

For information on  
5 March 2004

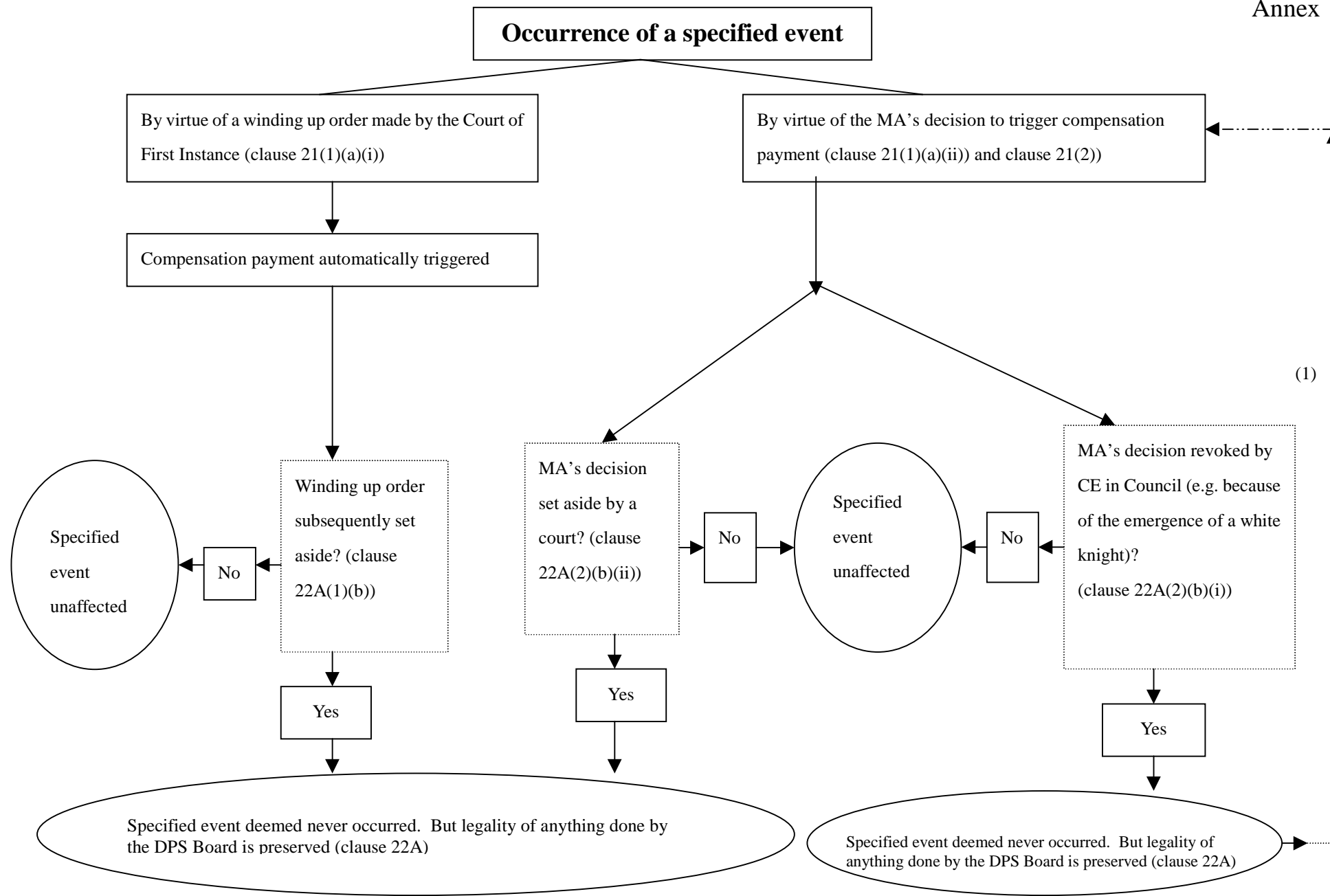
**Bills Committee on  
Deposit Protection Scheme Bill**

**Flowchart Showing the Sequence of Events  
after the Occurrence of a Specified Event**

At the meeting of the Committee held on 18 February 2004, Members requested the Administration to prepare a flowchart showing the sequence of events after the occurrence of a specified event under different scenarios. The flowchart is enclosed at the Annex.

2. The Department of Justice has advised that the MA's power under clause 21(2) must be exercised reasonably and in good faith, for proper purposes only, and in accordance with that provision. However, the MA is not precluded from exercising that power solely because the CE in Council has just revoked the MA's decision that was made in relation to the same Scheme member under that provision. There is therefore no need for introducing a provision to clarify this point in the Bill.

Hong Kong Monetary Authority  
Financial Services and the Treasury Bureau  
March 2004



(1) If subsequent developments justify re-triggering of MA's decision (e.g. the rescue by the white knight eventually fell through), MA's power under clause 21(1)(a)(ii) and clause 21(2)) are exercisable.