Press Release

Deposit Protection Scheme Marks the 10th Anniversary

The Deposit Protection Scheme (DPS) marked its 10th anniversary in September 2016, fulfilling the objectives of maintaining efficient and effective protection to depositors and playing an integral part of Hong Kong's financial safety net.

In the first decade of the launch of the DPS, the Hong Kong Deposit Protection Board (the Board) accomplished different achievements including enhancing the scope and level of coverage of the Scheme, improving the payout readiness of the Scheme and its member banks, establishing an early warning system with the banking regulator, and raising depositors' awareness of protection available to them under the DPS. Recently, the adoption of the gross payout approach has enabled the DPS to put in place a fast payout regime for strengthening confidence and protection of general depositors.

The Chairman of the Board, Professor Michael Hui King-man, saw these milestones not only reflecting the function of the DPS as the provider of deposit protection to the public but also its crucial role in a robust financial safety net. "Depositors' confidence in their bank savings contributes to the effective working of the banking system and the DPS exists to ensure depositors can save with confidence," said Professor Hui.

Entering into the second decade of DPS operations, the Board will continue to explore ways to further strengthen the on-going effectiveness of the Scheme and synergise with other safety net components in contributing to financial stability. These include, amongst others, increasing data processing capability, improving payout efficiency through wider utilisation of electronic means and complementing the resolution regime for financial institutions.

The Chief Executive Officer of the Board, Mr Li Shu-pui, expressed his recognition of the need to continue the efforts in strengthening the functions of the DPS in contributing to stability of the banking system and consolidating the integral role of the DPS in the financial safety net. "To maintain the status of Hong Kong an international financial centre, we will ensure that the DPS can keep abreast of the future development and function effectively with other safety net components," said Mr Li.

To celebrate the 10th anniversary of the DPS, the Board organised a Deposit Story Competition earlier this year with overwhelming support from more than 2,000 participants from different walks of life sharing their own deposit stories. These stories can allow better understanding of the genuine value behind the deposits protected by the DPS. A new series of videos produced from the winning stories of the Competition premiered at today's anniversary luncheon and they will be aired at multifaceted channels from social media to out-of-home platforms starting in October. Going forward, the Board will also strive to build stronger public understanding and trust in the Scheme through various publicity and education campaigns.

Professor Michael Hui King-man, Chairman (right) and Mr Li Shu-pui, Chief Executive Officer (left) of the Hong Kong Deposit Protection Board officiate at the celebration ceremony of the 10th Anniversary Luncheon of the Deposit Protection Scheme.

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Hong Kong Deposit Protection Board
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