

For information on
18 November 2003

Bills Committee on Deposit Protection Scheme Bill

Implementation Timetable

Background

At the meeting of the Committee held on 4 November 2003, Members requested the Administration to provide an implementation timetable showing the timeframe within which the proposed Deposit Protection Scheme (DPS) would come into operation.

Key milestones

2. A series of tasks have to be completed before the DPS could commence operation. Some of these tasks can be carried out concurrently but taken together they must be completed before deposit protection can be offered by the Scheme. These include the following key tasks:-

- (i) Formation of the DPS Board;
- (ii) Development of payout policies and procedures and the related IT systems;
- (iii) Formation of the Deposit Protection Appeals Tribunal (DPAT);
- (iv) Processing applications for exemption from participation in the DPS;
- (v) Development of policies and procedures for collection of contributions and management of the DPS Fund;
- (vi) Preparation of rules governing the detailed operation of the Board;
- (vii) Public education and publicity campaigns.

Implementation timetable

3. We expect that these tasks would take about 12-18 months from the establishment of the Board to complete¹. Assuming that the Bill could be passed in early 2004 and that the Board could be established in the second quarter of 2004, we expect the entire implementation process to be completed towards the end of 2005. After this, the DPS Board could start collecting contributions and providing deposit protection². A timetable showing the key milestones is set out at the **Annex**.

Hong Kong Monetary Authority
Financial Services and the Treasury Bureau
November 2003

¹ Based on the advice of Canada Deposit Insurance Corporation, the development of the IT systems of the Board would take at least 12 to 18 months to complete.

² However, the Government will take into consideration the prevailing economic environment and the views of the industry and other relevant parties in determining the appropriate time to commence the operation of the scheme.

Annex

Implementation Timetable

	2004												2005												2006		
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M
Enactment of DPS Bill	●																										
Formation of Board					●																						
Establishment of the Deposit Protection Appeal Tribunal									●																		
Processing applications for exemption from DPS membership									→																		
Formulation of payout policies & procedures	→															→											
Development of IT systems				→																	→						
Preparation of rules and vetting by LegCo	→																		→								
Development of policies and procedures on contributions					→				→																		
Development of policies and procedures for management of DPS Fund													→														
Public awareness programs																							→				
Provision of protection and collection of contribution																					●						