

立法會
Legislative Council

LC Paper No. CB(1) 2328/02-03
(These minutes have been seen
by the Administration)

Ref: CB1/BC/10/02/2

Bills Committee on Deposit Protection Scheme Bill

Minutes of the first meeting
held on Friday, 18 July 2003, at 2:30 pm
in the Chamber of the Legislative Council Building

- Members present** : Hon Albert HO Chun-yan (Chairman)
Dr Hon Eric LI Ka-cheung, GBS, JP
Hon Fred LI Wah-ming, JP
Hon NG Leung-sing, JP
Hon Margaret NG
Hon CHAN Kam-lam, JP
Hon SIN Chung-kai
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Abraham SHEK Lai-him, JP
Hon Audrey EU Yuet-mee, SC, JP
- Members absent** : Dr Hon David LI Kwok-po, GBS, JP
Hon Bernard CHAN, JP
Hon Ambrose LAU Hon-chuen, GBS, JP
- Public officers attending** : Financial Services and the Treasury Bureau

Mr Edmond LAU
Principal Assistant Secretary (Financial Services)

Hong Kong Monetary Authority

Mr David CARSE
Deputy Chief Executive

Mr Raymond LI
Executive Director (Banking Development)

Mr Raymond CHAN
Senior Manager (Banking Development)

Department of Justice

Ms Grace LEUNG
Government Counsel

Mr Lawrence PENG
Senior Assistant Law Draftsman

Clerk in attendance : Miss Becky YU
Chief Assistant Secretary (1)1

Staff in attendance : Mr KAU Kin-wah
Assistant Legal Adviser 6

Mrs Mary TANG
Senior Assistant Secretary (1)2

I. Election of Chairman

Nominated by Mr SIN Chung-kai and seconded by Mr Fred LI, Mr Albert HO was elected Chairman of the Bills Committee.

II. Meeting with the Administration

(CB(3) 567/02-03	--	The Bill
Ref : B9/2/2C	--	The Legislative Council Brief
LC Paper No. LS96/02-03	--	Legal Service Division Report
LC Paper No. CB(1) 2226/02-03(01)	--	Background brief on Deposit Protection Scheme Bill
LC Paper No. CB(1) 2226/02-03(02)	--	Power-point presentation material for the Bill
LC Paper No. CB(1) 2226/02-03(03)	--	Summary of views pertaining to the 20 submissions received during the second round consultation in March 2002 and the Administration's response
LC Paper No. CB(1) 2226/02-03(04)	--	Marked-up copy of the Bill)

2. The Committee deliberated (Index of proceedings attached at **Annex A**).

3. The Administration was requested to -
 - (a) advise the changes in percentages of depositors and value of deposits to be covered as well as the costs to banking institutions if the proposed compensation limit was increased from \$100,000 to \$150,000 and \$200,000 per depositor per bank respectively; and
 - (b) compare the proposed Deposit Protection Scheme with its overseas equivalents in terms of scheme features, level of protection, contribution from member banks and appeal mechanism etc.

4. Members agreed to the following schedule of meetings -
 - (a) Wednesday, 17 September, 2003 at 10:45 am;
 - (b) Thursday, 25 September, 2003 at 10:45 am; and
 - (c) Friday, 3 October 2003 at 10:45 am.

5. Members agreed that the following organizations would be invited to give their views at the meeting on 17 September 2003 -
 - (a) Hong Kong Association of Banks;
 - (b) Securities and Futures Commission
 - (c) Law Society of Hong Kong;
 - (d) Hong Kong Bar Association;
 - (e) Consumer Council;
 - (f) Hong Kong Society of Accountants;
 - (g) Deposit-taking Companies Association; and
 - (h) District Councils.

6. There being no other business, the meeting ended at 3:30 pm.

**Proceedings of the meeting of the
Bills Committee on Deposit Protection Scheme Bill
Meeting on Friday, 18 July 2003, at 2:30 pm
in the Chamber of the Legislative Council Building**

Time marker	Speaker	Subject(s)	Action required
000000 - 000119	Mr Albert HO Mr Fred LI Mr SIN Chung-kai Mr Eric LI	Election of Chairman	
000120 - 000304	Chairman	Opening remarks by the elected Chairman, Mr Albert HO	
000305 - 002521	Administration	Power-point presentation on the Deposit Protection Scheme (DPS) Bill (the Bill)	
002522 - 003003	Mr CHAN Kam-lam Administration Chairman	Respective percentage coverage of depositors and value of deposits and the financial implications of increasing the DPS compensation limit from \$100,000 to \$150,000 and \$200,000 per depositor per bank	The Administration to advise the changes in percentages of depositors and value of deposits to be covered as well as the costs to banking institutions if the proposed DPS compensation limit was increased from \$100,000 to \$150,000 and \$200,000 per depositor per bank
003004 - 003411	Chairman Administration	Whether assessment of risk was based on past experience in handling bank failures	
003412 - 003743	Chairman Administration	Whether Government would still intervene in the event of bank failures or bank runs after the introduction of DPS	

Time marker	Speaker	Subject(s)	Action required
003744 - 004213	Mr NG Leung-sing Administration	Whether exempted foreign bank branches were required to report to the Hong Kong Monetary Authority in the event of changes in the deposit protection scheme established and maintained in the bank's home jurisdiction and whether depositors should also be informed	
004214 - 004556	Mr SIN Chung-kai Administration Chairman	Democratic Party's in-principle support of the Bill and the need for a comparison of the proposed DPS with its equivalent in overseas jurisdictions	The Administration to compare the proposed DPS with its overseas equivalents in terms of scheme features, level of protection, contribution from member banks and appeal mechanism etc
004557 - 004939	Chairman Administration Ms Margaret NG Ms Audrey EU	Date of next meeting	
004940 - 005114	Chairman Mr Eric LI Mr NG Leung-sing	List of deputations to be invited to give views	