

ABOUT THE HONG KONG DEPOSIT PROTECTION BOARD

Introduction

Launched in September 2006, the DPS is a key building block in Hong Kong's financial safety net. Through the provision of a measure of protection for depositors, the DPS contributes to the stability of the banking system.

Functions of the Board

Under section 5 of the DPS Ordinance, the Board's functions include assessing and collecting contributions payable by Scheme members, managing the DPS Fund, making payments to depositors in the event of a failure of a Scheme member and recovering payments from the assets of the failed Scheme member.

Performance of Functions through the Monetary Authority

Pursuant to section 6 of the DPS Ordinance, the Board shall perform its functions through the Monetary Authority (MA) unless indicated otherwise by the Financial Secretary. This means the MA will act as an executive arm of the Board in administering the DPS.

The HKMA has assigned a team of staff to assist the Board in discharging its functions. The team is headed by an Executive Director of the HKMA, who is designated as the Chief Executive Officer (CEO) of the Board. The HKMA also supports the Board on aspects such as accounting, administration, human resources, and information technology. Detailed arrangements regarding the extent of support provided by the HKMA are set out in a Memorandum of Understanding signed between the two organisations.

Composition of the Board

Members of the Board are appointed by the Financial Secretary with power delegated from the Chief Executive. They come from different professions such as accounting, banking, consumer protection, insolvency law, investment, information technology and public administration. The Board currently comprises nine members including two ex-officio members representing the Monetary Authority and the Secretary for Financial Services and the Treasury.

Members of the Board



Professor Andrew Chan Chi-fai, SBS, JP
Professor Chan has been Chairman of the Board since 1 July 2004. He is Professor in Marketing and Director of the Executive MBA Programme, The Chinese University of Hong Kong.



Mr Ian Chapman
Appointed as member on 1 July 2004, Mr Chapman is a solicitor and Partner of Johnson, Stokes and Master specialising in restructuring and insolvency law.



Professor David Cheung Wai-lok
Appointed as member on 1 July 2004, Professor Cheung is Head of the Department of Computer Science, The University of Hong Kong.



Mr Nicholas Peter Etches
Appointed as member on 1 July 2004, Mr Etches is a former partner of KPMG with experience in accounting and insolvency practice.

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Mr Nam Lee-yick

Appointed as member on 1 July 2004, Mr Nam is former Executive Director of Chong Hing Bank Limited and Vice President of Citibank N.A.. He is currently Independent Non-Executive Director of Hopewell Holdings Ltd and Hopewell Highway Infrastructure Ltd.



Ms Elisabeth Charlotte Scott

Appointed as member on 1 July 2006, Ms Scott is Managing Director of Schroder Investment Management (Hong Kong) Limited and Chairman of the Hong Kong Investment Funds Association.



Professor Yeung Yuet-bor

Appointed as member on 1 July 2006, Professor Yeung is the former Head of Information Technology of HSBC and is currently Professor of Information Systems, City University of Hong Kong.



Mr William Ryback, JP

Mr Ryback is Deputy Chief Executive of the Hong Kong Monetary Authority and is an ex officio member of the Board representing the Monetary Authority.



Mr Kevin Ho Chi-ming, JP

Mr Ho is the Permanent Secretary for Financial Services and the Treasury (Financial Services). He is an ex officio member of the Board representing the Secretary for Financial Services and the Treasury.

Investment Committee of the Board

The Investment Committee of the Board is established in accordance with section 7 of Schedule 2 to the DPS Ordinance. It consists of the following members:

Mr Nam Lee-yick,

Chairman, Former Executive Director of Chong Hing Bank Limited and Vice President of Citibank N.A.

Mr Francis Chu Siu-chuen,

Member, Executive Director (Reserves Management), Hong Kong Monetary Authority

Ms Elisabeth Charlotte Scott,

Member, Managing Director of Schroder Investment (Hong Kong) Limited and Chairman of the Hong Kong Investment Funds Association

Professor Yeung Yuet-bor,

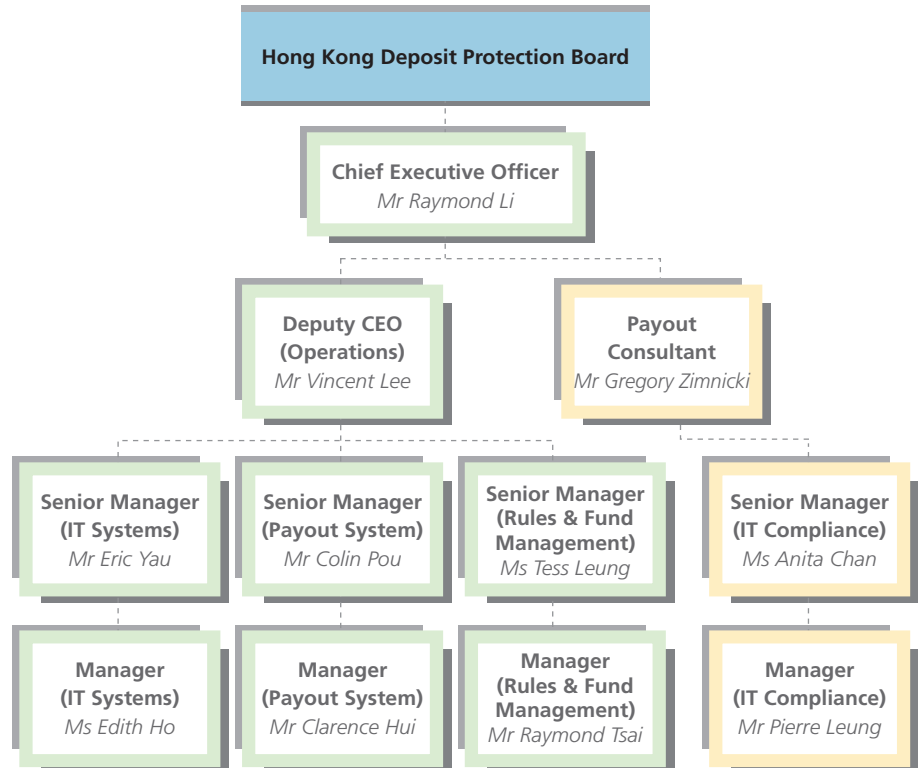
Member, Professor, Department of Information Systems, City University of Hong Kong

The terms of reference of the Investment Committee are:

- to make recommendations on the investment policy and strategy in respect of the DPS Fund;
- to monitor the investment performance of the DPS Fund and to establish proper risk management controls for the investment activities of the Board; and
- to work on any other matters as determined from time to time by the Board.

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Organisational Structure of the Board (as of 1 July 2007)



HKMA staff seconded to assist the Board. The emoluments of these staff members are reimbursed by the Board to the Exchange Fund.



Front row, from left to right:
Mr Gregory Zimnicki, Mr Raymond Li, Mr Vincent Lee

Back row, from left to right:
Ms Edith Ho, Mr Pierre Leung, Mr Clarence Hui, Mr Eric Yau, Mr Colin Pou, Mr Raymond Tsai, Ms Tess Leung, Ms Anita Chan

Consultative Committee on Deposit Protection Scheme

To keep the industry informed of the development of the DPS, the Board has established a Consultative Committee comprising 13 representatives of the banking industry. The Committee serves as a useful forum for the Board and the banking industry to exchange views on issues of common interest. Members of the Committee are:

Mr Fung Tin-yiu, Bank of China (Hong Kong) Limited
Mr Tong Hon-shing, The Bank of East Asia Limited
Mr Ahming Lau, BNP Paribas, Hong Kong Branch
Mr C Y Ling, CITIC Ka Wah Bank Limited
Ms Francesca So, Dah Sing Bank Limited
Ms Sinna Ho, DBS Bank (Hong Kong) Limited
Mr Joseph Cho, Hang Seng Bank Limited
Ms Diana Cesar, The Hong Kong and Shanghai Banking Corporation Limited
Mr David Cheng, Industrial and Commercial Bank of China (Asia) Limited
Mr Andrew Lau, JPMorgan Chase Bank, Hong Kong Branch
Ms Maggie Cheung, Mizuho Corporate Bank Limited, Hong Kong Branch
Ms Tai Kwai Heung, Nanyang Commercial Bank Limited
Ms Pauline Lai, Standard Chartered Bank (Hong Kong) Limited

The Committee's terms of reference are:

- to advise the Board on the formulation of the approach and strategy to engage the banking industry in the project of establishing the deposit protection scheme;
- to consider and give comments on specific policy and/or operational initiatives proposed by the Board that may have impact on the banking industry; and
- to assist the Board to maintain effective communication with the banking industry.

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Deposit Protection Appeals Tribunal

Under the DPS Ordinance, certain decisions of the Board and the MA can be the subject of an appeal to the Deposit Protection Appeals Tribunal. These include the Board's decisions on whether a foreign bank branch can be exempted from participation in the DPS, the amount of contribution payable by a Scheme member, and the amount of compensation payable to a depositor, as well as the MA's decision to impose an asset maintenance requirement on a Scheme member.

The Tribunal was established in January 2005. Mr Simon Herbert Mayo, a former Vice-President of the Court of Appeal of the High Court, was appointed by the Chief Executive as Chairman of the Tribunal. Members of the Tribunal are appointed by the Financial Secretary from a panel of six people. The panel members are:

Mr Simon Herbert Mayo, *Chairman*
Mr Charles David Booth, *Member*
Professor Simon Ho Shun-man, *Member*
Miss Winnie Lun Pong-hing, *Member*
Ms Melissa Kaye Pang, *Member*
Mr Rupert James Purser, *Member*
Mr James Wardell, *Member*

Sittings of the Tribunal are convened when required.