



Notice of Change on the Integrated Account Terms and Conditions, Overseas Securities Account Terms and Conditions, General Terms and Conditions, Hong Kong Dollar Statement Savings Account Rules, CombiNations Statement Savings Account Rules, Account Rules for Hong Kong Dollar Statement Savings Account for Children, Renminbi Savings Account Rules and Renminbi Current Account Rules, effective 31 December 2017 ("Effective Date")

Please note that with effect from the Effective Date, the following amendments will be made to the **Integrated Account Terms and Conditions**:

- (i) Clause 1.6.1 is amended to clarify the instances when Consolidated Statements will or will not be issued;
- (ii) sub-clauses in Clause 2.1.2 are amended and a new sub-clause 2.7(s) is added as a result of the service enhancement on Renminbi services, which will form part of the Services offered under the Integrated Account, and provisions in relation to other foreign currencies are also updated.
- (iii) a new provision is added as Clause 10.10 of Appendix II to clarify that in respect of orders for securities listed on stock exchanges outside Hong Kong, it is our existing execution practices that we may transmit your orders to affiliated HSBC entities and third party brokers for execution, who may, subject to local regulation, execute such orders on alternative trading venues, including dark pools

The new provision referred to in (iii) above will also be added to the **Overseas Securities Account Terms and Conditions** as Clause 8.3 with effect from the Effective Date.

The amendment set out in (i) above will also apply to the Account Statements referred to in Clause 1.5.1 of the **General Terms and Conditions**, and Clause 4(a) of the following **Account Rules** with effect from the Effective Date:

- a. Hong Kong Dollar Statement Savings Account Rules
- b. CombiNations Statement Savings Account Rules
- c. Account Rules for Hong Kong Dollar Statement Savings Account for Children
- d. Renminbi Savings Account Rules
- e. Renminbi Current Account Rules

Details of the above amendments are set out below. Please carefully read the information below to ensure you understand the changes made and how they may affect you.

Integrated Account Terms and Conditions

1. Clause 1.6.1 of the Integrated Account Terms and Conditions is amended as follows: "We will provide you with Consolidated Statements monthly or at such other intervals as we may determine, unless the Master Account/Account(s) has zero balance or you request otherwise. Where the applicable regulatory requirements do not require us to provide statements for the Master Account, the Accounts or the Services, we may provide Consolidated Statement at our discretion if we consider appropriate whether or not you have opted not to receive Consolidated Statement."

2. The following new sub-clauses 2.1.2(c), (d) and (e) are added to Clause 2.1.2 of the Integrated Account Terms and Conditions:
- (c) With respect to depositing currency notes in your Savings Account, you undertake and agree that if, at any time after we have credited your Savings Account with the amount representing the value of the currency notes deposited, any one or more of such notes is found or reasonably suspected by us to be counterfeit notes, you authorise us, without notice to you, to forthwith debit your Savings Account or any other account(s) held by you with us for the aggregate amount of such note(s). You agree that such note(s) will not be returned to you and you authorise us to dispose of the same at our sole discretion and to inform the relevant authority and disclose to them all such information relating to the same, including your name, contact number and address, as we consider appropriate.
 - (d) You agree to keep us at all times indemnified against all actions, claims, proceedings, loss, damages, costs and expenses which may be brought against us or suffered or incurred by us arising out of or in connection with Clause 2.1.2(c).
 - (e) Where your Savings Account is in a currency other than Hong Kong dollar:
 - (i) a withdrawal in cash in a currency other than Hong Kong dollar is subject to availability of that currency. We require prior notice from you to allow us sufficient time to process a foreign currency/Renminbi withdrawal request;
 - (ii) we have the right to charge a fee for depositing foreign currency/Renminbi notes in your Savings Account or withdrawing foreign currency/Renminbi notes from your Savings Account; and
 - (iii) you understand and agree that foreign currency/Renminbi Savings Accounts are at all times subject to, and you undertake to comply with, the law and all the rules, regulations, restrictions, directions, guidelines issued by the relevant authority governing the same and also any other related terms and conditions and publications issued by us from time to time."
3. The following new sub-clause 2.7(s) is added to Clause 2.7 of the Integrated Account Terms and Conditions:
- "(s) (Applicable to non-Hong Kong residents making Renminbi cross-border remittances only) You understand and agree that cross-border remittances to or from the PRC or other places outside Hong Kong instructed by you are subject to the rules and requirements of the jurisdiction of the originating or receiving market."

4. The following new provision is added to the Integrated Account Terms and Conditions as Clause 10.10 of Appendix II and the Overseas Securities Account Terms and Conditions as Clause 8.3:

"Use of Alternative Liquidity Pools for Securities Listed on Stock Exchanges Outside of Hong Kong

In respect of orders for securities listed on stock exchanges outside of Hong Kong, we may transmit your orders to affiliated HSBC entities and third party brokers for execution, who may, subject to local regulation, execute such orders on alternative trading venues ("ATVs"), including dark pools. The primary potential benefits for using ATVs is to achieve better pricing and to reduce transaction costs. In general, ATVs and ATV operators are subject to regulations which are not necessarily the same as regulations that are applicable to exchanges and exchange operators. A typical feature of ATVs is that there is no pre-trade transparency. The reference prices on an ATV could be "stale" or out-of-date due to latency from data feeds. Separately, access to ATVs is usually restricted and there could be less supply and/or demand on an ATV (as compared to the supply and/or demand on an exchange) due to the limited number of participants. Our affiliated HSBC entities and third party brokers generally consider the execution price and opportunities for price improvement when deciding the appropriate venue for executing orders. There may also be other factors in their consideration, for example (i) market depth and order size; (ii) the trading characteristics of the security; (iii) speed and accuracy of executions; (iv) the availability of efficient and reliable order

handling systems; (v) liquidity and automatic execution guarantees; (vi) service levels; (vii) the cost of executing orders; and (viii) execution certainty. We will continue to monitor and evaluate the execution practices of our affiliated HSBC entities and third party brokers.”

If you wish to learn more about execution on alternative trading venues, please visit the relevant FAQ section on the HSBC Stock Express website
<https://www.stock.express.hsbc.com.hk/1/2/faq/usstocks> for more information.

General Terms and Conditions

5. Clause 1.5.1 of the General Terms and Conditions is amended as follows:

“Where the applicable regulatory requirements do not require us to provide statements for your Account, we may provide Account Statement at our discretion if we consider appropriate whether or not you have opted not to receive Account Statement. Subject to the above, if your Account comes with Account Statements, we will provide you with Account Statements monthly or at such intervals as we may determine, unless your Account has zero balance or you request otherwise.”

Hong Kong Dollar Statement Savings Account Rules

6. Clause 4(a) of the Hong Kong Dollar Statement Savings Account Rules is amended as follows:

“Where the applicable regulatory requirements do not require us to provide statements for the Statement Savings Account, we may provide account statement at our discretion if we consider appropriate whether or not you have opted not to receive account statement. Subject to the above, we will provide you with an account statement monthly or at such intervals as we may determine, unless your Statement Savings Account has zero balance or you request otherwise.”

CombiNations Statement Savings Account Rules

7. Clause 4(a) of the CombiNations Statement Savings Account Rules is amended as follows:

“Where the applicable regulatory requirements do not require us to provide statements for the CombiNations Statement Savings Account, we may provide account statement at our discretion if we consider appropriate whether or not you have opted not to receive account statement. Subject to the above, we will provide you with an account statement monthly or at such intervals as we may determine, unless your CombiNations Statement Savings Account has zero balance or you request otherwise.”

Account Rules for Hong Kong Dollar Statement Savings Account for Children

8. Clause 4(a) of the Account Rules for Hong Kong Dollar Statement Savings Account for Children is amended as follows:

“Where the applicable regulatory requirements do not require us to provide statements for the Children Savings Account, we may provide account statement at our discretion if we consider appropriate whether or not you have opted not to receive account statement. Subject to the above, we will provide you with an account statement monthly or at such intervals as we may determine, unless your Children Savings Account has zero balance or you request otherwise.”

Renminbi Savings Account Rules

9. Clause 4(a) of the Renminbi Savings Account Rules is amended as follows:

“Where the applicable regulatory requirements do not require us to provide statements for the Renminbi Savings Account, we may provide account statement at our discretion if we consider appropriate whether or not you have opted not to receive account statement. Subject to the above,

we will provide you with an account statement monthly or at such intervals as we may determine, unless your Renminbi Savings Account has zero balance or you request otherwise.”

Renminbi Current Account Rules

10. Clause 4(a) of the Renminbi Current Account Rules is amended as follows:

“Where the applicable regulatory requirements do not require us to provide statements for the Renminbi Current Account, we may provide account statement at our discretion if we consider appropriate whether or not you have opted not to receive account statement. Subject to the above, we will provide you with an account statement monthly or at such intervals as we may determine, unless your Renminbi Current Account has zero balance or you request otherwise.”

Please note that the amendments set out in this Notice shall be binding on you if you continue to use or retain your Integrated Account(s) and/or Overseas Securities Account, Hong Kong Dollar Statement Savings Account, CombiNations Statement Savings Account, Hong Kong Dollar Statement Savings Account for Children, Renminbi Savings Account and Renminbi Current Account Rules on or after the Effective Date. If you do not agree to the amendments, you have the right to terminate your account(s) in accordance with the relevant clauses under the existing terms and conditions before the Effective Date. Should you have any queries, please contact us at our branches or call our customer service hotlines during the service hours stated below:

HSBC Premier customers: **(852) 2233 3322** (24 hours)

HSBC Advance customers: **(852) 2748 8333** (24 hours)

Other customers: **(852) 2233 3000** (Monday to Saturday, 9.00 am – 5.30 pm,
except public holidays)

You can obtain copies of the amended terms and conditions by visiting HSBC website at **<https://www.hsbc.com.hk/personal/form-centre.html>**.

In case of any discrepancy or inconsistencies between the English and Chinese versions of this notice, the English version shall apply and prevail.

October 2017