

**Legislative Council Panel on Financial Affairs
Follow-up to meeting on 9 May 2011**

Funding proposals for the setting up of the Financial Dispute Resolution Centre (FDRC) and its operating expenses in the first three years

We have made reference to similar set-ups in overseas jurisdictions and consider it necessary to impose a limit on the maximum amount that a consumer can claim. The current maximum claimable amount indeed is set at HK\$500,000 each case after consulting the industry and the public. As a matter of fact, a consumer may claim over HK\$500,000 if he or she submits claims for more than one case. One can also bring to FDRC a claim that involves more than HK\$500,000, but the maximum claimable limit still applies.

We are open to the latest suggestion for FDRC to handle cases with a claimable amount exceeding HK\$500,000 if both the claimants and the financial institutions concerned agree to resolve the disputes through FDRC. However, as the current maximum claimable amount is the outcome of an extensive public consultation which we conducted last year, we will consult the relevant stakeholders and keep this proposal under review.

Financial Services and the Treasury Bureau
27 May 2011