

# **Important changes to the HSBC InvestDirect International Account Sharedealing and Investment Terms and Conditions (the “Terms”)**

Please read this notice carefully and keep it in a safe place for future reference.

These changes will be effective from 1 July 2018 (or such later date as the transfer to HSBC UK is effective).

We're making variations to the Terms for a number of reasons which are set out in this notice.

## **CHANGES TO THE TERMS TO TAKE ACCOUNT OF RING FENCING, OUR NEW PRIVACY NOTICE AND OTHER CHANGES**

### **Section 1: Ring Fencing**

We've previously sent you a letter explaining that we're proposing to transfer your accounts, products and services to a new part of our banking group, HSBC UK Bank plc ("**HSBC UK**"). In that letter, we said that you shouldn't notice any day to day change to your accounts, products, services or relationship with us, but that if it turned out that we did need to make certain changes, we would write to you separately.

We now wish to explain to you some changes being made to your Terms.

### **Why we're making these changes**

After the global economic crisis, the UK Government put new rules in place and we now have to separate, or ring-fence, our retail banking operations from our wholesale and investment divisions. This has resulted in two changes, as relevant to the Terms:

- First, we're creating HSBC UK for our retail and most of our commercial banking customers. This is simply a new legal entity which ensures we meet the new banking rules. We need the approval of the High Court before we can transfer relevant accounts, products and services to HSBC UK. Provided this is received, our role under the Terms will transfer to HSBC UK on **1 July 2018 (or such later date as the transfer to HSBC UK is effective)**.
- Secondly, the UK Government's new rules impose limits on what HSBC UK is allowed to do going forward. As a result, changes need to be made to the Terms, and these will come into effect at the same time as the transfer to HSBC UK – i.e. **1 July 2018 (or such later date as the transfer to HSBC UK is effective)**.

**Notwithstanding these changes you'll continue to receive all the products and services you receive today and the way in which you interact with us on a day to day**

**basis won't be affected nor will your level of fees increase as a result.**

### **The key changes we're making**

- Throughout the Terms we've amended references to HSBC Bank plc to HSBC UK (where relevant including in the definitions) to reflect the fact that after 1 July 2018 HSBC UK will be providing the InvestDirect International Account Service to you.
- However, in some cases we've retained the references to HSBC Bank plc as this entity will continue to provide you with execution and dealing services for certain financial instruments (including equities and bonds). In order for HSBC Bank plc to provide you with the execution and dealing service HSBC UK will enter into Terms of Business with HSBC Bank plc as your agent. This therefore provides you with rights and responsibilities as against HSBC Bank plc for the purposes of executing and dealing in these financial instruments.
- Various provisions have been included to provide us with authority to undertake activities that may be necessary in order for us to be able to execute deals for you as your agent.
- We've added a new clause to make clear that, because of applicable laws, going forward, we won't be able to accept responsibility to you for what other HSBC entities do when they provide you with execution and dealing services.
- We've introduced a new Annex 5 which provides you with some information about the rights and responsibilities you have in relation to the Terms of Business which HSBC UK will enter into, as your agent, with HSBC Bank plc in relation to the provision of execution and dealing services by HSBC Bank plc. As a consequence of entering into the Terms of Business you'll have certain rights as against HSBC Bank plc. Annex 5 seeks to summarise these for you.
- We've updated the HSBC Group's Conflicts of Interest Policy, which means that the summary that appears in the Terms has also been updated. The update clarifies that where permitted by applicable laws and regulatory requirements, HSBC Group companies may

deal as principal for their own investment account and may be matching transactions with another customer.

We also wish to draw your attention to the way in which best execution will be provided to you going forward:

- Current position – At present, HSBC Bank plc is under a regulatory duty to take all sufficient steps to obtain the best possible result for you when executing orders on your behalf. This is known as “best execution”. This is in addition to any contractual obligations it may have on this front.

HSBC Bank plc also currently categorises you as a retail client for the purposes of the FCA’s Rules. This means HSBC Bank plc has a regulatory duty to provide you with “retail quality” best execution – ie. in general terms, when executing orders for you, it determines what the best possible result is in terms of price and cost.

If this duty is breached, you may have a right to take action against HSBC Bank plc under section 138D of the Financial Services and Markets Act. Among other things, this can give private persons a right to take action if they suffer loss because a relevant firm has breached certain rules made by the FCA.

- Future position – Going forward, HSBC UK (instead of HSBC Bank plc) will have a regulatory duty to provide you with “retail quality” best execution, and if this duty is breached, you may have a right to take action against HSBC UK (instead of HSBC Bank plc) under section 138D of the Financial Services and Markets Act.

HSBC Bank plc will continue to be subject to a contractual obligation under the Terms of Business to provide you with “retail quality” best execution, and depending on the circumstances, if there is a breach, you may have a right to take action against HSBC Bank plc for this breach, but this will be under the law of contract, rather than under section 138D as explained above.

If you’ve any questions about this or you would like some help to understand this new approach, please let us know.

## Section 2: Privacy Notice

A new data privacy law is being introduced later this year in the UK. As a result, we’re publishing a new Privacy Notice to make it easier for you to find out how we use and protect your information within the HSBC Group. We won’t be changing the ways we use your personal information, but the new notice will provide you with additional details. We’ve updated the Terms to include provisions that reflect our new Privacy Notice.

The key changes being made to the Privacy Notice explain:

- Your increased rights in relation to the information we hold about you
- How we keep your personal information secure
- The types of personal information the HSBC Group collects about you and how we collect and use it
- The legal grounds for how we use your information.

## Section 3: Financial Regulatory Changes

On 3 January 2018, a key piece of European legislation, the new Markets in Financial Instruments Directive (known as “MiFID II”) came into force. Your Terms already reflect most of the changes that were made as a result of the introduction of MiFID II, but we’re now making some additional changes in relation to the information that must be provided to you.

The key changes to the Terms will be:

- We require your agreement to provide you with certain types of information relating to your Account via a website. The information we’ll provide on our website may include details of our costs and charges, key information documents, and information about our trading terms and Best Execution Policies. The Terms are being updated to provide that your acceptance of the Terms will give us permission to provide you with this information via a website. We also explain the circumstances in which you’ll be able to request hard copies if you wish to do so.
- We’re required to provide you with more detailed information about our costs and charges, and the return on your investment

before providing you with our services, and then on an annual basis in certain circumstances. The Terms tell you when and how you can expect to receive that information.

- To explain the security interests, liens, rights of set-off or right of sale that we or one of our sub-custodians may have over your investments or cash, and what action we or our sub-custodians may be entitled to make in the event that money is owed to us or them for the provision of custody services or in certain other limited circumstances.

#### **Section 4: Other Changes**

We regularly update our Terms to take account of routine changes to the way in which we provide services to you, and to make some of the provisions clearer for you. So, while we're making the changes described in the previous sections we're taking the opportunity to make some other changes so that we don't have to write to you separately about them.

The key changes that we'll be making are

- To explain that if you've invested in offshore funds which are granted the status of "reporting fund" by HMRC you may need to declare the amount of distributions received during the year on your tax return and may also be required to declare your share of any excess reportable income. You should be able to obtain information about the excess reportable income from the fund manager.
- To clarify where your entitlement to investments or currency (as a result of a corporate action) is in fractions and cannot be allocated to you, we may, with your agreement, pay the proceeds to a charity.
- To explain the circumstances when we can suspend your Services or any part of your Services temporarily and what happens if your IDIA is closed and you do not tell us what you want to do with your investments.

We've explained above the key changes that are set out in this Notice of Variation. There are other small changes being made to update your Terms that are intended to set out more clearly the terms on which we provide the InvestDirect International Account Service to you. Please note that where necessary, we've adjusted and renumbered clause references and made

minor typographical amendments which are not in this Notice of Variation. For full details of the amended Terms and Condition documents and Key Features Document please visit our website from 1 July 2018.

Expressions defined in the Terms and used in this Notice of Variation shall have the meaning given to them in the Terms.

**We recommend you carefully read the information set out in this Notice of Variation and keep it in a safe place for future reference.**

#### **Do I need to do anything?**

If you're happy to accept the changes being proposed, you don't need to do anything.

**If you don't agree to the changes you've the right to close your Account(s) with us at any time. If you don't agree to these changes, please let us know in advance.**

**If we don't hear from you before 1 July 2018 about the changes, we'll be entitled to assume you accept the changes and consent to the updated Terms.**

**If you contact us to inform us you don't wish to agree to the changes we'll then explain the steps we'll take to terminate the Terms – i.e. to close your Account(s) and transfer any assets and cash that we may hold for you under the Terms to you or a third party (as you wish). This is unfortunately necessary because HSBC UK is not able to continue to deal with customers on the existing Terms.**

**There will be no charge for closing your Account(s) before 1 July 2018, however, if the value of your Investments has fallen, you may get back less than you paid in.**

#### **How to contact us**

**Please contact us on 03456 080 848 if you would like to discuss the changes set out below or if you would like us to send you a copy of the amended Terms. Lines are open from 7.30am to 9.30pm Monday to Friday (excluding Bank holidays), Saturday 10.00am to 4.00pm, Sunday Closed. To help us continually improve our services and in the interests of security, we may monitor and/or record your communication with us.**

## CHANGES TO THE TERMS TO TAKE ACCOUNT OF RING FENCING, OUR NEW PRIVACY NOTICE, FINANCIAL REGULATORY CHANGES AND OTHER CHANGES

### Changes to the Terms (effective from 1 July 2018)

#### Part 1: Ring Fencing

Throughout the Terms we've amended references to HSBC Bank plc or the Bank to HSBC UK, where relevant including in the definitions, to reflect the fact that after 1 July 2018 HSBC UK will be providing the InvestDirect International Account Service to you.

However, as explained in more detail below, in some cases we've retained the references to HSBC Bank plc as this entity will continue to provide you with execution and dealing services in relation to certain financial instruments. In order for HSBC Bank plc to provide you with the execution and dealing service HSBC UK will enter into Terms of Business with HSBC Bank plc as your agent. This therefore provides you with rights and responsibilities as against HSBC Bank plc for the purposes of executing certain financial instruments.

#### Glossary

Definitions have been amended to reflect the fact that HSBC UK will be providing the service after 1 July 2018

**HSBC Group and any member of the HSBC Group** means HSBC Holdings plc, and/or any of its affiliates, subsidiaries, associated entities and any of their branches or offices, and includes HSBC Bank plc;

#### 5. Best Execution

Section 3, Clause 5.3 within the Best Execution section has been updated to clarify that we can only enter into deals on our own account where permitted by applicable laws and regulatory requirements. The amendments we've made are to clause 5.3.2 which, shown in context, are as follows:

*5.3. You agree and confirm that by agreeing to these Terms and each time you give Instructions in relation to your Financial Instruments, you consent to:*

*5.3.1. our Best Execution Disclosure Statement; and*

*5.3.2. the execution of your Trades outside a Regulated Market or Multilateral Trading Facility or Organised Trading Facility.*

A new Clause 5.4 has been added to Section 3 to provide us with authority to undertake activities that may be necessary in order for us to be able to execute investments for you as your agent. The new Clause 5.4 reads:

*5.4 Where we execute deals on your behalf, you authorise us to:*

*5.4.1 deal with or through any counterparties, including third party brokers, as we reasonably think fit;*

*5.4.2 negotiate and execute contracts with third parties which we reasonably consider to be necessary (for example, third party brokers), on your behalf; and*

*5.4.3 otherwise act as we reasonably consider to be appropriate.*

#### 7. Settlement and custody

As well as clarifying that the provisions that Clause 7.1.4 of Section 3 impacts Clause 7.5 of Section 3 we've made other amendments to the clause which reads as follows:

*7.7 We're authorised to hold your Investments with such sub-custodians and/or Clearing Systems as we may think fit, including sub-custodians who may be members of the HSBC Group. We remain responsible for your Investments to the full extent required by the FCA Rules.*

*For the avoidance of doubt, a reference in these Terms to "our nominee" includes a nominee of one of our sub-custodians.*

Section 3, Clause 7.14 has been amended to clarify that our custodians will be referred to as sub-custodians after ring fencing and now reads as follows:

*7.14. We'll use reasonable endeavours to notify you by post of any corporate action such as rights issues, takeovers, mergers etc. attaching to Investments in your Investment Account. Although there may be some situations where this is not possible, in these scenarios, we'll act on your behalf and in the best interests as we see fit. Any notification will be posted as soon*

as possible after we've been advised by our relevant sub-custodian or Market Data Provider. We'll have no liability for any losses suffered and/or expenses incurred, if after using all reasonable endeavours to contact you by post we're not able to tell you about a corporate action

### 10. Charges over Investments

Section 3, clauses 10.1, and 10.6 within the "charges over investments section" have been amended to reflect the way in which we may exercise rights over your Investments or cash.

Section 3, Clause 10.1 now reads:

*10.1. All of your Investments and money in your IDIA (other than those held within ISAs) are subject to our security interest to cover outstanding amounts (including interest and any other fees) due from you to us. If you default in paying any amount by the due date, we're, subject to the default notice referred to in clause 2.7 of this Section 3, entitled to sell any such Investments and/or use any such monies in any way we consider fit to discharge your debts.*

Section 3, clause 10.6 now reads:

*10.6 Unless the context requires otherwise, references in this clause 10 (however they may be worded) to action or steps that may be taken by "us" include references to any person holding any of the security or in whose name any of it may be registered.*

### 13. Liability

The Liability provisions in Section 3, Clause 13 have been updated, in part to reflect the new regulatory requirements imposed on ring fenced banks such as HSBC UK, that is, the limits on what ring fenced banks can and cannot do.

Section 3, Clause 13.1 now reads:

*13.1 Subject to clause 10 of Section 1 – the General Terms:*

*13.1.1 neither we nor our directors, officers or employees will be responsible to you for losses you suffer unless they're caused by our (or their) breach of the Terms or our (or their) negligence, fraud or wilful default in relation to your IDIA; and*

*13.1.2 subject to Annex 5, clause 13.6 of this Section and clause 9 of Section 2, neither our Associates, agents or licensors nor any*

*of their directors, officers or employees will be responsible to you for losses you suffer in relation to these Terms.*

*In any case, no person will be liable for any losses they couldn't reasonably have expected to occur.*

Section 3, Clause 13.8 now reads

*13.8. Any of our services may be provided using the services of third parties, including our affiliates, who may act as a delegate or agent for us on such terms as we think appropriate. We may do whatever we consider necessary or desirable for or incidental to the provision of our services.*

Section 3, Clause 13.10 now reads:

*13.10 We accept liability for any sub-custodian or nominee company that is a member of the HSBC Group when they act as such. We'll remain responsible for the acts or omissions of other sub-custodians to the extent of our own negligence, fraud and wilful default and to the full extent required by the FCA rules. We won't otherwise be liable for any losses suffered and/or expenses incurred as a result of Investments or cash being held with a Clearing System.*

We've inserted a new Clause 13.11 in Section 3 as follows:

*13.11 Please note, however, that applicable laws and regulatory requirements prevent us from conducting certain activities or taking on certain liabilities. As a result, we're not able to accept responsibility for the acts and omissions of:*

- a) other HSBC entities that may provide you with execution and dealing services as contemplated by Annex 3. (Please also see Annex 5 which provides further information on this front); or*
- b) HSBC Expat; for example, where they provide you with banking or other services as contemplated by this Agreement.*

### Annex 3 – Best Execution

We've added a new paragraph to the "Purpose and Scope" section to reflect that we'll be acting as your agent when dealing in financial instruments. The new paragraph reads:

*Please also note that dealing we conduct for you as contemplated by these Terms will involve us (acting as your agent) executing*

*deals with third parties on your behalf – e.g. to buy and sell Investments for you. It will also involve us engaging another company in our group (HSBC Bank plc) to provide you with certain dealing and execution services. For more information on this, please see Annex 5.*

We've also made a number of consequential amendments to the "Execution Venue" section and the "Effective date, review, amendments and monitoring" section to reflect these new dealing arrangements. The amended paragraphs read as follows:

### **3. Execution venue**

*In certain cases, HSBC Bank plc will be the Execution Venue for Client Orders. In other cases, we'll either choose another Execution Venue or route the transaction through HSBC Bank plc's Global Banking and Markets division which will choose the Execution Venue. You agree that Client Orders may be executed off a Regulated Market, Multilateral Trading Facility or Organised Trading Facility. Where we do execute a Client Orders other than on a Regulated Market, Multilateral Trading Facility or Organised Trading Facility there may be an increase in counterparty risk. If you've any questions regarding the consequences for such Client Orders please contact us using the details given at the beginning of these Terms.*

*In selecting any Execution Venue, consideration is given to the cost of executing, liquidity available for the Financial Instrument, the speed of execution, reliability, continuity of trading, the creditworthiness of the Execution Venue and the quality of any related clearing and settlement facilities.*

### **Execution Venues**

#### **UK and European equities**

*HSBC Bank plc (acting through its Global Banking and Markets division).*

#### **UK, European and US Bonds**

*HSBC Bank plc will execute usually via Tradeweb or Bloomberg using a panel of HSBC Bank plc approved market makers, typically sourcing the best price from Barclays Bank, Deutsche Bank, HSBC Bank plc (Global Banking and Markets division), Lloyds Bank and Winterflood Securities and in some case may use Citigroup Global Markets, Daiwa Capital Markets Europe Limited, JP Morgan Securities, Mizuho International PLC*

*and Nomura Bank International PLC. Where HSBC Bank plc executes a bond order through its Global Banking and Markets division the order will be executed as principal. In all other cases the order will be executed on an agency basis.*

*[...]*

*We keep our choices of Execution Venue under regular review. Execution Venues may vary depending on market conditions from the ones listed above. Where we use a single internal Execution Venue this choice is kept under review to ensure that their execution arrangements continue to meet the Best Possible Result obligation that we owe to you.*

*Information regarding execution and the top five Execution Venues for each class of Financial Instrument can be accessed via our website [hsbc.co.uk](http://hsbc.co.uk). For unit trusts and OEICs the fund manager is the relevant Execution Venue.*

### **6. Effective date, review, amendments and monitoring**

*This Best Execution Disclosure Statement is reviewed at least annually. Where necessary we may amend it where a material change has occurred. We'll inform you of any changes either in writing or by publishing the amended Best Execution Disclosure Statement on our Website.*

*We'll also monitor our effectiveness in achieving best execution of our Client Orders on a regular basis.*

### **Annex 4 – Policy on HSBC conflicts of interest**

The summary of the Policy on HSBC Group's conflicts of interest has been updated to clarify that HSBC Group companies may only deal as principal (that is, for their own investment accounts) where permitted by law. The new summary is set out below

#### **Policy on HSBC conflicts of interest**

*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 interests of any client.*

*You may have further questions which relate to the underlying procedures within HSBC. In such cases you should contact the Client Enquiry team, who will direct your query accordingly.*

### **Section 3 Sharedealing Terms**

#### **8 Conflicts of Interest**

*8.1 A summary of the HSBC policy on conflicts of interests is set out in Annex 4 at the end of these Terms. In relation to some of our services we may receive other minor benefits (but not payments) that we believe improve the quality of the service provided to you. Such benefits will be minor in nature so that they don't impact on our ability to always act in your best interests.*

#### **Annex 5 – Your Rights and Responsibilities**

We've introduced a new Annex 5 which provides you with some information about the

rights and responsibilities you have in relation to the Terms of Business which HSBC UK will enter into, as your agent, with HSBC Bank plc in relation to the provision of execution and dealing services by HSBC Bank plc. As a consequence of entering into the Terms of Business you'll have certain rights as against HSBC Bank plc. Annex 5 seeks to summarise these for you.

#### **Your rights and responsibilities**

*We (HSBC UK Bank plc) will act as your agent in engaging another company in our group (HSBC Bank plc) to provide you with certain dealing and execution services for the purposes of the Agreement. These services will be provided under a terms of business between us and HSBC Bank plc, as amended from time to time (Terms of Business).*

*In this Annex, we've set out some information about your rights and responsibilities in relation to this Terms of Business, and your relationship with HSBC Bank plc generally, which is important for you to read and understand:*

- *The Terms of Business is a legally binding contract between us (acting as your agent and on your behalf) and HSBC Bank plc.*
- *Under that contract, HSBC Bank plc will be entitled to treat us (and not you) as its client for certain regulatory purposes. But because we're entering into the contract as your agent and acting on your behalf, you'll still be a party to the contract as a matter of law.*
- *As a result, you'll be bound by the terms of the contract, and you'll also be entitled to enforce the contract if it is breached by HSBC Bank plc. In other words, you'll have the right to make a legal claim against HSBC Bank plc directly, rather than having to go through us.*
- *If you want more information about what the Terms of Business say, please let us know and we'll send you a copy of the Terms of Business in force as at that time.*
- *Applicable laws and regulatory requirements prevent us from conducting certain activities or taking on certain liabilities. As a result, we're not able to accept responsibility for the acts and omissions of HSBC Bank plc when it provides execution and dealing services under the Terms of Business. But if you've any concerns or complaints on this front at*

any time, please let us know straight away and we'll explain how these can be dealt with.

- You should also be aware that, if you've ever dissatisfied with HSBC Bank plc's services, you always have the right to submit a complaint to it directly. Further details regarding its complaints procedures are available from us on request.
- If you're not satisfied with the way in which HSBC Bank plc deals with a complaint you've made, then you may be able to refer it to the Financial Ombudsman Service. Further information is available from us on request or from the Financial Ombudsman Service itself at South Quay Plaza, 183 Marsh Wall, London E14 9SR ([www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)).
- HSBC Bank plc is also covered by the Financial Services Compensation Scheme (FSCS). You may be eligible to compensation from the scheme if you've a valid claim against HSBC Bank plc in respect of investment business and it cannot meet its obligations, due to insolvency. Most types of investment business will be covered.
- Under the Terms of Business, HSBC Bank plc may ask us to obtain from you certain information, documents or materials (for example, where these are requested to enable HSBC Bank plc to comply with applicable laws or regulatory requirements, or its internal policies and procedures). If we ask you to give us something for this reason, you'll need to provide it to us as quickly as possible, and make sure it is complete, correct and up to date.
- Please note that nothing in the Agreement or the Terms of Business is intended to or shall limit or exclude any rights or remedies you have under the general law or any regulatory regime. To be clear, this includes any rights you may have against HSBC Bank plc under the Consumer Rights Act 2015 or section 138D of the Financial Services and Markets Act 2000 (in each case, as in force from time to time).

To explain further how section 138D may be relevant in practice:

- We're under a regulatory duty to take all sufficient steps to obtain the best possible

result for you when executing orders on your behalf. This is known as "best execution." This is in addition to any contractual obligations we may owe you.

- We'll categorise you as a retail client for the purposes of the FCA rules. This means we'll have a regulatory duty to provide you with "retail quality" best execution – i.e. in general terms, when executing orders for you, we've to determine what the best possible result is in terms of price and cost.
- If this duty is breached, you may have a right to take action against us under section 138D of the Financial Services and Markets Act. In general terms, section 138D can give private persons a right to take action if they suffer loss because a relevant firm has breached certain rules made by the FCA.
- Over and above this, HSBC Bank plc will also have obligations under the Terms of Business. For example, it will be subject to a contractual obligation to provide you with "retail quality" best execution. Accordingly, depending on the circumstances, if there is a breach on this front, you may also have a right to take action against HSBC Bank plc for this breach, although this will be under the law of contract, rather than under section 138D as explained above.

If you've any questions about the information set out in this Annex, please don't hesitate to let us know and we'll do our best to help.

## Part 2: Privacy Notice

As a result of the new data privacy law we're publishing a new Privacy Notice. We've updated the Terms to include provisions that reflect our new Privacy Notice.

### Glossary

We've made the following additions and changes to definitions in the Glossary

**Authorities** includes any judicial, administrative, public or regulatory body, any government, any Tax Authority, court, central bank or law enforcement body, or any of their agents with jurisdiction over any part of the HSBC Group;

**Connected Person** means any natural person or legal entity (other than you) whose information (including Personal Data or Tax Information) you provide, or which is provided on your 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 or any other persons or entities with whom you have a relationship that is relevant to your relationship with the HSBC Group. A Connected Person may include any guarantor or owner of a legal estate in land over which we're to take security, provider or recipient of a payment or any other persons or entities with whom you've a relationship that is relevant to your relationship with the HSBC Group;

**Financial Crime Risk Management Activity**

means any action to meet Compliance Obligations relating to the detection, investigation and prevention of Financial Crime. This may include (a) screening, intercepting and investigating any communication, application for Services or any payment, whether sent to or by you or on your behalf, (b) investigating the source of or intended recipient of money, (c) combining Customer Information with other related information in the possession of the HSBC Group and/or (d) making further enquiries as to the status of a relevant person or entity (whether they're subject to a sanctions regime or confirming their identity or status);

**Services** means all services provided to you in connection with your IDIA and these Terms and can include (a) the opening, maintaining and closing of your accounts with us; (b) providing you with credit facilities and other banking products and services, processing applications, credit and eligibility assessment; (c) maintaining our overall relationship with you, including marketing services or products to you, market research, insurance, audit and administrative purposes; (d) providing access to UK securities and gilt trading; (e) providing a secure online trading platform linked to your Nominated Account; (f) providing safe custody of your portfolio and cash and (g) providing access to a UK based call centre; (h) the administration of all corporate actions and dividend payments on your behalf;

**Tax Information** means documentation or information about a person's tax status, including yours;

**Section 2 – InvestDirect International Account Terms – Miscellaneous**

**16. Your Information**

We've added the following new clauses

16.1. Privacy

16.1.1 Your privacy is important to HSBC.

16.1.2 Our Privacy Notice explains how we collect, use, disclose, transfer and store your information and sets your rights in relation to your information. A copy of our Privacy Notice is available separately and we'll inform you when we make any changes to it. You can find a copy at [www.hsbc.co.uk](http://www.hsbc.co.uk) or you can ask for a copy in branch or by telephone.

16.2. Your responsibilities

16.2.1 If we make a reasonable request for information, you must give it to us as soon as possible. If you don't give it to us, or if we suspect fraudulent or criminal activity of any kind:

- a. you might not be able to carry on doing some or all of your banking with us anymore;
- b. we might try to get it from another source, ourselves.

16.2.2 It's up to you to make sure the information you give us is accurate and up to date, and you must tell us if anything changes, within 30 days.

16.2.3 We'll use your information as explained in our Privacy Notice. We'll give it to others if we're compelled to do so by law, we've a public duty to disclose it, we need to disclose to protect our own interests (for example in any legal proceedings) or if we've your specific agreement. For example, if we believe you may have tax obligations in other countries, we may have to disclose information about you directly to HM Revenue & Customs (HMRC) or other local tax authorities.

16.3. Actions we may take in order to prevent Financial Crime

16.3.1 Members of the HSBC Group, are required, and may take any action to meet Compliance Obligations relating to or 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:

- a. screening, intercepting and investigating any instruction or communication sent to or by you or a Connected Person, or on your or their behalf;
- b. investigating the source of or intended recipient of funds;
- c. combining Customer Information with other related information in the possession of any member of the HSBC Group: and/or
- d. making further enquiries as to the status of a person or entity, whether they're subject to a sanctions regime, or confirming their identity and status.

16.3.2. Exceptionally, our Financial Crime Risk Management Activity may lead to us:

- a. delaying or refusing to either process a payment or your instructions;
- b. being unable to provide all or part of the Services to you and ending our entire relationship with you;
- c. taking necessary steps for any member of the HSBC Group to meet the Compliance Obligations; and/or
- d. blocking or closing your account(s) (although not any of your mortgage account(s)).

16.3.3 To the extent permissible by law, no member of HSBC Group shall be liable to you or any third party in respect of any loss (however it arose) that was suffered or incurred by you or a third party, caused in whole or in part in connection with the undertaking of Financial Crime Risk Management Activity.

## Part 3: Financial Regulatory Changes

### Glossary

We've made the following additions and changes to definitions in the Glossary:

#### **Costs and Charges Disclosure Document**

means the document that gives you important information about charges and the breakdown of costs you pay in respect of your Investments and the Service we provide to you;

**Costs and Charges Statement** means the document which we will provide to you annually that gives you important information about charges and the breakdown of costs you pay in

respect of your Funds and the related Service we provide to you;

**Failed Trade** means the event that takes place when we go into the market to buy an Investment for you but, because we can't source the Investment in the market (for whatever reason), we're restricted to using our reasonable endeavours to obtain the Investment for you from other sources;

**Funds** means the range of individual unit trusts, OEICs, collective investment schemes, and investment trusts offered by us from time to time;

**OEIC** means an open ended investment company;

**Trading Day** means a day on which a relevant market is open for trading;

**Trading Venue** means a Regulated Market, Multilateral Trading Facility or Organised Trading Facility;

### Section 1 – InvestDirect International Account Terms – Operation of the IDIA

#### 5. Charges for services and for enquiries about an Instruction

We've inserted new clauses 5.7 and 5.8 as follows:

5.7. We'll send to you as appropriate illustrations showing the cumulative effect of costs on return of your Investments. We'll also provide you with our Costs and Charges Disclosure Document containing important information about charges and the breakdown of costs you pay in respect of your Investments and the Service we provide to you.

5.8. You agree that any fees, costs, charges and other amounts payable to or recoverable by us under these Terms may be paid or, as applicable, reimbursed in the following ways:

- a) We're entitled to instruct (acting as your agent and on your behalf) HSBC Expat to withdraw the relevant amount from the Nominated Account and pay the amount to us. This may be done without any further notice to you (and for the avoidance of doubt, you also authorise that branch to credit the Nominated Account if we owe you any amount at any time), although we may issue invoices for convenience if we wish.

- b) *If the Nominated Account holds insufficient funds for this purpose, at our election, we will send you a written notice requiring you to pay the outstanding amount within [seven] days from the date of the letter or exercise the other rights provided to us under this Agreement (for example, see Clause 4 of Section 2 and Clause 10 of Section 3).*
- c) *For the avoidance of doubt, this Clause will continue to apply even after this Agreement has ended (e.g. where there are outstanding fees).*

## **8. Statements**

We've added a new clause 8.4 which reads:

*If you have investments in Funds then each year, around the anniversary of your IDIA we will send you a Costs and Charges Statement. This statement shows the total actual costs that we've charged you for your investment in the Funds and the services we've provided in connection with those investments. The Costs and Charges Statement will also include an illustration of the cumulative effect of those costs on the return on your investment in the Funds.*

## **Section 2 – InvestDirect International Account Terms – Miscellaneous**

We've added new clauses 21.2 and 21.3 which read as follows:

*21.2 We may provide you with information including documentation via the Website as permitted by the FCA rules and where you've agreed to this. By signing up for your IDIA you agree to receive information via the Website. We will notify you of the website address electronically when such information is put onto the Website where it will be updated from time to time. You agree that we may in particular provide the following to you via the Website:*

- *our terms in relation to trading;*
- *a general description of the nature and risks of financial instruments;*
- *our published fee tariffs, Costs and Charges Disclosure Document and other information on our costs and charges;*
- *details of our Best Execution policies; and*
- *Key Information Documents (KIDs) and Key Investor Information Documents (KIIDs) (as required).*

*21.3. KIDs (where available) and KIIDs may be accessed and viewed, downloaded, saved and printed from our Website or from another website that we'll provide to you. We'll provide you with a KID or KIID on paper, or via the Website depending on the choice you made when becoming a client or subsequently chose. Where you've chosen to receive KIDS or KIIDs via the Website, you confirm that you've regular access to the internet and you have provided us with your email address. Where we've provided you with a KID or KIID via a website you've the right to request a paper copy of the KID or KIID free of charge. We'll direct you to the website or websites on which any KIDs or KIIDs are available.*

## **Section 3 – Sharedealing Terms**

We've expanded our provisions relating to security interests, liens, rights of set-off and rights of sale to explain the rights we or our sub-custodians may over your cash and investments in certain circumstances, including when you owe us money. Clause 7.1.3 has been deleted and is replaced with the following:

*7.1.3. Investments will be held either by us or with such sub-custodians and/or Clearing Systems as we consider appropriate. You should note that we and any sub-custodian will have security interests or liens over, or rights of set-off in relation to, Investments or cash held with us or them. A Clearing System (or its depositories) may also have such rights. In addition, where you owe us money, and you have no cash standing to the credit of your accounts, we may act as your agent to sell Investments on your behalf and credit the proceeds of sale to your cash account. A lien is the right to treat an Investment as our or their asset and dispose of it (in our case as your agent) in order to cover a debt obligation owed.*

*By entering into this Agreement you agree that these types of interest and rights may occur in two situations:*

- (A) *A security interest, lien, right of set-off or right of sale may arise to permit us, any sub-custodian or Clearing System the right to retain, transfer into our or their name, or sell (acting as agent or as principal) your Investments and apply the proceeds to discharge any monies properly owing to*

us or them for the provision of custody services.

(B) A security interest, lien or right of set-off may arise where it is required by the applicable law in a non-EEA country where your Investment is held. This may be a general mandatory requirement or a requirement of the custody or Clearing System of that jurisdiction.

We'll only allow your Investments to be held in this way by a sub-custodian and/or Clearing System in accordance with the Rules and when we've taken reasonable steps to determine that this is in the best interests of our clients. The periodic statement that we send you as noted in Section 1 Clause 8 will contain additional information regarding Investments held in non-EEA jurisdictions.

7.1.4. In some jurisdictions it may not be possible for your Investments which are held by a sub-custodian or Clearing System to be separately identifiable from that sub-custodian's assets, the Clearing System's assets or the assets of its other clients. Where your Investments are held in this manner:

- a) your ownership of a proportion of the assets in the pooled account won't necessarily be immediately identifiable by way of separate certificates, other physical documents or equivalent electronic records. There will be a record kept by us to assist in the identification of your Investments;
- b) in the event of the failure of HSBC UK Bank plc, a sub-custodian or Clearing System, it may be difficult or not possible to identify clearly your Investments and to transfer their custody easily to you or to another sub-custodian. If there is an irreconcilable shortfall on the pooled account, your Investments may be pooled with all the assets in the pooled account including the assets of the sub-custodian or Clearing System and all of their clients in that pooled account. Everyone who holds assets in the pooled account may then share in that shortfall. The amount of the shortfall will be calculated in proportion to their original share of the assets in the pooled account.

7.1.5. Your investments which are subject to the law of a non-EEA member state may be held overseas. There may be different settlement, legal and regulatory requirements and different practices for the separate identification of investments from those applying in the EEA.

We've amended clause 11.2.2 so that it reads:

11.2.2. If you have a Web-Based Account holder you agree that for the purposes of sending you any Communications or other documentation relating to your IDIA, such as Statements and contract notes in respect of your Investments, we may subject to any regulatory requirement to use a particular manner in our absolute discretion send such documentation in electronic form only. We'll send you paper Statements as set out in clause 8 of Section 1. Contract notes (trade confirmations) will be dispatched to you by Secure e-message on the Business Day following the day on which the Trade was made. You may ask for paper copies by telephoning on the number at the front of this document.

### 3. Investment dealing service

Section 3, Clause 3.13.8 has been updated to clarify two points: first that Fund Shares may be registered in the name of a nominee company selected by one of our sub-custodians, and secondly, that the clause is subject to clause 7.1.4 of Section 3 which provides some extra information in relation to investments held in other jurisdictions. Clause 3.13.8 now reads as follows:

3.13.8 In accordance with clause 7.1 of this Section 3 and subject to clause 7.1.4 of this Section 3, Fund Shares will be registered in the name of an appropriate nominee company selected by us or one of our sub-custodians.

## Part 4: Other Changes

### Glossary

We've made the following additions and changes to definitions in the Glossary:

**Cleared Funds** means the amount of funds standing to the credit of the relevant account after deducting any sums due in settlement of payments of which we or HSBC Expat have notice or any sums that have been credited to your accounts, which hasn't yet cleared (excluding payments in connection with trade

Investments which we've executed with or for you but not yet settled);

**Consolidated Tax Certificate** or **CTC** means a document detailing the total income and/or interest received on your Investments held in your IDIA during a tax year together with details of any tax deducted at source;

**Execution Venue** means a venue for transactions in Financial Instruments that we believe offers the best prospects for us to obtain the Best Possible Result on a consistent basis;

**Financial Instrument(s)** means those financial instruments (eg equities, bonds, OEICs, and unit trusts, collective investment schemes and investment trusts) that fall within the scope of the Markets in Financial Instruments Directive and are subject to a best execution obligation under the FCA rules;

**HSBC Bank plc**, registered in England and Wales number 14259. Registered office 8 Canada Square, London, E14 5HQ. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

**HSBC Expat** is a division of HSBC Bank plc, Jersey Branch, HSBC House, Esplanade, St Helier, Jersey JE1 1HS. HSBC Bank plc, Jersey Branch, is regulated by the Jersey Financial Services Commission for Banking, General Insurance Mediation, Investment and Fund Services Businesses.

**Nominated Account** means a personal HSBC Expat Bank Account in your name as nominated by you in your Application or such other personal HSBC Expat Bank Account as may be nominated by you from time to time;

**OB ID** means the identification number that you'll be given to access OB;

**Organised Trading Facility** or **OTF** means a computer system through which multiple parties can buy and sell certain types of Financial Instrument which is not a Regulated Market or Multilateral Trading Facility;

**Regulated Market** means the computer systems of an authorised market through which multiple parties can buy and sell the types of Financial Instrument which are admitted to trading under the rules of the market and which is not an MTF or OTF;

**Rules** means the FCA rules and the rules of the Prudential Regulation Authority that apply to us;

**Tax Authorities** means UK or foreign tax, revenue or monetary authorities (for example, HMRC);

## **Section 1 – InvestDirect International Account Terms**

### **1. Opening and maintaining an IDIA**

We've amended clause 1.2 so that it now reads:

1.2. To open and maintain an IDIA you must:

- fulfill our residency requirement. For a full list of eligible countries please refer to our Website; and
- be at least 18 years of age.
- As part of your eligibility criteria, you'll also need a HSBC Expat Bank Account.

We've amended clause 1.4 so that it now reads:

On opening your IDIA you must use your account in accordance with the security procedures set out in clause 3.

### **3. Important Security Information**

We've amended clause 3.1 and 3.4 as follows:

3.1. You must use our telephone service and OB in accordance with the Terms. HSBC Expat internet banking is also subject to its own terms and conditions provided to you when you open a bank account with them and register for their online services.

3.4 If any Security Details are lost or stolen, or you suspect that someone has used or tried to use them, you must tell us without delay by calling us on the applicable number set out in the table on the next page. When lines are closed, please call without delay the number detailed below for Cards and PINs issues and we'll block access to OB, TBS and telephone service (to re-set your relevant Security Details. You'll need to call the usual number during opening hours). Telephone calls will be put through to our automated service. Textphone calls will be put through to our Customer Service Centre. To help us continually improve our services and in the interests of security we may monitor and/or record your telephone calls with us. All telephone calls that lead or may lead to a Trade will be recorded and kept for seven years. You may ask us for a copy of such a record within the seven year period.

## **10. Suspension of our telephone service or OB**

We've amended clause 10.4.3 as follows:

10.4.3 We may instruct (as your agent and on your behalf) HSBC Expat to pay us a particular amount from your Nominated Account with them for the amount of any Trade (and any charges relating to any such Trade) despite the fact that your use of OB or our telephone service may have been suspended at the time we gave an instruction.

## **11. Changing the Terms – General Information**

We've amended clause 11.2 as follows:

11.2 For products or services that you have which have particular Terms that are fixed, please see the Supplemental Terms for information on the circumstances in which we may make changes to those Terms. If there is a conflict between this clause 11 or clauses 12 to 15 of the General Terms and those Supplemental Terms, the Supplemental Terms will apply.

## **15. Ending this contract and closing your IDIA**

We've inserted a new clause 15.4 as follows:

15.4. If your IDIA is closed for any reason and you don't tell us what you want to do with your Investments, we'll contact you to obtain your instructions. If you don't tell us what you want to do with your Investments within a reasonable time, we may take necessary reasonable steps to return your Investments to you and (if we haven't heard from you) we may sell your Investments and (at our election) deposit the proceeds of sale in your Nominated Account with HSBC Expat or other HSBC Group personal bank account in your name or send the proceeds of sale to you. This may mean that we'll send a cheque to the last address we hold on record for you where it is reasonable for us to do so.

We'll give you advance notice if we intend to sell your Investments in this way.

We've inserted new clause 15.12 as follows:

15.12. Suspending your Services

15.12.1. We can suspend your Services or any part of your Services temporarily for any of the reasons set out in Clause 15.7 above.

15.12.2. We may also suspend your Services or any part of your Services where we've another good reason to do so, and where suspending the Service is proportionate to the underlying reason for the suspension. Where we do so, we'll give you at least one month prior written notice of our intention to do so. Where we do so, you may close your IDIA in accordance with Clause 15 and/or transfer your IDIA to a different provider at any time up to the point at which the suspended service is reinstated.

15.12.3. Where we take steps to suspend the Services or any part of the Services under this Clause 15.12, we generally won't apply any fees for the Services (or any suspended part of the Services, where only part of the Services is suspended) during the period of suspension nor will we charge you to close your IDIA and/or transfer your Investments to a different provider during the period of suspension, unless the reason for the suspension is because:

- you've seriously or persistently breached the Terms;
- we reasonably suspect that you or your IDIA may be involved in financial crime or other illegal activity, or
- you've failed to satisfy anti-money laundering requirements.

15.12.4. We will notify you as soon as practicable of the suspension being lifted.

## **Section 2 – InvestDirect International Account Terms – Miscellaneous**

### **17 Tax Compliance**

We've added the following section 17.1 Tax Compliance

You acknowledge that you're solely responsible for understanding and complying with your tax obligations (including but not limited to, tax payment and 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) and/or Services provided by us and/or members of the HSBC Group. You must ensure that each Connected Person (acting in their capacity as a Connected Person and not in their personal capacity) is aware of this responsibility and also makes the same acknowledgement in their own regard.

Certain countries may have tax legislation with extraterritorial effect regardless of your or Connected Person's place of domicile, residence, citizenship or incorporation. Neither we nor any member of the HSBC Group provide tax advice. You're advised to seek independent legal and/or tax advice. Neither we nor any member of the HSBC Group have responsibility for your tax obligations in any jurisdiction in which they may arise including any that may relate specifically to the opening and use of account(s) and/or Services provided by us and/or members of the HSBC Group.

We've amended clauses 17.2 and 17.4 so that they now read:

*17.2. Following the end of each UK tax year, you'll generally be issued with a Consolidated Tax Certificate (CTC) between May and September. A final CTC will also be issued once an account is closed and all outstanding dividends have been received. Note that information regarding excess reportable income (to the extent relevant) won't be included in the CTC.*

*17.4. All credit interest on your IDA will be paid gross and will contribute towards your personal savings allowance, if applicable. If you exceed your allowances, it's your responsibility to declare this to HMRC, as you may be required to pay some tax on the interest received via your own tax return (please check your personal allowances). For further information on your allowances and responsibilities please visit [www.gov.uk](http://www.gov.uk)*

*Dividends on UK shares are paid gross (but there may be some withholding tax in respect of non-UK shares) and will contribute towards your dividend nil rate band ("Dividend Allowance"). If you exceed your allowances, it's your responsibility to declare this to HMRC, as you may be required to pay some tax on the dividends received via your own tax return (please check your personal allowances). For further information on your allowances and responsibilities please visit [www.gov.uk](http://www.gov.uk)*

*In addition, any growth in the value of an Investment may be subject to capital gains tax if your total capital gains (less allowable losses) from all sources exceed your annual exemption limit. The sale of shares or units in certain Funds*

*which are designated "non-reporting funds" by HMRC may have a different treatment – you may wish to seek independent tax advice on the treatment of such Investments.*

*Some Funds may be offshore funds which are granted the status of "reporting fund" by HMRC and as such, if you're a UK taxpayer, you may need to declare the amount of distributions received during the year on your tax return. You'll also be required to declare your share of any excess reportable income from the Fund over the sums actually received. Reports of the relevant income will be made available to investors by the Fund and you'll be responsible for obtaining this information. Information relating to a Fund's excess reportable income should be available from the Fund directly, for example in the annual report and accounts, or in some circumstances, may be available online.*

*This information is based on our understanding of current UK tax law and HM Revenue & Customs practice. Both tax law and practice may of course change. Your tax liability will depend on your own individual circumstances, including your country of residence for tax purposes. If you're unsure about your own situation, you should seek appropriate professional advice.*

### **19. Our right of "set-off"**

We've amended clause 19.2 and 19.3 as follows:

*19.2 If your Nominated Account is in credit, we may provide an instruction (acting as agent or on your behalf) to HSBC Expat to pay us an amount from that account in any currency, converted at our prevailing rates of exchange, to repay or reduce any amounts you owe us, including but not limited to any negative balance on your Settlement Account, any Default amount or other sums due on an IDIA you hold with us and sums payable in connection with a trade in Investments which we've executed for you, but not yet settled.*

*19.3 If your Nominated Account is not in credit, or it is in credit but you don't have sufficient Cleared Funds to repay the amounts you owe us, we may still provide the instruction referred to in the preceding clause. In these circumstances your Nominated Account may go into overdraft. It is your responsibility to*

meet any associated obligations to HSBC Expat (including any penalty fees) you may have under the terms and conditions applicable to your Nominated Account.

### Section 3 – Sharedealing Terms

We've made some amendments to the clauses relating to corporate actions. We've added a new clause 7.12 which explains what happens if you receive an entitlement to investments or units of currency which, following allocation, mean that you would receive fractions of those investments or units of currency that we may not be able to pay to you. We've also made an amendment to clause 8.1 regarding Conflicts of Interest. The new and amended clauses read as follows:

*7.12 When an entitlement results in your allocation being in fractions of Investments or units of currency then we may credit the equivalent value in cash to your IDA instead of the Investment or unit of currency. If we're not able to credit your IDA with cash instead of the fractional entitlement then you agree to relinquish your interest in the fractional entitlement to us or our sub-custodian then we or the sub-custodian may donate the amount to a charity of our or the sub-custodian's choice, or pay it to an Authority or as permitted by applicable law.*

## Changes to the Key Features of HSBC InvestDirect International Account (effective from 1 July 2018 or such later date as the transfer to HSBC UK is effective)

**We've made the following amendments to reflect the variations to your Terms as described above, and to make routine updates of the information provided. Where necessary, we've made minor typographical amendments and removed out of date references.**

### How to contact us

We've amended this section as follows:

*If you've any questions or need to contact us, you can phone or write to us as shown below.*

### Telephone

We've added the following explanatory text:

*All telephone calls that lead or may lead to a transaction in investments will be recorded and kept. We'll keep records of those telephone calls for seven years. We'll also keep records of all Secure e-messages relating to transactions for seven years. You may ask us for a copy of any such record at any time in the applicable seven year period.*

### Questions and answers

#### How will I receive contract notes?

We've added the following explanatory text as paragraphs three and four:

*We'll send you contract notes (trade confirmations) on the business day following the day on which the trade was executed. You may ask for paper copies by telephoning on the number at the front of this document.*

#### How much does the service cost?

We've added the following explanatory text as paragraphs three and four:

*Except where indicated otherwise, any costs related to the Service are exclusive of any applicable VAT, stamp duty, stamp duty reserve tax, other taxes and levies relevant to orders you place.*

*Each year around the anniversary of the date on which you opened your account we'll send you a Costs and Charges Statement which sets out the actual charges that have been made together with an illustration of the cumulative affect of those charges on your Fund investments.*

#### How can I obtain further information?

We've added the following explanatory text:

*We may provide you with information including documentation via our Website [www.hsbc.co.uk](http://www.hsbc.co.uk) as permitted by the FCA rules and where you've agreed to this. We'll let you know the website address electronically when such information is put onto the website, where it will be updated from time to time. We may in particular provide the following to you via a website:*

- (a) our terms in relation to trading;*
- (b) a general description of the nature and risks of financial instruments;*

(c) our published fee tariffs, Costs and Charges Disclosure Document, Costs and Charges Statements and other information on our costs and charges

(d) details of our Best Execution policies; and

(e) key investor information documents.

### Further information

We've amended the fourth paragraph of this section as follows:

*Unless agreed to the contrary, sharedealing transactions placed with HSBC UK Bank plc will be traded by us in sterling, with HSBC UK Bank plc acting as either agent or (where permitted by applicable laws and regulatory requirements) as principal.*

### Tax

We've amended and inserted text into this section which now reads as follows:

*All credit interest on your portfolio will be paid gross and will contribute towards your personal savings allowance, if applicable. Dividends from UK shares will also be paid gross (but there may be some withholding tax in respect of non-UK shares), and will contribute towards your Dividend Allowance. If you exceed your allowances, it's your responsibility to declare this to HMRC, as you may be required to pay some tax on the interest and/or dividends received via your own tax return (please check your personal allowances). For further information on your allowances and responsibilities please visit [www.gov.uk](http://www.gov.uk) In addition, any growth in the value of an investment may be subject to capital gains tax if your total capital gains (less allowable losses) from all sources, exceeds your annual exemption limit.*

*The sale of shares in certain Funds can have a different treatment. UK investors investing in offshore funds which have been granted 'reporting fund' status are required to declare distributions received and 'excess reportable income' over the amounts actually distributed. Reports of the relevant income will be made available by the Fund and you'll be responsible for obtaining the relevant information. Information relating to a Fund's excess reportable income should be available from the Fund directly, for example in the annual report and accounts or, in some circumstances, may be available online.*

*This information is based on our understanding of current UK law and HM Revenue & Customs practice. Tax benefits, law and practice may, of course, change in the future. Your tax liability will depend on your own individual circumstances, including your country of residence for tax purposes. If you're UK resident and non-domiciled for UK tax purposes, using money from your HSBC Expat Bank Account (or any money held offshore) to settle trades via Invest Direct may create a UK taxable remittance. If you're unsure about your own situation, you should seek appropriate professional advice.. We've no responsibility for your tax obligations (including payment).*

*If you're unsure about your own situation, you should seek appropriate professional advice.*

### Financial Services Compensation Scheme

We've amended and inserted text into the first paragraph to read as follows:

*HSBC UK Bank plc is covered by the Financial Services Compensation Scheme (FSCS). You may be eligible to compensation from the scheme if you've a valid claim against us in respect of investment business and we cannot meet our obligations. Most types of investment business are covered. Your eligible deposits (including cash balances in your cash account) are covered separately by the FSCS. The FSCS can pay compensation to depositors if a bank is unable to meet its financial obligations. Most depositors are covered by the scheme.*

We've amended and inserted text into the third paragraph to read as follows:

*InvestDirect and HSBC are both trading names of HSBC UK Bank plc and customers who hold deposits under both trading names will only be eligible for one claim of up to the FSCS deposit limit in total.*



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**HSBC Bank plc:**

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