Press Release

Deposit Protection Scheme (Amendment) Ordinance 2010

The Deposit Protection Scheme (Amendment) Ordinance 2010 (the "Amendment Ordinance") has today (Wednesday) been passed by the Legislative Council.

The Amendment Ordinance amends the Deposit Protection Scheme Ordinance to provide for the implementation of the enhancements to the Deposit Protection Scheme ("DPS") identified in a review conducted by the Hong Kong Deposit Protection Board (the "Board") in 2009. The major enhancements include:

- raising DPS protection limit from the current HK$100,000 to HK$500,000;
- protecting secured deposits to enhance the clarity of DPS coverage;
- introducing cost mitigating measures to avoid the cost of providing better protection being transferred to depositors; and
- improving the efficiency of the Board in calculating and making compensation to depositors in a payout.

Professor Andrew Chan Chi-fai, Chairman of the Board, said, "We are truly thankful to the Legislative Council for passing the Amendment Ordinance in time for the enhancements to take effect on 1 January 2011 as scheduled. With these enhancements, depositors will benefit from receiving better protection and faster compensation payment, and an improved clarity of the protection status of their deposits."

The Board has started to engage the banking industry to ensure smooth implementation of the various enhancements and will soon launch a publicity campaign to draw public attention to the impending changes to the deposit protection arrangement in Hong Kong.

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Hong Kong Deposit Protection Board
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