevant deposits under a client account, the amount of all relevant deposits held by each depositor under a client account, subject to a limit of \$500,000 per client account.
23. A deposit held by a depositor in a client account for a client who is an excluded person, needs not be excluded from the calculation of the amount of relevant deposits. This means that Scheme members are not required to look beyond the depositor to identify the underlying clients so as to determine whether a client is an excluded person or not.

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<sup>2</sup> Please refer to section 2 of the DPS Ordinance for definitions of “trustee” and “bare trustee”.

<sup>3</sup> Please refer to section 2 of the DPS Ordinance for definition of “client account”.

24. A deposit of SVF monies held by a depositor in a client account for a client needs not be excluded from the calculation of the amount of relevant deposits. This means that Scheme members are not required to trawl through their deposits so as to identify such SVF monies for the purpose of excluding the amount from relevant deposits in the return.
25. The relevant deposits held by a depositor for clients under a client account should be treated as separate from the relevant deposits held by the depositor or the clients in their own rights, and deposits held under other client accounts held by the depositor.
26. Interest accrued on a relevant deposit should not be included.
27. See the illustrations in the **Annex** on how the above reporting principles operate.

## **Part II – Other Information**

### Number of deposit accounts

28. Report in item II(1) an estimate of the total number of deposit accounts maintained with the Scheme member.
29. An all-in-one account made up of various sub-accounts such as current, savings and time deposit should be regarded as one account. Similarly, a time deposit account with multiple deposits should be reported as one account only.
30. Report in sub-item II(1)(i) an estimate of the number of trust and bare trust accounts and in sub-item II(1)(ii) an estimate of the number of client accounts.

### Number of depositors

31. Report in item II(2) an estimate of the total number of depositors of the Scheme member.

Hong Kong Deposit Protection Board  
June 2016

**Illustrations of the Methodology for Reporting "Amount of Relevant Deposits"**

Parts I to III of this Annex illustrate how relevant deposits held by depositors in different capacities should be aggregated for the purposes of the determination of amount of relevant deposits.

The reference numbers referred to in the "Ref. Para. No." column in the illustrations indicate the corresponding paragraphs of the Completion Instructions.

**I. Aggregation of Relevant Deposits Held by the Depositor's Own Right**

**1. Single depositor**

Depositor	Details of eligible deposits	Balance (\$)	Relevant Deposits (\$)	Amount of Relevant Deposits Reported (\$)	Ref. Para. No.
Mr A	Current Account	50,000			
	Savings Account	100,000			
	Time Deposit	<u>250,000</u>	400,000	400,000	< 7 >
		400,000			

**2. Sole proprietor**

Depositor	Details of eligible deposits	Balance (\$)	Relevant Deposits (\$)	Amount of Relevant Deposits Reported (\$)	Ref. Para. No.
Mr B	Time Deposit	300,000			
	Current Account	250,000	550,000	500,000	< 7 >
Mr B's Store (a sole proprietorship)		550,000			

**3. Joint account**

Depositor	Details of eligible deposits	Balance (\$)	Relevant Deposits (\$)	Amount of Relevant Deposits Reported (\$)	Ref. Para. No.
Mr C	Savings Account	400,000			
Mr C and Mr D, jointly	Time Deposit	800,000			
		( <i>Mr C's share: \$400,000;</i> <i>Mr D's share: \$400,000</i> )			
		Mr C's relevant deposits:	800,000	500,000	< 8 >
		Mr D's relevant deposits:	400,000	400,000	< 8 >

**4. Partnership**

Depositor	Details of eligible deposits	Balance (\$)	Relevant Deposits (\$)	Amount of Relevant Deposits Reported (\$)	Ref. Para. No.
Mr F	Time deposit	400,000	400,000	400,000	< 9 >
F&G Partnership ( <i>Mr. F and Mr. G as partners</i> )	Savings Account	800,000	800,000	500,000	< 9 >



**5. Excluded person**

Depositor	Details of eligible deposits	Balance (\$)	Relevant Deposits (\$)	Amount of Relevant Deposits Reported (\$)	Ref. Para. No.
H Co. (an excluded person except an officer of the Scheme member or of its related companies)	Savings Account	200,000			
	Time Deposit	<u>600,000</u> 800,000	0	0	< 10 >

**II. Aggregation of Relevant Deposits Under Trusts and Bare Trusts**

Depositor	Details of eligible deposits	Balance (\$)	Relevant Deposits (\$)	Amount of Relevant Deposits Reported (\$)	Ref. Para. No.
IJK Trustee (deposit held in its own right)	Savings Account	400,000	400,000*	400,000*	< 18 >
	Savings Account	300,000	300,000*	300,000*	< 18 >
IJK Trustee, in trust for Mr. I	Savings Account	500,000			
	Time Deposit	<u>750,000</u> 1,250,000	1,250,000	500,000	< 18 >
IJK Trustee, in trust for K Co (an excluded person)	Time Deposit	800,000	800,000	500,000	< 16 >

\* These items deal with relevant deposits held by depositors in their own rights and therefore should be reported under item 1 of the return.

### III. Aggregation of Relevant Deposits in Client Accounts

Depositor	Details of eligible deposits	Balance (\$)	Relevant Deposits (\$)	Amount of Relevant Deposits Reported (\$)	Ref. Para. No.
LMN Brokerage Firm (deposit held in its own right) Mr. L	Savings Account	400,000	400,000*	400,000*	< 25 >
	Savings Account	300,000	300,000*	300,000*	< 25 >
	Time Deposit	750,000	750,000	500,000	< 25 >
LMN Brokerage Firm (held for its clients, including Mr. L)	Time Deposit	800,000	800,000	500,000	< 23 >

\* These items deal with relevant deposits held by depositors in their own rights and therefore should be reported under item 1 of the return.

Depositor	Details of eligible deposits	Balance (\$)	Relevant Deposits (\$)	Amount of Relevant Deposits Reported (\$)	Ref. Para. No.
OPQ Brokerage Firm (an excluded person, deposit held in its own right)	Savings Account	500,000	0	0	< 25 >
	Time Deposit	800,000	800,000	500,000	< 25 >