Managing your bank account smartly

A guide for personal customers in Hong Kong

HSBC

How can this guide help?

Proper management of your bank account and activity will safeguard both your finances and those of the wider community.

In order to ensure that your banking remains straightforward, keeping it safe from fraud and financial crime, this guide provides useful tips on:

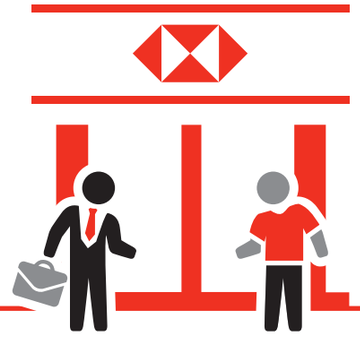
- How best to manage your account day to day
- What might happen if your customer information is not kept up-to-date
- How we can work together to fight financial crime

How best to manage your account day to day

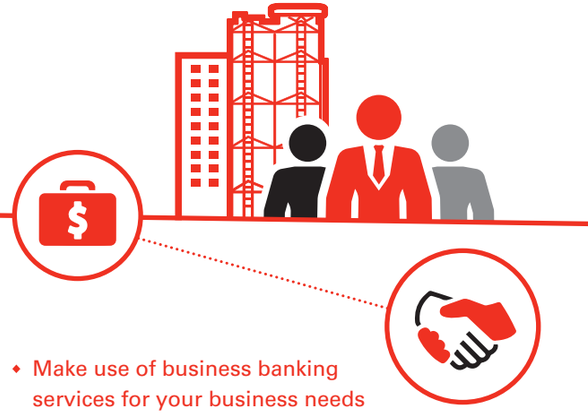
Here are some habits and practices that can help you effectively manage your account and protect you against fraud and financial crime:

Keep personal accounts for personal use

- Do not use your personal account for business purposes, such as paying suppliers or receiving sales income, as these are not commensurate with the purpose of the account and are difficult to validate. Such transactions may also raise red flags for banks as these patterns could resemble those typically observed in undesirable activities such as money laundering, fraud or tax evasion



- There is no problem with business owners receiving legitimate payments to their personal accounts from their business interests, such as salary income, directors' remuneration, repayment of accounted directors' loans, dividends, sale or purchase of equity stakes and payment of personal expenses, providing these are properly documented



- Make use of business banking services for your business needs to enjoy specialised facilities, products and advice not available to personal customers. Channelling sales income through your personal account may distort your business's accounts and tax position, potentially impacting its access to credit facilities
- Inform your bank proactively if you anticipate an unusually high value or volume of transactions on your account over a specific period of time – for example, new funding sources or transactions with third parties

Keep good records

- Check your bank accounts regularly and reconcile all activity with your bank statements
- Ensure you keep records of income, transfers and expenditure, as well as receipts, invoices and supporting documents
- Use electronic channels such as telegraphic transfers and electronic bank transfers for payment transactions, for easier tracking of the source and destination of funds
- Understand and comply with your tax obligations. Provide us with your tax residency information and maintain a clear record of tax documentation
- If you hold multiple identity documents, always provide the same identity document information to your bank. Update your bank about any changes to your identity documents in a timely manner

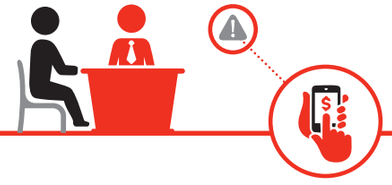
Keep your accounts and services secure

- Do not help others to handle money or assets that do not belong to you
- Do not let others operate your account without your authorisation
- Do not share your personal details, account information, security device, internet banking ID and password, ATM card, credit card, Card Verification Value or cheque book with others
- Do not assign the lease, grant any sub-lease or share the use of your safe deposit locker with others
- Do not use your safe deposit locker for any unlawful purpose, or storing dangerous items such as explosive or corrosive materials. Do not use it in any manner that may cause nuisance to others. In the event of a breach of the relevant terms and conditions, we may need to stop offering you the safe deposit locker services
- Ensure no one other than you or your appointed deputy is permitted to access your safe deposit locker
- Stay vigilant against phone scams and phishing emails claiming to be carried out in the name of banks
- Ensure that your computer security is up-to-date by using anti-virus software, a secure network connection and firewall protection

What might happen if your customer information is not kept up-to-date?

Having accurate information about all our customers is a key part of our ability to detect and deter money laundering, fraudulent transactions or tax evasion.

- Without your up-to-date information, we may have to ask you to explain account transactions that do not appear to match your current profile. Examples include large deposits without supporting documentation that do not match your normal personal account profile and are difficult to validate such as large wire transfers or cash deposits
- If the unusual activity on your personal account cannot be explained, we may have no choice but to delay or restrict certain banking services such as outward remittances, or end our banking relationship with you
- Responding to our requests for information helps us understand the activity on your accounts and ensure that services are not unexpectedly disrupted or accounts closed
- Update your bank as soon as possible on changes to your information that may lead to different activity in your account – for example, changes in family circumstances, employment or the country/territory in which you reside



How we can work together to fight financial crime

We are committed to protecting the integrity of the financial system on which we all depend from financial crime. The information we request from you will help us achieve this.

What should you do if you receive a request for information from us?

- Be alert to letters, emails and calls from us
- Respond to our requests for information in a timely manner
- Ensure that the information you provide to us is complete, accurate and up-to-date
- Do not hesitate to contact us if you have any enquiries about updating your personal information

Contact us

Please visit any HSBC branch in Hong Kong or call (852) 2233 3322 (HSBC Premier customers), (852) 2748 8333 (HSBC Advance customers) or (852) 2233 3000 (Other personal customers)

For commercial banking, please visit any HSBC Business Centre or call our Commercial Banking Service Hotline on (852) 2748 8288 (press #-0 after language selection)

Issued by The Hongkong and Shanghai Banking Corporation Limited