

# **InvestDirect International**

## Frequently Asked Questions

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## Is HSBC InvestDirect International an Offshore Service?

No. HSBC InvestDirect International is a UK based service - so it's subject to UK law and UK tax regulations.

## What investments can I trade in?

You can trade in most UK and Irish equities listed on the London Stock Exchange and in a range of UK Exchange Traded Funds (ETF's). You can also trade in US stocks listed on the New York Stock Exchange and NASDAQ American Stock Exchange.

## When can I trade/access my HSBC InvestDirect International Account?

You can access your Sharedealing account via Internet Banking. The HSBC InvestDirect International Account is available 24 hours a day from Monday to Saturday, and after 6am on Sunday. (We do maintenance work between midnight and 6am on Sunday to keep the HSBC InvestDirect International website running smoothly.)

If you need help, the HSBC InvestDirect International customer services team is available from 7.30am to 9.30pm (GMT) Monday to Friday.

To contact HSBC InvestDirect from outside the United Kingdom call: **+44 1226 261090\*** and from within the United Kingdom call: **03456 080 848**.

Please have your 10 digit PBN and six digit PIN to hand before you call.

### **\*Calls maybe monitored and/or recorded for security and service improvement purposes**

If you place an order to buy or sell shares when the stock market is closed, your order will be sent to the market the next trading day. There's a risk of higher price volatility if you place an order when the market is closed, or near to its closing or opening time - so you should consider entering a price limit.

## Are the share prices on the website live?

The prices displayed when you select 'Quote' are delayed by 15 minutes. The most up to date prices are the indicative prices displayed during trading.

## How do I know when my shares have been sold and at what price?

When you log on to your HSBC InvestDirect International account, you can track the progress of your orders on the 'Trade history' page. As soon as a trade is executed, you'll see the execution price. You'll also receive a contract note to your sharedealing account shortly after trading.

## What's a trading limit?

Your trading limit is an agreed 'settlement' limit that lets you trade up to a certain amount before any money is taken out of (or paid into) your settlement account. When you open a Sharedealing account (HSBC InvestDirect International account) we'll give you a trading limit of £10,000. If you want to change your limit, you can send us a secure message via Online banking or call us on:

HSBC Expat Premier customer: **+44 1534 616313**

HSBC Expat Advance customer **+44 1534 616212**

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## How do I apply for a trading limit?

You'll automatically receive a trading limit of £10,000 when you open an HSBC InvestDirect International account. If you want to change your limit, you can call us on:

From outside the United Kingdom: **+44 1226 261090\***

Within the United Kingdom: **03456 080 848**

Please have your 10 digit PBN and six digit PIN to hand before you call.

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## What are my dividend options?

When you apply for an HSBC InvestDirect International account, you'll be asked to choose how you want to receive your dividends - either in cash or, where appropriate, as shares (scrip/stock dividends). If you choose to take your dividends as shares, you'll receive the equivalent dividend value of shares in the same stock - and we'll add these shares to your existing shareholding in your HSBC InvestDirect International account.

If you give us a standing instruction to always receive your dividends as cash or shares, you can change the instruction for each dividend, but your standing instruction will be the default for future dividend payments, unless you ask us to change it.

### How will my dividends be paid?

Cash dividends will be credited to your HSBC InvestDirect International settlement account and cash in your settlement account will be transferred to your nominated HSBC Bank International Limited bank account. If you choose to receive your dividends as shares, we'll add them to your existing sharedealing account in your HSBC InvestDirect International account.

You can see details of your dividend payments by logging on to your HSBC InvestDirect International account. Or call HSBC InvestDirect from outside the United Kingdom call: **+44 1226 261090** and from within the United Kingdom call: **03456 080 848\***

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### Can I transfer shares held by my broker to you?

Yes. It's free to transfer shares into your HSBC InvestDirect International account from your broker. All you have to do is complete a share transfer form - and we'll contact your broker to arrange the transfer.

To download a share transfer form, log on to your InvestDirect International account, select 'Services' and then select 'Share transfer'. You'll need to complete and return the form to us.

HSBC InvestDirect International lets you transfer:

- over 1,300 shares on the main London Stock Exchange
- over 150 shares on AIM
- over 800 shares on NASDAQ
- over 2,800 shares on NYSE
- over 700 shares on AMEX.

If you're not sure whether you can transfer the shares held by your broker, you can send us the details in a secure e-message from your HSBC InvestDirect International account. We'll check if they can be transferred - and let you know as quickly as possible.

### How often is your online market information updated?

Our market information (share prices, charts and news) is delayed by no more than 20 minutes.

### What news can I get through HSBC InvestDirect International?

You get a live feed of world headlines and global company news. You can also search for news by company - and a range of other search categories.

### Will I get a fixed price quote on all my deals?

A fixed price quote is available for most UK shares, but only when the market is open. A fixed price quote may not be available for all orders, particularly large orders. If you want to buy or sell a large quantity of shares, you shouldn't split your order into a number of smaller orders so they can be executed with a fixed price quote. This practice is in breach of stock market conduct and may result in your executed orders being cancelled.

If we're unable to give you a fixed price quote, your quote will be labelled '@ best' with a message 'The price at which your order is executed may differ from the indication price'. The price you pay or receive for your shares will be based on the market price available at the time of the deal, and may differ from the '@ best' price you've been quoted.

### When I place an order to buy or sell shares, is the price I'm quoted guaranteed?

When you place an order to buy or sell UK shares, in most cases you'll see a fixed price quote on the order preview screen. A fixed price quote is only available for UK share orders when the market is open. It may not be available for all orders, particularly large orders. The fixed price quote system automatically compares share prices from a number of market makers to ensure that the fixed price quote offered to you is the best price available from any of these market makers for the size of your order at the time you're buying or selling your shares. The price will be shown with the label 'fixed price quote' along with a countdown giving you 15 seconds to confirm your order.

Fixed price quotes are not guaranteed. This is because the prices are sourced from third party market makers who may withdraw the price - for example, if there has been market volatility in the 15-second countdown. However, in most cases you'll receive the price you accepted when you confirmed your order. If your fixed price quote is withdrawn, we'll contact you as soon as possible.

### Are there any charges?

Yes. Standard trading taxes and levies also apply to trades and there is a charge for transferring stock out of your account.

### Charges for deals placed online

UK equities: £14.95 flat fee

Euro-denominated shares: €21.95 flat fee

US shares: \$24.95 flat fee

### Charges for deals placed by phone

UK equities: £19.95 flat fee

Euro-denominated shares: €41.95 flat fee

US shares: \$29.95 flat fee for orders up to 1,000 shares, \$0.03 per share for orders above 1,000 shares

We don't charge you to transfer any shares held by your broker to your HSBC InvestDirect International account. But there's a charge for transferring shares out of your account. Standard trading taxes and levies also apply to trades.

### Trading taxes and levies

Stamp duty on UK equity purchases: 0.5%. (From April 2014 purchases of stocks listed on AIM and purchases of UK ETF units will be exempt from Stamp Duty Reserve Tax).

Stamp duty on Irish equity purchases: 1%

PTM Levy on UK equity trades over £10,000: £1.00 per trade

PTM Levy on Irish equity trades over €12,500: €1.25 per trade

SEC Levy on US equity sales 0.00221% of US trade value

French Financial Transaction tax: 0.2%

Italian Financial Transaction tax: 0.1%

### Other charges

Transfer securities to another broker/share certificate in your name	£15 per line of stock
Duplicate tax certificate, statement or valuation	£15 + VAT
Duplicate contract note	£10 + VAT per trade

**Please note: Fees are subject to change at our discretion. You will receive a 30-day notice if any of the fees are increased or if a new fee is introduced.**

### Will using funds from an offshore bank account to settle my HSBC InvestDirect International trades create a UK taxable remittance?

If you're a UK resident and non domiciled for UK tax purposes, using money from your HSBC Expat Bank Account (or any other money you hold offshore) to settle trades through your HSBC InvestDirect International account may create a UK taxable remittance. If you're not sure if our sharedealing service is right for you, we recommend you get independent tax advice.

### Are UK dividends subject to UK withholding tax?

No. UK dividends aren't subject to UK withholding tax.

### Can I reclaim tax that has been deducted from my non-UK dividends?

Your eligibility to reclaim tax deducted from your dividends will depend on the terms of any tax treaty between the country where the tax was deducted and the country where you live. There's a wide range of tax treaties, so we can't give specific advice on this. We recommend you speak to a tax adviser for further advice.

### I'm not resident (or ordinarily resident) in the UK. Will I be liable for any UK tax?

In most circumstances, you won't be liable for UK tax on the income and gains from any shares you hold. This is a very complex area, and your UK tax liability is determined by your place of residence and your place of domicile. If you're in any doubt about your tax obligations, we recommend you get professional advice - or read the HM Revenue & Customs guidance leaflet [HMRC6](#).

### Where can I find details of tax credits on my dividends and tax deducted from my dividends?

Following the end of each tax year, we'll send you a tax certificate with details of all the dividends you've received during that tax year. Your certificate will also show the tax credits associated with UK dividends, and any overseas tax deducted from non-UK dividends. UK tax residents will receive a tax certificate for the year ending 5 April. All our other clients will receive a tax certificate for the year ending 31 December.

### I'm resident and ordinarily resident in the UK, but I'm not domiciled in the UK. Can I leave my income offshore?

The HSBC InvestDirect International service is based in the UK - so all dividends are automatically treated as remitted to the UK.

### **Is the HSBC InvestDirect International service able to provide me with tax advice?**

No. HSBC InvestDirect International is an execution only service - so we can't give you tax advice. If you're in any doubt about your tax obligations, we recommend you talk to a professional tax adviser.

### **What dividend income reporting is applicable for people from the US?**

The US Internal Revenue Service asks us to report all the dividend income we pay to clients from the US. We submit a report each calendar year - and send a copy to our clients. The report is made on form 1099 DIV.

### **What is withholding tax?**

Before dividend payments are made, they're often subject to a tax deduction. These are known as withholding taxes. There's no withholding tax on UK dividends. Where a reduced rate of withholding tax is available to whole classes of client, this will be claimed by HSBC InvestDirect International and reflected in the dividend payment made to our clients. Where specific conditions have to be met for individual clients, tax will be deducted at the standard rate, but a client may be able to reclaim some or all of the tax through their own tax authority.

### **What should I do if I change my country of tax residency?**

Your tax residency determines the rate of US withholding tax you have to pay. It also determines whether you can use our HSBC InvestDirect International sharedealing service. So you should notify HSBC InvestDirect International immediately if your country of tax residency changes.

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If you need help, the HSBC InvestDirect International customer services team is available from 7.30am to 9.30pm, Monday to Friday, and from 10am to 4pm on Saturday. (We're closed on Sunday.) Please note that all times are Greenwich Mean Time (GMT).

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### **What tax treaties will affect me?**

The tax treaties that affect your tax liability will be those between your country of tax residency and the country where your income originates.

### **Who is the IRS?**

The IRS is the Internal Revenue Service of the United States Treasury. They impose certain obligations on us to report the income of clients from the US.

### **Will details of my income be sent to any tax authorities?**

We have to report certain information for certain clients. For example, for clients from the US we have to report all dividends paid on US shares to the Internal Revenue Service.

### **Will HSBC Expat claim the benefit of double tax treaties for me?**

We'll only claim the benefit of a double tax treaty where US dividends are concerned. You'll have to make all other claims for relief from withholding taxes yourself.

### **Will using funds from an offshore bank account to settle my InvestDirect trades create a UK taxable remittance?**

If you're a UK resident and non domiciled for UK tax purposes, using money from your HSBC Expat Bank Account (or any other money you hold offshore) to settle trades through InvestDirect International may create a UK taxable remittance.

If you're not sure if our sharedealing service is right for you, we recommend you get independent tax advice.

HSBC Expat is a division of HSBC Bank plc, Jersey: HSBC House, Esplanade, St. Helier, Jersey, JE1 1HS.

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