

立法會
Legislative Council

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Tel : 2869 9205

Date : 11 November 2010

From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 17 November 2010

**Proposed resolution under section 34(2) of the
Interpretation and General Clauses Ordinance**

I forward for Members' consideration a proposed resolution which the Secretary for Financial Services and the Treasury will move at the Council meeting of 17 November 2010 under section 34(2) of the Interpretation and General Clauses Ordinance relating to the Deposit Protection Scheme (Representation on Scheme Membership and Protection of Financial Products under Scheme) (Amendment) Rules 2010. The President has directed that "it be printed in the terms in which it was handed in" on the Agenda of the Council.

2. The speech, in both English and Chinese versions, which the Secretary will deliver when moving the proposed resolution is also attached.

(Mrs Justina LAM)
for Clerk to the Legislative Council

Encl.

Interpretation and General Clauses Ordinance

Resolution

(Under section 34(2) of the Interpretation and General Clauses Ordinance
(Cap. 1))

Deposit Protection Scheme (Representation on Scheme Membership and Protection of Financial Products under Scheme) (Amendment) Rules 2010

Resolved that the Deposit Protection Scheme (Representation on Scheme Membership and Protection of Financial Products under Scheme) (Amendment) Rules 2010, published in the Gazette as Legal Notice No. 131 of 2010 and laid on the table of the Legislative Council on 20 October 2010, be amended as set out in the Schedule.

Schedule

Amendments to Deposit Protection Scheme (Representation on Scheme Membership and Protection of Financial Products under Scheme) (Amendment) Rules 2010

1. **Section 10 amended (Section 6 amended (Disclosure as to financial products offered on or after commencement of these Rules))**

After section 10(2)—

Add

“(2A) Section 6(4)(b)(i)—

Repeal

“the commencement of these Rules”

Substitute

“25 September 2006”.”.

2. **Section 15 amended (Section 7A added)**

(1) Section 15, new section 7A(2)(a)(i)—

Repeal

“5”

Substitute

“3”.

(2) Section 15, new section 7A(2)(a)(ii)—

Repeal

“10”

Substitute

“7”.

- (3) Section 15, new section 7A(2)(b)—

Repeal

“10”

Substitute

“7”.

Legislative Council Meeting on 17 November 2010

Deposit Protection Scheme (Representation on Scheme Membership and Protection of Financial Products under Scheme) (Amendment) Rules 2010 ("Amendment Rules")

Speech for SFST for Moving the Motion to amend sections 10 and 15 of the Amendment Rules

President,

I move to amend the Deposit Protection Scheme (Representation on Scheme Membership and Protection of Financial Products under Scheme) (Amendment) Rules 2010, as printed in the paper circulated to Members.

2. In the light of the relevant developments in international and local financial markets since the outbreak of the global financial crisis, and the experience gained from operating the Deposit Protection Scheme (the "DPS Scheme") since 2006, the Hong Kong Deposit Protection Board ("the Board") completed a review of the DPS Scheme in 2009. One of the proposals concluded from the review is to strengthen the representation made by DPS Scheme members regarding their Scheme membership status and the protection status of their financial products. The Board tabled the Amendment Rules at the Legislative Council for negative vetting on 20 October 2010. A subcommittee was then formed to scrutinize the Amendment Rules ("the Subcommittee"). The Subcommittee has completed the scrutiny work and indicated support to the Amendment Rules. I would like to express my wholehearted gratitude to Hon Chan Kam-lam, Chairman of the Subcommittee, and other Subcommittee members for their invaluable views expressed during the course of scrutiny.

3. In response to the proposals made by the Subcommittee during the scrutiny, we propose to amend to section 15 of the Amendment Rules which adds section 7A to the Deposit Protection Scheme (Representation on Scheme Membership and Protection of Financial Products under Scheme) Rules ("Representation Rules"). Section 7A provides that a DPS Scheme member is required to reply within a specified time limit to a request by a person holding a financial product offered by the Scheme member for confirmation as to whether the financial product is protected by the DPS Scheme. The purpose of the amendments is to address the proposal of the Subcommittee to

shorten the time limit for Scheme members to respond to the request, in the case of an oral reply, from within 5 business days to within 3 business days after the date on which the request is received and, in the case of a written reply, from within 10 business days to within 7 business days after the date on which the request is received.

4. In addition, we propose to make a technical amendment by adding sub-section 2A to section 10 of the Amendment Rules in order to replace “the commencement of these Rules” by “25 September 2006” in section 6(4)(b)(i) of the Representation Rules. The proposed amendment is in line with relevant provisions in the Amendment Rules.

5. President, the abovementioned amendments have been submitted to the Subcommittee for scrutiny and Members have raised no objection. The Hong Kong Association of Banks (“HKAB”) has also been informed of the amendments for shortening time limit for responding to enquiries. I hereby move the relevant amendments.

6. Thank you.

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