

SmartMoney International Account (SIA) facility

Most Important Terms and Conditions

Features

The SmartMoney International Account facility (hereinafter referred as 'Facility') is a combination of a savings account and fixed deposit(s), which enables an existing account holder of The Hongkong and Shanghai Banking Corporation Limited, India (hereinafter referred as 'Bank') who is desirous of availing of the facility provided by the Bank (hereinafter referred to as 'Borrower') to enjoy the higher returns of a fixed deposit and yet retain the liquidity and flexibility to meet the borrower's needs.

The fixed deposit placed under SmartMoney International Account facility, earns the fixed deposit interest rate applicable as on the placement date.

Overdraft facility

The borrower can withdraw upto:

- 90% of the total amount in the borrower's NRE fixed deposits, linked to the facility and renewals thereof, with the Bank
- 90% of the Rupee equivalent of the FCNR fixed deposits, subject to usual margin requirements as defined in Para 9(2) of Schedule - 2 of Foreign Exchange Management (Deposit) Regulations, 2000, linked to the facility and renewals thereof, with the Bank
- 90% of the NRO fixed deposits, linked to the facility and renewals thereof with the Bank

Overdraft limit on FCNR deposit under SmartMoney International Account facility, is subject to change on account of daily exchange rate fluctuation.

Overdraft interest is payable towards the overdrawn amount in the facility, while the linked fixed deposit(s) continues to earn interest at the rate applicable from the placement/renewal date. The linked fixed deposit(s) will be charged in favour of the Bank and the Bank is authorised to exercise the right of set-off and lien on all such fixed deposits. In addition, towards recovery of dues or outstanding payable by the borrower under the facility, the Bank would have the authority to debit, without intimation, any amount lying in any of the accounts held by the borrower with the Bank.

Utilisation of the overdraft facility

The facility should be utilised for personal purposes or for carrying on business activities in India only. The facility should not be utilised for the purpose of carrying on agricultural/plantation activities or for investment in real estate business or for relending or for any other activity that is or may be prohibited, by the Reserve Bank of India.

Overdraft interest and charges

Interest on overdraft facility granted against NRE/NRO fixed deposits will be charged at the rate of 2% p.a. over the weighted* average of the interest rates applicable to the linked fixed deposits, subject to a maximum of the Bank's Prime Lending Rate, as may be declared by the Bank from time to time, plus applicable tax, if any.

Interest on overdraft facility granted against FCNR fixed deposits, will be subject to a maximum of the Bank's Prime Lending Rate, as may be declared by the Bank from time to time plus applicable tax, if any. The interest on the overdraft is calculated on the daily outstanding balance from the date of overdraft at the above specified interest rate, till such date that the overdraft inclusive of interest/charges is repaid. The overdraft interest accrued shall be debited to the bank account linked to the facility at the beginning of every calendar month.

If the value of the overdraft exceeds 90% of the linked deposit value, the overdraft interest will be calculated at the unauthorised overdraft rate on the overdraft value (beyond 90%), until such time that it is regularised within 90% of the linked deposit value. The unauthorised overdraft rates are displayed at the Bank's website: www.hsbc.co.in, under the category of 'Account Rules/Terms And Conditions – under section General'.

In case, the borrower terminates the facility and continues to maintain the linked savings/current account, the tariff (including average quarterly balance requirements) and other terms and conditions as applicable to a standalone savings/current account will apply.

*Illustration of weighted average:

If one fixed deposit (D1) is for ₹4,00,000 at 4% (R1) interest and one deposit (D2) for ₹1,00,000 at 6% (R2) interest rate, then the OD interest rate will be 6.4% (Weighted average** + 2%)

**Weighted average

$$= [D1 * R1\% + D2 * R2\%] / (D1 + D2)$$

$$= [(4,00,000 * 4\%) + (1,00,000 * 6\%)] / (4,00,000 + 1,00,000)$$

$$= 4.4\%$$

In case the borrower fails to service the interest payable on the use of this facility, the Bank may at its sole discretion, after providing the account holder 30 days notice at the last correspondence address updated with the Bank, will recall the said facility and adjust the monies in the fixed deposit account opened under this facility towards outstanding amount including interest thereon and/or any related charges.

Eligibility

A Non-Resident Indian of a minimum of 18 years of age can avail of the facility. The minimum fixed deposit value, that is eligible for the facility is as defined at the Bank's website, under the facility. An existing savings account can be converted into the facility, subject to the fulfillment of specific documentary requirements applicable to the facility.

Renewal/Closure/Conversion of facility into a regular savings bank account

In case the linked fixed deposit is to be withdrawn, the amount so withdrawn shall first be adjusted against the outstanding amount, including interest thereon and/or any related charges, in the linked savings account.

Premature withdrawal of NRE/FCNR-(B) deposits under the facility (if availed, on or after 12 October 2012) will not be allowed.

The existing facility against NRE/FCNR-(B) deposits, which are placed prior to 12 October 2012, shall continue for their existing term and shall not be rolled over / renewed.

In case of premature withdrawal of the fixed deposit, the overdraft interest rate that will be considered will be the weighted average of original contracted interest rates of the fixed deposits and not the fixed deposit interest rate at the time of such premature withdrawal. It will also be subject to other terms and conditions governing such premature encashment of fixed deposit.

The facility may be closed or converted to a regular savings bank account at any time, vide a written application to the Bank, duly signed by all the joint borrowers. The outstanding amount including charges/interest due on the overdraft facility will be recovered before the closure/conversion of the facility. Post closure of the facility, the terms and conditions as applicable to standalone savings account shall apply.

Other conditions

- In absence of a maturity instruction on a fixed deposit, which has been linked to avail of the facility, the Bank will have right to renew automatically the fixed deposit(s) on the maturity date, for an identical period at the prevailing interest rate, unless instructions to the contrary are received from the borrower prior to maturity. The renewal will be in accordance with the Reserve Bank of India regulations in force at the time of the renewal. The facility will also continue on renewal of the said fixed deposit unless informed otherwise by the borrower.
- On fixed deposit with maturity instruction with facility, the Bank will follow the maturity instruction stated by the borrower at the time of placing the fixed deposit and the facility will also continue on the said fixed deposit unless informed otherwise by the borrower.
- A fixed deposit (with facility availed of by the account holder at the time of placing the fixed deposit) with a maturity instruction of crediting the proceeds of fixed deposit to the linked savings/current account, the Bank will credit the proceeds of fixed deposit to linked savings/current account.
- The borrower understands that overdraft limit on FCNR deposit under SmartMoney International Account facility is subject to change on account of daily exchange rate fluctuation.
- The borrower(s) availing this facility is liable to comply with the Foreign Exchange Management Act of 1999, and the rules and regulations made thereunder and any amendments thereto.
- The Bank has the sole discretion to reject the request of the borrower for availing the facility or to discontinue the facility, if provided, at any point, without attributing any reasons thereof. The borrower understands that if the Bank wishes to discontinue with the SIA facility it will notify him/her through its website or through any recognised medium of communication giving a notice of 30 days.
- The borrower should read and understand the terms and conditions of the facility. The Bank shall have the sole discretion to modify the said terms and conditions and the borrower shall be bound by the terms and conditions and amendments governing the facility and any further amendments made by the Bank from time to time. (Copy of terms and conditions of the facility is available on www.hsbc.co.in). The borrower shall verify the Bank's website for modifications to the terms and conditions from time to time.

For information on account rules pertaining to the Bank's savings account / fixed deposits, service charges and fees, log on to www.hsbc.co.in

