

**The HKMA's response to Item 4 of the list of follow-up actions  
of the letter dated 3 February 2009 of the LegCo Panel on Financial Affairs**

The HKMA and the Hong Kong Deposit Protection Board (DPB) have undertaken a series of measures to promote the coverage of the 100% deposit guarantee since it was announced on 14 October 2008.

**Representation requirements and communications with depositors**

On 16 October 2008 the HKMA issued a guideline to all restricted licence banks and deposit-taking companies – they are covered by the guarantee but not the Deposit Protection Scheme (DPS) – requiring them to follow the same disclosure requirement applicable to licensed banks under the DPS about whether their deposit products are protected.

The HKMA issued a statutory guideline in December 2008 to formalise the representation regime applicable to the guarantee, including requiring all authorized institutions (AIs) to issue a letter to all account holders with non-protected deposits before the end of May 2009, notifying them which part of their money is not protected (Annex 1).

The HKMA issued a circular to all AIs on 5 February 2009 requiring them to send letters or e-mails to all integrated account holders, notifying them whether any secured credit facilities are offered under the type(s) of their integrated accounts. This arrangement enables the customers to be aware whether their deposits can be pledged and therefore become unprotected.

## Promotional and educational activities

The DPB has done the following to promote the 100% deposit guarantee:

- launched a revised TV announcement in the public interest (API) on 17 October 2008, three days after the guarantee was announced, to cater for the extended coverage by the guarantee
- issued 1.65 million copies of a revised DPS information leaflet, which contains, among other things, the types of deposits that are not protected, since November 2008 (Annex 2) – in its circular of 5 February 2009 issued to all AIs, the HKMA asked the AIs to distribute the leaflets to their customers as statement inserts
- launched a new TV API on all major Chinese and English TV channels on 23 January 2009 focusing on the most common types of deposits that are not protected including secured deposits and structured deposits (Annex 3<sup>1</sup>)
- put out advertisements on the major Chinese and English newspapers on 23 January 2009 highlighting the commonly known protected and non-protected deposits (Annex 4)
- issued a press release on 5 February 2009 clarifying the coverage of the DPS and the guarantee (Annex 5)
- the Chief Executive Officer of the DPB issued a Viewpoint article (posted on the HKMA website and carried by several newspapers) on 12 February 2009

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<sup>1</sup> This is a DVD containing the English and Chinese versions of the API – it will be delivered to the Panel separately.

clarifying the coverage of the DPS and the guarantee.

The DPB commits to working with the HKMA to continue to promote awareness and understanding of the DPS and the guarantee.

**Hong Kong Monetary Authority**

**February 2009**

9 December 2008

The Chief Executive  
All authorized institutions

Dear Sir/Madam,

**Representation on Eligible Deposits by Authorized Institutions  
A Guideline issued by the Monetary Authority\_  
under section 7(3) of the Banking Ordinance**

I am writing to draw to your attention that the above Guideline will be published in the Gazette in December 2008.

The Financial Secretary announced on 14 October 2008 the use of the Exchange Fund to immediately guarantee the repayment of all customer deposits held with all authorized institutions in Hong Kong (Deposit Guarantee), until the end of 2010. The Deposit Guarantee will cover the amount of deposits at licensed banks in excess of that protected by the Deposit Protection Scheme (DPS) and all customer deposits held with restricted licence banks and deposit-taking companies.

Currently, licensed banks that are members of the DPS are required by a set of statutory rules issued under DPS Ordinance to make proper representations on whether financial products offered by them are protected by the DPS. The Guideline to be gazetted specifies how AIs should make similar representations in respect of the deposits protected by the Deposit Guarantee. The Guideline shall come into operation on 1 April 2009 and will remain effective until 31 December 2010.

To facilitate the majority of AIs to achieve compliance, the requirements in the Guideline have been set in line with those applicable to members of the DPS. Nevertheless, as the scope of protection of the Deposit Guarantee is more comprehensive than that of the DPS, AIs are required to take additional steps to bring to the attention of customers holding deposit products not eligible for protection that such products are not protected. AIs are also reminded to be ready to respond to customers' enquiries.

Misrepresentation of protection status of financial products under the DPS and the Deposit Guarantee may bring about a high level of reputation risk to an AI and undermine public confidence in the AI. The Monetary Authority therefore sees it very important for AIs to put in place proper procedures to ensure compliance with the requirements in the Guideline.

Yours faithfully,

Y.K. Choi  
Deputy Chief Executive

Encl. [Representation on Eligible Deposits by Authorized Institutions - A Guideline issued by the Monetary Authority under section 7\(3\)](#) (PDF file, 146KB)

(翻譯本)

致：所有認可機構  
行政總裁

敬啟者：

**認可機構對合資格存款的申述  
金融管理專員根據《銀行業條例》第 7(3)條發出的指引**

特此通知貴機構上述指引將於 2008 年 12 月刊登於憲報。

財政司司長於 2008 年 10 月 14 日宣布，即時運用外匯基金為存放在香港所有認可機構的所有客戶存款提供償還擔保（存款擔保），有效期至 2010 年底。存款擔保將適用於存放在持牌銀行超過存款保障計劃（存保計劃）保障額的存款，以及存放在有限制牌照銀行及接受存款公司的所有客戶存款。

目前，身為存保計劃成員的持牌銀行須遵守根據《存保計劃條例》發出的一套法定規則，就所提供的金融產品是否受到存保計劃保障作出適當申述。該份即將刊憲的指引則訂明認可機構應如何就存款是否受到存款擔保保障作出相應的申述。該指引將於 2009 年 4 月 1 日生效，有效期直至 2010 年 12 月 31 日止。

為方便大部分認可機構遵守該指引，指引的規定是參照適用於存保計劃成員的規定制定。然而，由於存款擔保的保障範圍較存保計劃廣泛，因此若有客戶持有的存款產品並不符合受存款擔保保障的資格，認可機構須採取額外措施通知該等客戶其持有的該等產品並不受保障。此外，認可機構亦須作好準備，回覆客戶的查詢。

對金融產品是否受存保計劃及存款擔保的保障作出失實的申述，可能會令認可機構面對很大的信譽風險，及損害公眾對該認可機構的信心。因此，金融管理專員非常重視認可機構是否訂有適當程序，以確保遵守指引的規定。

副總裁  
蔡耀君

2008 年 12 月 9 日

附件：[Representation on Eligible Deposits by Authorized Institutions - A Guideline issued by the Monetary Authority under section 7\(3\)](#) (英文版本) (PDF file, 146KB)

## **BANKING ORDINANCE**

### **Representation on Eligible Deposits by Authorized Institutions**

#### **A Guideline issued by the Monetary Authority under section 7(3)**

1. This is a guideline issued under section 7(3) of the Banking Ordinance (Cap. 155) which provides that the Monetary Authority (“MA”) may from time to time cause to be prepared and published by notice in the Gazette guidelines indicating the manner in which he proposes to exercise functions conferred or imposed upon him by or under the Banking Ordinance (Cap. 155). The definitions in Annex 2 shall apply to the interpretation of this guideline.

#### **Background**

2. The DPS has commenced operation since September 2006. Under the DPS, eligible deposits taken by licensed banks (except for those exempted from participating in the DPS) are protected up to a limit of HK\$100,000 per depositor.
3. As a precautionary and pre-emptive measure to further strengthen confidence in Hong Kong’s banking system amidst the turbulence in the international financial markets, the Financial Secretary announced on 14 October 2008 the use of the Exchange Fund forthwith to guarantee (Deposit Guarantee) the repayment of all customer deposits held with all AIs in Hong Kong, following the principles of the DPS, but including restricted licence banks and deposit-taking companies as well as licensed banks. The Deposit Guarantee extends to the end of 2010 and applies to all Hong Kong-dollar and foreign-currency deposits held with AIs in Hong Kong, including those held with Hong Kong branches of overseas institutions.<sup>1</sup> The Deposit Guarantee will cover the amount of such deposits in excess of that protected under the DPS.

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<sup>1</sup> The Deposit Guarantee covers all protected deposits as defined in the Deposit Protection Scheme Ordinance (Cap. 581) were the Ordinance to apply to all AIs.

4. Section 7(1) of the Banking Ordinance (Cap. 155) provides that the principal function of the MA is to promote the general stability and effective working of the banking system.
5. Section 7(2) of the Banking Ordinance (Cap. 155) charges the MA with responsibility for, amongst other things:
  - (a) taking all reasonable steps to ensure that the places of business, branches and offices of AIs are operated in a responsible, honest and business-like manner;
  - (b) promoting and encouraging proper standards of conduct and sound and prudent business practices amongst AIs; and
  - (c) suppressing or aiding in suppressing illegal, dishonourable or improper practices in relation to the business practices of AIs.
6. The MA therefore has a strong interest in ensuring that appropriate disclosures are made by AIs to their customers or potential customers on whether financial products offered by them are protected by the DPS and/or Deposit Guarantee. Misrepresentation of the protection status of financial products will likely result in supervisory action by the MA, and may bring about a high level of reputational risk to an AI and undermine the confidence of the public in the AI. While disclosures on the membership status and protection status of deposits under the DPS are governed by the DPS Representation Rules, this guideline specifies how disclosures on the protection status of deposits under the Deposit Guarantee should be made.

### **Applicability**

7. All AIs shall comply with this guideline.

## **Commencement**

8. This guideline shall come into operation on 1 April 2009 and shall remain effective until 31 December 2010.

## **Display of Deposit Guarantee Sign**

9. Where an AI carries on banking business or a business of taking deposits (as the case may be) in Hong Kong, it shall make known to the public that an eligible deposit taken by it is protected by the Deposit Guarantee by displaying, at each of its relevant places of business, a Deposit Guarantee Sign in the size and colours specified in Annex 1 –
  - (a) in such a manner that the Deposit Guarantee Sign is reasonably visible to any person entering the place and, where the AI is a member of the DPS, immediately next to a DPS Membership Sign; and
  - (b) if the AI is not the only person carrying on business at the address of the relevant place of business, at such a location, and in such a manner, that any person entering the place should reasonably be aware that an eligible deposit taken by the AI, but not any financial product offered by any other person, is protected by the Deposit Guarantee.
10. Where –
  - (a) an AI carries on banking business or a business of taking deposits (as the case may be), or advertises its banking business or business of taking deposits (as the case may be), on a website through the Internet;
  - (b) another person carries on business, or advertises the business that he carries on, on the website through the Internet; and



- (c) the website contains any information to the effect that a deposit to be maintained with the AI, or any other financial product offered by the AI, is an eligible deposit,

the AI shall, subject to paragraph 11, make known to the public that an eligible deposit taken by it is protected by the Deposit Guarantee by displaying a Deposit Guarantee Sign in the colours specified in Annex 1 on the website in such a manner that any person accessing the website should reasonably be aware that an eligible deposit taken by the AI, but not any financial product offered by any other person, is protected by the Deposit Guarantee. Where the AI is also a member of the DPS, the Deposit Guarantee Sign should be displayed immediately next to a DPS Membership Sign.

- 11. A Deposit Guarantee Sign displayed for the purposes of paragraph 10 is not required to be in the size specified in Annex 1.

### **Deposit Guarantee representations in advertisements**

- 12. This section applies where –
  - (a) an AI publishes, or authorizes to be published, for its banking business or business of taking deposits (as the case may be) any advertisement or promotional material, whether published by electronic, telecommunications or other means; and
  - (b) the advertisement or promotional material contains any information to the effect that a deposit to be maintained with the AI, or any other financial product offered by the AI, is an eligible deposit.
- 13. Where the AI is a member of the DPS, the AI shall make known to the public that an eligible deposit taken by it is protected by the DPS and the Deposit Guarantee by including in the advertisement or promotional material mentioned in paragraph 12 a statement to the effect that an eligible deposit taken by it is protected by the DPS up to a limit of HK\$100,000 per depositor and the amount in excess of that protected

under the DPS is protected by the Hong Kong SAR Government's Exchange Fund until the end of 2010<sup>2</sup>.

14. Where the AI is not a member of the DPS, the AI shall make known to the public that an eligible deposit taken by it is protected by the Deposit Guarantee by including in the advertisement or promotional material mentioned in paragraph 12 a statement to the effect that an eligible deposit taken by it is protected by the Hong Kong SAR Government's Exchange Fund until the end of 2010<sup>2</sup>.
15. Where the advertisement or promotional material mentioned in paragraph 12 contains any information relating to a financial product offered by the AI that is not an eligible deposit, the AI shall include in the advertisement or promotional material a statement that the financial product is neither protected by the DPS, nor the Hong Kong SAR Government's Exchange Fund.

#### **Disclosure as to financial products offered before 1 April 2009**

16. This section applies where –
  - (a) a financial product offered by an AI before 1 April 2009 is not an eligible deposit but was described as a deposit<sup>3</sup> in any advertisement, promotional material or document, whether published by electronic, telecommunications or other means; and
  - (b) the financial product was held by a person immediately before 1 April 2009.
17. The AI shall, on or before 31 May 2009, notify the person mentioned in paragraph 16(b) in writing that the financial product is neither protected by the DPS, nor the Hong Kong SAR Government's Exchange Fund<sup>2</sup>.

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<sup>2</sup> Annex 3 sets out some suggested wording.

<sup>3</sup> For example, a structured deposit, a deposit charged in favour of an AI for a credit facility provided by the AI, etc.

18. In this section, “financial product” does not include a deposit specified in paragraph (d), (e), (f), (g), (h) or (i) of the definition of eligible deposit in Annex 2.

**Disclosure as to financial products offered on or after 1 April 2009**

19. This section applies where a financial product offered by an AI on or after 1 April 2009 is not an eligible deposit but was described as a deposit in any advertisement, promotional material or document, whether published by electronic, telecommunications or other means.
20. Where the financial product is a bearer instrument, the AI shall include in the bearer certificate a statement that the financial product is neither protected by the DPS, nor the Hong Kong SAR Government’s Exchange Fund<sup>2</sup>.
21. Subject to paragraph 22, where the financial product is not a bearer instrument, the AI shall, before a person opens an account with the AI for the purpose of the financial product or invests in the financial product –
- (a) if the financial product is offered to the person by telephone or electronic mail transmission or through the Internet, notify the person in accordance with paragraph 23 that the financial product is neither protected by the DPS, nor the Hong Kong SAR Government’s Exchange Fund<sup>2</sup>; or
  - (b) if the financial product is offered to the person by any other means, notify the person in accordance with paragraph 24 that the financial product is neither protected by the DPS, nor the Hong Kong SAR Government’s Exchange Fund<sup>2</sup>.
22. The AI is not required under paragraph 21 to notify a person in respect of the financial product before the person invests in the financial product –
- (a) if –

- (i) the person maintains an account with the AI for the purpose of the financial product;
    - (ii) the AI has, before the person opens the account, notified the person in respect of the financial product under that paragraph; and
    - (iii) the financial product is to be invested under that account; or
  - (b) if –
    - (i) the person has maintained an account with the AI for the purpose of the financial product before 1 April 2009;
    - (ii) the AI has notified the person in respect of the financial product under paragraph 17; and
    - (iii) the financial product is to be invested under that account.
23. The notice given under paragraph 21(a) is required to be accompanied by a request to the person to acknowledge, before he invests in the financial product, in writing or by the means in which the offer is made, that he has received and understands the notice<sup>2</sup>.
24. The notice under paragraph 21(b) is required –
- (a) to be in writing; and
  - (b) to be accompanied by a written request to the person to acknowledge, before he opens the account or invests in the financial product, in writing, that he has received and understands the notice<sup>2</sup>.
25. In this section, “financial product” does not include a deposit specified in paragraph (f), (g), (h) or (i) of the definition of eligible deposit in Annex 2.

## **Disclosure when deposits are no longer protected by Deposit Guarantee**

26. Where an eligible deposit is maintained by a person with an AI, the AI shall, before effecting a relevant variation to the deposit, notify the person in accordance with paragraph 27 that on the variation, the deposit is no longer protected by the DPS or the Hong Kong SAR Government's Exchange Fund<sup>2</sup>.
27. The notice given under paragraph 26 is required –
  - (a) to be in writing; and
  - (b) to be accompanied by a written request to the person to acknowledge, before the AI effects the relevant variation, in writing, that he has received and understands the notice<sup>2</sup>.
28. For the purposes of this section, there is a relevant variation to a deposit maintained by a person with an AI if –
  - (a) any term or condition under which the deposit is maintained is varied to the effect that the deposit is no longer an eligible deposit; or
  - (b) any right or obligation of the person or AI in relation to the deposit is varied, in connection with the provision by the AI to the person of a service, or of a credit facility secured by the deposit, to the effect that the deposit is no longer an eligible deposit.

## **Compliance with this guideline**

29. All AIs should adopt procedures to comply with this guideline. The MA will monitor AIs' compliance with this guideline through regular supervision.

30. The guideline shall be in addition to and shall not derogate from any other obligations prescribed in relation to a member of the DPS by or under the DPS Representation Rules or any other law, regulation or rule.

December 2008

Monetary Authority



**Deposit Guarantee Sign for an AI  
which is a member of the DPS**



**Deposit Guarantee Sign for an AI  
which is not a member of the DPS**







## Annex 2

In this guideline, unless the context otherwise requires —

“AI” means an authorized institution within the meaning of section 2 of the Banking Ordinance (Cap. 155);

“automated teller machine” means a terminal device, whether installed by an AI or by some other person, which is linked directly or indirectly to a computer system used by an AI and which provides facilities to customers of the AI;

“banking business” has the meaning assigned to it by section 2(1) of the Banking Ordinance (Cap. 155);

“bare trustee”, in relation to a deposit or portion thereof, means a person holding the deposit or that portion on trust for a beneficiary where the beneficiary has the exclusive right to direct how the deposit or that portion is to be dealt with subject only to the right of the person to resort to the deposit or that portion to satisfy any outstanding charge or lien or for the payment of duty, taxes, costs or other outgoings;

“bearer certificate”, in relation to a bearer instrument, means a certificate or other document of title, by which its holder is entitled to the repayment of the loan by its issuer;

“chief executive”, in relation to an AI, means the chief executive appointed under section 74 of the Banking Ordinance (Cap. 155) in respect of the AI, and includes an alternate chief executive so appointed;

“client account”, in relation to a depositor, means an account maintained by the depositor with an AI for the purpose of holding money held by the depositor for a client of the depositor, whether or not other money may be held in the account;

“commodity” means any item which is listed in the Schedule to the Commodity Exchanges (Prohibition) Ordinance (Cap. 82);

“deposit” has the meaning assigned to it by section 2(1) of the Banking Ordinance (Cap. 155);

“Deposit Guarantee” means the deposit guarantee set out in paragraph 3 of this guideline;

“Deposit Guarantee Sign” means the applicable sign set out in Annex 1;

“depositor” means a person entitled to repayment of a deposit, whether made by him or not;

“director” includes any person who occupies the position of director, whatever the title of his office;

“DPS” means the Deposit Protection Scheme established under the Deposit Protection Scheme Ordinance (Cap. 581);

“DPS Membership Sign” means the sign set out in the Schedule to the DPS Representation Rules and required to be displayed by a member of the DPS under section 3 of the DPS Representation Rules;

“DPS Representation Rules” means the Deposit Protection Scheme (Representation on Scheme Membership and Protection of Financial Products under Scheme) Rules (Cap. 581A);

“eligible deposit” means a deposit denominated in any currency and maintained with an AI but does not include the following:

- (a) a term deposit where the current term agreed to by the depositor at the most recent time it was negotiated exceeds 5 years;
- (b) a structured deposit;
- (c) a deposit the repayment of which is secured either in whole or in part on the assets of the AI;
- (d) a bearer instrument;

- (e) a deposit taken by the AI at any of its offices outside Hong Kong;
- (f) a deposit held for the account of the Exchange Fund;
- (g) a deposit held by an excluded person in his own right, or, in the case of a deposit held by an excluded person and a non-excluded person in their own right (except where those persons carry on business in partnership), the portion of the deposit attributable to the excluded person's share in the deposit;
- (h) a deposit held by a depositor as a bare trustee for an excluded person, or in a client account for an excluded person as the depositor's client, or, in the case of a deposit so held for an excluded person and a non-excluded person (except where those persons carry on business in partnership), the portion of the deposit attributable to the excluded person's share in the deposit;
- (i) a deposit held by a depositor as a trustee for an excluded person only.

For the purposes of paragraphs (g) and (h), if a deposit is held by more than one person in their own right or held for more than one person, each of those persons is deemed to have an equal share in the deposit unless the contrary is proved to the satisfaction of the Financial Secretary;

“Exchange Fund” means the Exchange Fund established by the Exchange Fund Ordinance (Cap. 66);

“excluded person”, in relation to a deposit maintained with an AI, means—

- (a) a related company of the AI;
- (b) a multilateral development bank as defined in section 2(1) of the Banking Ordinance (Cap. 155);
- (c) an AI;

(d) a foreign bank; or

(e) an officer of the AI or its related company;

“financial product” means any securities, futures contract, collective investment scheme or leveraged foreign exchange contract within the meaning of section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571);

“foreign bank” means a company that—

(a) is incorporated outside Hong Kong;

(b) is not an AI; and

(c) may, in or outside the place where it is incorporated, lawfully take deposits from the general public (whether or not on current account), or is authorized or recognized as a bank in that place;

“holding company” means a holding company within the meaning of section 2 of the Companies Ordinance (Cap. 32);

“member of the DPS” means an AI that is a member of the DPS;

“non-excluded person” means a person who is not an excluded person;

“officer”—

(a) in relation to an AI or its related company that is an AI, means—

(i) a director of the AI or the company;

(ii) a chief executive of the AI or the company;

- (iii) a controller, within the meaning of section 2(1) of the Banking Ordinance (Cap. 155), of the AI or the company; or
  - (iv) a manager, within the meaning of that section, of the AI or the company;
- (b) in relation to an AI's related company that is not an AI, has the meaning assigned to it by section 2(1) of the Companies Ordinance (Cap. 32);

“related company” in relation to an AI, means—

- (a) a holding company of the AI;
- (b) a subsidiary of the holding company; or
- (c) a subsidiary of the AI;

“relevant figure” means—

- (a) a rate of interest, quoted or published from time to time, that is offered by a person or government on a loan of money that—
  - (i) the person or government makes to, or proposes to make to, another person or government; or
  - (ii) the person or government raises from, or proposes to raise from, another person or government;
- (b) a rate of interest, quoted or published from time to time, that is offered by a person or government, for entering into a swap contract with another person or government, as the rate of interest at which payments to be made under that contract are to be calculated;
- (c) a rate of return, quoted or published from time to time, on an investment of moneys made by a person or government; or

- (d) a figure, quoted or published from time to time, that represents the result of a mathematical operation that involves more than one rate of interest or return mentioned in paragraph (a), (b) or (c);

“relevant place of business”, in relation to an AI, means any place of business of the AI in Hong Kong, other than any automated teller machine, at which it carries on banking business or a business of taking deposits (as the case may be) and to which members of the public ordinarily have physical access for the purposes of that business;

“structured deposit” means a deposit where—

- (a) the loan of money, or any part of the loan, may be repaid—
  - (i) in another currency to be converted, at an exchange rate specified in terms of a ratio at the time when the loan of money was made, from the currency in which that loan was made; or
  - (ii) in the form of any property other than money;
- (b) the interest on the loan of money, or the premium at which the loan of money is repayable, or any part of the interest or premium, may be paid in another currency to be converted, at an exchange rate specified in terms of a ratio at the time when the loan of money was made, from the currency in which that loan was made;
- (c) any amount of the loan of money to be repaid is determined by reference to—
  - (i) the price or value of a financial product, commodity, non-local currency or property;
  - (ii) the level of an index;
  - (iii) the fact that a relevant figure—

- (A) is above, below or equal to a specified level; or
  - (B) is within or outside a specified range;
  - (iv) the difference calculated by subtracting a relevant figure from a specified percentage;
  - (v) the result of a mathematical operation that involves more than one relevant figure; or
  - (vi) the occurrence or non-occurrence of an event in relation to a person other than the depositor who holds, or the AI that takes, the deposit; or
- (d) any amount of the interest on the loan of money, or of the premium at which the loan of money is repayable, is determined by reference to—
- (i) the price or value of a financial product, commodity, non-local currency or property;
  - (ii) the level of an index;
  - (iii) the fact that a relevant figure—
    - (A) is above, below or equal to a specified level; or
    - (B) is within or outside a specified range;
  - (iv) the difference calculated by subtracting a relevant figure from a specified percentage;
  - (v) the result of a mathematical operation that involves more than one relevant figure; or



- (vi) the occurrence or non-occurrence of an event in relation to a person other than the depositor who holds, or the AI that takes, the deposit;

“subsidiary” means a subsidiary within the meaning of section 2 of the Companies Ordinance (Cap. 32);

“swap contract” means a contract made between two parties whereby each party agrees to make payments, calculated at a rate of interest on a specified amount of money, to the other party in a particular period;

“trustee” does not include a bare trustee.

## Suggested Wording for Disclosure and Acknowledgement

Relevant Paragraph of this Guideline	Medium	Suggested Wording
13	Advertisement and promotional material	[Name of authorized institution] is a member of the Deposit Protection Scheme. Eligible deposits taken by this Bank are protected by the Scheme up to a limit of HK\$100,000 per depositor. The repayment of eligible deposits in excess of the amount protected under the Scheme taken by this Bank is guaranteed by the Hong Kong SAR Government's Exchange Fund, until the end of 2010.
14	Advertisement and promotional material	The repayment of eligible deposits taken by [name of authorized institution] is guaranteed by the Hong Kong SAR Government's Exchange Fund, until the end of 2010.
17, 20, 21 and 26	Notice to customer	<p>[The specified financial product] is not a protected deposit and is not protected by the Deposit Protection Scheme in Hong Kong. The repayment of [the specified financial product] is not guaranteed by the Hong Kong SAR Government's Exchange Fund.</p> <p>Remark: The AI should identify in the notice which particular products held by a customer are not protected. For the</p>

<b>Relevant Paragraph of this Guideline</b>	<b>Medium</b>	<b>Suggested Wording</b>
		avoidance of doubt, a general notice setting out all unprotected financial products offered by the AI without indicating which of such products are held by a customer is not sufficient for the purpose of meeting this requirement.
<b>23, 24 and 27</b>	<b>Acknowledgement from customer</b>	I acknowledge that I have received and understand that [the specified product] is not a protected deposit and is not protected by the Deposit Protection Scheme in Hong Kong and that the repayment of [the specified products] is not guaranteed by the Hong Kong SAR Government's Exchange Fund.

## Deposit Protection in Hong Kong

Depositors in Hong Kong are protected by the Deposit Protection Scheme (the Scheme) and, up to the end of 2010, a guarantee offered by the Hong Kong SAR Government's Exchange Fund.

The Scheme was established by the Hong Kong Deposit Protection Board (the Board) in accordance with the Deposit Protection Scheme Ordinance for compensating depositors. The purposes of the Scheme are to protect depositors and help to maintain stability of the banking system in Hong Kong.

On 14 October 2008, the Hong Kong SAR Government announced the use of the Exchange Fund to guarantee repayment of all customer deposits held with all Authorized Institutions in Hong Kong following the principles of the Scheme. The guarantee took immediate effect and will remain in force until the end of 2010.

### At which types of institution are deposits protected?

Deposits held with all Authorized Institutions in Hong Kong, including Licensed Banks, Restricted Licence Banks and Deposit-Taking Companies, are protected.

Deposits at	Protection limit	Protected by
Licensed Banks	First HK\$100,000	The Board
	Above HK\$100,000 (Until the end of 2010)	Hong Kong SAR Government's Exchange Fund
Restricted Licence Banks and Deposit-Taking Companies	Full amount (Until the end of 2010)	

The list of Authorized Institutions can be obtained from the Hong Kong Monetary Authority (the HKMA) or downloaded from its website.

### Which types of deposit are protected?

Following the principles of the Scheme, both Hong Kong dollar and foreign currency deposits are protected. However, certain deposits such as time deposits with a maturity longer than five years, structured deposits (such as foreign currency-linked and equity-linked deposits), secured deposits (such as deposits used as collateral to secure a banking facility), bearer instruments (such as bearer certificates of deposit) and offshore deposits are not protected. Other financial products such as bonds, stocks, warrants, mutual funds, unit trusts and insurance policies are not protected.

### Which types of depositor are protected?

Both individuals and companies are protected.

### How do you know whether a deposit is protected?

If a financial product is described as a deposit but is not protected by any of the current deposit protection arrangements, the Authorized Institution offering the product will notify you that the product is not protected either before you open an account for the product or before you decide to purchase the product. You can find out from the Authorized Institution whether your deposits are covered.

### When will compensation be paid?

If an Authorized Institution fails, the Board will be responsible for making compensation under the Scheme to the affected depositors, and assist in making compensation under the guarantee of the Exchange Fund. Affected depositors will be notified when compensation becomes payable.

### How is the compensation amount calculated?

The compensation amount is the sum of eligible deposits less any money you owe the Authorized Institution. Both the principals and the interests of deposits and liabilities will be included in the calculation, and money owed to the bank includes loans (such as credit card balances and mortgage loans) and unpaid fees and charges.

For joint deposits, holders of the account are normally deemed to have an equal share in the deposit.

### Example (All amounts include principal and interest)

Depositor	Details	Amount (HK\$)
<u>Eligible deposits</u>		
Mr Lee and Mrs Lee (a joint account)	Time Deposit	160,000
Mrs Lee (a single depositor account)	Savings Account	120,000
<u>Liabilities to the bank</u>		
Mr Lee	Personal Loan	30,000
<u>Mr Lee</u>	Compensation amount	160,000/2 - 30,000
<u>Mrs Lee</u>	Compensation amount	160,000/2 + 120,000
		<b>200,000</b>

### If an Authorized Institution fails, what should depositors do?

Depositors do not need to file claims. Depositors' eligibility for compensation and compensation entitlements will be determined based on records of the failed Authorized Institution.

Eligible depositors will be compensated as soon as possible. If it is deemed necessary, interim payments will be made.

### Where do the funds for compensating depositors come from?

The funds for compensating depositors come from a standby credit facility provided by the Exchange Fund.

# 百分百存款保障

## Full Deposit Protection

直至2010年底  
Until the end of 2010



Printed by



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

印製

## 香港的存款保障安排

香港存款人的存款受到存款保障計劃(存保計劃)及由香港特區政府外匯基金提供為期至2010年底的擔保所保障。

存保計劃是由香港存款保障委員會(存保會)根據《存款保障計劃條例》設立,對存款人提供補償的計劃。設立存保計劃的目的,是為了保障銀行存款人的利益,以及協助維持香港銀行體系的穩定。

香港特區政府於2008年10月14日宣布參照存保計劃的原則,運用外匯基金即時為存放於香港所有認可機構的客戶存款提供擔保,直至2010年底。

## 存放於哪些機構的存款受到保障?

存放於香港所有認可機構,包括持牌銀行、有限牌照銀行及接受存款公司的客戶存款均受到保障。

存款機構	保障額	提供保障機構
持牌銀行	首10萬港元	存保會
	10萬港元以上 (直至2010年底)	香港特區政府外匯基金
有限牌照銀行及 接受存款公司	全數 (直至2010年底)	

認可機構的名單可向香港金融管理局(金管局)索取或於其網站下載。

## 哪些種類的存款受到保障?

按照存保計劃的原則,港幣及外幣存款均受保障,但某些存款如年期超過五年的定期存款、結構性存款(如股票掛鈎及外幣掛鈎存款)、用作抵押的存款(如抵押予銀行以獲得信貸的存款)、不記名票據(如不記名存款證)及海外存款並不受保障。其他金融產品如債券、股票、窩輪、互惠基金、單位信託基金及保險單均不受保障。

## 哪些存款人受到保障?

個人及公司存戶均受保障。



## 如何可得知存款是否受保?

若一金融產品被形容為存款但不受現行存款保障安排所保障,提供該產品的認可機構會在你開立該產品戶口或決定購買該產品之前通知你該產品不受保障,你亦可向認可機構查詢你的存款是否受到保障。

## 何時會發放補償?

假如有認可機構倒閉,存保會將負責向受影響的存款人發放由存保計劃提供的補償,及協助發放由外匯基金提供的補償。在須發放補償時,受影響的存款人將獲得通知。

## 如何計算補償金額?

補償金額的計算方法為將存款人合資格存款金額的總和,減去存款人欠該認可機構的債務總金額。計算補償金額時將包括存款和債務的本金和利息。存款人欠銀行的債務包括貸款(如信用卡結欠和按揭貸款)和尚未償還的費用。

就聯名帳戶而言,帳戶持有人一般被當作在有關存款中佔有相等份額。

## 例子(所有金額包括本金及利息)

存款人	存款/債務詳情	金額(港元)
受保障存款 李先生及李太太(聯名帳戶) 李太太(單一存款人帳戶)	定期存款	160,000
	儲蓄帳戶	120,000
欠銀行的債務 李先生	個人貸款	30,000
李先生 獲得的補償金額	160,000/2 - 30,000	50,000
李太太 獲得的補償金額	160,000/2 + 120,000	200,000

## 在發生認可機構倒閉事故時,存款人應如何處理?

受影響的存款人毋須提出索償。存款人是否合資格獲得補償及其應得的補償金額會按照倒閉認可機構的紀錄釐定。

有關補償將盡快發放予合資格存款人。在有需要時,合資格人士可獲發放中期補償。

## 發放補償的資金來自哪裡?

向存款人發放補償的資金來自外匯基金提供的備用信貸。



本文件所載僅為一般資料,並非對規管現行存款保障安排的有關法例及規則的法律詮釋。

## 其他資料

如欲索取更多有關存保計劃的資料,請

- 瀏覽本會網頁: [www.dps.org.hk](http://www.dps.org.hk)
- 致電本會熱線: 1831 831  
星期一至五 上午九時至下午六時
- 電郵查詢: [dps\\_enquiry@dps.org.hk](mailto:dps_enquiry@dps.org.hk)
- 致函本會查詢: 香港存款保障委員會  
香港中環金融街8號國際金融中心2期78樓



認可機構的名單可向金管局索取或於其網站下載

- 金管局網頁: [www.hkma.gov.hk](http://www.hkma.gov.hk)
- 金管局地址: 香港中環金融街8號國際金融中心2期55樓

第二版: 二零零八年十月

**This document contains general information only. It does not provide legal interpretation of the laws and regulations governing the existing deposit protection arrangements.**

## Further information

To find out more about the Scheme, please

- visit the Board's website at: [www.dps.org.hk](http://www.dps.org.hk)
- call the Board's enquiry hotline at: 1831 831  
Monday to Friday 9:00a.m. - 6:00p.m.
- email the Board at: [dps\\_enquiry@dps.org.hk](mailto:dps_enquiry@dps.org.hk)
- write to the Board at: Hong Kong Deposit Protection Board  
78/F, Two International Finance Centre  
8 Finance Street, Central, Hong Kong

List of Authorized Institutions can be obtained from the HKMA or downloaded from its website

- The HKMA website: [www.hkma.gov.hk](http://www.hkma.gov.hk)
- The HKMA address: 55/F, Two International Finance Centre  
8 Finance Street, Central, Hong Kong

Second edition: October 2008



## 存款保障, 你要知清楚。

### 百分百存款保障

- 由香港政府外匯基金, 聯同存款保障委員會提供
- 發放補償的資金來自外匯基金, 充裕穩妥
- 有效期直至2010年底

### 受保障的存款包括:

- ✓ 港幣、外幣存款
- ✓ 存放於香港所有認可機構的存款 (認可機構包括持牌銀行、有限牌照銀行、接受存款公司)

### 常見不受保障的存款包括:

- ✗ 結構性存款 (如股票掛鉤及外幣掛鉤存款)
- ✗ 用作抵押的存款 (如抵押予銀行, 以獲得透支或其他貸款的存款)
- ✗ 不記名票據 (如不記名存款證)
- ✗ 海外存款

你可向認可機構查詢你的存款是否受到保障。



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

查詢熱線: 1831 831  
[www.dps.org.hk](http://www.dps.org.hk)



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- ✗ 不記名票據 (如不記名存款證)
- ✗ 海外存款

### 補償計算方法:

存款保障的補償是按受保障存款的淨額計算, 即在扣除存款人欠銀行的所有債務 (如信用卡結欠和按揭貸款等) 後的受保障存款餘額。

你可向認可機構查詢你的存款是否受到保障。



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### Full Deposit Protection

- Provided by the Hong Kong SAR Government Exchange Fund and the Hong Kong Deposit Protection Board
- The Exchange Fund provides funds for compensating depositors
- Valid until the end of 2010

#### Types of deposit **protected** include:

- ✓ **Hong Kong dollar and foreign currency deposits**
- ✓ **Deposits held with all Authorized Institutions in Hong Kong** (including Licensed Banks, Restricted Licence Banks and Deposit-Taking Companies)

#### Common types of deposit **not protected** include:

- ✗ **Structured deposits** (such as foreign currency-linked and equity-linked deposits)
- ✗ **Secured deposits** (such as deposits used as collateral to secure overdrafts and other loans)
- ✗ **Bearer instruments** (such as bearer certificates of deposit)
- ✗ **Offshore deposits**

**To know if your deposits are protected, please contact your Authorized Institutions.**



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HONG KONG DEPOSIT  
PROTECTION BOARD

Hotline: 1831 831  
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香港存款保障委員會  
HONG KONG DEPOSIT  
PROTECTION BOARD

## 新聞稿

### **存款保障計劃的保障範圍**

(2009年2月5日) 香港存款保障委員會(存保會)察覺到在過去數週部分市民大眾對存款保障計劃(存保計劃)保障範圍的憂慮，尤其是有關在綜合理財戶中不受保障的已抵押存款。

存保會理解到由於特區政府在去年10月推出的百分百存款保障安排乃按照存保計劃的原則提供保障，市民大眾對存保計劃的保障範圍自然會倍加留意。自存保計劃在2006年9月實施以來，存保會致力通過持續的宣傳推廣活動提高市民對計劃的認知及了解。在百分百存款保障安排生效後，存保會與香港金融管理局(金管局)亦採取了一系列措施加深市民對存保計劃保障範圍的認識。例如，金管局已先後發出兩份指引，要求所有認可機構就不受保障存款通知客戶。存保會亦推出了若干新的推廣活動，加強宣傳存保計劃的保障範圍。

存保會現重申存保計劃的保障範圍。有關資料其實亦已載於存保會過往已刊發的宣傳推廣資料。按照《存款保障計劃條例》的原則，除了少數種類的存款外，存保計劃及百分百存款保障是會保障存放在所有認可機構並符合《銀行業條例》中存款定義的存款。一般常見的存款，不論港幣或外幣存款，均受保障。不受保障的存款包括已抵押的存款(如抵押予銀行以獲得透支，或其他貸款的存款)、結構性存款(如股票掛鈎及外幣掛鈎存款)、不記名票據(如不記名存款證)、海外存款，以及其他幾類在《存款保障計劃條例》中指定的存款。存保計劃另外一個主要特點是計劃的補償是以淨額計算。舉例而言，如一借款人同時於銀行持有受保障存款，其存款會先用作償還銀行貸款，有餘額始會發放予該借款人作為補償。

按照金管局於2008年12月所發出的法定指引，所有認可機構須於2009年5月底前向所有持有不受保障存款的客戶發出通知，通知其持有的存款不受保障。據存保會了解，金管局亦於今天(2009年2月5日)要求所有認可機構儘快向其綜合理財戶口的客戶發出書面或電郵通知，通知其戶口的存款有否可能會被抵押。

市民如對其存款是否受保有所疑問，可以向銀行查詢。

如有查詢，請聯絡：

蔡耀基先生 2878-1060

黎明慧女士 2878-1305

存保會熱線：1831 831

電郵：[dps\\_enquiry@dps.org.hk](mailto:dps_enquiry@dps.org.hk)

網址：[www.dps.org.hk](http://www.dps.org.hk)

香港存款保障委員會

2009年2月5日



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

## Press Release

### **Coverage of the Deposit Protection Scheme**

(Hong Kong, 5 February 2009) The Hong Kong Deposit Protection Board (the “Board”) noted the emergence of some public concern about the coverage of the Deposit Protection Scheme (the “Scheme”) in the past few weeks, especially on the possibility of deposits held and pledged under integrated accounts offered by banks falling outside the scope of deposit protection.

The Board understands that it is natural for the public to pay greater attention to the coverage of the Scheme given the unlimited protection offered by the full deposit guarantee (the “Guarantee”) introduced by the Hong Kong SAR Government in October 2008, which adopts the principles of the Scheme in protecting depositors. Since the Scheme commenced operation in September 2006, the Board has been undertaking on-going publicity activities to promote awareness and understanding of the Scheme. Following the introduction of the Guarantee, the Board and the Hong Kong Monetary Authority (the “HKMA”) have taken a series of measures to reinforce public understanding of the coverage of the Scheme. For example, the HKMA has issued two guidelines to request authorized institutions to inform their customers of deposits not protected. New publicity initiatives focusing on the coverage of the Scheme have been launched by the Board.

Taking this opportunity, the Board would like to reiterate the coverage of the Scheme, which has also been communicated in the publicity materials issued by the Board in the past. According to principles set out in the Deposit Protection Scheme Ordinance, the Scheme and, hence, the Guarantee, protect all deposits maintained with authorized institutions consistent with the definition of deposit in the Banking Ordinance, except for a few types of deposits. This means that all commonly seen deposits, either denominated in Hong Kong dollar or a foreign currency, are protected. Non-protected deposits include secured deposits (such as deposits used as collateral to secure a loan and other credit facilities), structured deposits (such as foreign currency-linked and equity-linked deposits), bearer instruments (such as bearer certificates of deposit) and offshore deposits and a few types of deposits specified in the Deposit Protection Scheme Ordinance. Another key feature of the Scheme is that

compensation is paid on a net basis. For example, the protected deposits of a borrower to a bank will be applied to repay the loan that he owes the bank in the first instance. The deposit balance remaining, if any, will be paid as compensation to the borrower.

In accordance with a statutory guideline issued by the HKMA in December 2008, all authorized institutions are required to send a notice to holders of non-protected deposits before the end of May 2009 to notify them of deposits not protected. The Board understands that the HKMA has made a request to all authorized institutions today (5 February 2009) to send a letter or e-mail to holders of integrated accounts on whether the deposits in their accounts can become pledged as soon as possible.

Members of the public are advised to check with their banks on whether their deposits are protected in case of doubt.

For further enquiries, please contact:

Mr Raymond Tsai at 2878 1060

Ms Teresa Lai at 2878 1305

DPS Hotline: 1831 831

Email: [dps\\_enquiry@dps.org.hk](mailto:dps_enquiry@dps.org.hk)

Website: [www.dps.org.hk](http://www.dps.org.hk)

**Hong Kong Deposit Protection Board**

**5 February 2009**