Proposals To Enhance the Financial Dispute Resolution Scheme



FDRC is a company limited by guarantee







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



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





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*
		EC	FI	(Claimable amount)
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 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

