

# Account Rules

As an accountholder with HSBC, you benefit from a wide number of services, each designed to make it easier to operate your account. With a range of transactions and many special features to enjoy, you will find banking with HSBC a pleasant experience. Please read on to learn more about how you can maximize the advantages of holding an account with HSBC.

## Current Account

### OPENING AN ACCOUNT

Current accounts can be opened by Sole Proprietorship concerns, HUFs, Partnership Firms, Private/Public Limited Companies, Associations, Clubs, Societies, Trusts or other institutions, upon being introduced in a manner satisfactory to the Bank. The accountholder can also authorise a person to operate an account on his/her/their behalf by providing a Power of Attorney. In line with Reserve Bank of India requirements, passport size photographs of all Accountholder's authorised signatory(ies) will have to be submitted to the Bank along with other documentation for opening a new account (as defined in the Account Opening Form).

### WITHDRAWALS

Cash withdrawals should only be made on the printed cheque forms supplied by the Bank or through Automated Teller Machines (ATMs). The Bank reserves the right to apply a service charge based on the number of transactions made during the month as per the applicable tariff. The account should not be overdrawn nor should cheques be drawn against funds in course of realisation unless special arrangements have been made with the Bank.

### INTEREST

Deposits in the account do not attract any interest. Accountholder will repay to the Bank on demand and unconditionally the amounts of overdrafts which the Bank may grant from time to time in the account, together with interest accrued thereon. This should not be construed as an agreement, either expressed or implied, that the Bank is bound to grant any overdraft facility whatsoever. For overdrawn accounts, interest is charged at prevailing interest rates on daily outstanding. In the absence of any special arrangement, the Bank is not required to honour any cheques drawn by the Accountholder if in doing so the account would become overdrawn and in this circumstance the Bank reserves the right to debit the account with the charge for each returned cheque.

### DEPOSITS

The initial minimum deposit to open an account is as per the Bank's prevailing tariff. Average minimum balance as per our current tariff should always be maintained, failing which a service charge will be levied. The Bank reserves the right to close at any time any account in which the minimum balance is not maintained, without further notification to the Accountholder.

Cheques, dividend warrants and other instruments in the name of Accountholder will be collected but those in favour of payees other than the Accountholder will not be accepted for collection.

#### CLOSURE OF ACCOUNTS

1. When an account is closed either by the Accountholder or by the Bank, the Accountholder is required to return the ATM Debit Card and all the unused cheques to the Bank.
2. A charge as per our current tariff will be recovered from the Accountholder who closes an account before the expiry of the specified number of months from the date of opening the account.
3. A Board Resolution is to be submitted for closure of a Company account.
4. In the event of frequent cheque returns, the Bank reserves the right to close the account.
5. All Partners of a partnership firm are required to sign for closure of a Partnership account.
6. If there is no transaction (debit/credit) in the account within a period of 3 months from the date of account activation the Bank reserves the right to close the account, without any prior notice to the customer.

#### Term Deposit Accounts (also referred to as Fixed Deposit)

1. The Bank accepts deposits for fixed periods. Details about various periods, current rates of interests and minimum deposits are available upon request.
2. Deposits established with the proceeds of cheques will be value dated after clearance.
3. The rate of interest payable is subject to the directive that may be issued by the Reserve Bank of India from time to time.
4. The Fixed Deposits will be renewed automatically on maturity unless any specific instruction is received from the Accountholder.
5. In case of cumulative Fixed Deposits, the interest is compounded quarterly at the prescribed rate and is paid to the Accountholder along with the principal at the end of the term.
6. Withdrawal and Renewal of Term Deposits
  - (a) At the request of the Customer, the Bank may at its discretion repay a Term Deposit before the due date subject to the following:
    - (i) Interest will be paid for the period that the Term Deposit was held, at the rate prevailing on the date of placement for such period, subject to the deduction of a 1 % penalty or such other penalty as determined by the Bank, from time to time, as per its policy. No interest will be payable in case of withdrawal of the Term Deposit prior to the minimum deposit tenure prescribed for each type of Term Deposit. In case of foreign currency Term Deposits, where no interest is payable on account of withdrawal prior to the minimum deposit tenure, the Bank may, at its sole discretion, levy a penalty to cover the swap cost, as permitted under extant regulations.
  - (b) Term Deposits which fall due on a day which is not a Business Day shall become payable on the Business Day immediately after the non business Day.
  - (c) All placement, renewals and withdrawals of Term Deposits are accepted subject to the Business days and hours set by the Bank from time to time.

- (d) Any Instructions regarding disposal of funds at maturity and any amendments thereto must be given at least one Business Day prior to the date of maturity by such means as may be acceptable to the Bank.
- (e) Where automatic renewal Instructions are given for Term Deposits, the rate applied will be the rate prevailing on the due date at such time as the Bank at its sole discretion decides.
- (f) If no maturity disposal Instructions are received by the due date, the Term Deposits will be renewed automatically on maturity for the same duration as the maturing Term Deposit. In case of cumulative Term Deposits, the accumulated interest will be added to the Principal and renewed along with the Principal, subject to extant regulations in this regard.

### Cheque Books

1. An application for a cheque book on a current account must be made on the Bank's requisition slip, duly signed by the Accountholder or via Business Internet Banking/ Business Phone Banking/ HSBC ATM or via any other mode that may be prescribed by the Bank, at its sole discretion, from time to time. All cheque books issued by the Bank should be kept in a secure place at all times.
2. The Bank reserves the right to refuse issue of cheque books on accounts which are not maintained satisfactorily and also when an excessive number of cheques from the previous cheque book remain unused. In the event of dishonour of a cheque valuing Rupees one crore and above drawn on a particular account of the drawer on four occasions during the financial year for want of sufficient funds in the account, no fresh cheque book would be issued.
3. The attention of customers is particularly drawn to the conditions subject to which cheque books are currently issued as printed on the inside of the back cover of the cheque book.
4. All alterations on a cheque should be authenticated by the drawer's full signature, otherwise payment of the cheque will be refused.
5. The cheque will be returned unpaid if the drawer's signature differs from that on record at the Bank. The same style and mode of signature as per specimen given to the Bank must be adhered to.
6. Cheque books will either be available at our counters or delivered directly to the customer.
7. A charge as per our current tariff may be recovered for issuance of Cheque books/leaves.
8. A charge as per our current tariff will be recovered for recording stop payments.
9. Customers cannot print cheque books or other payment instruments without written approval from the Bank.

### Cheque Deposit Boxes (CDBs)

In this section, "item" or "items" include cheques, warrants, payment warrants, and all other payment instruments whatsoever.

1. The items deposited in any CDB will be sent by the Bank for clearing within the period as indicated on the box but not later than 2 days.
2. The Bank has appointed a service provider for collecting the items from the CDBs. The service provider shall collect the items from the CDBs and hand over the same to the Bank. The Bank will be responsible for the items upon receipt of the same from the service provider.

3. The Bank will not be held responsible for any loss and/or damage to items dropped in the CDBs. If these boxes are damaged, opened or tampered with by unauthorised persons, or if any items or the Boxes are damaged as a result of force majeure, including without limitation, any Act of God, strikes, lockouts, closures, riots, civil commotion, law, rule, regulation, embargo, moratorium, exchange restriction, unforeseen declaration of a public holiday, or any other cause of the like nature beyond the reasonable control of the Bank.
4. The CDBs shall not be used for dropping cash and/or post-dated cheques. The Bank will not be responsible for such post-dated cheques and/or cash deposits.

## Banking Hours

Banking Hours are subject to change by the Bank from time to time. All transactions, including transactions such as deposits, withdrawals, transfers, instrument purchases sought on any working day after the cut-off time that may be specified by the Bank from time to time, upto which such transactions can be effected by the Bank, shall be processed on the following business day irrespective of the banking hours of the branch.

All such cut-off times may, at the sole discretion of the Bank, be altered or specified in any statement of account or in any other communication or posted on the Bank's website. The Bank shall not be responsible for any losses including loss of interest, or for any liability incurred/suffered by the customer due to stipulation of such cut-off times.

## General

1. The Hongkong and Shanghai Banking Corporation Limited's principal place of business is the Hong Kong SAR.
2. The Bank reserves the right to close any account without assigning any reason.
3. For large withdrawals (as defined by the branch of withdrawal from time to time) advance notice should be given at the branch.
5. The Bank reserves the right not to disclose account information to the customer over the telephone.
6. Current accounts which have not been operated for a period of two years and over will be classified as 'unclaimed' and will be levied a charge as per our current tariff. Accountholder will have to call in person with suitable identification to reactivate the accounts/close the account if it is not required
7. a. Succession to the amount lying to the credit of the account and/or operation thereof on the death of the person authorised to operate upon the account shall be in accordance with the rules for the purpose prescribed by the Bank from time to time and effective at the date of the claim.  
  
b. Nomination facility is available for all Sole Proprietor concern as per the Nomination rules framed under the relevant Act. Accountholder is advised to make use of this facility in their own interest.
8. Charges for statements of accounts will be dependent on the required frequency and will be as per our current tariff. If statements are to be held at the branch for collection a charge will be levied as per our current tariff. The statement will not be generated if no transactions are effected during the stipulated period of the statement cycle.  
  
8. a All customers will, by default, be provided with only e-statements (electronic form) at monthly rests, which can be viewed vide Business Internet Banking.. Customers, however, may request for physical (paper) statement via Business Phone Banking service/instructions at the branch.

8. a.1 All Business Internet Banking (BIB) Primary users will get consolidated e-statements of all accounts under their customer ID (as defined in point 14 below).
8. a.2 All BIB Secondary users will get account wise e-statements for accounts for which they hold authority to access on BIB
8. b The Accountholder is deemed to have received each statement of account for the preceding month, either on actual receipt of the statement of account or 10 days after the dispatch of the statement of account by the Bank, whichever is earlier.
8. c Upon receipt of each statement of account and in any event no more than 90 (ninety) days from the period mentioned above, the Accountholder agrees to immediately notify the Bank in writing of any errors, omissions, irregularities, including any fraudulent or unauthorized transactions or any other objections the Accountholder has to that statement of account. If the Accountholder fails to notify the Bank within 90 (ninety) days, the statement of account and all entries therein, will be conclusive evidence of the correctness of the contents and binding upon the Accountholder and/or any person claiming under or through such Accountholder without the requirement for any further proof and the Bank will be released from all liability for any transaction (including all charges, damages and losses of any kind whatsoever, taxes, levies, fines, fees or penalties suffered and/or incurred) occurring up to the date of the most recent statement of account except for transactions the Accountholder gave notice of in accordance with this section.
9. Customers may opt for electronic statements instead of paper statements. Upon opting for an electronic statement, the issue of paper statements shall be discontinued. The above conditions (clauses 8.a.1 , 8.a.2 and 8.b) will be applicable to such customers
10. Duplicate statements of past transactions are issued against payment of charges as per our current tariff.
11. Accounts upon which an attachment order or other legal notice prohibiting operation of the accounts has been received will be ruled off and no further operation will be allowed till such time as the prohibition order is removed.
12. Customer transactions will be entertained during normal banking hours as may be in force from time to time.
13. Accountholder and/or the authorized representatives should notify the Bank of any change in address of the Accountholder or authorized representatives.
14. The Bank allocates a unique customer number to each customer called as Customer ID (identification) number and the customers are requested to quote this number for every additional account opened with any branch of HSBC.
15. The Bank may without notice combine or consolidate account(s) with and liabilities to the Bank and set-off or transfer any sum(s) standing to the credit of such account(s) or any other sum(s) owed to the customer by the Bank in or towards satisfaction of the customer's liabilities to the Bank on any other respect whether such liabilities be actual or contingent, primary or collateral and several or joint.
16. The Bank reserves the right to debit the Accountholder's savings/current account for the value of any Foreign Currency Cheque/s (FCY) sent through us for collection and collected by us either under the Cash Letter Service or as a direct collection item to the drawee bank, because of the cheque/s being returned unpaid (for any reasons whatsoever) by the drawee bank at a date later than us passing the credit to your account.
17. The Bank reserves the right to amend the current tariff without any notice.
18. The Bank and other members of the HSBC Group\* are required to act in accordance with the laws, regulations and requests of public and regulatory authorities operating in various jurisdictions which relate to, amongst other things, the prevention of money laundering, terrorist financing and the provision of financial and other services to any persons or entities which may be subject to sanctions. The Bank may take, and may instruct (or be instructed by) any other member

of the HSBC Group to take, any action which it or such other member, in its sole and absolute discretion, considers appropriate to take in accordance with all such laws, regulations and requests. Such action may include but is not limited to: the interception and investigation of any payment messages and other information or communications sent to or by the account holder or on the account holder's behalf via the systems of the Bank or any other member of the HSBC Group; and making further enquiries as to whether a name which might refer to a sanctioned person or entity actually refers to that person or entity. Neither the Bank nor any member of the HSBC Group will be liable for loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any party arising out of:

(i) any delay or failure by the Bank or any member of the HSBC Group in processing any such payment messages or other information or communications, or in performing any of its duties or other obligations in connection with any accounts or the provision of any services to the account holder, caused in whole or in part by any steps which the Bank or such other member, in its sole and absolute discretion, considers appropriate to take in accordance with all such laws, regulations and requests; or

(ii) the exercise of any of the Bank's rights under this clause. In certain circumstances, the action which the Bank may take may prevent or cause a delay in the processing of certain information. Therefore, neither the Bank nor any member of the HSBC Group warrants that any information on the Bank's systems relating to any payment messages or other information and communications which are the subject of any action taken pursuant to this clause is accurate, current or up-to-date at the time it is accessed, whilst such action is being taken

19. The Bank remains entitled to assign any activities to any third party agency at its sole discretion.

20. All deposits placed with the bank in India are covered under the insurance scheme offered by Deposit Insurance and Credit Guarantee Corporation of India (DICGC) subject to certain terms and conditions. The insurance covers all deposits such as savings, fixed, current, recurring etc; except the following type of deposits"

- (i) Deposits of foreign Governments;
- (ii) Deposits of Central/State Governments;
- (iii) Inter-bank deposits;
- (iv) Deposits of the State Land Development Banks with the State cooperative bank;
- (v) Any amount due on account of and deposit received outside India
- (vi) Any amount, which has been specifically exempted by the corporation with the previous approval of Reserve Bank of India

Each depositor is insured upto a maximum of Rs.1,00,000 (Rupees One Lakh) for both principal and interest amount held by the depositor in the same right and same capacity as on the date of liquidation/cancellation of bank's licence or the date on which the scheme of amalgamation/merger/reconstruction comes into force.

\* HSBC Group means HSBC Holdings plc, its subsidiaries, associated and affiliated companies.

## Cheques Payable at Par

1. The cheques will be payable at our all branches located in India.
2. The facility will be available three working days after receipt of specimen signature(s) of the Accuntholder's authorised signatory(ies) by the Bank.
3. Adequate sets of specimen signature(s) as required by the Bank will be provided by the Accountholder.
4. Any changes in the authorised signatory(ies) to the Account should be intimated to the Bank without any loss of time. Any changes including revoking of authority would be effective only after three days from the date of intimation of change to the Bank. The Bank will not be liable if a cheque signed by an authorised official to the Account whose

authority has been revoked is paid by the Bank and/or if a cheque signed by a new authorized signatory is not honoured by the Bank during this three day period.

5. Any countermanding instructions such as stop payment instruction will be effective from the next working day after receipt of the same by the Bank. The Bank will not be liable if any cheques are paid before these instructions have been made effective.
6. A charge may be levied as per our current tariff.
7. Customers are also advised that inline with the Reserve Bank of India guidelines they should not use payable at par cheques facility for making money/profit by conducting commission agency business or otherwise.

### No Bounce Cheque Protection

1. The No Bounce Cheque Protection facility is an overdraft facility allowed against a Fixed Deposit on a current account up to a maximum aggregate debit balance as laid down in our current tariff, under which the Bank shall honour cheques on the Accountholder's current account upto the value of the pledged Fixed Deposit, even when there is insufficient balance in that account.
2. The Account on which the facility is provided must be funded with the actual amount of outstanding together with the applicable interest within 7 days after availing of the facility.
3. The Bank would be free to change the Terms & Conditions of this facility including the rate of interest and other charges at its discretion. The Bank is also entitled to stop the facility without assigning any reason.

### Business Doorstep Banking

1. Business Doorstep Banking is provided through couriers/messengers and security staff who are not employees of the Bank.
2. The facilities available under the Business Doorstep Banking service are the delivery and pick up of cash, cheques and drafts, and other negotiable instruments.
3. Only cash or cheque pick up instructions can be relayed by telephone. Deliveries of cash, cheques and drafts will only be undertaken after receipt of instruction(s) through such mode(s) as may be specified by the Bank
4. The Business Doorstep Banking service will be effected only at the address recorded with the Bank.
5. The tariff for Business Doorstep Banking is subject to change from time to time at the discretion of the Bank. If you sign up for a regular service, then charges as per our prevailing tariff will be payable by you irrespective of whether a delivery or pick-up was effected on any of the appointed days, to which you requested.
6. The amount of cash that can be picked up or delivered will be subject to prevailing minimum and maximum limits set by the Bank, from time to time.
7. The Bank reserves the right to refuse applications for or discontinue the use of Business Doorstep Banking with respect to any one or more than one facility or to any customer, at any time without assigning any reason.
9. Business Doorstep Banking is available only within the Municipal limits of the city in which the service may be offered. The list of cities in which this service is offered may be enhanced/ revised from time to time and is subject to change at the sole discretion of the Bank.

10. The Bank will use its best efforts to process all requests received up to a "cutoff time" on any day (excluding Saturdays, Sundays and holidays). Requests received after the cut-off time will be processed on the following working day. The Bank reserves the right to change this schedule from time to time and between cities without prior notice.
11. In case of request for delivery service, your account will be debited if there is sufficient balance in your account to cover the transaction. Thereafter cash/pay orders/drafts will be despatched to you through courier. The Bank will not be responsible or liable if such requests made to the Bank are not genuine and/or not made by the Customer/a person authorised by the Customer to manage the account. However if the Bank has any doubts regarding such requests, the Bank will not be obliged to process such requests and shall not be liable for any consequences thereof.
12. If you or your representative is not available or your office is closed when the courier visits your office for a pick up or delivery, then the courier is not obliged to wait longer than ten minutes. Please note that in such cases the reversal of any transaction debited to your account will be done any time subsequent to such visit but in any event before the end of the following working day.
13. All cash deliveries will be made in denominations of Rs.50, Rs.100, Rs.500 and Rs.1,000 (depending on availability) and only these denominations will be accepted for cash pick ups. The Bank reserves the right to change the denominations that will be delivered/accepted, from time to time, without prior notice.
14. Counterfeit notes will not be accepted for deposit. The determination whether the notes are counterfeit may be made by the courier or the Bank (as and when the same are received by the Bank) and such determination shall be final and binding on the Customer.
15. Any shortfall/excess of cash will be adjusted before crediting the Customer's account. In case of shortage, the bundle of notes will be returned to you by a courier without breaking the seal, if any, for your scrutiny.
16. Drafts/cheques in favour of third parties will not be accepted for collection/ credit. The cheques that are to be picked up should be accompanied by pay in slips properly completed with all details. In case of any discrepancy the Bank will not be obliged to process the same.
17. The Bank will not be liable for any misuse of the Customer's seal/stamp or security code card booklet given to it.
18. In case of a cash service, you will have to provide the courier/messenger or security staff, a secure place to process the cash.
19. The Bank reserves the right to change the operating procedures and any of the Terms and Conditions of the facility at its discretion without assigning any reason.
20. The Business Doorstep Banking service is provided as a convenience by the Bank to its Customers only and the Bank shall not be responsible or liable for any harm, loss, consequential loss suffered and or incurred by the customer due to availing the Business Doorstep Banking Service including but not limited to delay and/or non-availability of any of the facilities thereof for whatever reasons.
21. The details for regular service and on request service are given in the service guide, which forms an integral part of these Terms and Conditions.

## Business Phonebanking

For details on the Terms and Conditions for Business Phone Banking kindly refer to the Business Phone Banking Terms and Conditions as available on [www.hsbc.co.in](http://www.hsbc.co.in).

### Business Internet Banking

For details on the Terms and Conditions for Business Internet Banking kindly refer to the Business Internet Banking Terms and Conditions as available on [www.hsbc.co.in](http://www.hsbc.co.in).

### Mobile Alerts for Businesses

For details on the Terms and Conditions for Mobile Alerts for Businesses kindly refer to Mobile Alerts Terms and Conditions as available on [www.hsbc.co.in](http://www.hsbc.co.in).

### Business Direct Debit Card

For details on the Terms and Conditions for Business Direct Debit card kindly refer to Business Direct Debit card User Guide and Terms & Conditions as available on [www.hsbc.co.in](http://www.hsbc.co.in).

### Cluster Deposit

The Fixed Deposit(s), to be created under this scheme, shall be in units of INR 0.01 each and they will be prepaid to honour any cheques drawn or instructions given, in writing or electronically, on Current or Savings account by the exact deficit amount required after utilising the credit balance or approved overdraft limit, as the case may be. However if the aggregate within any single Fixed Deposit Advice falls below 100,000 units (or as prescribed by the Bank from time to time), then the related Fixed Deposit(s) will automatically be prepaid or the facility discontinued or both, without any specific instructions or intimation to the depositor.