

Notice of Changes on the Integrated Account Terms and Conditions, effective 15 October, 2014

HSBC is committed to conducting business in a way that actively contributes to the safety and stability of our customers, the financial markets and the global banking system. Global regulation increasingly requires banks to put stronger checks in place to ensure the stability of the global finance system, prevent fraud and other financial crimes, and comply with international sanctions and other legal requirements, as well as requiring banks to prove to regulators that they know and understand who their customers are. In this connection, we have updated our Integrated Account Terms and Conditions to reflect a globally consistent approach to sharing customer information and clarify your obligations.

Please carefully review the updated Integrated Account Terms and Conditions as set out below to ensure that you understand the changes made and how they may affect you. Please rest assured that your personal data will only be used and disclosed by us in accordance with our Notice relating to the Personal Data (Privacy) Ordinance.

The following clauses in the Integrated Account Terms and Conditions will be amended:

- 1) **Delete existing Clause 2.10 of Section I of Integrated Account Terms and Conditions in its entirety. Re-number subsequent clause numbers.**
- 2) **Delete existing Clause 6 of Section I of Integrated Account Terms and Conditions and replace with the following clause:**

6 Collection and Disclosure of Customer Information

6.1 Definitions

Terms used in this Clause 6 shall have the meanings set out below.

“Authorities” includes any local or foreign judicial, administrative, public or regulatory body, any government, any Tax Authority, securities or futures exchange, court, central bank or law enforcement body, self-regulatory or industry bodies or associations of financial service providers or any of their agents with jurisdiction over any part of the HSBC Group.

“Compliance Obligations” means obligations of the HSBC Group to comply with (a) any Laws or international guidance and internal policies or procedures, (b) any demand from Authorities or reporting, disclosure or other obligations under Laws, and (c) Laws requiring the HSBC Group to verify the identity of its customers.

“Connected Person” means a person or entity (other than the Customer) whose information (including Personal Data or Tax Information) is provided by the Customer, or on the Customer’s behalf, to any member of the HSBC Group or which is otherwise received by any member of the HSBC Group in connection with the provision of the Services. **A Connected Person** may include any guarantor, 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, a representative, agent or nominee, or any other persons or entities with whom the Customer has a relationship that is relevant to his 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 anybody else who exercises ultimate effective control over the trust, and for entities other than a trust, these are persons in equivalent or similar positions of control.

“Customer Information” means all or any of the following items relating to the Customer or a Connected Person, where applicable: (a) Personal Data, (b) information about the Customer, the Customer’s accounts, transactions, use of the Bank’s products and services and the Customer’s relationship with the HSBC Group and (c) Tax Information.

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

“Financial Crime Risk Management Activity” means any action to meet Compliance Obligations relating to or in connection with the detection, investigation and prevention of Financial Crime that the Bank or members of the HSBC Group may take.

“Laws” include any local or foreign law, regulation, judgment or court order, voluntary code, sanctions regime, agreement between any member of the HSBC Group and an Authority, or agreement or treaty between Authorities and applicable to the Bank or a member of the HSBC Group.

“Personal Data” means any information relating to an individual from which such individual can be identified.

“Services” includes (a) the opening, maintaining and closing of the Customer’s accounts, (b) the provision of credit facilities and other banking products and services, processing applications, credit and eligibility assessment, and (c) maintaining the Bank’s overall relationship with the Customer, including marketing services or products to the Customer, market research, insurance, audit and administrative purposes.

“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, directly or indirectly.

“Tax Authorities” means Hong Kong or foreign tax, revenue or monetary authorities.

“Tax Certification Forms” means any forms or other documentation as may be issued or required by a Tax Authority or by the Bank from time to time to confirm the tax status of the Customer or a Connected Person.

“Tax Information” means documentation or information about the tax status of the Customer or a Connected Person.

Reference to the singular includes the plural (and vice versa).

6.2 Collection, Use and Sharing of Customer Information

This Clause 6.2 explains how the Bank will use information about the Customer and Connected Persons. The Notice relating to the Personal Data (Privacy) Ordinance (formerly known as Notice to Customers relating to the Personal Data (Privacy) Ordinance) that applies to the Customer and other individuals (the **“Notice”**) also contains important information about how the Bank and the HSBC Group will use such information and the Customer should read this Clause in conjunction with the Notice. The Bank and members of the HSBC Group may use Customer Information in accordance with this Clause 6 and the Notice.

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

- the Bank is legally required to disclose;
- the Bank has a public duty to disclose;
- the Bank’s legitimate business purposes require disclosure;
- the disclosure is made with the data subject’s consent;
- it is disclosed as set out in this Clause 6 or the Notice.

Collection

- (a) The Bank and other members of the HSBC Group may collect, use and share Customer Information.

Customer Information may be requested by the Bank or on behalf of the Bank or the HSBC Group, and may be collected from the Customer directly, from a person acting on behalf of the Customer, from other sources (including from publicly available information), and it may be generated or combined with other information available to the Bank or any member of the HSBC Group.

Use

- (b) The Bank and members of the HSBC Group may use, transfer and disclose Customer Information (i) in connection with the purposes set out in this Clause 6, (ii) as set out in the Notice (applicable to Personal Data) and (iii) in connection with matching against any data held by the Bank or the HSBC Group for whatever purpose (whether or not with a view to taking any adverse action against the Customer) ((i) to (iii) are collectively referred to as the “**Purposes**”).

Sharing

- (c) The Bank may (as necessary and appropriate for the Purposes) transfer and disclose any Customer Information to the recipients set out in the Notice (who may also use, transfer and disclose such information for the Purposes).

The Customer’s Obligations

- (d) The Customer agrees to inform the Bank promptly and in any event, within 30 days in writing if there are any changes to Customer Information supplied to the Bank or a member of the HSBC Group from time to time, and to respond promptly to any request for Customer Information from the Bank or a member of the HSBC Group.
- (e) The Customer confirms that every Connected Person whose information (including Personal Data or Tax Information) has been (or will be) provided to the Bank or a member of the HSBC Group has (or will at the relevant time have) been notified of and agreed to the processing, disclosure and transfer of such information as set out in this Clause 6 and the Notice (as may be amended or supplemented by the Bank from time to time). The Customer shall advise any such Connected Persons that they have rights of access to, and correction of, their Personal Data.
- (f) The Customer consents and shall take such steps as are required from time to time for the purposes of any applicable data protection law or secrecy law to permit the Bank to use, store, disclose, process and transfer all Customer Information in the manner described in these Terms and Conditions. The Customer agrees to inform the Bank promptly in writing if he is not able or has failed to comply with the obligations set out in (e) and (f) in any respect.
- (g) Where
- the Customer or any Connected Person fails to provide promptly Customer Information reasonably requested by the Bank, or
 - the Customer or any Connected Person withholds or withdraws any consents that the Bank may need to process, transfer or disclose Customer Information for the Purposes (except for purposes connected with marketing or promoting products and services to the Customer), or
 - the Bank has, or a member of the HSBC Group has, suspicions regarding Financial Crime or an associated risk,
- the Bank may:
- (i) be unable to provide new, or continue to provide all or part of the Services to the Customer and reserve the right to terminate its relationship with the Customer;
 - (ii) take actions necessary for the Bank or a member of the HSBC Group to meet the Compliance Obligations; and
 - (iii) block, transfer or close the Customer’s account(s) where permitted under local Laws.

In addition, if the Customer fails to supply promptly his, or a Connected Person’s, Tax Information and accompanying statements, waivers and consents, as may be requested, then the Bank may make its own judgment with respect to the status of the Customer or the Connected Person, including whether the Customer or a Connected Person is reportable to a Tax Authority, and may require the Bank or other persons to withhold amounts as may be legally required by any Tax Authority and to pay such amounts to the appropriate Tax Authority.

6.3 Financial Crime Risk Management Activity

- (a) Financial Crime Risk Management Activity may include: (i) screening, intercepting and investigating any instruction, communication, drawdown request, application for Services, or any payment sent to or by the Customer, or on the Customer's 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 (iv) making further enquiries as to the status of a person or entity, whether they are subject to a sanctions regime, or confirming the identity and status of the Customer or a Connected Person.
- (b) The Bank and HSBC Group's Financial Crime Risk Management Activity may lead to the delay, blocking or refusing the making or clearing of any payment, the processing of the Customer's instructions or application for Services or the provision of all or part of the Services. To the extent permissible by law, neither the Bank nor any member of the HSBC Group shall be liable to the Customer or any third party in respect of any loss (howsoever it arose) that was suffered or incurred by the Customer or a third party, caused in whole or in part in connection with the undertaking of Financial Crime Risk Management Activity.

6.4 Tax Compliance

The Customer acknowledges that he is solely responsible for understanding and complying with his tax obligations (including tax payment or filing of returns or other required documentation relating to the payment of all relevant taxes) in all jurisdictions in which those obligations arise and relating to the opening and use of account(s) or Services provided by the Bank or members of the HSBC Group. Each Connected Person acting in his/its capacity as a Connected Person also makes the same acknowledgement in his/its own regard. Certain countries may have tax legislation with extra-territorial effect regardless of the Customer's or a Connected Person's place of domicile, residence, citizenship or incorporation. Neither the Bank nor any member of the HSBC Group provides tax advice. The Customer is advised to seek independent legal and tax advice. Neither the Bank nor any member of the HSBC Group has responsibility in respect of the Customer's tax obligations in any jurisdiction which may arise including any that may relate specifically to the opening and use of account(s) and Services provided by the Bank or members of the HSBC Group.

6.5 Miscellaneous

- (a) In the event of any conflict or inconsistency between any of the provisions of this Clause 6 and those in or governing any other service, product, business relationship, account or agreement between the Customer and the Bank, this Clause 6 shall prevail.
- (b) If all or any part of the provisions of this Clause 6 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 Clause 6 in that jurisdiction.

6.6 Survival Upon Termination

This Clause 6 shall continue to apply notwithstanding any termination by the Customer or the Bank or a member of the HSBC Group of the provision of any Services to the Customer, or the closure of any of the Customer's accounts.

3) Add the following new definition under Clause 1.1 of Section XI of Integrated Account Terms and Conditions:

"Tax Reclaim Arrangement" means any tax refund, tax concession, tax differences reclaim, preferential tax treatment or the like, including any tax credit or refund or a reduced tax rate or preferential tax treatment on interest, dividend, or any other distribution, proceeds or gains from any investment or transaction contemplated under this Section XI and any tax differences reclaim as a result of any change of nationality or domicile or tax residency.

4) Amend existing Clause 11.5 of Section XI of Integrated Account Terms and Conditions to read as follows:

11.5

- (a) It is the Customer's sole responsibility to handle and/or fulfill any local, overseas or worldwide tax issues, liabilities and/or obligations under all applicable laws (including, without

limitation, tax reporting, filing relevant tax return(s), paying any applicable tax and dealing with any application for Tax Reclaim Arrangement) arising from or in connection with trading, holding, disposing of or otherwise dealing with Securities or investment via the Bank. Customers must seek independent professional advice from their own tax advisors to determine their tax position, liabilities and obligations in relation to the relevant Securities or investments. The Bank assumes no responsibility for advising on or handling such tax issues, liabilities and/or obligations nor will the Bank provide any service or assistance in this regard.

- (b) In particular, Customers agree and accept that, unless otherwise specified by the Bank, in no circumstances will the Bank or any of its nominees, custodians and/or agents be under any obligation or responsibility to apply for, or assist in the application for, any Tax Reclaim Arrangement that may be available to the Customers. Customers agree and accept that neither the Bank nor its nominees, custodians and/or agents shall be held liable for the loss of Tax Reclaim Arrangement or any other losses, damages, costs and/or expenses incurred or suffered by the Customers in this regard.
- (c) Notwithstanding the above but without prejudice to the full force of the foregoing provisions, if the Bank so requests at its absolute discretion, the Customer shall complete, provide information, sign and file any tax forms, certificates or documents which the Bank or any of its nominees, custodians and/or agents is required by any tax authority of any applicable jurisdiction to submit in respect of the Customer in connection with any investment or transaction made on behalf of the Customer pursuant to these Terms and Conditions. The Customer agrees to cooperate with the Bank, its nominees, custodians and/or agents and provide the necessary information and assistance to them or any of them for such purposes.

- 5) **Delete existing Clause 20.2 of Section XI of Integrated Account Terms and Conditions in its entirety.**
- 6) **Amend definition of “HSBC Group” in Appendix I to Integrated Account Terms and Conditions to read as follows:**

“**HSBC Group**” means HSBC Holdings plc, its affiliates, subsidiaries, associated entities and any of their branches and offices (together or individually), and “**member of the HSBC Group**” has the same meaning.

- 7) **Delete in its entirety Appendix II (Notice to Customers relating to the Personal Data (Privacy) Ordinance (the “Ordinance”)) to Integrated Account Terms and Conditions. Re-number subsequent Appendices.**

Please note that the above amendments shall be binding on you if you continue to use or retain your account(s) after 15 October, 2014. If you decline to accept the amendments, you have the right of termination as stated in the relevant clause under the Integrated Account Terms and Conditions. If you wish to terminate your account or should you have any queries, please contact us at branch or call our customer service hotlines stated below:

HSBC Premier customers:	(852) 2233 3322
HSBC Advance customers:	(852) 2748 8333
Other customers:	(852) 2233 3000

You may also refer to the details of the above amendments by visiting the HSBC website at www.hsbc.com.hk/personal-download-form. If there is any discrepancy between the English and Chinese versions, the English version shall prevail.