

Government welcomes passage of Deposit Protection Scheme (Amendment) Bill 2024

The Government welcomed the passage of the Deposit Protection Scheme (Amendment) Bill 2024 by the Legislative Council (LegCo) today (July 3) to implement various measures to enhance the Deposit Protection Scheme (DPS), including:

- raising the protection limit from the current \$500,000 to \$800,000;
- refining the levy system to enable the DPS Fund underpinning the Scheme to reach the target fund size within a reasonable timeframe under the increased protection limit;
- providing enhanced coverage to affected depositors upon a bank merger or acquisition;
- requiring the display of the DPS membership sign on the electronic banking platforms of DPS members; and
- streamlining the negative disclosure requirement on non-protected deposit transactions for private banking customers.

The Secretary for Financial Services and the Treasury, Mr Christopher Hui, said, "The Deposit Protection Scheme (Amendment) Ordinance 2024 (the Amendment Ordinance) can help further strengthen the function of the DPS in the financial safety net, enhance depositors' confidence and raise the resilience of the banking sector and the overall stability of the financial system, thereby reinforcing Hong Kong's position as an international financial centre."

The Chairman of the Hong Kong Deposit Protection Board, Ms Connie Lau, said, "We would like to express our sincere gratitude to the LegCo for the passage of the Amendment Ordinance, which marks a key milestone in the development of the DPS. The enhancements will not only ensure the DPS is in line with international standards, but will also provide better protection for depositors and further contribute to the stability of the banking system in Hong Kong. We look forward to working closely with the banking industry to implement the enhancement measures as scheduled, and will launch a series of promotional campaigns to raise the public awareness of the enhanced DPS."

The Amendment Ordinance will be gazetted on July 12 and will be implemented in two phases. The first phase, which comes into effect on October 1, 2024, will cover measures requiring a shorter period of preparatory work, such as the enhancement of protection limit to \$800,000. The second phase, which covers other measures, will be implemented on January 1, 2025.