

# Investment and Wealth Terms and Conditions

HSBC Bank Plc Channel Islands and Isle of Man  
and Expat (including Hong Kong)



**HSBC**

Opening up a world of opportunity

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# Welcome

## Who we are

We are HSBC Bank plc, a company registered in England and acting through separate branches in each of Jersey, Guernsey (including Sark and Alderney), the Isle of Man and Hong Kong. We are regulated by the Jersey Financial Services Commission for Banking, General Insurance Mediation, Fund Services and Investment Business in Jersey, the Guernsey Financial Services Commission for Banking, Insurance Intermediary and Investment Business in Guernsey and licensed by the Isle of Man Financial Services Authority for Deposit Taking and Investment Business in the Isle of Man and the Hong Kong Monetary Authority in the Hong Kong Special Administrative Region.

'We' or 'Us' includes:

- ♦ Any member of the HSBC Group; and
- ♦ Anyone appointed by us to act on our behalf



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## How to contact us

### For Expat customers

#### HSBC Premier

+44 1534 616 313

#### HSBC Advance

+44 1534 616 212

### For Channel Islands and Isle of Man customers

+44 3456 006 161

### From outside the Channel Islands and Isle of Man

+44 1470 697 139

## Data privacy

HSBC takes your privacy seriously. For details of how we treat your personal data, please see our Privacy Notices.

For some products, we may need to ask you for sensitive personal data such as information about your health. We will generally seek your consent to process this data.

### For Expat customers

[expat.hsbc.com/privacy](https://expat.hsbc.com/privacy)

### For Jersey, Guernsey and Isle of Man customers

[ciiom.hsbc.com/legal](https://ciiom.hsbc.com/legal)

### For Hong Kong customers

[expat.hsbc.com/content/dam/hsbc/mbos/docs/personal-data-privacy/hk-notice-personal-data-ordinance.pdf](https://expat.hsbc.com/content/dam/hsbc/mbos/docs/personal-data-privacy/hk-notice-personal-data-ordinance.pdf)

# 1. Who are these terms for?

These Investment Terms (“Terms”) are the agreement between you and us governing the advice and services we may provide to you.

They, together with your acknowledgement to the service of your choice and the document entitled “Menu of Services” form a single agreement, which governs and provides the scope of our relationship with you and the authority you give us to act for you.

We will classify you as a retail client under the applicable laws and regulations of Jersey, Guernsey and the Isle of Man. If you instruct us to make investments on your behalf with a third party or you purchase a protection policy through us, we will be acting as intermediary (meaning we will help arrange the purchase between you and the provider, but we won’t hold the investment or protection policy for you once you’ve purchased it) for you or the third party insurer, respectively.

A person who is not a party to these Terms will have no rights to enforce or enjoy the benefit of them or any part of them.



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## 2. Our services

In order to provide you with services under these Terms, you must open and maintain at all times a relevant HSBC bank account with us. We will advise you which HSBC bank account will apply to you, depending on your location and the services you wish to receive. Your HSBC investment account and the corresponding HSBC bank account must be in the same currency, meaning your bank account(s) must match the currencies of the fund(s) you hold. If you do not hold or maintain your HSBC bank account, we may no longer agree to hold your investment or provide services to you under these Terms. Your HSBC bank account is subject to its own product terms and conditions.

We provide:

### **Advisory services**

Where we advise you on which products (including protection insurance policies) might be suitable for your investment goals or needs based on our expertise as wealth advisors.

### **Non-advisory services**

Where we invest in, buy or sell a product when you tell us to. We will not provide you with advice. Our non-advised services include the “Execution Only” and “Execution Only – Guided” services.

### **Nominee services**

Where we hold an investment securely on your behalf in a HSBC nominee entity.

We make available products made or issued by us or third parties. We offer our services in respect of a limited number of products and types of products, including those provided by members of the HSBC Group.

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You'll deal directly with us for:

- ◆ Advice on investing in products or buying protection insurance policies;
- ◆ Your investment account which details the investment products we hold for you;
- ◆ Our nominee services; and
- ◆ Giving us instructions in relation to your investments or your protection policies (apart from cancelling the policies, where the provider is generally your first point of contact)

### **Investments made directly with the product provider outside our Nominee**

If you make an investment that is held in an insurance wrapper or take out a protection policy, you will enter into a separate arrangement with the product provider and they will provide the service to you directly. You may also ask us for a list of the companies and products we offer advice on.

You'll deal directly with the product provider for complaints regarding investments held outside our Nominee and in an insurance wrapper or bonds.

This provision does not limit your general right to make complaints to us. We explain further below in these Terms how you can make enquiries or complain if you are dissatisfied with products or services you have received from us pursuant to these Terms.

We'll make details available upon request of:

- ◆ The amount of remuneration we receive as a result of our relationship with you or as a result of transactions we undertake on your behalf;
- ◆ Our experience and track record;
- ◆ The educational and professional qualifications of any of our employees directly involved in providing services to you;
- ◆ Our conflicts of interest policy; and
- ◆ You're able upon request to inspect copies of contract notes, vouchers and entries in books or electronic recording media relating to our transactions with you, which we'll maintain for at least ten years. We won't advise you to use the services of any associate of ours without disclosing our relationship with them

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## 2.1 Our advisory service

### (a) What is our advisory service?

We will provide you with advice about suitable products based on your personal circumstances such as understanding your:

- ◆ Financial situation and needs;
- ◆ Knowledge and experience of investments;
- ◆ Investment objectives;
- ◆ Life insurance objectives;
- ◆ Attitude towards and tolerance of investment risk; and
- ◆ Preferred time horizon for investing (meaning for how long you wish to invest)

Our advice is only valid at the time and date it is given and may not be relied on at a future date.

The decision to invest in a product or proceed with a life protection policy is yours but we're here to help if you have questions or concerns.

Our advisory service does not include:

- ◆ Transactions where you have received advice from us but:
  - A third party purchased the product; or
  - You invested in a different product not covered by our advice;
- ◆ Ensuring previous investment advice remains suitable;
- ◆ Medical underwriting for protection policies and claims assessments;
- ◆ Monitoring investment performance;
- ◆ Any guarantee of future product performance, or that a product will meet any particular objective (e.g. regarding sustainability);
- ◆ Ongoing investment advice; and
- ◆ Updates about suitable future investment opportunities

With the exception of the Core Multi-Asset Solution (a product available through our advisory services) our service does not include continuous monitoring or periodic review of your investments or protection policies. Should you return to us for new or additional investment advice after having received such advice from us previously, we would review the advice previously given to assess whether it remains appropriate for you.



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## **(b) Your information**

Our advice is based on your personal information. That information must be complete, accurate and relevant at the time we give you advice.

We are also required to verify your identity in accordance with applicable laws and regulations. Our requirements may vary from time to time and in different places. In order to manage the risk of financial crime, we also undertake checks, screenings, investigating the source of funds used to make your investments, or the recipient of investments or the proceeds of investments and other matters.

If we ask you for further or updated information about you, you must provide this to us promptly and in full. You must not omit information that may relate to your dealings or investments with us.

If your information changes:

- ◆ You must tell us, particularly information:
  - Relating to your residence or nationality; and
  - We use to contact you like; telephone, mobile or email address
- ◆ You must also tell us if you are, or are about to become, a US person, meaning a US citizen, US resident or US taxpayer. We may not be able to provide (or continue providing) some or all of our services if you are or become a US person
- ◆ We won't use that information to review your existing investments or protection policies

If your information is incomplete, inaccurate or no longer relevant:

- ◆ We cannot advise you properly
- ◆ Recommended products may not be suitable for you
- ◆ We won't be responsible for any resulting losses in these circumstances

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### **(c) Information we send you**

We may send you marketing, investment or life protection policy research or other product and services information, however we are not recommending those products for you. If you give us information which causes us to identify a need for other financial services, we may refer you to another HSBC Group business, or a third party, who may be able to offer you that service. In some cases, and only where we are permitted to do so, we may receive a referral fee, in which case this will be disclosed to you in advance.

If you do not wish to receive marketing information, the privacy policy for the place you live in will tell you how you can opt out of it.

If you are an HSBC Expat customer, we also provide a range of tools, guides, rewards, services and other benefits (“Features”) which an account holder may be able to enjoy as part of banking with HSBC Expat. The Features available to you might depend on your customer tier status, investments or products you hold with us or the place you live in. You can find further information on our website [www.expats.hsb.com](http://www.expats.hsb.com) or by contacting your HSBC Expat relationship manager.

## **2.2 Our non-advisory service**

Our non-advisory service, which involves the “Execution Only” and the “Execution Only – Guided” services, excludes any advice or recommendation. We buy or sell investments if you instruct us to do so and don’t advise whether they’re suitable for you. You need to satisfy yourself that these are suitable for your investment needs.

If you would like our assistance choosing an investment or suitable protection policy, then you must use our advisory services.

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## 2.3 Nominee service

### **(a) What is our nominee service?**

When you ask us to make an investment for you, unless we tell you otherwise, we will hold the investment in our nominee, which is a HSBC legal entity specifically designed to hold investments. Our current nominee company is HSBC Client Nominee (Jersey) Limited, a company incorporated in Jersey with registered number 1503, having its registered office at HSBC House Esplanade St Helier, Jersey JE1 1HS.

Investments may be held by a third party clearing system depository. We're not responsible for any losses suffered whilst your investments or cash are held by a clearing system depository unless those losses are caused by something done by us or someone appointed by us.

### **(b) What does our nominee service provide? Registering investments and record keeping**

When using our nominee service, you agree that your investments:

- ♦ Will be registered and recorded in the name of the nominee; and
- ♦ Will be recorded so they can be identified separately from other pooled investments

### **Ongoing administration and dividends**

We will manage dividends, distribution and other income in relation to your investment (together, your "dividends") and report this to you. The relevant prospectus of your fund or product will provide more information about any dividends which may apply to your investment. Generally, "accumulation" funds or share classes don't pay dividends, but "distribution" funds or share classes may do.

You can decide whether you want us to pay your dividends out to you when they arise, or reinvest them in the same fund(s) on your behalf, free of charge. If you haven't told us your preference, one will be selected by default. You can find out what option has been selected by checking on your International Investment Centre account. You can also change your selection at any time by calling our Contact Centre. Please note the decision you make will apply to all your investments (it isn't possible to have some dividends paid out and others reinvested).

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All such payments will be made by telegraphic transfer to your Nominated Bank Account (defined further below). We will not make dividend payments to a third party account. If you have chosen to reinvest your dividends, we will do this by first paying the money to your Nominated Bank Account, and then removing it again to make the reinvestment.

### **Receipt of notices or corporate actions**

A corporate action is any event that triggers certain changes to a company affecting its shareholders.

We will use reasonable endeavours to notify you of any corporate actions, for example income distribution and fund mergers, relating to shares.

If we receive a corporate action or information relating to your investments concerning an annual, extraordinary or special general meeting, we will not exercise any voting rights on your behalf, nor will we notify you of any meetings or forward copies of reports to you.

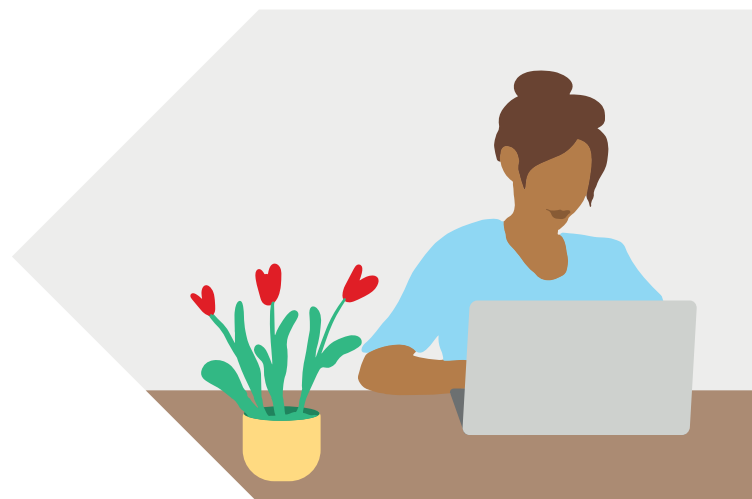
### **Insolvency event**

If the nominee becomes insolvent, your investments will likely be protected because:

- ♦ We adhere to client asset laws and requirements; and
- ♦ Our records identify you as the owner

### **Shortfalls**

Shortfalls may happen where a third party fails to pay cash or deliver investments recorded as being allocated to you. We review your recorded investments to resolve any discrepancies or shortfalls identified.



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## Ending the nominee relationship

You may end the nominee relationship at any time by clearly telling us in writing. If this happens:

- ◆ You must tell us where to transfer your investments; or
- ◆ We may sell your investments and pay you the proceeds of sale. If you do not hold a bank account in the same ownership and currency as the investment at the time of the sale, we will hold the proceeds until you instruct us where to make payment. Interest won't be paid on the proceeds whilst we hold them

We may also end the nominee relationship. We explain how this may occur below in the section on termination.

### (c) Client assets

- ◆ Title to any of your investments will be registered in the name of the nominee. Your investments will be segregated from our property in order to protect your interests in the event that we or the nominee fail. Should that occur, you will remain the beneficial owner of the investments and title to the investments will be re-registered to you. We remain responsible for the safekeeping of your investments in your account to the full extent required by applicable client asset laws. We are responsible to you for the acts and omissions of the nominee to the same extent as for our own acts and omissions
- ◆ Your investments are registered with investments made by other investors. This means that your individual investments may not be identifiable by physical or electronic documentation, such as separate share certificates. We maintain records which enable us, at any time, to identify separately your investments. An effect of pooling your investments can be that, following a merger of one fund into another fund, your allocation may be fractionally less than if your investments were registered in your own name. We have policies and procedures in place to undertake checks and reconciliations of the records and accounts of your investments and to resolve any discrepancies which are identified and to deal with any shortfalls in your investments. Where we are responsible for any such shortfall, we shall purchase assets as soon as reasonably practicable at our cost to correct your position. If we or the nominee default then any uncorrected shortfall in the investments may be shared, proportionately, among all investors whose investments are so registered
- ◆ Documents of title from product providers for the investments, such as insurance policy documents relating to insurance bond wrappers, will be held by us

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## 2.4 Communication between us

All our communications with you will be in English and you must communicate with us in English.

### (a) How we can contact you

If you don't tell us your preference, we'll contact you by:

- ◆ Email where we have your email address;
- ◆ Secure message facility if you're registered for internet banking;
- ◆ Post; or
- ◆ Telephone and SMS in certain circumstances, if we hold a phone number for you

We'll use the most recent contact details you have given us. You must tell us immediately if any of your contact details change.

Where we send something electronically, we'll consider that you've received it:

- ◆ Immediately where we send it to your:
  - Email address;
  - Secure message facility in internet banking; or
  - Mobile telephone number

### (b) How you can contact us

You can contact us in all the ways listed at the start of this agreement.

You should always leave time for giving instructions as you may not be able to reach us immediately.



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# 3. Your investment account and statements

When you invest in an investment product through us we'll:

- ♦ Open an investment account for buying, selling and managing your investments (investment account),
- ♦ Ask you to choose a bank account held with us in Jersey, Guernsey or Isle of Man for payments and fees in connection with your investment account (this is the Nominated Bank Account). You must open and maintain a Nominated Bank Account with HSBC at all times and your Nominated Bank Account needs to be in the same currency as your investments. You can open more than one Nominated Bank Account. If you do not maintain a Nominated Bank Account, we may terminate this agreement or refuse to provide our services to you and may sell your investments

## 3.1 Joint investment accounts

We'll open a joint investment account in the names of all account holders if you wish to make investments jointly with others.

We'll need to obtain personal information (such as attitude to risk, knowledge and experience, etc.) from both of you. We will need to provide investment advice to each and all joint investors when going through the advised journey.

Although our preference is to speak to all joint investors together when gathering information and providing investment advice, we understand it might not always be possible for all joint investors to attend every meeting with us. If one of you is absent from a meeting, we may

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still proceed with the other joint investor(s) who are present, and update the absent party afterwards. We will assume anyone who attends a meeting or otherwise provides us with any information (including any personal data about the other joint investors) is authorised to do so on behalf of all joint investors.

We will carry out investment instructions without checking with all joint account holders first.

If you wish for a joint investment account to be opened, the related Nominated Bank Account likewise has to be a joint bank account in the same names and currency as the investment account.

## 3.2 Investment statements

We'll send you statements about your investment every six months. These will show the recent value of your investment and any transactions we have carried out for you.

Inform us as soon as possible if you think there are any errors or transactions which you don't recognise as being authorised by you in your statements. If you don't let us know promptly, we may be unable to take any action in relation to that error or unauthorised transaction.

To help our environment, we're trying to reduce the amount of paper we use. This means we:

- ◆ Will send your statements and confirmations electronically if you:
  - Gave us your email address;
  - Have registered for internet banking;
- ◆ Will only send statements by post if you ask us to;
- ◆ May charge you for replacement statements sent by post; or
- ◆ May send one statement or notice where joint account holders all live at the same address and have requested statements by post



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# 4. What we do



## 4.1 Carrying out your instructions

You don't have to accept our advice or recommendations, nor instruct us to make investments for you. If you have asked us for investment advice and we have provided it to you, we will not make investments or purchase products which we have not recommended to you.

Regardless of whether you are using our advisory or non-advisory services, if you wish for us to make an investment on your behalf, you must give us your clear instructions to do so. We will tell you how to do this and what form of instructions we will accept.

We may, in our absolute discretion, refuse to make an investment for you, provide you with a protection policy product, or continue holding an investment/policy on your behalf. We might do this because it may cause us to breach a law, regulation or obligation or for other financial crime risk management reasons (including related to sanctions and/or our policies and procedures for complying with them). Other possible reasons include where we believe you may present a credit or other risk. These reasons are not exhaustive and we do not have to tell you our reason for refusal.

### **Checking your identity**

When we receive instructions from you we'll check your identity according to our internal standards and our legal and regulatory requirements and only act on instructions which appear to be given by you.

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## Acting on instructions

We'll try to carry out your instructions promptly unless:

- ◆ We don't understand your instructions;
- ◆ We don't have sufficient time to act before the relevant cut-off times for receipt of instructions linked to the opening hours of:
  - Our offices; or
  - The market in which your order needs to be placed;
- ◆ We have to undertake checks in order to comply with:
  - Applicable laws and regulations (including relating to financial crime and sanctions);
  - Market requirements; or
  - Our own policies and procedures;
- ◆ We suffer a system outage or technological problem;
- ◆ We suffer events outside of our control which prevent us from carrying out your instructions or completing an order execution promptly; or
- ◆ We have suspended or closed your investment account

We will not act on an instruction we receive from you if we:

- ◆ Find you have insufficient money or assets in your account with us;
- ◆ Are indefinitely unable to act due to any reason beyond our control;
- ◆ Must abstain in order to comply with any:
  - Laws and regulations (including relating to financial crime and sanctions) and/or our policies and procedures for complying with them;
  - Court orders; or
  - Market requirements;
- ◆ Do not receive information requested from you;
- ◆ Believe the instruction is not yours;
- ◆ Are aware you're trying to short sell an investment;
- ◆ Believe you have instructed us to sell investments or transfer or withdraw any money which has not been credited into your investment account or your Nominated Bank Account

If we delay or do not act on your instructions, we'll try to tell you as soon as possible. In some circumstances we may not be able to tell you if we delay acting on your instruction. We are not responsible for any loss you consequently suffer.

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If we complete any transaction where you:

- ◆ Have insufficient money or assets in your account, or
- ◆ We're unable to deduct the money or assets from your accounts, then you'll owe us the shortfall in money or assets. We have rights of set-off and lien over your investments, which allows us to recover debts you owe us and we explain this in more detail further below

If the provider of a product refuses to accept your application, we'll:

- ◆ Tell you as soon as we can; and
- ◆ Arrange a refund or release of any money we've received in connection with your application

### **Changing your instructions to us**

If you want to change an instruction, tell us as soon as possible. We may be unable to act on your new instruction if we've already completed or started to carry out your initial instruction. We'll not be responsible for any loss you suffer as a result.

### **Executing your orders**

We may:

- ◆ Set limits affecting your ability to give instructions;
- ◆ Combine your order with others including our own:
  - Where we reasonably believe this is in your best interests taking into consideration price, cost, speed of execution, size, nature, etc;
  - Which may result in you obtaining a less or more favourable price in a particular order due to price movement; and
- ◆ Arrange for a third party broker to carry out your transaction without telling you. We'll be responsible for their actions

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## **Settling a transaction**

When settling a transaction, you may instruct us to deduct money from your account with us. We will place these monies on hold to meet that commitment.

Amounts we receive from your investments will be credited to your Nominated Bank Account in the currency of the investment. These funds may not be credited on the expected date of receipt due to:

- ◆ Time zone differences between markets;
- ◆ The actions of third parties involved in a transaction
- ◆ Not having a bank account in the same name and/or same currency of the investment

Settlement periods may also vary due to the specific product or product provider and may be beyond our control. You can find further details on settlement periods detailed in the product providers' prospectus which can be obtained through our International Investment Centre.

## **Validity of protection quotes**

The price of the protection product depends on the pricings and fluctuations of an external market, we'll then provide you with a quote before you purchase the product. The quotation provided is based on being accepted at normal rates and assumes no health issues. Subject to medical underwriting or relevant health issues, the quotation could change or the acceptance may be subject to exclusions. An offer letter with the options available will be sent to you prior to you accepting and purchasing the protection product.

The HSBC Group or other product providers may offer some or similar products to the investments or protection products we recommend or can make available to you and these may be differently priced.

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## 4.2 Client monies and deposit protection

Money we receive for investing in, selling or holding investments on your behalf is held by us as banker in the Nominated Bank Account in your name. Subject to applicable depositor protection schemes which may apply to your Nominated Bank Account(s), this means you may lose this money if we become insolvent or similar.

Any investment made with us in Jersey is not protected by any compensation scheme in Jersey or any other place. Equally, any investment made with us in Jersey is not protected by the rules made under the UK's Financial Services and Markets Act 2000 for the protection of retail clients, including the UK Financial Services Compensation Scheme and the UK's Financial Ombudsman Service.

## 4.3 Other actions

You agree we may:

- ◆ Return investments of the same class and nominal amount, but different serial number or identification number as those received by us; or
- ◆ Do other things which are necessary for providing the services

## 4.4 Set-off and lien

In relation to set-off, you authorise us to deduct any fees, due debts and other charges from your Nominated Bank Account(s) or, in the absence of a Nominated Bank Account, any account you hold in the HSBC Group. If you make a joint investment, you and all other parties will be jointly and individually responsible for any amount you owe us.

In addition to any lien or other rights to which we may be entitled under any applicable law or these Terms, we shall have a general lien over your investments in respect of all sums properly due and payable to us by you under these Terms.

A lien is a right which entitles us to hold on to your assets in our possession where there are sums properly due and payable to us by you under these Terms.

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We are entitled to enforce the lien by the sale and disposal of all or any part of your investments in such manner and at such price as we may deem expedient, without being responsible for any loss, and to apply the net sale proceeds of the investments in or towards payment or the discharge of any sum or liability you owe us.

We will enforce a lien only if we have given 14 days' written notice to you containing:

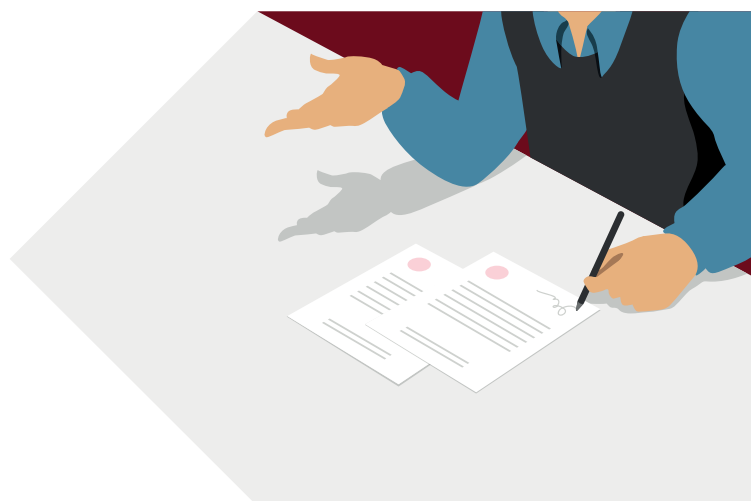
- ◆ Details of the amount due and how it became due;
- ◆ A request for payment of the sum due; and
- ◆ A description of the part or parts of your investments which will be sold if you do not pay the due amount in full within seven days

## 4.5 Using third parties

We may appoint others to perform the services on our behalf who may:

- ◆ Be a member of the HSBC Group or a third party;
- ◆ Be located in a different location to us or you;
- ◆ Themselves appoint another person to perform the services; and
- ◆ Receive information about you and your investments from us so that they can perform the services for us

We may pay them for services provided to us. Some, where permitted by applicable laws, may pay us fees or commissions for introducing you to them or we may grant rebates for introductions from third parties to us. These payments will not affect the charges you are required to pay us.



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## 4.6 Conflicts of interest

We are part of a global organisation providing a range of financial services. Your transactions may involve another company in the HSBC Group or a person connected with us. They may have an interest in that transaction which may conflict with your interests. The advice we provide may include a product manufactured by another company in the HSBC group, likewise we may make other products available to you which are manufactured by an HSBC group company.

We have established procedures designed to identify and manage such conflicts to ensure we serve your interests. A key element of our conflict management procedures is that persons engaged in different business activities involving a conflict of interest must carry on those activities independently of one another.

Where necessary, HSBC also maintains arrangements which restrict the flow of information to certain employees in order to protect its clients' interests and to prevent improper access to client information. HSBC may also deal as principal for its own investment account and may be matching transactions with another client. Procedures are in place in order to protect the client's interest in this instance.

In some cases, HSBC's procedures and controls may not be sufficient to ensure that a potential conflict of interest does not damage a client's interests. In these circumstances, we may deem it appropriate to disclose the potential conflict to you and obtain your formal consent to proceed. However, we may decline to act in any circumstance where there is residual risk of damage your interests or any other client's.

You may have further questions which relate to the underlying procedures within HSBC and how we manage conflicts of interest. If you do, please contact us and we'll be pleased to explain more.

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## 4.7 Our liability to you

We'll not be responsible for any loss unless:

- ◆ It was caused because we acted negligently, fraudulently or with wilful default; or
- ◆ We failed to do something we agreed to do,
- ◆ And the resulting loss you suffered was of a type and amount we could have expected as a result of our conduct

We won't be responsible to you for any loss:

- ◆ For actions, inactions, delay, mistake or default of any third party, including investment or life protection policy product providers;
- ◆ For events due to abnormal or unforeseen circumstances beyond our reasonable control;
- ◆ Where we have to comply with any law, regulation or other obligation, including market practice and conventions;
- ◆ Where the value of any investment changes or does not follow past performance or does not meet any projected, expected or anticipated results;
- ◆ Where you suffer a loss, whether directly or indirectly, as a result of you choosing to make an investment which has not been recommended by us; or
- ◆ Where you do not tell us information about you which might affect any advice we have given

## 4.8 Our relationship with you

When we provide services to you under these Terms (whether as principal or as agent) we:

- ◆ Act as principal in relation to advice services;
- ◆ Act as agent for transactions undertaken;
- ◆ Do not act as your trustee; and
- ◆ There is no fiduciary relationship between us



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# 5. What you do



## 5.1 When investing in an investment or protection product

You must ensure you:

- ◆ Understand that:
  - Investments and insurance products carry risks and that you have carefully considered your own risk appetite and tolerance for potential losses
  - The level and type of risk will depend on the type of product
- ◆ Have received and read the product specific documents provided by us which explain these risks
- ◆ Fully understand a product and you are comfortable before purchasing or investing in it
- ◆ Tell us if you don't understand anything about a product or our services
- ◆ Understand whether you are resident in a country where there are restrictions on you relating to the purchase of particular products. Please seek professional advice if you are unsure
- ◆ Do not hold any investments on behalf of any other person
- ◆ Regularly review your financial planning needs
- ◆ Understand if any investments are foreign investments, which may be subject to foreign laws and may affect your rights relating to them

You must not:

- ◆ Give security over your investments to anyone
- ◆ Give any legal interest in your investments held by us to any other person

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## 5.2 Tax, legal and accounting advice

We don't give tax advice. You are responsible for:

- ◆ Getting your own tax, legal and accounting advice,
- ◆ The payment of any applicable taxes,
- ◆ Any other tax obligations you may have (such as filing requirements)

Certain countries have tax laws which apply outside of that country. You should seek professional advice if you are unsure about your position.

We are not responsible for any of your tax or related reporting obligations. If for any reason we have to pay tax for you, we'll recover the amount from you.

## 5.3 Residence

Your nationality or residency may restrict the types of investments you can make. We may not be able to make or hold investments for you if you are a resident or citizen of certain countries from time to time. We may be required to sell your investment if you move to a country with such restrictions.



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# 6. Fees and charges

## 6.1 Amounts you pay and our commissions

Our “Menu of Services” contains the amounts you must pay for our services. A copy of our “Menu of Services” is available on our public website or by request.

Our services are provided to you on the basis that you will pay us a fee for our advised, Execution Only – Guided or Execution Only service. We may also charge an account fee, if provided for by our Menu of Services from time to time.

We will only receive a commission where we are permitted to do so. If we are permitted to receive a commission or other payment from the investment provider, we will disclose these to you before you decide to make the investment or purchase the protection policy.

We may also receive non-financial benefits and incentives from investment providers, such as training and corporate hospitality. We maintain policies to manage these benefits to prevent conflicts of interest between us and our customers.

The remuneration for sales staff is determined based on the individual member of staff’s overall performance with reference to a wide range of factors and is subject to review from time to time, for the purpose of encouraging the building of deep, long lasting, mutually valuable relationships with our customers. Staff remuneration is not determined solely on financial performance.

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If we charge you an advice fee, you will be liable to pay this when we provide you with our advice. Our advice will set out our estimate of any fees and charges you must pay. If we charge an account fee, you will be liable to pay this on a regular basis (e.g. monthly, quarterly or annually) as described in our Menu of Services. You may need to pay other fees and charges, including banking, transaction and dealing costs as well as taxes, duty and other fees incurred by third parties in relation to any investments you make. We'll deduct fees and charges from your Nominated Bank Account(s) or from any other HSBC account you may hold under our rights of set-off and lien explained above.

Sometimes we may need to convert money from your Nominated Bank Account to a foreign currency when settling a transaction. We'll use our market exchange rate available at that time when we do this.

Our "Menu of Services" does not cover product fees, such as insurance premiums. You will be given these costs before you invest in the product or purchase the protection policy. A protection product or life insurance policy will require the premiums being funded from a bank account in the same currency as the policy.



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# 7. Ending our relationship

## 7.1 Suspending or closing your investment account

You may tell us at any time if you want to close the investment we hold for you or cancel a protection policy. For protection policies your first contact for cancellation should be the product provider. In Hong Kong we are not permitted to assist you with policies which we no longer sell or have an existing contract with the provider and you should engage with the product provider directly.

You agree we may suspend or close your investment account (and/or any relevant investment(s)) immediately if:

- ♦ you:
  - Breach these Terms;
  - Don't pay any amount owed to us in relation to the investment;
  - Are declared bankrupt, your affairs are declared en désastre, or you have similar proceedings brought against you;
  - Die or become incapacitated (or a person holding an account jointly with you dies or becomes incapacitated);
  - Have given us incorrect or misleading information; or
  - Are or become resident in a place where we can't provide our services to you;
  - Are in a dispute with a joint account holder or another person with authority to give investment account instructions



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◆ we:

- Are complying with any court order or law or regulation or our obligations in relation to financial crime and sanctions (or our policies and procedures for complying with them);
- Don't think you're the owner the investment or we think you or someone else used our products or services illegally or fraudulently;
- Suspect you're involved in criminal activity; it doesn't matter whether or not this is linked to the investment;
- Could be exposed to action or censure from any government, regulatory or law enforcement agency or any other reputational risk;
- Believe you are not, or cease to be, eligible for our services or we believe our services will not be of value to you; or
- We believe we will not be able to properly provide you with our advice or recommendations, or you have not made sufficient time available to us, or have not provided us with information we have requested

Otherwise, we may:

- ◆ Close your investment account by giving you at least 30 days' notice and without needing to explain why

We have an obligation to detect, investigate and prevent financial crime (including money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, trying to get around sanctions or attempts to violate laws or regulations) and we have implemented policies and procedures in this regard:

- ◆ In carrying out these obligations and following our related policies and procedures we may:
  - Delay, investigate, block or refuse to act on your instructions; and/or
  - Ultimately close your investment account and/or any relevant investment(s) with immediate effect
- ◆ We may not be able to tell you the reason for doing this
- ◆ If we do this, we will not be liable to you or any third party for any loss suffered

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## 7.2 What happens to my investments?

Termination will not generally affect the completion of any outstanding transactions we are making on your behalf and you will remain liable for these.

Upon termination, subject to any legal or regulatory requirements, we will either transfer your investments to another nominee if you instruct us to do so or we will sell them and pay you the proceeds of the sale. We will pay the proceeds to your Nominated Cash Account in the same currency as the investment and will not transfer any proceeds to third parties. If you do not hold a Nominated Cash Account with us for any reason, this will cause delays for which we will not be liable and no interest will be paid to you.

You must pay us all fees and charges which arise as a result of your termination, including any additional expenses we incur to give effect to your termination.

If you don't instruct us to transfer or sell your investments within 30 days, we will sell the investment at any time after 30 days.

If your investment is terminated for any reason, you may receive less money:

- ◆ For a fixed term product than if you held it for the full fixed term
- ◆ Than you invested where that product does not guarantee return of all of your money
- ◆ Because the sale price of the product may be low due to market conditions

We'll not be responsible for any loss you suffer as a result of termination. If we close your investments and you do not hold a bank account in the same ownership and currency as the investment, we will hold the proceeds until you instruct us where to make payment. Interest won't be paid on the proceeds whilst we hold them.

If we are prevented from selling or transferring your investments and/or making payment to you by any law or regulation, we won't be responsible for any loss you suffer as a result of our delay or refusal to act.

# 8. Terms for investment funds

This section applies when you invest in an investment fund. You should read these together with the specific terms of the investment fund published and provided by the product provider. These terms are not incorporated with the investment fund.

All investment funds are made available separately and directly by third party fund providers, which could be a member of the HSBC Group.

## 8.1 Our role

If we're selling an investment fund, we'll:

- ◆ Provide you with the information about that investment fund as given to us by the third party fund provider
- ◆ Answer questions you have about the investment fund
- ◆ Help you with any questions you have about the application process
- ◆ Accept your application for an investment fund and pass this to the relevant third party fund provider
- ◆ Send to you written confirmation of the investment

Our service does not include us:

- ◆ Evaluating your application form; or
- ◆ Guaranteeing the performance of a fund (including whether a fund will meet any particular objective e.g. regarding sustainability) or the financial strength or behaviour of a third party fund provider



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## 8.2 Subscribing

When investing in an investment fund you'll purchase units (which may be shares or other interests of an investment fund). A unit is one undivided share in the net asset value of the investment fund (value of the investment fund's assets minus its liabilities).

We refer to the purchase of units in an investment fund as subscriptions. Subscriptions may be made in:

- ◆ Those currencies we tell you about; and
- ◆ Minimum subscription amounts that we tell you about when you buy units in the investment fund

## 8.3 Aggregation and rounding

We may combine (aggregate) orders in respect of your investments with those orders of other customers.

By aggregating your orders with those of other customers, we must reasonably believe that it is unlikely that the aggregation would work overall to the disadvantage of any of those customers. However, the effect of the aggregation may operate on some occasions to your disadvantage in relation to a particular order.

When you subscribe for or redeem units or shares offered by a fund, the number of units or shares dealt in will be calculated by dividing the money you invest by the price per share of the investment fund. This calculation can be rounded to up to four decimal places. Such rounding can sometimes result in a benefit for the fund or for the investor (you). Rounding is standard industry practice and will also occur within a fund and stated in a fund house's prospectus.

The price per unit or share for any transaction will be confirmed on your contract note.

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## 8.4 Sell and repurchase

We may charge a fee if you instruct us to sell and repurchase from one investment fund (including between sub-funds of an umbrella structure) to another. We will tell you the amount of any fee before acting on your instruction.

If you instruct a sell and repurchase, the transaction will be treated as a separate redemption, followed by a subscription. This is in order to confirm the redemption settlement amount before processing the subscription side of the transaction. Where that is the case you will be out of the market in the period between the redemption and subscription trades being processed.

## 8.5 Default of fund provider

We may refuse to accept instructions or take any action in relation to units until we actually receive them from the third party fund provider.

If we sell units on your behalf and the fund provider fails to send to us the money for such units within 90 days after the intended settlement date, we shall recover the amount of the shortfall between the money we receive for such units from the fund provider and the amount we put into your account on the intended settlement date.

We're not responsible for the third party fund providers.

## 8.6 Foreign exchange

Exchange rate variations may adversely affect the value of your investment where the currency of the units differs to the currency of your Nominated Bank Account.

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# 9. Terms for insurance products with an investment feature

This section applies when you invest in an insurance product that provides life insurance coverage plus an investment feature. They apply together with the relevant third party insurance product documents including the insurance policy, product brochure, factsheet, illustrations, etc., which provide full details of the insurance product features, terms of cover and risks. The insurance products are all offered by third party insurers, which could be a member of the HSBC Group.

## 9.1 Our role

Where we are selling an insurance product, we'll:

- ◆ Provide you with information about that insurance product as given to us by the third party insurer;
- ◆ Answer questions you have about an insurance product;
- ◆ Help you with any questions you have about the application process;
- ◆ Pass your application for an insurance product to the relevant third party insurer; and
- ◆ Send to you the insurance policy documents issued by the third party insurer

Our service does not include us:

- ◆ Providing insurance cover on behalf of any third party insurer;
- ◆ Guaranteeing your application for an insurance product (which is subject to the underwriting by the third party insurer) will be successful;
- ◆ Assisting with any claims made by you under an insurance product;

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- ♦ Getting involved with any complaint you have with a third party insurer because you are contracted directly with the insurer; or
  - ♦ Guaranteeing the return under an insurance product or the financial strength or behaviour of a third party insurer

## 9.2 Information you provide

Information you provide to the third party insurer may become part of an insurance policy. You must ensure all information provided to them is correct and complete. The information you provide could influence the:

- ♦ Decision of the insurer to accept your application;
- ♦ Terms and conditions of the insurance product; and
- ♦ Premium required to be paid by you

If you provide:

- ♦ Incorrect or incomplete information; or
- ♦ Fail to tell the third party insurer about any change to your information:
  - After you have submitted an application form; but
  - Before entering into an insurance contract;
  - Then the third party insurer may subsequently reject any claim or declare the insurance policy void

## 9.3 Premium payments

Under the terms of your insurance policy you may be required to pay periodic payments (known as premiums) to the third party insurer. Where you instruct us to make those payments for you, you must have sufficient money in your Nominated Bank Account on the relevant payment dates. If you don't, we may not pay the premium payments and this may result in the lapsing of your insurance policy.

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# Other information

## **Sustainability**

The HSBC Group is committed to taking sustainability criteria (such as environmental, social or governance events and conditions) firmly into account with regard to the financial products we advise on (amongst various other criteria). Our specialist researchers, analysts and due diligence teams engage with product manufacturers (e.g. asset managers) to understand how they integrate sustainability risks into their investment decision making processes and the likely impacts of sustainability risks on the returns of their financial products. We also investigate the potentially adverse impacts of financial products or investment decisions on sustainability factors.

## **Amendments**

We may amend these Terms from time to time. If we think that change is favourable to you, we will notify you of it shortly after it is made. Otherwise, we will give you at least 30 days' notice in advance of the change coming into effect.

If you do not accept the change, you can terminate the services we provide to you under these Terms.

## **Assignments and transfers**

This agreement is personal to you and you are not able to assign or transfer your rights and obligations under this agreement. We may assign and transfer all or any part of our rights and obligations under this agreement (without asking for your consent) to any person we determine is appropriately authorised and capable of performing the services under this agreement to at least a similar standard (who may or may not be an associate of ours).

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## Governing law

If you are an HSBC Expat customer, other than a Hong Kong resident, the laws of Jersey will apply.

If your investment is held with our Nominee in Jersey, the laws of Jersey will apply to the administration of that investment. This means, for example, if you die, your executor may need to obtain Jersey probate.

If you live in Hong Kong, the laws of the Hong Kong Special Administrative Region shall apply to these Terms.

If you live in Jersey, Guernsey or the Isle of Man, the laws of the island in which you live and the jurisdiction of those courts shall apply to these Terms, respectively.

## How to make a complaint

If we do not provide the standard of service you expect, or if you think we have made a mistake, please let us know so we can investigate, put matters right and take steps to prevent it happening again. Please contact us using the details below.

### What happens when you first complain?

We aim to resolve customer concerns and problems straight away, but more complex matters can take longer.

Where we need to look into the matter in more detail, we'll send you an acknowledgement email within five working days. This will explain what will happen next and when you can expect to hear from us again. When we've completed our investigation, we'll contact you and follow up with a full written response.

Although we will normally be able to resolve concerns much earlier, on occasion if we're unable to, we'll contact you with an update on a regular basis. We aim to resolve your complaint within 8 weeks of first receiving it and in any event within 3 months.

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**By telephone, online, post**

Telephone our Service Recovery Team

**+44 1534 606 302**

We're here Monday to Friday, 8am – 5pm (UK time).

Outside of these hours, our 24/7 Contact Centre will assist you.

**+44 1534 616 313**

To help us continually improve our service, and in the interest of security, we may monitor and/or record your communication with us.

If you're an existing customer and use our Online Banking Service, you can use the Contact Centre to send us a Secure Message once you have logged on. Alternatively, you can email us at:

[expat.customer.relations@hsbc.com](mailto:expat.customer.relations@hsbc.com) **Service Recovery, HSBC Expat, HSBC House, Esplanade, St Helier, Jersey JE1 1HS, Channel Islands.**

**What can you do if you're not satisfied with the response to your complaint?**

If you feel we haven't resolved things properly, please tell us. We would appreciate one last chance to put things right. If we've misunderstood something, a further review may help us resolve the complaint to your satisfaction.

Alternatively, you can ask the Channel Islands Financial Ombudsman to review the situation.

The Channel Islands Financial Ombudsman is a free, independent service that looks into disputes between financial businesses and their customers.

Our short letter of confirmation or written full response to your complaint will provide you details to refer your concerns to the Channel Islands Financial Ombudsman; if you are going to do this then you should do so within six months of the date of the letter.

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**If you are an HSBC Expat customer or live in Jersey or Guernsey (including Herm, Sark and Alderney):**

**Channel Islands Financial Ombudsman (CIFO)**

Address: PO Box 114, Jersey, Channel Islands, JE4 9QG

Website: [ci-fo.org](https://ci-fo.org)

Email: [enquiries@ci-fo.org](mailto:enquiries@ci-fo.org)

Telephone: +44 1534 748 610 Jersey  
+44 1481 722 218 Guernsey / Alderney / Sark

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Should you live in Guernsey (including Herm, Sark and Alderney) and your complaint remains unsettled for longer than three months from the date we became aware of the complaint, you may inform the Guernsey Financial Services Commission directly of the complaint at:

**If you live in Guernsey (including Herm, Sark and Alderney)**

**Guernsey Financial Services Commission**

Address: Gategny Court, Gategny Esplanade, St Peter Port, Guernsey, GY1 1WR

Telephone: +44 1481 712 706

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For accounts held in the Isle of Man, you may be entitled to refer your complaint to:

**If you live in the Isle of Man**

**Isle of Man Financial Services Ombudsman**

Address: Thie Slieau Whallian, Foxdale Road, St John's, Isle of Man, IM4 3AS

Website: [gov.im/about-the-government/statutory-boards/isle-of-man-office-of-fair-trading/financial-services-ombudsman-scheme](https://gov.im/about-the-government/statutory-boards/isle-of-man-office-of-fair-trading/financial-services-ombudsman-scheme)

Email: [ombudsman@iomoft.gov.im](mailto:ombudsman@iomoft.gov.im)

Telephone: +44 1624 686 500

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### **For concerns relating to our Hong Kong branch office**

You also have the right to refer the matter to the Complaint Processing Centre of the Hong Kong Monetary Authority at **55/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong**.

For monetary disputes about a product, service or advice provided by our Hong Kong branch office, and which meet the eligibility requirements of the Terms of Reference for the FDRC, you have the right to refer the matter to the Financial Dispute Resolution Centre (FDRC) at **Unit 3701-4, 37/F, Sunlight Tower, 248 Queen's Road East, Wan Chai, Hong Kong**.

In order to be eligible for resolution of disputes under the Financial Dispute Resolution Scheme administered by FDRC, a written complaint must be filed with us and a final written reply in respect of the complaint has been issued or no final written reply has been issued within 60 days. Also, the dispute must be of a monetary nature not exceeding HK\$500,000 (including any interest on any amount alleged to be a loss) or the foreign currency equivalent.

### **Complaints related to the HSBC Hong Kong branch**

We aim to resolve all complaints as quickly as possible and generally within 30 days. Occasionally, we may need more time but we will keep you informed. If you are still not satisfied with the way we have handled your complaint, you have the right to refer the matter to the **Complaint Processing Centre of Hong Kong Monetary Authority (HKMA) at 55/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong**.

In respect of an eligible dispute, you may also refer the matter to the **Financial Dispute Resolution Centre (FDRC) at Unit 3701-4, 37/F, Sunlight Tower, 248 Queen's Road East, Wan Chai, Hong Kong**.

HSBC fully co-operates with the HKMA and the FDRC in its handling of complaints.

## **Our Regulatory Details**

HSBC Expat is a division of HSBC Bank plc, Jersey Branch: HSBC House, Esplanade, St. Helier, Jersey, JE1 1HS. HSBC Bank plc, Jersey Branch is regulated by the Jersey Financial Services Commission for Banking, General Insurance Mediation, Investment and Fund Services Business. HSBC Bank plc, registered in England and Wales number 14259. Registered office 8 Canada Square, London, E14 5HQ. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. HSBC Bank plc, Jersey Branch is regulated by the Jersey Financial Services Commission for Banking, General Insurance Mediation, Fund Services and Investment Business. HSBC Bank plc, Guernsey Branch is licensed by the Guernsey Financial Services Commission for Banking, Credit, Insurance Intermediary, and Investment Business. In the Isle of Man HSBC Bank plc is licensed by the Isle of Man Financial Services Authority.

HSBC Bank plc, Hong Kong Branch, is licensed by the Hong Kong Monetary Authority as an authorised institution and registered with the Securities and Futures Commission to conduct Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the 7 Securities and Futures Ordinance (central entity number: AFJ824). HSBC Bank plc, Hong Kong Branch address is at Level 5, HSBC Main Building, 1 Queen's Road Central, Hong Kong.

Please note that these services are not subject to UK financial services rules and regulations. Further information about the regulatory regime applicable to the services is available on request.

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