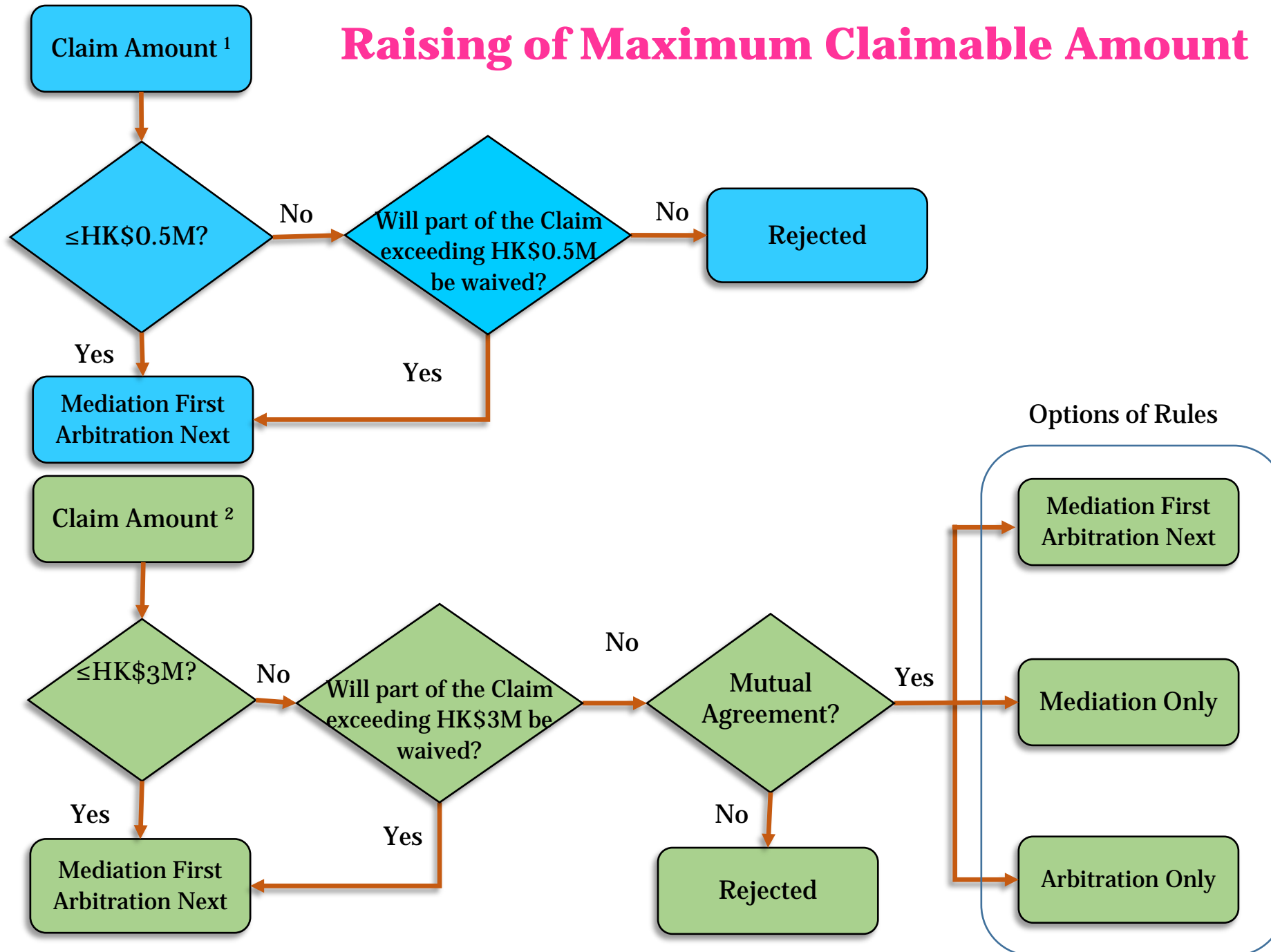


Proposals To Enhance the Financial Dispute Resolution Scheme



FDRC is a company limited by guarantee

Raising of Maximum Claimable Amount



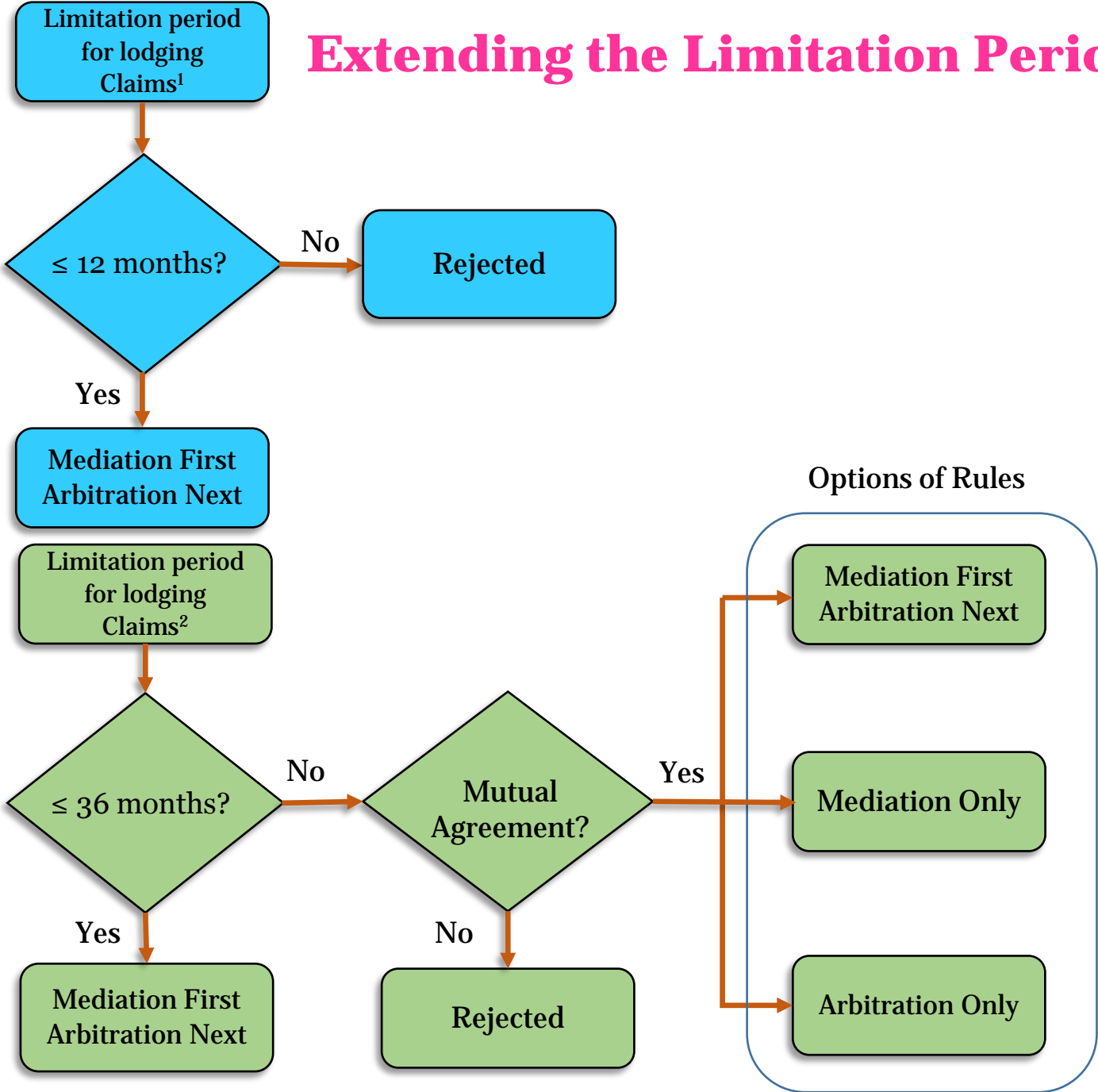
CURRENT

1 Given all other intake criteria are fulfilled.

PROPOSED

2 Given all other amended intake criteria (except for the claim amount and the limitation period for lodging Claims) are fulfilled.

Extending the Limitation Period for Lodging Claims



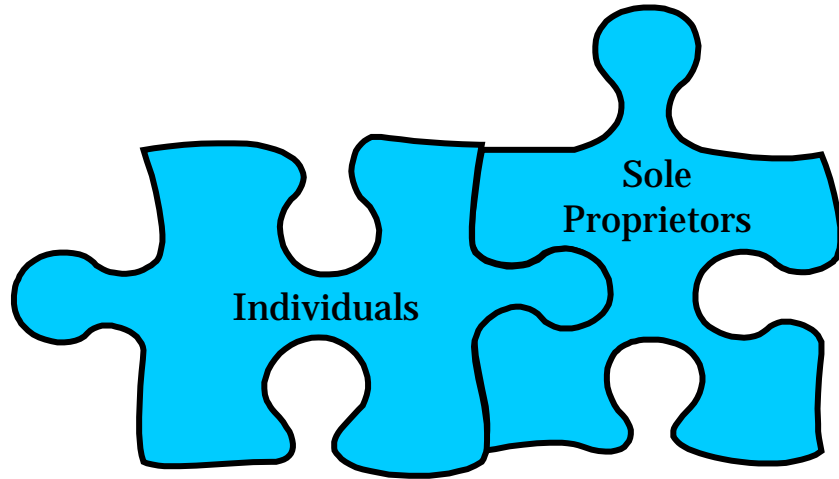
CURRENT

1 Given all other intake criteria are fulfilled.

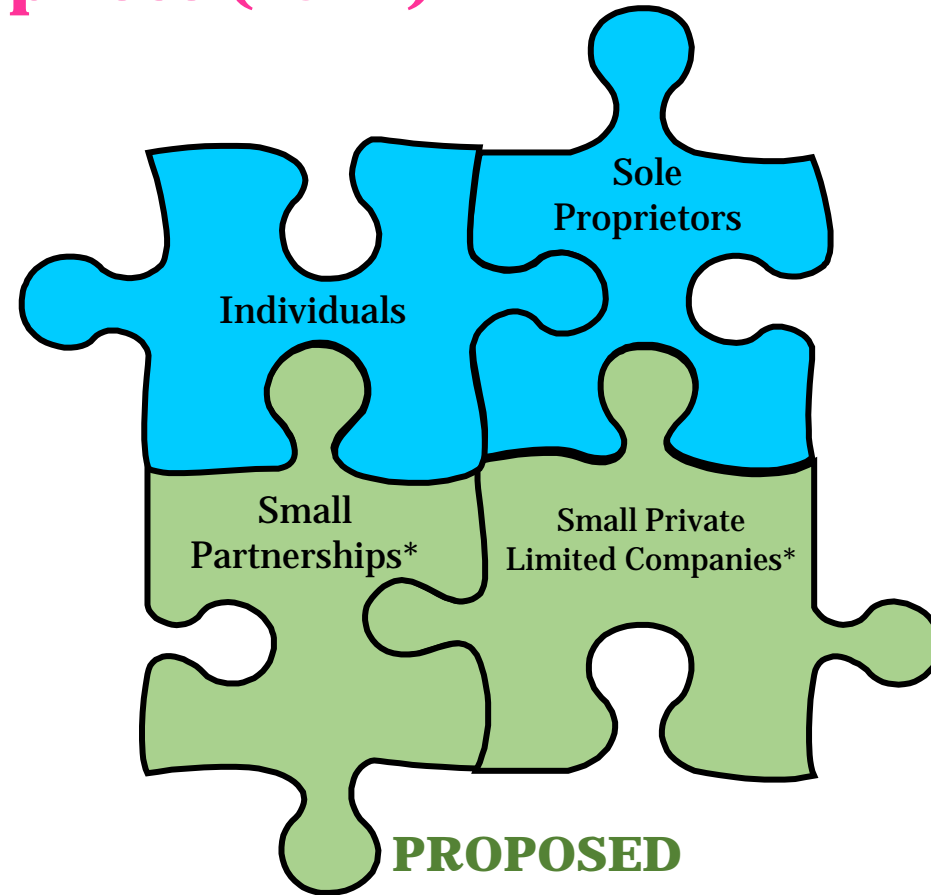
PROPOSED

2 Given all other amended intake criteria (except for the claim amount and the limitation period for lodging Claims) are fulfilled.

Enlarging the Scope of Eligible Claimants by Incorporating Small Enterprises (“SE”)



CURRENT

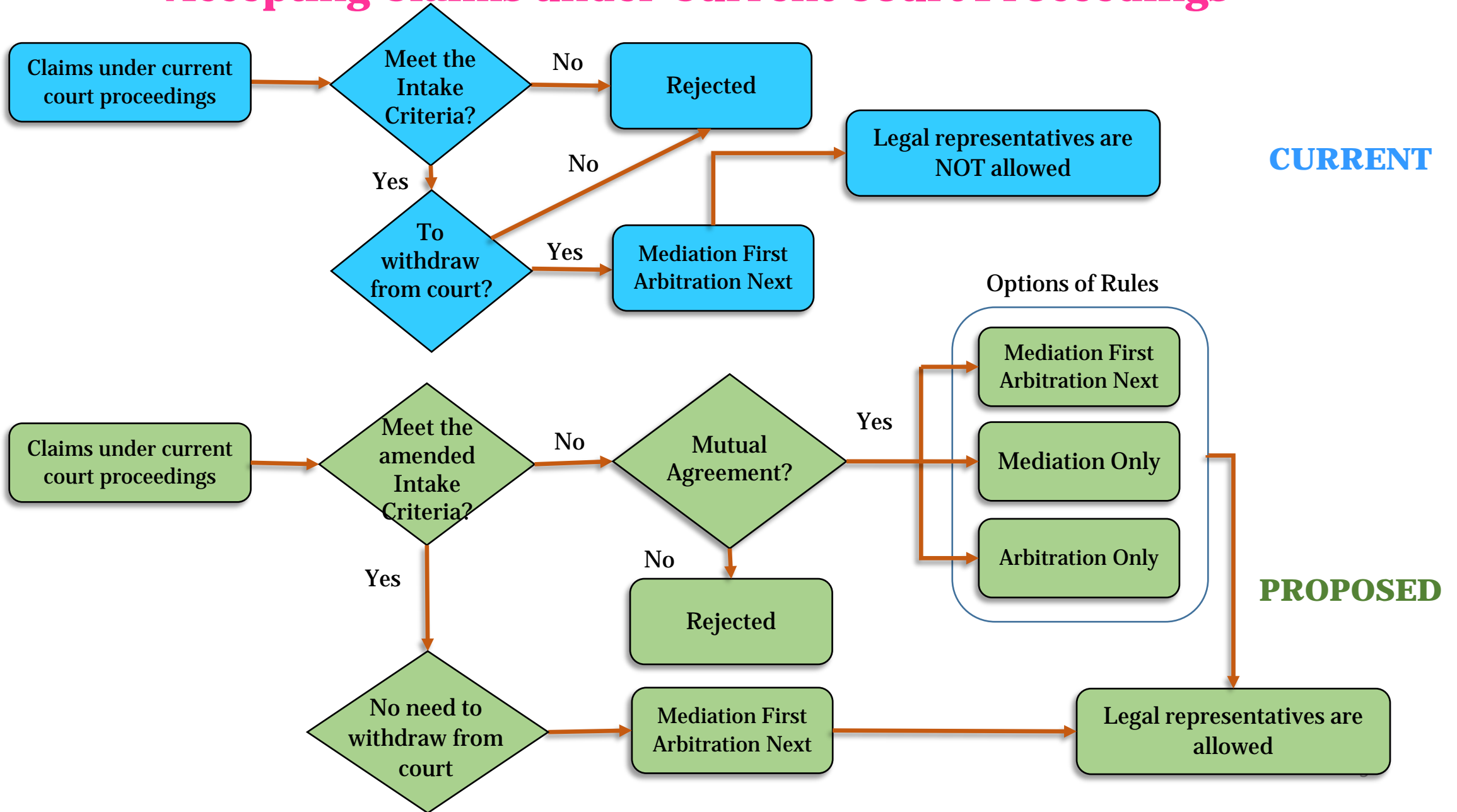


PROPOSED

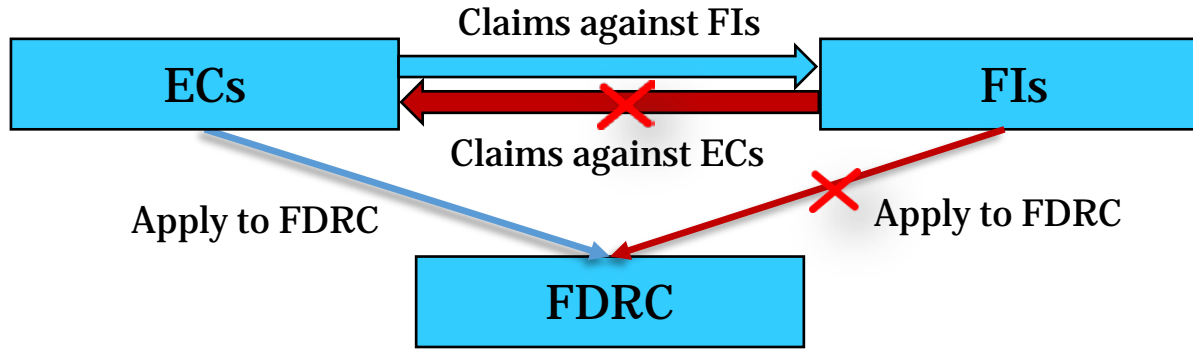
*whose turnover / revenue \leq HK\$50 million.

If they belong to a larger group, the consolidated turnover/revenue will be considered instead.

Accepting Claims under Current Court Proceedings

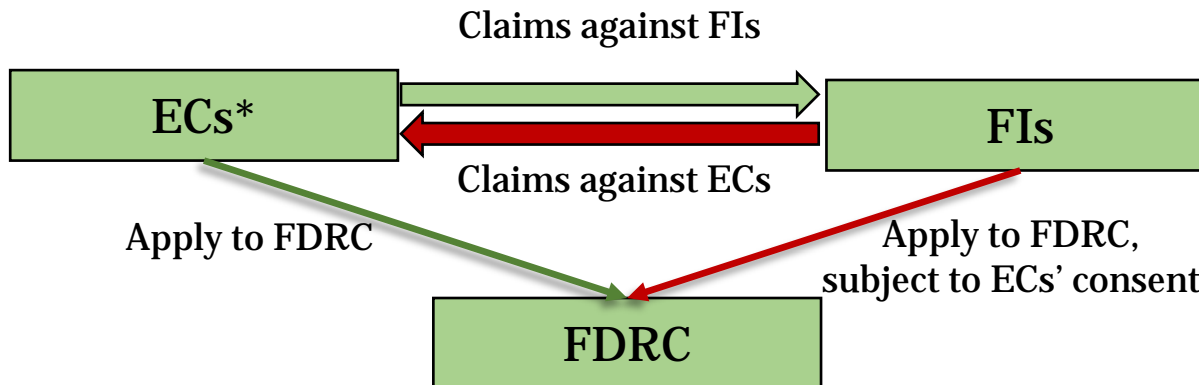


Accepting Financial Disputes to be Lodged by FIs, Subject to ECs' Consent



CURRENT

Only ECs may apply to FDRC for Claims against FIs

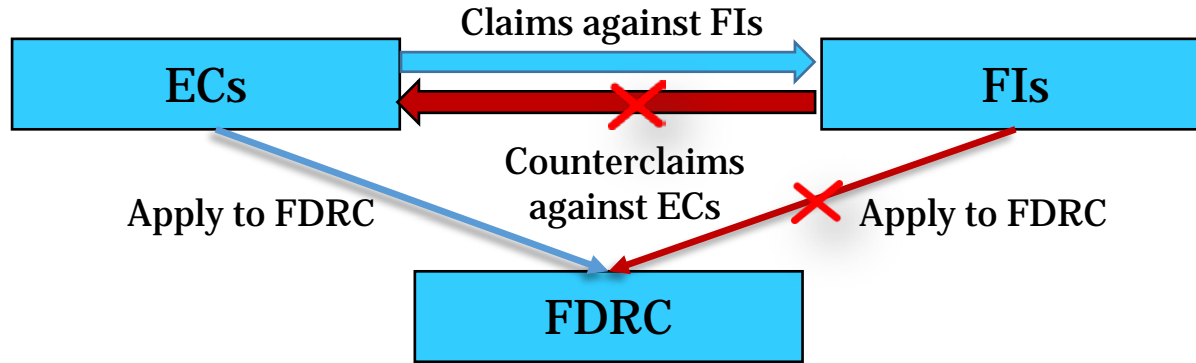


PROPOSED

FIs may apply to the FDRC for ECs' claims against FIs and/or FIs' claims against ECs, subject to ECs' consent

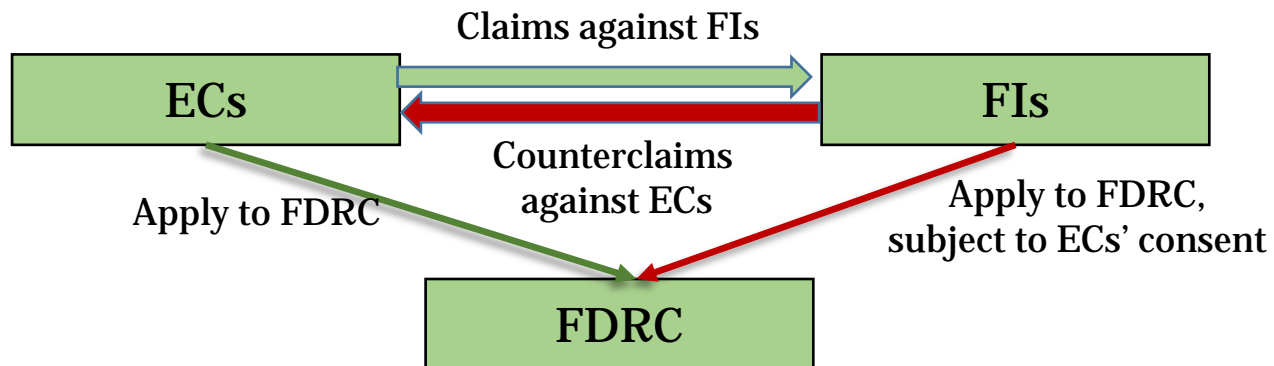
* Small-sized FIs (if fulfilling the definition of SE) can be ECs and may lodge Claims under the FDRS against another FIs.

Accepting Counterclaims to be Lodged by FIs, Subject to ECs' Consent



CURRENT

FIs cannot lodge Counterclaims against ECs to the FDRC when ECs have a Claim against FIs



PROPOSED

- FIs may also lodge Counterclaims against ECs to the FDRC, subject to ECs' consent
- Claims and Counterclaims can be dealt with aggregately at arbitrations

Proposed Revised Mediation Fees

(in HK\$)	Current (Claimable amount)	Mediation Fees*		Proposed* (Claimable amount)
		EC	FI	
Upper limit of the lowest band	\$100,000	\$1,000	\$5,000	\$200,000
Monetary bands for Claims	Less than \$100,000	\$1,000	\$5,000	Less than \$200,000
	\$100,000 – \$500,000	\$2,000	\$10,000	\$200,000 – \$1,000,000
		\$2,500	\$12,500	\$1,000,001 – \$3,000,000
		\$3,000	\$15,000	\$3,000,001 – \$10,000,000
		To be agreed amongst the parties and the mediator		above \$10,000,000
Fees for extended mediation time (per hour)	\$1,500	\$750	\$750	\$1,500
Total maximum mediation fees (including fees for extended mediation time)	Not applicable	Total mediation fee to be capped at \$20,000		up to \$3,000,000
		Total mediation fee to be capped at \$30,000		up to \$10,000,000

* FIs may wish to pay the mediation fees on behalf of their customers.

Proposed Revised Arbitration Fees

(in HK\$)	Current	Arbitration Fees*		Proposed*
		EC	FI	
Upper limit of the lowest band	\$500,000	\$5,000 \$12,500	\$20,000 \$12,500	\$1,000,000
Monetary bands for Claims <ul style="list-style-type: none"> • Documents-only • In-person hearing, in addition to the fees payable for documents-only Arbitration 	Up to \$500,000	\$5,000 \$12,500	\$20,000 \$12,500	Up to \$1,000,000
		\$7,000 \$15,000	\$28,000 \$15,000	\$1,000,001 – \$2,000,000
		\$9,000 \$17,500	\$36,000 \$17,500	\$2,000,001 – \$3,000,000
		\$9,000+0.1% of Claims over \$3,000,000 \$17,500+0.5% of Claims over \$3,000,000	\$36,000+0.4% of Claims over \$3,000,000 \$17,500+0.5% of Claims over \$3,000,000	\$3,000,001 – \$10,000,000
		To be agreed amongst the parties and the arbitrator		Above \$10,000,000

* FIs may wish to pay the arbitration fees on behalf of their customers.

Retrospective Effects of the Proposed Amendments

