

Important changes to the HSBC InvestDirect International 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 26 November 2021.

We're making variations to the Terms to reflect changes to how HSBC InvestDirect International will work, or to clarify how HSBC InvestDirect International works currently. We're providing you with at least 30 days' written notice in line with our obligations under the Terms. We're also making changes to the HSBC InvestDirect International Key Features Document (the "KFD"). These changes will come into effect from 26 November 2021 unless expressed otherwise within this document.

The changes being made to the Terms and KFD are explained in this Notice of Variation. Where necessary, we've also updated clause references and made minor and/or other typing amendments which are not in this Notice of Variation. Copies of each of the amended documents can be found on our website expat.hsbc.com/1/2/Sharedealing.

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 we do not hear from you before 26 November 2021 about the changes, we will be entitled to assume you accept the changes and consent to the updated Terms. You have the right to close your Account(s) with us at any time by calling us on the number below. There will be no charge for closing your Account(s) if you inform us that you wish to do so before 26 November 2021. 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 080848** (dial **+44 122 626 1090** from overseas) 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. We've temporarily reduced our opening hours due to the COVID-19 pandemic. You can contact us between 7:30am–5:00pm Monday to Friday excluding public holidays. 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

Section – How to contact us – Contacting You Personally

We've amended this term to highlight that on certain occasions we may be legally required to contact you in a certain way. The new clause will read as follows:

In these Terms, when we say that we'll 'contact you personally', we may do this by post, telephone (including mobile phone), email, text message, Secure e-message (if you're registered for OB), a message on your Statement, or in any other way that will be sent to you individually unless there is a legal or regulatory requirement to contact you in a particular way.

Section – Introduction

We've removed the defined terms for 'Controlling Persons', 'Customer Identification Number', 'FCA rules', 'Linked Supplier(s)' and 'OB ID' as these are no longer used within the document.

Section – Introduction

We've updated the defined term for 'Agreement(s)' which will read as follows:

Agreement(s) means the Terms, Additional Conditions and any Supplemental Terms which we will communicate to you before we provide a product or service to you, and the Application signed by you.

Section – Introduction

We've changed the defined term from 'Laws' to 'Applicable Laws'.

Section – Introduction

We've updated the defined term for 'Best Possible Result' which will read as follows:

Best Possible Result means when executing Client Orders on a consistent basis, including in situations of market stress, we'll take into account a range of factors which include: price; costs; speed; likelihood of execution and settlement; size; nature or any other consideration relevant to the execution of Client Orders. Price and execution costs will be paramount although factors such as the type of Client Order, the type of Financial Instrument and the choice of Execution Venue will also be considered where necessary.

Section – Introduction

We've added the defined term 'Financial Crime' which will read as follows:

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

Section – Introduction

We've simplified the defined term for 'Financial Instrument(s)' which will read as follows:

Financial Instrument(s) means those financial instruments as defined in the Rules that are available under the IDA.

Section – Introduction

We've amended the defined term for 'Funds' which will read as follows:

Funds means the range of individual unit trusts, OEICs, collective investment schemes, investment trusts and Exchange Traded Funds (or ETFs) offered by us from time to time.

Section – Introduction

We've simplified the defined term for 'Investments' which will read as follows:

Investments means the investments that we allow you to buy and/or sell using the Service.

Section – Introduction

We've added the defined term 'Investor Information Document' which will read as follows:

Investor Information Document means either a Key Information Document (KID), a Key Investor Information Document (KIID), or a NURS-KIID (Non-UCITS Retail Scheme KIID), each of which is a document we are required to make available to you when you invest in certain types of Funds.

Section – Introduction

We've simplified the defined term for 'Market Data Providers' which will read as follows:

Market Data Providers means various third party sources, or any members of the HSBC Group, who provide Market Data via our Website.

Section – Introduction

We've added the defined term 'Opening Auction' which will read as follows:

The **Opening Auction** takes place shortly before the market officially opens. The Opening Auction determines the opening price of an asset on an exchange, by matching buyers with sellers.

Section – Introduction

We've added the defined term 'PRA' which will read as follows:

PRA means the Prudential Regulation Authority, (with its head office address at 20 Moorgate, London, EC2R 6DA), a regulatory body in the United Kingdom, or any successor regulatory body.

Section – Introduction

We've changed the name of the defined term for 'Rates and Fees Page' to 'Rates and Fees Document'.

Section – Introduction

We've simplified the defined term for 'Rules' which will read as follows:

Rules means the rules set out by the FCA and/or PRA that apply to us.

Section – Introduction

We've amended the defined term for 'Trading Limit' which will read as follows:

Trading Limit means a financial limit that we determine and confirm to you in writing. Your trades (including any unsettled trades) may not exceed this limit at any time.

Section – Introduction

We've added the defined term 'US' which will read as follows:

US means the United States of America, its territories and possessions, any state of the United States, the District of Columbia and all other areas subject to its jurisdiction.

Section 1 – Operation of the IDIA – When trades will and will not be placed by us – Clause 4.2

We've amended clause 4.2 to explain in more detail when we may refuse to accept a trade, as well as our liability in these circumstances. This will now read as follows:

4.2 We may refuse to accept a Trade:

- if we don't have information that we reasonably require in order to carry it out;
- when your Trading Limit has been reached or has been or will be exceeded, as further described in Section 3, clause 2.

We'll not be liable for any loss to you if we refuse to accept a Trade as a result of:

- you not providing us with any information we reasonably request (including but not limited to Personal Information); or
- you reaching your Trading Limit or if your Trading Limit will be exceeded by us carrying out your Trade.

We may terminate this Agreement in accordance with clause 13, if you persistently fail to provide us with any information (including but not limited to Personal Information) we reasonably require to carry out Trades.

Section 1 – Operation of the IDIA – Charges for services and for enquiries about an Instruction – Clause 5.1.1

We've amended clause 5.1.1 to make it easier to understand how our charges are taken from your Settlement Account. This will now read as follows:

Each time you give us an Instruction, you authorise us to deduct the costs and charges associated with that Instruction from your Settlement Account.

You also authorise us to instruct HSBC Expat to debit and/or credit the necessary funds from/to your Nominated Account to ensure that the balance of your Settlement Account is returned to nil at the close of each Business Day.

Section 1 – Operation of the IDIA – Charges for services and for enquiries about an Instruction – Clauses 5.3 and 5.4

We've amended clauses 5.3 and 5.4 to make them easier to understand. These will now read as follows:

5.3 Where permitted by the FCA rules, we may share fees with our Associates and other third parties where those fees enable, or are necessary for carrying out transactions on your behalf.

Details of any such remuneration or charging arrangements won't be set out in the relevant contract note or confirmation note but will be made available to you if you contact the Customer Service Centre.

5.4 In the event that you don't comply with your obligations under these Terms, certain additional fees will apply as set out in our Rates and Fees Document from time to time.

Section 1 – Operation of the IDIA – Charges for services and for enquiries about an Instruction – Clauses 5.5 and 5.6

We've moved clause 5.5 to section 3 under 'Conflicts of interest'. We have also removed clause 5.6 as this is already explained in clause 5.1

Section 1 – Operation of the IDIA – Responsibilities – Clause 10.4.1

We've updated clause 10.4.1 to include the limits of our liability in cases where we have suspended your use of the Service in any way. This will now read as follows:

10.4.1 *We may, at any time, and without incurring any liability for any resulting loss, suspend your use of our telephone service or OB, or otherwise limit or restrict your ability to give Instructions, or use of the Service, if we have reasonable grounds to suspect:*

- unauthorised or fraudulent use of our telephone service or OB; or
- there is a significantly increased risk that you will be unable to repay any overdraft on your Nominated Account.

We will contact you personally if we are suspending your use of our telephone service or OB.

Section 1 – Operation of the IDIA – Ending this contract and closing your IDIA – Clause 15.4

We've updated clause 15.4 to make it clearer which will now read 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 will contact you to obtain your instructions. If you do not 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. This means we may sell your Investments and deposit the proceeds of sale into your Nominated Account with HSBC Expat or other HSBC Group personal bank account in your name. If you no longer hold an HSBC personal bank account, 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.

Section 3 – Sharedealing Terms – Trading Limit – Clause 2.7

We've updated clause 2.7 to make your obligations clearer when you are in Default which will now read as follows:

2.7 *If you do not have sufficient Cleared Funds in your Nominated Account to pay for any Trades you have made, you must reimburse us in full by end of the Business Day following the day on which the Trade was made. Failure to do so will put you in Default. We may serve you with a default notice, requiring you to remedy the Default within the period specified on the default notice. If you fail to do so, we may sell any of your Investments to settle the outstanding amounts at our discretion and you authorise us to do so, as set out in more detail in clause 10 of Section 3.*

Section 3 – Sharedealing Terms – Investment Dealing Service – Clause 3.5

We've amended clause 3.5 to make it easier to understand how we will place Client Orders in the market that have been accepted outside Normal Market Hours. This will now read as follows:

3.5 *We will accept Client Orders given outside Normal Market Hours. Client Orders accepted when the market is closed will be placed either:*

- *before the market opens in the markets' Opening Auction; or*
- *as soon as reasonably practicable after the market opens.*

There is a risk of increased price volatility when placing a Client Order when the market is closed or near to the market's opening and you may want to consider whether placing a Limit Order is appropriate.

Section 3 – Sharedealing Terms – Investment Dealing Service – Clause 3.7

We've amended clause 3.7 to make it easier to understand how Client Orders placed shortly before the end of Normal Market Hours will be handled. This will now read as follows:

3.7 *With the exception of Fund Shares (and Limit Orders which are not expiring that night), if you place a Client Order shortly before the end of Normal Market Hours we'll take all reasonable steps to enter into a deal for the order in the market on your behalf before the market's close. If we are not able to achieve this before the market's close, your order will be cancelled. We'll normally advise you of the cancellation and if you still want to buy or sell the Investments, you will need to place the order again. To the extent permissible under Applicable Laws, we'll not be liable for any loss arising from such a cancellation.*

Section 3 – Sharedealing Terms – Best Execution – Clause 5

We've amended clause 5 to make it easier to understand our duties of Best Execution, and how we apply our Execution Policy. This clause will now read as follows:

5. Best Execution

5.1 *The only duties we owe to you in respect of achieving the Best Possible Result for your Trades are those set out in the Rules. You may ask us at any time to confirm how we've achieved the Best Possible Result for Client Orders.*

5.2 *Your Client Orders will be executed in accordance with our Execution Policy in order to achieve the Best Possible Result. You're entitled to ask us to demonstrate that any particular Client Order has been executed in accordance with our Execution Policy. A summary of the steps we'll take is set out in our Best Execution Disclosure Statement in Annex 3.*

5.3 *By agreeing to these Terms and each time you give Instructions in relation to Financial Instruments, you consent to;*

5.3.1 *our Best Execution Disclosure Statement;*

5.3.2 *us executing deals for you, either by entering into the deal on your behalf (acting as your agent) or (where permitted by applicable laws and regulatory requirements) by entering into the deal on our own account (acting as principal) and entering into another deal with you; and*

5.3.3 *the execution of your Client Orders outside a Regulated Market, MTF or OTF.*

5.4 *Where we enter into a deal 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.*

Section 3 – Sharedealing Terms – Settlement and custody – Clause 7.1.5

We've updated clause 7.1.5 following the UK's exit from the European Union and this will now read as follows:

7.1.5 *Your Investments which are subject to the law of a country other than the UK 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 UK.*

Section 3 – Sharedealing Terms – Settlement and custody – Clause 7.4

We've amended clause 7.4 to make the Settlement Dates for certain types of Investments clearer. This will now read as follows:

7.4 The following Settlement Dates normally apply to the types of Investments below:

- Gilts – one Business Day after the date of Trade (T+1)*
- Equities – two Business Days after the date of Trade (T+2)*
- Funds – three Business Days after the date of Trade (T+3)*

For other types of Investments the Settlement Date will be indicated on your contract note.

If you place an order to buy Investments, you must have sufficient funds in your Nominated Account to settle your purchases on the Settlement Date.

If you place an order to sell Investments, you must have sufficient Investments available to sell in your Investment Account on the date you instruct us to sell. On the Settlement Date, you must have sufficient settled Investments to settle your sales.

Section 3 – Sharedealing Terms – Charges over Investments – Clause 10.4 and 10.5

We've amended clauses 10.4 and 10.5 to make them easier to understand. These will now read as follows:

10.4 *The security interest we have over the Investments and money in your IDIA will always remain in place, as a continuing security. Even where an outstanding amount has been settled, our continuing security against other outstanding amounts will not be affected. The security interest we have over your Investments and money in your IDIA will also operate alongside any other security, guarantee or similar requirement you have in place with us, or another party, to pay any outstanding amounts you owe to us.*

10.5 *By agreeing to these Terms, you give us authority to execute and sign any transfers, assignments, or other documents or do anything reasonably required to exercise the security interests set out in these Terms. You also give us authority to take any other steps that might reasonably be required to preserve rights and interests relating to our security, or any similar powers or authorities we have.*

Section – Complaints

We've amended the Complaints section to update what we will do when we receive a complaint which will now read as follows:

If you're unhappy in any way with our products and services then please let us know. When we get your complaint, we'll issue you with an acknowledgment letter which includes details of our complaint handling process entitled 'Listening to your comments', which explains how we'll handle your complaint. A written copy of our complaint procedures is available on request.

If we cannot resolve your complaint in the first instance, you can refer it to:

Financial Ombudsman Service
Exchange Tower
Harbour Exchange
London E14 9SR

Telephone: **0800 023 4567** or to call from abroad
+44 20 7964 0500

Email: **complaint.info@financial-ombudsman.org.uk**

Website: **financial-ombudsman.org.uk/contact-us**

Changes to the KFD

Who should apply for InvestDirect International?

We've added a sub-section titled '**US Persons**' to outline the approach we must take to US Persons who have or would like to apply for InvestDirect International. This section will read as follows:

US Persons

If you are classified as a US person, certain rules set out by the US government mean you won't be able to invest in particular securities.

As a US Person, you'll only be able to place trades over the phone with our call centre – this is to ensure both you and HSBC act in accordance with these rules. You'll only be charged our online dealing rates as outlined in our Rates and Fees document and you can still view your investments via our Online Banking service.

Just so you know, in line with current laws and regulations, we class a US Person to be anyone who is a US citizen, permanent US resident or is regarded as resident in the US by virtue of time spent there. This includes US Persons not currently living in the US.

How do I transfer shares to my InvestDirect International account?

We've amended this section to make it easier to understand how to access any Share Transfer forms you require. This section will read as follows:

How do I transfer shares to my InvestDirect International account?

Just complete the transfer form which you can find in the 'Share Transfer' section of the 'Products and Services' page within the Sharedealing Portal. To access your Sharedealing Portal, please log in to Online Banking and click on 'Go to My investments' under your InvestDirect International account. You need to complete, sign and return the form along with the share certificate to us. We will then arrange to transfer your paper certificate into your investment account. This process normally takes two weeks but may in exceptional circumstances take up to six weeks or longer to complete, during which time you will be unable to sell them.

To transfer shares in from another service provider, just complete the transfer request form which is also found in the 'Share Transfer' section of the Sharedealing Portal.

We will then instruct your current provider to transfer your shares to us. The transfer normally takes two weeks, but may take longer as it depends on your current provider. You will not be able to sell your shares until the process is complete.

Can I access the website 24 hours a day?

We've amended this section to include more information on how orders placed outside of market hours will be executed. This section will read as follows:

Yes. However, on occasion we may undertake routine maintenance, which normally takes place when the financial markets are closed.

Orders placed outside of market hours will be executed either before the market opens in the market's opening auction, or as soon as practicable when the stock market opens.

When will I get my money from a share sale?

We've amended this section to make it easier to understand which will read as follows:

When will I get my money from a share sale?

Equity trades settle two Business Days after the date of the trade (T+2) and Funds three Business Days (T+3). Once the money has reached the Settlement Account, it will then be automatically transferred to your nominated HSBC Expat Bank Account same day.

Charges

We've added information about the Spanish Financial Transaction Tax (SFTT) including the rate of SFTT that will apply on purchases. This will read as follows:

The following Government charges apply:

Irish Stamp Duty* – 1.0% on Irish equity purchases

Irish Takeover Panel* – €1.25 charge on all Irish share transactions over €12,500

French Financial Transaction Tax* (FTT) 0.3% on purchases

Italian Financial Transaction Tax* (ITT) 0.1% on purchases (0.2% for Over The Counter trades)

Spanish Financial Transaction Tax* (SFTT) 0.2% on purchases.

Charges

We've updated the SEC Rate which will read as follows:

A small transaction fee will apply to the sale of US equities and is paid to the US Securities and Exchange Commission (SEC). For reference, the latest SEC rate is 0.00051% (correct as of 25 February 2021). This SEC levy is subject to change at any time.*

Further Information – Stabilisation

We've removed the 'Stabilisation' section as this information is already provided in the Terms and is not required in the KFD.

Further Information – Complaints

We've amended the 'Complaints' section to update the contact information for the Financial Ombudsman Service which will now read as follows:

Complaints

*If you are unhappy in any way with our products and services then please let us know by speaking to one of our Customer Service Representatives on **03456 080 848** or writing to us at:*

HSBC InvestDirect**PO Box 716****Forum 1****The Forum****Parkway****Whiteley****Fareham****PO14 9QD**

A written copy of our complaint procedures is available on request.

If we cannot resolve your complaint in the first instance, you can refer it to:

The Financial Ombudsman Service**Exchange Tower****London E14 9SR**

*Telephone: **0800 023 4567***

*or to call from abroad **+44 20 7964 0500***

*Email: **complaint.info@financial-ombudsman.org.uk***

*Website: **financial-ombudsman.org.uk/contact-us***

The Financial Ombudsman Service will generally review complaints from retail customers. However, their criteria for reviewing complaints may mean that even if you have been categorised by a provider of products and services as a retail client, they may not regard you as an eligible complainant. Complaining to the ombudsman will not affect your legal rights.

Accessibility

To find out more about our accessible services please visit [hsbc.co.uk/accessibility](https://www.hsbc.co.uk/accessibility) or ask at any of our branches.

If you'd like this in another format such as large print, Braille or audio, please contact us.

A textphone service is available for customers with hearing and/or speech impairments. If you use your own textphone you can call us on **03457 125 563** (**+44 207 088 2077** from overseas).

BSL Video Relay Service is also available (Monday-Friday 8am-6pm, excluding Bank and Public Holidays) at [hsbc.co.uk/accessibility](https://www.hsbc.co.uk/accessibility).

[expat.hsbc.com/1/2/shared dealing](https://www.expat.hsbc.com/1/2/shared dealing)

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