

HSBC Private Banking (C.I.)

# Private Banking General Terms and Conditions

With effect from 1 April 2021



**HSBC**  
Private Banking

# Introduction

**HSBC Private Banking** is the collective name used to describe members of the HSBC Group which provide private banking services world-wide. HSBC Private Banking in the Channel Islands includes HSBC Private Banking (C.I.), a division of HSBC Bank plc, Guernsey Branch.

## These General Terms and Conditions form the basis of the contract between you and us and will:

- ◆ Apply if you have an account, including sole/joint/corporate or trustee accounts with us;
- ◆ Explain our obligations to you and your obligations to us; and
- ◆ Apply to all our services although they may be added to or varied by specific terms and conditions for certain services.

To protect us and our customers from the risks associated with money laundering and fraudulent transactions generally, it has become ever more important for us to ensure that our files reflect evidence of the care that we have taken to demonstrate that we are dealing properly with our customers' financial affairs.

In these General Terms and Conditions:

- ◆ **"we/us/our"** means HSBC Private Banking (C.I.), a division of HSBC Bank plc, Guernsey Branch and any person entitled at any future date to exercise all or any of our rights under any contract or agreement that is governed by these General Terms and Conditions;
- ◆ **"you"** means all and any persons party to any contract or agreement that is governed by these General Terms and Conditions in their capacity as our customer; and
- ◆ all references to "you", "your", "his" and "himself" and any similar references shall, in the event that the customer is a body corporate or one or more individuals acting in their capacity as trustee of a trust or a body corporate acting in its capacity as trustee of a trust, and where the context so admits, be deemed to be references to such a customer or customers (as the case may be).

Various other abbreviations and terms used throughout these General Terms and Conditions are defined in Section O.

## We may change these General Terms and Conditions provided we give you at least 30 days' written notice.

PLEASE READ THESE TERMS AND CONDITIONS CAREFULLY. IF YOU HAVE ANY QUERIES PLEASE CONTACT OUR OFFICE.

Any banking services in Guernsey, Channel Islands, will be undertaken with the Guernsey Branch of HSBC Bank plc. The principal place of business of the Guernsey Branch of HSBC Bank plc is Guernsey. HSBC Bank plc is a wholly owned subsidiary of HSBC Holdings plc.

HSBC Private Banking (C.I.) is a division of HSBC Bank plc, Guernsey Branch. HSBC Bank plc, Guernsey Branch is licensed by the Guernsey Financial Services Commission for Banking, Insurance Intermediary and Investment Business. HSBC

Bank plc is 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.

Please note that as this service is provided from Guernsey, the rules and regulations which govern this service are primarily those of Guernsey rather than the UK. Accordingly, you will not have the right to claim through the UK Financial Services Compensation Scheme. Further information about the regulatory regime applicable to this service is available on request.

HSBC Bank plc, Guernsey Branch is a participant in the Guernsey Banking Deposit Compensation Scheme (the "Scheme"). The Scheme offers protection for 'qualifying deposits' up to £50,000, subject to certain limitations. The maximum total amount of compensation is capped at £100,000,000 in any 5 year period. Full details are available on the Scheme's website ([dcs.gg](https://dcs.gg)) or on request by contacting us at the address set out at the back of these General Terms and Conditions.

# Terms and conditions for the opening and operating of banking accounts

## A. Opening an account

**1.** If you wish to open an account with us, we will ask you for proof of your identity and if you are opening a personal or joint account we will require evidence of your current residential address. We will also ask for proof of your financial standing and such other information as we deem necessary in order to comply with our legal and regulatory obligations. To satisfy ourselves that our services will be appropriate for you we may also ask you for such information as we consider necessary to ensure that we are fully aware of your requirements. We have the right to decline your application to open an account or decline to accept your money without explanation. In order to comply with all applicable regulatory requirements, we may ask you to provide information and/or documents confirming the source of your funds and the source of your wealth, including information about where in the world you have generated income and/or generated your wealth during your lifetime.

**2.** To enable us to pay items from your account and act on your instructions in respect of your account we will ask you to complete a mandate telling us who is authorised to make payments from or give instructions in respect of your account and provide specimen signatures. If you are opening a joint account we will ask for specimen signatures from all of you. Subject to legal requirements, we may also accept from you a mandate which authorises another person to operate your account. For a company, we will also require a copy of the company's statutory documents and, in certain cases, may require other documents e.g. a board resolution authorising company borrowing. For a club, society or association, we will also require a copy of the rules and any relevant licences and

certificates. For a trust, we will ask you for copies of certain extracts from the trust deed.

**3.** We shall be entitled to accept and execute instructions of any nature believed by us to be genuine and purporting to be signed, given or issued by you or by any person authorised on your behalf in accordance with the authorisation in the appropriate application form and mandate. If, in our opinion, there is any ambiguity or conflict in any instructions given by you or any such authorised persons we may (but we are not obliged to) choose not to act on such instructions until the ambiguity or conflict has been resolved to our satisfaction. Where you request us to accept instructions by telephone, facsimile or e-mail, the following conditions shall apply:

3.1 We shall be entitled (but not bound) to accept as genuine and act upon any telephone or e-mail instruction believed by us in good faith to have been given by you or any authorised person and upon any signature which in our absolute discretion appears to be the signature of you or any authorised person on a facsimile instruction. We shall not be under any obligation to inquire into the genuineness of any telephone, email or facsimile instruction nor into the good faith of the person giving any telephone, e-mail or facsimile instruction and such telephone, email or facsimile instruction shall be binding on you.

3.2 We shall not be obliged to act upon any telephone, facsimile or e-mail instruction to remit or transfer any amount to a third party.

3.3 We shall be entitled to require receipt of an original written instruction from you or any authorised person prior to executing any instructions contained in such telephone instruction.

3.4 We shall be entitled to require receipt of an original written confirmation of a facsimile instruction from you or an authorised person prior to executing any instructions contained in such facsimile instruction. You acknowledge that you have considered fully the risks inherent in the giving of a facsimile instruction and in particular that non-original signatures on the facsimile may be forged and that facsimile instructions may be transmitted to incorrect numbers, may never reach us and may, therefore, become known to third parties thereby losing their confidential nature.

3.5 You acknowledge that it is not possible to secure and maintain confidential internet communications, including e-mail, (whether encrypted or not); that any e-mail can be delivered to a wrong address or that delivery may not be timely; that any e-mail is capable of being intercepted by third parties at any time and accordingly the confidentiality, security and integrity of any internet communications, including e-mail, cannot be assured.

3.6 You will be responsible for and will reimburse us if we incur losses, expenses or other costs as a result of your negligent act or omission. You will not be responsible for any losses, expenses or costs arising as a result of our negligence or default.

3.7 You agree not to send or transmit any e-mail which contains a virus or other media damaging to our property or computer systems or which may be defamatory, libelous, slanderous, obscene, abusive, offensive, menacing or immoral and to abide with all relevant laws, regulations and international conventions or treaties governing the content and transmission of internet communications, including e-mails.

3.8 You agree not to hold us liable for any damage which you may suffer with respect to any e-mail effected between you and us or otherwise by reason of any third party receiving, gaining access to, obtaining, alerting or distorting any information or document transmitted by e-mail; or by reason of any other inaccuracy, imperfection, lack of quality, ineffective transmission, alteration or distortion affecting internet communications including e-mails; or in respect of any other document, financial data or other information prepared, circulated or otherwise processed by us including or relying upon such internet communications, including e-mail; or by us acting upon any internet communication, including e-mail, purporting to come from you even though it may not have come from you.

**4.** By completing and signing the appropriate application form and mandate you agree that your account will operate subject to and in accordance with these General Terms and Conditions.

**5.** Charges and fees for the services provided under these General Terms and Conditions are set out in our prevailing schedule of charges for private banking, banking and investment services (the "Schedule of Charges").

## **B. Operating your account**

**1.** You will receive interest on Current and Call Deposit account(s) at the appropriate rate which may be varied at our discretion. We reserve the right to apply a negative credit interest rate if the prevailing market credit interest rate for any currency is negative at any time. Current accounts are subject to minimum balances below which no interest is paid. The interest rate on fixed deposits will be fixed at the outset and the rate is guaranteed for the whole term of the deposit as set out in the relevant contract advice for the deposit.

**2.** Interest when payable by us will be credited to (or, where a negative credit interest rate applies, payable by you will be debited to) Current and Call Deposit account(s) on the last day of each of March, June, September, and December.

When time deposits mature, interest can, on your instructions, be paid into a separate Income Current account and the initial deposit paid to a Capital Current account.

Interest is calculated on a daily basis on cleared balances and on the basis of a 360 day or 365 day year in accordance with market convention for the currency of the relevant account. Interest on fixed deposits is paid in full on maturity of the deposit – as set out in the relevant contract advice for the deposit. Information on current interest rates can be provided upon request.

**3.** Subject to any changes in law or regulation, interest will be paid without deduction of tax.

**4.** You must not use a personal account for business purposes.

**5.** We have the right to set off credit balances on any account you hold with us to reduce or repay any debit balances on any other accounts you hold with us anywhere in the same name whether or not these accounts are in the same currency. If your accounts are denominated in different currencies we may convert the currencies to enable us to effect the set off contemplated in this clause B5 on such terms and at such rate as we may determine.

5.1 In connection with the above you irrevocably authorise us to:

(i) adjust any interest payable; and

(ii) convert one currency to another and, if we do, to do so at our then prevailing spot selling rate of exchange for that currency; and in doing so, you agree that we shall have no liability to you.

5.2 Nothing in this clause B5 shall prevent the exercise by us of any other right of set-off or of any right of combination of accounts in and towards satisfaction of any indebtedness of liability (whether actual, future or contingent) to us.

5.3 In the case of an individual account holder, our rights as described shall not be affected by death or legal incapacity.

**6.** You can make payments into your account in a variety of ways e.g. BACS, SWIFT or personal cheque denominated in sterling only. However, we do not accept cheques denominated in any currencies other than sterling and we will not encash travellers cheques (in any currency) or US dollar monetary instruments (such as US postal orders). If you send money from outside the UK through any bank which is a member of SWIFT (Society for World-wide Interbank Financial Telecommunications) or via other alternative authenticated means the time it will take for funds to reach your account depends on the time zones involved and the cut-off times applied for processing of payments in different parts of the world.

**7.** We suggest that all outgoing payments are valued up to two working days forward (usually referred to as 'spot value') to allow for the transmission of funds. Certain currencies can be valued for the same day or the following day, please contact us for further information. When instructing such payments you must also supply us with full beneficiary details, including their name, account number and address details. Address details should be provided in full, but at a minimum must include their city and country. Failure to provide the required details may incur delays in the processing of your outgoing payment request.

**8.** If a third party is making a payment into your account, their bankers must supply full remitter details on the instruction. This will include the name, account number and full address of the remitter. They must also provide their bankers with your correct

account number, the correct name in which your account is held and any other correct information that we may require from time to time. If they fail to provide us with all the correct details, then, we may contact the sending bank and ask them to provide a corrected instruction.

Alternatively, we may return the funds to the account and institution that sent them to us.

**9.** We will make payments from your account if:

(i) they are authorised by you in any of the ways set out in clauses A2 or A3 of these General Terms and Conditions or if you give us instructions in any other way detailed in these General Terms and Conditions;

(ii) there are sufficient cleared funds in your account to cover the payments or the amounts due are covered by an overdraft we have agreed with you;

(iii) we have sufficient information relating to the payment to satisfy any legal or regulatory requirements imposed on us from time to time; and

(iv) without limiting the generality of paragraph B9(iii) immediately above, the provisions of clause B7 above have been satisfied.

**10.** Generally, we will not permit payments to be made out of your accounts on behalf of persons other than us or you (any such person a "**Third Party**") except in accordance with this clause B10. In particular:

(i) If you wish to make a payment from your account on behalf of a Third Party then you must advise us of this in advance of or simultaneously with the relevant instructions.

(ii) We reserve the right to refuse in our absolute discretion to make any payment on behalf of a Third Party.

(iii) In deciding whether to permit a payment to be made from your account on behalf of a Third Party, we reserve the right to request further details on the Third Party prior to executing the payment. Details of any Third Party will be included in the payment instructions of any payments made of this nature. The request for such information is not and shall not be construed to be any form of acceptance and approval or other undertaking to make the payment.

**11.** We will take into account any other payments which we have paid or agreed to pay from your account(s) or for which authorisation has been given.

We may decide to make payments from your account which may cause it to go overdrawn or exceed an overdraft limit we have agreed with you. This does not mean we will allow you to do so another time.

Please be aware there may be a delay in carrying out your instructions while monitoring and/or fraud prevention checks take place.

**12.** Furthermore, to meet any applicable compliance obligations relating to or in connection with the detection, investigation and prevention of financial crime (including without limitation money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, evasion of economic or trade sanctions and/or violations, or attempts to circumvent or violate and laws or regulations relating to the same), we may impose restrictions on cash deposits into or withdrawals from your account(s). This may result in us carrying out your instructions either by paying out the amount in cash, by remitting a bank cheque, or by paying the amount or transferring the assets to an account with another bank as you may nominate and we may agree.

**13.** Subject to clause B12:

(i) Payments may be made by sterling cheque or by electronic means from your Sterling or multi-currency account if you instruct us to do so.

(ii) Electronic payments may be made from your current accounts by standing order. If you require further information about standing orders, please contact us.

**14.** If you instruct us to make payments denominated in a currency other than the currency of your account, we will provide details on your statement of account of the rate of exchange and of the fees we may have charged.

**15.** When you give us advance notice of a payment you want us to make, you will normally only be able to cancel the instruction up to two Business Days before you ask us to make the payment.

**16.** At least once every twelve months, or more frequently if required by local regulations, we will send you a statement showing the transactions passing through your account. You should check your statements carefully and tell us as soon as possible if you find any mistakes.

**17.** If we make an incorrect entry on your account and, either you tell us about it or we notice it, then we will correct it.

**18.** When we provide you with details of the balance on your account, however we make this available to you, it may include transactions that are still being processed such as cheques that are in the process of being cleared and so may be subject to change. It may not represent funds that are available for you to withdraw. We may also provide you with details of the available balance on your account. This represents funds you are able to withdraw (subject to any restrictions on withdrawal), and includes the amount of any overdraft we have agreed with you. Your account and the transactions passing through it may be affected by a court order; for example, relating to your bankruptcy or the freezing of your assets including your account or otherwise injuncting us from being able to carry out your instructions in respect of your account. If so, the balance may change and transactions may not be processed or may be reversed.

**19.** Charges, if any, for standard account activity will be calculated as set out in our standard tariff or any tariff we negotiate separately with you.

**20.** If your account is dormant i.e. an account that you have forgotten about or not used for an extended length of time then, unless it has a minimum balance below which no interest is paid, you will continue to receive interest at the appropriate rate.

### **C. Fixed deposits**

**1.** Deposits may only be made:

(i) for periods that we allow;

(ii) in a single currency as approved by us;

(iii) subject to any minimum amount for the time being specified by us for a deposit in the relevant currency; and

(iv) by debit to your Current account.

**2.** You irrevocably authorise us to debit your Current account with the amount of the deposit to be made on the deposit date.

**3.** Interest will be paid on the maturity of a fixed deposit. The rate of interest will be specified in the relevant contract advice comprising a written confirmation from us to you in relation to and confirming certain matters relating to the deposit.

**4.** The deposit and interest payable on it will be paid on the maturity date by way of credit to your Current account.

**5.** On the maturity date of your fixed deposit, we will pay the amount of the deposit together with interest to your Current account held with us or such other of your accounts with us as you may nominate and we may agree.

If you require the amount of the fixed deposit together with the interest accrued to be reinvested into another fixed deposit then;

(i) if your account is held in sterling, we require your instructions before 10am Guernsey time on the maturity date; or by any other time that we may advise separately; or

(ii) if your account is held in a currency other than sterling, we require your instructions two (2) Business Days before the maturity date or by any other time that we may advise separately.

**6.** We will send you a contract advice in respect of any renewed deposit.

**7.** You may only withdraw a deposit during its deposit period with our consent. If we consent to you withdrawing the whole (or any part) of a fixed deposit during its deposit period you will be liable on withdrawing the deposit (or relevant part of it) to pay a fee and an interest adjustment (to compensate us for replacing the amount withdrawn with alternative funds for the remaining term of the deposit together with an applicable margin) which will be calculated in accordance with the Schedule of Charges. Any such fee and interest adjustment will be debited from your Current account.

**8.** You irrevocably authorise us at any time in our sole and absolute discretion, with or without prior notice to you, to pay and apply any monies from time to time standing to the credit of any of your account(s) in the same name and capacity with us including any fixed deposit (whether in sterling or any other currency, on Current account or on any term deposit account) (the "Customer Accounts") in and towards satisfaction of any indebtedness you owe to us or any liability (whether actual, future or contingent) you have to us. If we do decide to do so we will tell you why and when it has been done.

8.1 In connection with the above you irrevocably authorise us to:

(i) bring to an end early any fixed deposit period applying to any of the Customer Accounts and to adjust any interest payable; and

(ii) convert one currency to another and, if we do, to do so at our then prevailing spot selling rate of exchange for that currency; and in doing so, you agree that we shall have no liability to you.

8.2 Nothing in this clause C8 shall prevent the exercise by us of any other right of set-off or of any right of combination of accounts in and towards satisfaction of any indebtedness or liability (whether actual, future or contingent) to us.

8.3 In the case of an individual account holder, our rights as described shall not be affected by death or legal incapacity.

**9.** We may at any time and for any reason terminate a fixed deposit contract on or prior to the maturity date.

#### **D. Borrowing from us**

**1.** Your account(s) must not go overdrawn unless you have agreed an overdraft with us, in which case your account(s) must not go over any agreed overdraft limit.

**2.** Borrowing can be arranged either by overdraft or a separate loan subject to status. The most suitable form of borrowing will be agreed between you and us. In some cases security may be required. The terms will be confirmed in writing.

**3.** Interest terms on authorised overdrafts will be mutually agreed between us. Unauthorised overdrafts will be charged interest at our prevailing standard debit interest rate and the amount debited to your account on the last day of each of March, June, September and December.

**4.** If your account has a debit balance in any one month period we may make a charge the amount of which may be varied at our discretion. We will tell you if we change such charge.

**5.** Your Current account should always be kept in credit unless we have agreed an overdraft with you. Any overdraft limit agreed with us should not be exceeded without our prior agreement. If you think your accounts may become overdrawn, please contact us as soon as possible.

**6.** We may decide not to pay a cheque or other item if it would make your account become overdrawn or exceed an agreed overdraft.

If an overdraft is agreed, the interest rate, any arrangement fee, renewal fee and other terms will be shown in the letter of confirmation. In addition, charges and interest calculated in accordance with this Section D of these General Terms and Conditions will be payable.

**7.** If we pay a cheque or other item issued by you and as a result your account becomes overdrawn or exceeds your agreed overdraft limit, this does not mean that we have agreed an overdraft or an increased limit. You must pay sufficient money into your account to cover the amount of the cheque or other item without delay.

**8. In addition to charging interest for unauthorised overdrafts we may also charge a fee to cover the cost of the administration involved.**

**9. Unless we have agreed other terms with you in writing, we may at any time withdraw your overdraft limit and demand immediate repayment of any money you owe us. Unless we agree otherwise with you we will continue to charge interest and make charges at the same rate(s) and on the same basis after demand has been made.**

**10.** If any accounts you hold with us are in credit, we may use them to reduce or repay any amounts you owe on other accounts you hold with us anywhere in the same name (including any card accounts and any joint accounts) whether or not those accounts are in the same currency. If we decide to do so, we will tell you why and when it has been done.

10.1 In connection with the above you irrevocably authorise us to:

(i) bring to an end your overdraft limit applying to any Customer Accounts and to adjust any interest payable; and

(ii) convert one currency to another and, if we do, to do so at our then prevailing spot selling rate of exchange for that currency; and in doing so, you agree that we shall have no liability to you.

10.2 Nothing in this clause D10 shall prevent the exercise by us of any other right of set-off or of any right of combination of accounts in and towards satisfaction of any indebtedness or liability (whether actual, future or contingent) to us.

10.3 In the case of an individual account holder, our rights as described shall not be affected by death or legal incapacity.

#### **11. Responsibility for borrowing**

##### **11.1 Personal customers**

You are personally responsible for any money you owe to us whether this arises from your own actions or those of any person authorised by you.

**If your account is a joint account all of you are together and individually responsible for any money owed to us on the account. We may demand repayment from all and any of you for any money owing on the account.**

**Where any of you also has an account with us in your sole name and that account has a credit balance we can set off these monies against any money owing to us on the joint account even if the account is in a different currency and/or jurisdiction.**

#### 11.2 Non personal customers

##### (i) Sole trader

You are personally responsible for any monies your business owes us.

##### (ii) Partnership, personal representatives and trustees

As well as the account holders being jointly and severally liable for monies owed to us, each partner, personal representative or trustee is jointly and severally liable for any such monies, even if he or she has subsequently ceased to be a partner, personal representative or trustee unless we have agreed otherwise in writing. We have the right to demand repayment from all or any account holders for all or part of such monies.

##### (iii) Company, club, society, association and charity

The signatories may be liable for monies owed to us and should take separate advice.

#### 11.3 Liability

Where you are liable to us, you hereby waive any existing or future right which you may have under the laws of Guernsey:

(i) whether by virtue of the 'droit de division' or otherwise to require that any liability owed to us be divided or apportioned with any other person or reduced in any manner whatsoever; and

(ii) whether by virtue of the 'droit de discussion' or otherwise to require that recourse be had to the assets of any other person before any claim is enforced by us against you.

### E. Your information

The terms and conditions in clauses E1 to E7 immediately below apply to all of the products and services covered by these General Terms and Conditions.

#### 1. Definitions

Capitalised terms used in this Section E shall have the meanings contained either in this Section E or in Section O, unless the context otherwise requires.

#### 2. Collection, processing and sharing of Customer Information

This Section E explains how we will use your information and that of any Connected Persons. By applying for and/or using the Services, you agree that you and any Connected Persons shall be treated for the purposes of any applicable data protection laws, including without limitation the Data Protection (Bailiwick of Guernsey) Law, 2001 as having consented to us and any other members of the HSBC Group using Customer Information in accordance with this Section E.

Customer Information will not be disclosed to anyone (including other members of the HSBC Group), other than where:

(i) we are legally required to disclose including pursuant to our obligations in relation to FATCA, CRS and/or any other regime applicable to us from time to time;

(ii) we have a public duty to disclose;

(iii) our or a third party's legitimate business purposes require disclosure;

(iv) the disclosure is made with your consent; or (v) it is disclosed as set out in this Section E.

#### 3. Collection

We and other members of the HSBC Group may collect, process, use and share Customer Information (including relevant information about you, your transactions, your use of our products and services, and your relationships with the HSBC Group). Customer Information may be requested from you (or a person acting on your behalf), or may also be collected by or on behalf of us, or other members of the HSBC Group, from other sources (including from publically available information), generated or combined with other information available to us or any other member of the HSBC Group.

#### 4. Processing

We and/or members of the HSBC Group will process, transfer and disclose Customer Information in connection with the following purposes (the "**Purposes**"):

(i) providing Services and for any transactions requested or authorised by you;

(ii) meeting Compliance Obligations;

(iii) conducting Financial Crime Risk Management Activity;

(iv) collecting any amounts due from you;

(v) conducting credit checks and obtaining or providing credit references;

(vi) enforcing or defending our, or another member of the HSBC Group's, rights;

(vii) for our internal operational requirements or such requirements of the HSBC Group (including, without limitation, credit and risk management, system or product development and planning, insurance, audit and administrative purposes); and

(viii) maintaining our overall relationship with you (including marketing or promoting financial services or related products to you and market research)

#### 5. Sharing

By applying for and/or using the Services, you agree that we may (as necessary and appropriate for the Purposes) transfer and disclose any Customer Information to the following recipients (who may be outside of the Channel Islands and

outside of the European Union and who may be located in the United States and who may also process, transfer and disclose such Customer Information for the Purposes):

- (i) any member of the HSBC Group;
- (ii) any sub-contractors, agents, service providers, or Associates of the HSBC Group (including their employees, directors and officers); (iii) in response to any requests from any Authorities;
- (iv) anyone acting on behalf of you, payment recipients, beneficiaries, account nominees, intermediary, correspondent and agent banks, clearing houses, clearing or settlement systems, market counterparties, upstream withholding agents, swap or trade repositories, stock exchanges, companies in which you have an interest in securities (where such securities are held by us for you);
- (v) any party acquiring an interest in or assuming risk in or in connection with the Services;
- (vi) other financial institutions, credit reference agencies or credit bureaus, for obtaining or providing credit references;
- (vii) any third party fund manager who provides asset management services to you;
- (viii) any introducing broker to whom we provide introductions or referrals;
- (ix) in connection with any HSBC Group business transfer, disposal, merger or acquisition;
- (x) fraud prevention agencies (if you provide false or inaccurate information and fraud is identified); and
- (xi) other banks for the purpose of providing any products or services, such as where you make transfers or payments to account holders at other banks, wherever located, including in jurisdictions which do not have data protection laws that provide the same level of protection as the jurisdiction in which the Services are supplied.

## 6. Your obligations

6.1 You agree to inform us promptly, and in any event within 30 days, in writing if there are any changes to Customer Information supplied to us or any other member of the HSBC Group from time to time, and to respond to any request from us, or another member of the HSBC Group.

6.2 You confirm that every Connected Person whose information (including Personal Data or Tax Information) has been provided to us or another member of the HSBC Group has been notified of and agreed to the processing, disclosure and transfer of their information as set out in this Section E. You shall advise Connected Persons that they may have rights of access to, and correction of, their Personal Data.

6.3 Where:

- ◆ you fail to provide Customer Information that we reasonably request; or

- ◆ you withhold or withdraw any consents which we may need to process, transfer or disclose Customer Information for the Purposes; or
- ◆ we or another member of the HSBC Group has suspicions regarding the possible commission of Financial Crime or you present a potential Financial Crime risk to a member of the HSBC Group;

we may:

- (i) be unable to provide new, or continue to provide all or part of the, Services to you and we reserve the right to terminate our business relationship with you;
- (ii) take actions necessary for us or another member of the HSBC Group to meet the Compliance Obligations; and/or (iii) block, transfer or close your account(s).

In addition, any failure on your part to supply your, or your Connected Person's, Tax Information and accompanying statements, waivers and consents, may result in us making our own decision with respect to your status, including whether to report you to a Tax Authority, and may require us or other persons to withhold amounts as may be legally required by any Tax Authority and paying such amounts to any Tax Authority.

## 7. Data protection

Whether it is processed in a home jurisdiction or overseas, in accordance with data protection legislation, Customer Information will be protected by a strict code of confidentiality and security which all members of the HSBC Group, their staff and third parties are subject to.

## 8. Financial Crime Risk Management Activity

8.1 We, and members of the HSBC Group, are required, and may take any action we consider appropriate in our sole and absolute discretion, to meet Compliance Obligations in connection with the detection, investigation and prevention of Financial Crime ("Financial Crime Risk Management Activity").

Such action may include, but is not limited to:

- (i) screening, intercepting and investigating any instruction, communication, drawdown request, application for Services, or any payment sent to or by you, or on your behalf;
- (ii) investigating the source of or intended recipient of funds;
- (iii) combining Customer Information with other related information in the possession of the HSBC Group; and/or
- (iv) making further enquiries as to the status of a person or entity, whether they are subject to a sanctions regime, or confirming your identity and status.

8.2 To the extent permissible by law, neither we nor any other member of HSBC Group shall be liable to you or any third party in respect of any Loss whether incurred by you or a third party in connection with the delaying, blocking or refusing of any payment or the provision of all or part of the Services or otherwise as a result of Financial Crime Risk Management Activity.



## 9. Credit Reference Agencies

9.1 Information held by credit reference agencies is used by lenders to help verify the identity of customers and, where they wish to obtain credit, assess their ability to meet financial commitments. This enables accounts to be opened more quickly and reduces the need to obtain references from employers or other financial service providers.

9.2 When considering applications, and from time to time during a customer's relationship with it, we may make searches and share information regarding that customer with credit reference agencies who, where appropriate, will supply us with information about that customer's credit history and information e.g. from the electoral registers in Guernsey and elsewhere to verify that customer's identity. Credit reference agencies record whether or not a customer's application is for credit even if that customer does not proceed and if a customer makes a number of applications for credit within a short period of time, this may temporarily affect their ability to obtain credit.

9.3 If one of our customers applies for a product or service with another person which may involve that customer borrowing from us, an "association" between that customer and their fellow applicant(s) will be created by the credit reference agencies, which will link those applicants' financial records unless and until they file a "notice of disassociation" with the agency.

9.4 Information held about a customer by credit reference agencies may already be linked to records relating to one of that customer's "financial associates". If so, any application for credit will be assessed with reference to the records of any "associate".

9.5 If you borrow and do not repay in full and on time or make proposals for repayment acceptable to us within twenty eight (28) days of demand and the amount owed is not in dispute, we may tell credit reference agencies who will record the outstanding debt. If details of a customer's default are given to credit reference agencies, this may affect their ability to obtain further credit.

## 10. Miscellaneous

10.1 In the event of any conflict or inconsistency between any of the provisions of this Section E and those in any other service, product, business relationship, account or agreement between you and us, this Section E shall prevail. Any consents, authorisations, waivers that we have requested and permissions that already exist from you in relation to Customer Information shall continue to apply in full force and effect, to the extent permissible by applicable local law.

10.2 If all or any part of the provisions of this Section E become illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair the legality, validity or enforceability of such provision in any other jurisdictions or the remainder of this Section E in that jurisdiction.

10.3 To ensure that we carry out customer instructions accurately, to help us continually improve our service and in the interests of security, we may monitor and/or record customer telephone calls with us. Any recordings are our sole property.

10.4 We may make and retain copies of passports, driving licences or other identification evidence provided by customers.

10.5 We will obtain your written consent before providing a banker's reference about you. However, if we receive a request from another financial services institution to verify your identity for money laundering purposes, we may provide this information without further reference to you.

## 11. Website and E-mail Personalisation

11.1 When you use a computer or other device to access websites operated by or on behalf of the HSBC Group and associated third parties, information may be stored and accessed on that device:

- ◆ to improve your experience;
- ◆ to improve the functionality, security and performance of those websites;
- ◆ to provide you with promotional content; and/or
- ◆ to provide us with information about how those websites are used and how users arrive at those websites.

11.2 In the event that you receive e-mails sent by or on behalf of the HSBC Group, such e-mails may contain technologies to track for market research purposes whether you opened those e-mails and whether you accessed internet links contained within those e-mails. You agree to information being stored, accessed and used in this way.

11.3 Members of the HSBC Group may also exchange, analyse and use relevant information about you in the ways described above to ensure that promotional content displayed to you on screen when you use HSBC Group websites is more likely to be relevant and of interest. Further information is available on our cookie policy, site terms and privacy statement at our website [www.hsbcprivatebank.com](http://www.hsbcprivatebank.com).

## 12. Survival upon termination

The provisions of this Section E shall continue to apply notwithstanding the termination of these General Terms and Conditions, any termination by us or another member of the HSBC Group of the provision of any Services to you or the closure of any of your account(s).

## F. Further provisions

1. We will not make any insurance arrangements in respect of any property held by us on your behalf. It is your responsibility to put such insurance arrangements in place as you think fit.

2. We and other members of the HSBC Group are required to act in accordance with the laws and regulations operating in various jurisdictions which relate to the prevention of money laundering, terrorist financing and the provision of financial and other services to any persons or entities which may be subject to sanctions.

We may take, and may instruct other members of the HSBC Group to take, any action which we in our sole and absolute discretion consider appropriate to act in accordance with all such laws and regulations.

Such action may include but is not limited to: the interception and investigation of any payment messages and other information or communications sent to or by you on your behalf via our systems or any other member of the HSBC Groups systems; and making further enquiries as to whether a name which might refer to a sanctioned person or entity actually refers to that person or entity.

Neither we nor any member of the HSBC Group will be liable for loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any party arising out of (i) any delay or failure by us or any member of the HSBC Group in performing any of our duties under these General Terms and Conditions or other obligations caused in whole or in part by any steps in which we in our sole and absolute discretion consider appropriate to act in accordance with all such laws and regulations; or (ii) the exercise of any of our rights under this clause F2.

In certain circumstances the action which we may take may prevent or cause a delay in the processing of certain information. Therefore, neither we nor any member of the HSBC Group, warrants that any information on our systems relating to any payment messages and communications which are subject of any action taken pursuant to this clause F2 is accurate, current or up to date at the time it is accessed, whilst such action is being taken. Subject to the overriding requirements of applicable laws and regulations, we will endeavour to notify you of the existence of such circumstances as soon as it is reasonably practicable.

**3.** We shall not be liable for any loss, damage or delay caused in whole or in part by the action of any government or government agency, authorities, regulatory bodies, law enforcement agencies, industrial action (whether involving our staff or not), equipment failure, or interruption to power supplies, or anything beyond our reasonable control.

**4.** Except as stated below, we will not be liable to you in contract, tort (including negligence), or otherwise for any indirect or consequential loss or damage, however arising (including, but not limited to, loss of business, loss of data, loss of profits and third party claims), whether or not that loss or damage was foreseeable by us. We do not exclude or limit liability for loss of interest on your credit balances, or interest incurred on your debit balances, as a result of any of your instructions to us which we have processed or failed to process in breach of our duties to you. We are not liable for this loss to the extent that it is attributable to your own neglect or default.

**5.** You agree to indemnify us for any legal costs, expenses and disbursements we may incur in relation to running your account including (but without prejudice to the generality of the foregoing) any legal costs incurred due to legal obligations imposed upon us in relation to your account. We reserve the right to immediately set off credit balances you hold with us to reduce or repay these legal costs, expenses or disbursements.

If we decide to take this action, we will tell you why and when it will be done.

**6.** Where we are permitted to select a third party to carry out any of the services which we provide to you we shall use reasonable care in making any such selections. Subject to that, however, we shall not be liable for any failure to perform or for any acts or omissions of any such third party.

**7.** Reasonable care in the processing of payments will be exercised by us and our correspondents. Should such care not be exercised we will be responsible for any loss of a kind which would ordinarily be expected to occur. This includes interest but not loss of contracts or profits or other consequential loss.

In some jurisdictions (e.g. New York) payments may be made to a designated account number, whether or not this account number correctly identifies the intended beneficiary. Where you give us instructions to make payments to a designated account number, you must ensure that you provide us with accurate information about the beneficiary. Only the account listed as the beneficiary of your instruction may be credited. You should ensure therefore that both the account number and the name of the beneficiary are correctly stated in your instructions to us as we do not accept liability for any kind of loss occasioned by your mis-description of the beneficiary's name or account number.

**8.** We may be able to achieve same day value in certain financial centres. Otherwise, you can expect payments to be made within two or three working days (a working day being a day when banks are open for international business both in the Island of Guernsey and in the financial centre where a payment is to be made). Value may, however, be delayed if there are complications in the routing of payments or in overseas banking systems. In addition banks must also apply cut-off times for the processing of payments to different parts of the world. As a result, we can give no general assurances on the achievement of value dates. You should discuss your needs in advance with us.

**9.** Any banking terms and conditions implied by Guernsey law will also apply to our relationship with you unless, to the extent permitted by Guernsey law, varied or amended by any particular terms and conditions relating to an account or service or by these General Terms and Conditions.

**10.** We may assign all or any of our rights in relation to your account(s). We may also assign any of our obligations but only to someone we reasonably consider capable of performing them. References to us in these General Terms and Conditions would then be read as references to the person to whom any relevant right or obligation was transferred. You may not transfer any of your rights or obligations in relation to your account(s).

**11.** Any notice demand or communication given under these General Terms and Conditions or any transactions to which they apply shall in the absence of any express agreement and except where we shall give general notice in the press, be in writing and shall be deemed to be duly served if left at, or sent to the address last communicated to us by you or transmitted

to your email address given to us for such purposes. Any such notice demand or communication shall be deemed to be given, if sent by first class mail two working days after posting or five working days in the case of airmail, or if left at your address, at the time of delivery or if sent electronically at the time of transmission.

In the case of a joint account we may give notice to any one of you, which shall be deemed to be notice given to all of you.

**12.** For products in sterling, our base rate will be the rate published from time to time by HSBC Bank plc as its base rate.

**13.** Without in any way limiting Section E, you consent to us telephoning you to provide you with advice on our products and/or services. You will solicit such calls by agreeing to these General Terms and Conditions.

**14.** Each of the provisions of these General Terms and Conditions shall be severable and distinct and if at any time any one or more of such provisions is or becomes invalid, illegal or unenforceable the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

**15.** We may, without prior notice to you, change the manner in which we designate or identify your account(s), including without limitation by changing the number(s) of your account(s), for example but also without limitation as a result of changes in our operating systems and/or platforms. We will notify you in writing of any changes that we make in this regard.

#### **16. Derivatives**

You may wish to consider applying to us to undertake certain derivative transactions on your behalf. Supplemental terms, conditions and risk warnings apply to any activities that we undertake in connection with derivative transactions in addition to these General Terms and Conditions, and we will provide you with a copy of such supplemental terms, conditions and risk warnings on request or when you first apply. We will also request that you complete a risk warning document to demonstrate that you understand the risks inherent in these products.

#### **17. Foreign exchange**

17.1 You may wish to consider applying to us to undertake certain foreign exchange transactions on your behalf. Supplemental terms and conditions apply to any activities that we undertake in connection with foreign exchange transactions in addition to these General Terms and Conditions, and we will provide you with a copy of such supplemental terms and conditions on request or when you first apply to undertake a foreign exchange transaction.

17.2 Where foreign exchange transactions are undertaken, these will be executed by us on a spot value basis on the day of receipt of instructions from you at our then prevailing buying or selling rate. We are not liable to complete transactions at the highest or lowest exchange rate of the day or to confirm with you the dealing exchange rate prior to completing the transaction.

17.3 Spot value is for settlement of the transaction two Business Days after the dealing date.

#### **18. Bearer Shares**

18.1 We no longer open new accounts for issued bearer share companies or a bearer share capable companies.

18.2 If you are an issued bearer share company or a bearer share capable company and for historical reasons you have one or more accounts with us, you hereby undertake:

(i) that all issued bearer shares shall be held at such approved location and with such approved custodian as we shall notify you in writing from time to time;

(ii) you shall not issue any bearer shares or any further bearer shares (as relevant) and we shall require you to confirm this in writing on an annual basis; and

(iii) you will inform us immediately in writing in the event of a change of your ownership or your issuance of initial or new bearer shares and to provide us with any appropriate information we may require, unless restricted by applicable laws and regulations.

18.3 Any failure to comply with this clause F18 may cause your account(s) to be blocked and for any proposed transactions to require special approval.

#### **19. Introduction fees**

Subject to applicable law and regulation, where you have been introduced to us by a third party (including any other member of the HSBC Group), we may pay a fee (or other remuneration or benefits) to the introducer on a one-off or continuing basis. In addition, where we pass your transactions or introduce you to a third party (including any other member of the HSBC Group) we may receive a fee (or other remuneration or benefit) from the third party on a one-off or continuing basis. Neither we nor any other member of the HSBC Group shall be obliged to account to you for any such fee (or other remuneration or benefit) received or paid by us or it. However we will supply you with details of any such fee (or other remuneration or benefit) received or paid by us where we are required to do so by law or regulation or otherwise on your specific request.

#### **20. Internet Banking Service**

We offer an Internet Banking Service which is provided upon separate application and using an application form and terms and conditions that are service specific. An example of this in practice is where a person may be authorised to communicate with us or access certain information regarding your accounts using the Internet Banking Service, but if that person is not also listed on the existing banking mandate they will be unable to communicate with us or access information regarding your accounts via any other channel e.g. by contacting your Relationship Manager.

## G. Customer complaints

1. We are committed to customer service. If at any time you are not satisfied with the service provided and wish to make a complaint, our aim is to resolve all such concerns internally. Accordingly, in the first instance you should write with full details of the matter to your relationship manager. We will issue a formal final response to your complaint as soon as possible after we have received it.

2. If you are not satisfied with our first response, you can escalate your complaint by writing to:

**Chief Executive Officer**  
**HSBC Bank plc, Guernsey Branch**  
**Arnold House**  
**St. Julian's Avenue**  
**St. Peter Port**  
**Guernsey GY1 3NF**  
**Channel Islands**

Telephone number: **+44 (0)1481 759000**

3. For further details about how we handle complaints, you can ask us for a copy of our complaints handling procedure at any time.

4. If you are still not satisfied with any of our responses to your complaint, or if after you first raised the matter with us three months have passed without any final response, you can refer your complaint to the Channel Islands Financial Ombudsman ("CIFO"). If we have sent you a final response you must contact CIFO within six (6) months of the date on that letter, or CIFO may not be able to review your complaint. In any event you must contact CIFO within six (6) years of the event complained about or (if later) two (2) years of when you could reasonably have been expected to become aware that you had a reason to complain. You can contact CIFO at:

**Channel Islands Financial Ombudsman (CIFO)**  
**PO Box 114**  
**Jersey, Channel Islands**  
**JE4 9QG**

Telephone number: **01534 748610 (Jersey office)**

Telephone number: **01481 722218 (Guernsey office)**

Email: **enquiries@ci-fo.org**

Website: **www.ci-fo.org**

If your complaint concerns any activities relating to investment services and you are not satisfied with responses to your complaint three months or more after first complaining, you may contact the Guernsey Financial Services Commission ("GFSC") directly about the complaint at:

**Guernsey Financial Services Commission**  
**Glategny Court**  
**Glategny Esplanade**  
**St. Peter Port**  
**Guernsey**  
**GY1 1WR**

Telephone number: **01481 712706**

Email: **info@gfsc.cc**

Website: **www.gfsc.gg**

## H. Important note

1. If you are in any doubt about the implications of these General Terms and Conditions you should consult with your accountant, lawyer or independent financial adviser

## I. Termination

1. If you wish to close your account(s) you or all of you (for joint accounts) can do this at any time by writing to us. You must repay any money owed to us including any charges that you may have incurred. Any unused credit on your overdraft facility will be withdrawn.

2. Subject to clause I3 immediately below, we may end any contracts between us and close any of your accounts with us for any reason by giving you reasonable notice of not less than thirty (30) days in writing.

3. We can immediately end any contracts between us and close any of your accounts with us in any of the following situations:

(i) if you have significantly broken any of these General Terms and Conditions and, where such breach is capable of remedy, you have failed to remedy such breach within a reasonable time of us requesting you to do so;

(ii) there has been, or we reasonably suspect that there has been, fraud involving any of your accounts with us or any transactions on any such accounts;

(iii) if there has been, or we reasonably suspect that there has been, suspicious activity on any of your accounts;

(iv) if we have reasonable grounds for believing you have committed or are about to commit a crime in connection with any of your accounts;

(v) any of your accounts are, or we reasonably suspect any of your accounts are, being used for an illegal purpose;

(vi) your behaviour is improper (for example you act in a threatening or violent manner towards staff) or you act in any other way which makes it inappropriate for us to maintain your account(s);

(vii) you were not entitled to open your account(s) or take out your services;

(viii) we have demanded that you repay an overdrawn balance on any of your accounts with us and you fail to do so;

(ix) in the circumstances outlined in paragraph E6.3; or

(x) if we reasonably consider that by continuing our contract(s) with you:

- ◆ we may break a law, regulation, code, court order or other duty; or
- ◆ we, or another member of the HSBC Group, may be exposed to action or censure from any government, regulator or law enforcement agency.

4. We will give you notice in writing immediately after we have closed your account(s) under clause I3 above.

5. If we close your account(s) we will repay any credit balance(s) or return any of your assets under our control to you. Closure of your account(s) will not affect your liability to us existing at the time of, or arising after, such termination and we may require the immediate repayment of all amounts owing on any of your accounts. Fees and charges payable under the terms of the Schedule of Charges and overdraft interest reasonably incurred on any balances outstanding will continue to accrue until full repayment is made and you will be liable to pay such fees, charges and overdraft interest to us in full.

6. As noted above, we may change these General Terms and Conditions upon giving you at least one month's written notice. If you do not accept a change of which such notice has been given, you should tell us before such change comes into effect. Telling us that you do not accept the change will be deemed to be your request to close your account(s). There will be no charge for this.

#### J. Trusts

1. This clause shall apply where you are a trustee of a trust (the "Trust").

2. Upon you ceasing to be a trustee by death, dissolution or otherwise, and in the absence of specific instructions in writing which are acceptable to us in our absolute discretion, we may in our absolute discretion treat the surviving or continuing account holder as having full power to act on behalf of the Trust and to deal with the Trust's assets as if there had been no such change of trustee.

3. We shall not be obliged to take notice of the terms of any trust deed relating to the Trust unless we are named therein as a trustee and agreed to act as such and on its usual terms or as otherwise may have been specifically agreed.

4. Any instructions provided by a trustee to us will be assumed, without the need for any further confirmation or investigation by us, to be proper and to not contravene any terms of the trust deed or any other document relating to the Trust.

5. Where you have entered into any form of arrangement (the "Arrangement") with us in your capacity as trustee of the Trust, we acknowledge and agree that you have entered the Arrangement solely in such capacity and that all terms conditions and provisions applicable to the Arrangement shall apply to and be enforceable against you solely in your capacity as trustee of the Trust and not otherwise. It is hereby further agreed that subject to clause J6, your liabilities and obligations under the Arrangement ("Your Liabilities") are at all times restricted to the value of the assets of the Trust held by you from time to time in your capacity as trustee of the Trust.

6. Neither clause J5 nor, to the maximum extent possible, any applicable limited recourse legislation shall apply if and to the extent that you:

(i) no longer retain recourse to some or all of the assets of the Trust (for example but without limitation due to your wilful misconduct or breach of trust); or

(ii) fail to take all reasonable steps to ensure that assets of sufficient value are maintained at all times within the Trust to meet Your Liabilities from time to time under the Arrangement.

7. For the purposes of clause J6, "applicable limited recourse legislation" means Section 42 of the Trusts (Guernsey) Law 2007 or any other provisions of similar effect in any law applicable to the Trust.

#### K. Governing law, jurisdiction and language

1. Any contracts and/or agreements between you and us to which these General Terms and Conditions apply shall be governed by and construed in accordance with the laws of Guernsey and all claims and disputes (including non-contractual claims and disputes) arising out of or in connection with these General Terms and Conditions and/or their subject matter, negotiation or formation will be determined in accordance with Guernsey law.

2. You and we submit to the nonexclusive jurisdiction of the courts of the Island of Guernsey in relation to all claims, disputes, differences or other matters (including non-contractual claims, disputes, differences or other matters) arising out of or in connection with these General Terms and Conditions.

3. These General Terms and Conditions, any contacts or agreements to which they apply and all communications with you will be in English.

#### L. Tax matters

1. We will be entitled to assume that you are, at all times, aware of and fully discharging your taxation liabilities arising out of, or in any way relating to, your account(s). Furthermore, by opening and/or maintaining accounts subject to these General Terms and Conditions, you hereby acknowledge and agree as follows:

##### 1.1 Individual customers

You are responsible for fulfilling any obligation that you may have with respect to the filing of returns or other required documentation in respect of and the payment of all relevant taxes, including, without limitation, all income, capital gains, wealth and estate taxes. The creation and continued operation of your account(s) and/or the acquisition, holding or disposal of investments or assets in such account(s), as well as any income, distributions or losses realized in relation to the operation of the account(s) may expose you to tax consequences depending on a number of factors including, but not limited to, your applicable domicile, your place of residence, your citizenship or the type of assets you hold in your account(s). Certain countries may have tax legislation with extra-territorial effect regardless of your place of domicile, residence or citizenship. We do not provide any legal or tax advice and you should seek legal and/or tax advice from an independent legal and/or tax adviser. You acknowledge and agree that we have no liability in respect of any of your tax obligations and/or any legal and/or tax advice provided to you by third parties.

## 1.2 Non-individual customers

You and each Connected Person (as defined in Section O) is each responsible for fulfilling its own obligations with respect to the filing of returns or other required documentation in respect of reporting and payment of all relevant taxes, including, without limitation, all income, capital gains, wealth and estate taxes. The creation and continued operation of your account(s) and/or the acquisition, holding or disposal of investments or assets in such account(s), as well as any income, distributions or losses realized in relation to the operation of the account(s) may expose you or any Connected Person to tax consequences depending on a number of factors including, but not limited to, applicable domicile, place of residence, citizenship, place of incorporation or the type of assets held in the account. Certain countries may have tax legislation with extra-territorial effect regardless of place of domicile, residence, citizenship or incorporation. We do not provide any legal or tax advice and you and each Connected Person should seek legal and/or tax advice from an independent legal and/or tax adviser. You acknowledge and agree that we have no liability in respect of any of your tax obligations or those of any Connected Persons and/or any legal and/or tax advice provided to you by third parties.

**2.** In accordance with various applicable laws and regulations in place from time to time, we may be required to collect and report certain information about your tax residence. If your tax residence is outside Guernsey, we may also be legally obliged to pass on certain information about you and your accounts to the Director of Income Tax in Guernsey or equivalent depending on situs of account who may then make further disclosures to relevant jurisdictions such as the UK and the US as required under Guernsey law or in pursuance of Guernsey's international obligations (e.g. FATCA and CRS). This information includes but is not limited to:

2.1 name;

2.2 address;

2.3 jurisdiction(s) or residence;

2.4 tax identification number (or local equivalent);

2.5 date and place of birth;

2.6 account number(s);

2.7 customer identification number(s);

2.8 account balance and/or value;

2.9 in the case of a custodial account, total gross interest, dividends or any other income generated with respect to the assets held including the total gross proceeds from the sale or redemption of any assets held during the calendar year or other appropriate reporting period; and

2.10 in the case of a depository account, the total gross amount of interest paid or credited to the account during the calendar year or other appropriate reporting period.

## **M. HSBC Group disclosure statement – Conflicts of interest**

HSBC Private Banking (C.I.) a division of HSBC Bank plc,

Guernsey Branch is a member of the HSBC Group. HSBC Bank plc, Guernsey Branch is licensed to carry out "controlled investment business" as defined in the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (the "POI Law") and is also subject to the requirements of the Licensees

(Conduct of Business) Rules 2016 (the "COB Rules"). Under Schedule 1 of the POI Law, Category 1 controlled investments are collective investment schemes and Category 2 includes general securities and derivatives. HSBC Bank plc, Guernsey Branch is licensed to provide certain restricted investment activities listed in Schedule 2 of the POI Law for controlled investments, being promotion, subscription, registration, dealing, management, administration, advising, custody in respect of Category 1 and Category 2 controlled investments and management and administration in respect to Category 2 only. The COB Rules require (among other things) licensees to identify and manage conflicts of interest arising from controlled investment business and to have a conflicts policy setting out procedures and controls.

The HSBC Group is a global organisation which provides a wide range of financial services. As such, it, or a company with whom it has an association ("HSBC"), may from time to time have interests which conflict with its clients' interests or with the duties that it owes to its clients. These include conflicts arising between the interests of HSBC, its associates and employees on the one hand and the interests of its clients on the other and also conflicts between clients themselves. HSBC has established procedures which are designed to identify and manage such conflicts. These include organisational and administrative arrangements to safeguard the interests of clients.

A key element of this policy 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 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 maybe 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, HSBC may consider it appropriate to disclose the potential conflict to the client and obtain the client's formal consent to proceed. However, HSBC may decline to act in any circumstance where there is residual risk of damage to the interest of any client. You may have further questions which relate to the underlying procedures within HSBC. In such cases you should contact your Relationship Manager, who will direct your query accordingly.

## N. Bank of England's powers if we enter resolution

**1.** The contractual recognition provision set out in clause N5 (the "recognition requirement") doesn't apply to you if you're any of the following:

- ◆ an individual;
- ◆ a micro, small or medium-sized enterprise;
- ◆ a deposit holder who has placed the deposit on behalf of an ultimate beneficial owner who is an individual, micro, small or medium sized enterprise; unless you also fall into the categories listed in clause N3.

A micro, small or medium-sized enterprise is an entity that, at the time the provision is being relied on, has fewer than 250 employees and meets one or both of the following criteria:

- ◆ its annual turnover is no more than 50 million euros or;
- ◆ its annual balance sheet total is no more than 43 million euros.

**2.** Note that certain of our liabilities are completely excluded from the recognition requirement. We set these out in clause N8.

**3.** You'll fall within this paragraph, and be covered by the recognition requirement, if:

- ◆ you are not an individual or a micro, small or medium-sized enterprise;
- ◆ any deposit into your account arose out of a transaction in connection with which someone has been convicted of a money laundering offence; or
- ◆ you or your beneficial owner(s) have not had your or their identity verified by us.

**4.** The recognition requirement doesn't automatically apply to liabilities which arise before 1 January 2016. It applies to 'new liabilities' incurred after that date or to contracts whose terms are materially amended on or after 1 August 2016. With respect to deposits held in your account(s) arising before 1 January 2016, new activity on such account(s) from that date will trigger the recognition requirement and will apply to your entire deposit. Further, any material amendment to the terms of a contract on or after 1 August 2016 will also trigger the recognition requirement with respect to all liabilities under that contract.

**5.** If the recognition requirement in this clause N5 applies to you, then you acknowledge and accept that the Bank of England has certain legal powers under the UK Banking Act 2009 that it can use over liabilities governed by these Terms and Conditions if we become insolvent or are likely to become insolvent. If that happens, the Bank of England can do one or more of the following:

- ◆ reduce the value of our liabilities to you (which mainly means the money in your accounts (this potentially includes, in extreme circumstances, reducing them to zero));
- ◆ convert the value of our liabilities to you, in full or in part, into other instruments, such as shares in us or another company; or
- ◆ amend your Terms and Conditions in any way they decide.

**6.** These powers are intended to allow the Bank of England to rescue a bank if it is or likely to become insolvent, and are known as "special bail-in powers." To be clear, if you're subject to these special bail-in powers, you don't lose any protection you may have under any depositor protection scheme which may apply to your accounts in the jurisdiction in which they are held.

**7.** You acknowledge and accept that the Bank of England's special bail-in powers will be legally binding on you if they are exercised.

**8.** The liabilities completely excluded from the recognition requirement include:

(a) deposits covered by European Economic Area (EEA) deposit guarantee schemes;

(b) liabilities so far as they are secured;

(c) liabilities that arise by virtue of HSBC holding client assets;

(d) a liability that arises by virtue of a relationship with a fiduciary where the underlying beneficiary is protected under applicable insolvency law ;

(e) liabilities to certain banks and certain investment firms (excluding entities that are part of our group) with an original maturity of less than seven days;

(f) liabilities with a remaining maturity of less than seven days, owed to EEA financial market infrastructure or their participants and arising from the participation in such a system;

(g) liabilities to any one of the following:

(i) employees in respect of fixed and not variable remuneration;

(ii) commercial or trade creditors arising from the provision to us of goods and services that are critical to our daily functioning;

(iii) tax and social security authorities;

(iv) EEA deposit guarantee schemes.

**9.** This provision takes precedence over any other agreement, arrangement or understanding we may have with you.

## O. Glossary of Terms

**1.** In these General Terms and Conditions, the following words shall, unless the context otherwise requires, have the following meanings:

**"Associate"** has the meaning given to the term "associated company" in section 529 of the Companies (Guernsey) Law, 2008 as amended..

**"Authorities"** means any judicial, administrative or regulatory body, any government, or public or government agency, instrumentality or authority, any Tax Authority, securities or futures exchange, court, central bank or law enforcement body, or any agents thereof, having jurisdiction over any part of the HSBC Group.

“**Business Day**” means any day on which banks are open for business in London, Jersey and Guernsey.

“**Charges**” means the sums payable to us in respect of fees, commissions, expenses and charges pursuant to these General Terms and Conditions details of which are set out in the Schedule of Charges.

“**Compliance Obligations**” means obligations of any member of the HSBC Group to comply with: (a) any applicable local or foreign statute, law, regulation, ordinance, rule, judgment, decree, voluntary code, directive, sanctions regime, court order, agreement between any member of the HSBC Group and an Authority, or agreement or treaty between Authorities and applicable to us or another member of the HSBC Group (“Laws”), or international guidance and internal policies or procedures; (b) any valid demand from Authorities or reporting, regulatory trade reporting, disclosure or other obligations under Laws; and (c) Laws requiring us to verify the identity of our customers.

“**Connected Person**” means a person or entity whose information (including Personal Data or Tax Information) is provided by, or on behalf of, you to any member of the HSBC Group or otherwise received by any member of the HSBC Group in connection with the provision of the Services. In relation to you, a Connected Person may include, but is not limited to, any of your guarantors, a director or officer of a company, partners or members of a partnership, any ‘substantial owner’, ‘controlling person’, or beneficial owner, trustee, settlor or protector of a trust, account holder of a designated account, payee of a designated payment, representative, agent or nominee of you, or any other persons or entities having a relationship to you that is relevant to your banking relationship with the HSBC Group.

“**controlling persons**” means individuals who exercise control over an entity (for a trust, these are the settlor, the trustees, the protector, the beneficiaries or class of beneficiaries, and any other individual who exercises ultimate effective control over the trust, and in the case of a legal entity other than a trust, such term means persons in equivalent or similar positions of control).

“**Confidential Information**” means any information that is designated by you as confidential at the time of disclosure or that a reasonable person would consider to be confidential, non-public or proprietary in nature.

“**Customer Information**” means Personal Data, Confidential Information, and/or Tax Information of either you or a Connected Person.

“**Financial Crime**” means money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, evasion of economic or trade sanctions, and/or violations, or attempts to circumvent or violate any Laws or regulations relating to these matters.

“**GFSC**” means the Guernsey Financial Services Commission.

“**HSBC**” and the “**HSBC Group**” means HSBC Holdings plc and its subsidiaries and Associates;

“**Laws**” has the meaning identified in the definition of ‘Compliance Obligations’ above.

“**Loss**” means any claim, charge, cost (including, but not limited to, any legal or other professional cost), damages, debt, expense, tax, liability, obligation, allegation, suit, action, demand, cause of action, proceeding or judgment, however calculated or caused, and whether direct or indirect, consequential, punitive or incidental.

“**own nominee**” means any HSBC Group company or any other approved custodian selected by us.

“**Personal Data**” means any data relating to an individual (and corporate entities, in those countries where data privacy law applies to corporates), from which the individual can be identified, including, without limitation, sensitive personal data, name(s), residential address(es), contact information, age, date of birth, place of birth, nationality, citizenship, personal and marital status.

“**Purposes**” has the meaning identified in clause E4.

“**Schedule of Charges**” has the meaning identified in clause A5.

“**Services**” means, without limitation: (a) the opening, maintaining and closing of your bank account(s); (b) the provision to you of credit facilities and other banking products and services (including, for example, securities dealing, investment advisory, broker, agency, custodian, clearing or technology procuring services), processing applications, ancillary credit assessment and product eligibility assessment; and (c) the maintenance of our overall relationship with you, including marketing or promoting financial services or related products to you, market research, insurance, audit and administrative purposes.

“**sterling**” means the currency of the United Kingdom, namely the Great British Pound.

“**subsidiary**” has the meaning given to it in section 531 of the Companies (Guernsey) Law, 2008 as amended.

“**substantial owners**” means any individuals entitled to more than 10% of the profits of or with an interest of more than 10% in an entity either directly or indirectly.

“**Tax Authorities**” means domestic or foreign tax, revenue, fiscal or monetary authorities.



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**“Tax Information”** means any documentation or information (and accompanying statements, waivers and consents) relating, directly or indirectly, to your tax status (regardless of whether you are an individual or a business, non-profit or other corporate entity) and any of your owners, ‘controlling persons’, ‘substantial owners’ or beneficial owners, that we consider, acting reasonably, is needed to comply (or demonstrate compliance, or avoid non-compliance) with any HSBC Group member’s obligations to any Tax Authority. ‘Tax Information’ includes, but is not limited to, information about: tax residence and/or place of organisation (as applicable), tax domicile, tax identification number, Tax Certification Forms, and certain Personal Data (including name(s), residential address(es), age, date of birth, place of birth, nationality, and citizenship).

**“Tax Certification Forms”** means any forms or other documentation as may be issued or required by a Tax Authority or by us from time to time to confirm the tax status of an account holder or the Connected Person of an entity.

**2.** References to the singular includes the plural (and vice versa).

**[www.privatebanking.hsbc.com](http://www.privatebanking.hsbc.com)**

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