



香港存款保障委員會
HONG KONG DEPOSIT
PROTECTION BOARD

Our Ref: D1/1C

17 July 2024

The Chief Executive
All Scheme Members

Dear Sir/Madam,

Guidance Notes on Enhanced Representation Regime and for Enhanced Deposit Protection in a Merger or Acquisition involving Scheme Members

Further to our circular of 4 July 2024 regarding the implementation of the Deposit Protection Scheme (Amendment) Ordinance 2024 (Amendment Ordinance), I am writing to draw your attention that the Amendment Ordinance has been gazetted on 12 July 2024¹, and therefore two Guidance Notes were issued by the Hong Kong Deposit Protection Board (the Board) today which serve to provide guidance on operational issues in order to facilitate compliance with the relevant requirements under the Deposit Protection Scheme (DPS) Ordinance and the Representation Rules².

Among the enhancements to the DPS are the streamlined negative disclosure arrangements for private banking customers and the new requirement to display the simplified DPS Membership Sign on electronic banking platforms, which will take effect on 1 October 2024 and 1 January 2025 respectively. The existing Guidance Note on the Representation Rules has been updated to

¹ Please find the Amendment Ordinance at

<https://www.gld.gov.hk/egazette/english/gazette/file.php?year=2024&vol=28&no=28&extra=0&type=1&number=19>.

² Representation Rules refer to the Deposit Protection Scheme (Representation on Scheme Membership and Protection of Financial Products under Scheme) Rules.

incorporate new Q&As aimed at providing guidance to Scheme members for achieving compliance with the new requirements (see **Annex 1**). We have also taken this opportunity to refine some of the existing Q&As in order to clarify certain operational issues in relation to the Representation Rules. The new Q&As and major changes to the existing Q&As are shaded in yellow for easy reference.

Another new enhancement to the DPS is enhanced deposit protection in the event of a merger or acquisition involving Scheme members, which will come into force on 1 January 2025. In this connection, a new set of Guidance Note (in the form of Q&As) has been produced to facilitate Scheme members' understanding of this enhancement and relevant new requirements under the DPS Ordinance (see **Annex 2**).

The Guidance Notes above are also posted on the website of the Board https://www.dps.org.hk/en/guidelines_c.html.

Should you have any questions on this circular or the Guidance Notes above, please contact the Board at 2111 6731 or via email at dps_enhancements@dps.org.hk.

Yours faithfully,

Donald Chen
Chief Executive Officer
for the Hong Kong Deposit Protection Board

Encl.