

Terms and Conditions for Personal Loan

KEY THINGS YOU SHOULD KNOW

- The maximum loan amount that can be availed is ₹15 lakh. Select customers may be eligible for loans up to ₹30 lakh based on the internal credit policy of HSBC
- The Personal Loan is offered at a rate of interest which is fixed across the tenure of the loan. Terms on which the loan is offered are stated in the loan agreement
- Please read the loan agreement carefully and ensure that key terms such as interest rate, processing fees, prepayment charges are clearly stated before you sign the agreement
- You can prepay the Personal Loan as per the terms detailed in Schedule I of your Personal Loan agreement, by giving a written instruction to the Bank
- Refer to the 'Loan Service Charges and Fees' section on our website www.hsbc.co.in for service charges (including prepayment charges) applicable on your loan post disbursement
- Interest on your Personal Loan account accrues on a daily basis and is payable in Equated Monthly Instalment (EMI) on the due date
- You can pay your EMIs through National Automated Clearing House (NACH) or by setting up a Standing Instruction (SI) on your HSBC Bank Account
- You need to pay your EMI on the due date. Non-payment of EMI would impact, but will not be limited to:
 - Your credit rating (reporting to Credit Information Companies (CICs))
 - This will have an impact on other credit facilities availed of from HSBC
 - The Bank may initiate recovery proceedings to recover the dues
- Please visit Personal Loans section on our website www.hsbc.co.in for detailed terms and conditions
- HSBC will notify you of any changes in the terms and conditions of this product with prior notice of one month
- The applicant acknowledges the right of the Bank to provide details of his/her account to third party agencies for the purpose of availing of support services of any nature by the Bank. The Bank does not extend any kind of credit facilities to resident individuals to facilitate remittances under the liberalized remittance scheme (LRS). Therefore utilizing the disbursed loan amount towards facilitating remittances under LRS is prohibited.

FEES AND CHARGES

- The fees and charges for Personal Loan can be enquired through PhoneBanking/ contacting any of our branches
- For the applicable Personal Loan processing charges and foreclosure/partial prepayment charges, please refer to Schedule I of the loan agreement
- Personal Loan is at the sole discretion of The Hongkong and Shanghai Banking Corporation Limited, India (the Bank) and are available in the cities of Ahmedabad, Bangalore, Chandigarh, Chennai, Cochin, Coimbatore, Hyderabad, Jaipur, Kolkata, Mumbai, New Delhi, Pune and Vizag (only employees of HSBC Vizag) only and are subject to change from time to time. The loan amount and tenure depend on customer segment and are at the sole discretion of the Bank
- Cancellation of Personal Loan application should be conveyed to the Bank with a written communication
- Fees and charges, as may be applicable from time to time, are payable by the applicant for specific services provided or for defaults committed by the applicant with reference to his/her Personal Loan account
- Tariff structure is subject to change from time to time at the sole discretion of the Bank. Such changes, other than changes in the rate of finance charge, EMI (Equated Monthly Instalment) rates and those which are as a result of regulatory requirements will be made with prospective effect giving notice of at least one month
- Please note that basis Goods and Services Tax (GST) regulations and notified GST rates, Central GST and State/Union Territory GST or Inter-State GST, as applicable, would apply on our fees and charges with effect from 1 July 2017

INTEREST

- Applicant would be charged interest on the Personal Loan amount in EMI (Equated Monthly Instalment) at the rate as set out in the agreement
- Interest accrues on a daily basis and needs to be paid on dates set out in the agreement
Interest calculation example:

Note: Calculations for ₹2 lakh at an interest rate of 16% p.a. for 36 months.

EMI is ₹7,031 which consist of interest and principal components as mentioned below:

MONTH	OUTSTANDING BALANCE (₹)	EMI (₹)	INTEREST (₹)	PRINCIPAL (₹)
0	200,000	-	-	-
1 st	195,635	7,031	2,667	4,365
2 nd	191,212	7,031	2,608	4,423
3 rd	186,730	7,031	2,549	4,482

Note:

- Rate of interest shown is for illustration and actual interest rate charged to your account may vary
- As shown above, the EMI for ₹200,000 at 16.00% p.a. for 1 month is ₹7,031
- Monthly interest amount = (outstanding loan balance) x (rate of interest) x (no. of days in the month/365)
- Interest rates are subject to change at any point of time at the sole discretion of the Bank

DRAWDOWN OF THE PERSONAL LOAN

- The Personal Loan amount should be disbursed within 30 days from the date of sanction of the Personal Loan. The Personal Loan sanction may be kept open at the sole discretion of the Bank. The Bank may at its sole discretion cancel the drawdown of the Personal Loan at any point of time

REPAYMENT

- Personal Loan needs to be repaid in Equated Monthly Instalment (EMI). Bank would notify the applicant about the amount of the instalment and each instalment payment due date
- Instalment amount would comprise of principal and interest which are payable in Equated Monthly Instalment (EMI) as set out in the agreement
- Applicant would be required to pay any balance owing to the Personal Loan account (after payment of all instalments) on the final payment date as notified by the Bank
- Applicant would be required to pay the instalments, irrespective of whether he/she withdraws, or not, any of the Personal Loan funds as deposited by the Bank in the nominated account
- Bank will advise the applicant of the modes/manner in which to repay the instalments

For e.g., applicant may issue a Standing Instruction to debit his bank account for repayment or may give National Automated Clearing House (NACH) mandate for effecting repayment from a designated account.

- Applicant needs to ensure that the repayment instruction is honoured. Accordingly, applicant must ensure:
 - Sufficient funds in the designated account to be debited
 - Not issue stop payment instructions for any cheque issued towards EMI payment
 - Not cancel or vary any payment arrangement (unless required by the Bank)
 - Not close or change the account on which repayment instrument are drawn (unless he/she pays the applicable swap fees set out in the tariff sheet or elsewhere in the agreement)

DEFAULT

- If the applicant does not pay the instalment on or before the relevant due date; outstanding Personal Loan amount and all accrued interest would become immediately due and payable.
- In the event of default (i.e. if the minimum amount due is not paid by the payment due date or breach of any clause of the agreement), the applicant will be sent reminders from time to time for payment of any outstanding on his personal account, by post, fax, telephone, e-mail, SMS messaging and/or through third parties appointed for collection purposes to remind, follow-up and collect dues

PREPAYMENT

- Applicant can foreclose the Personal Loan as per terms detailed in Schedule I of the Personal Loan agreement, provided the applicant gives notice in writing and pays in accordance with the prepayment amount confirmation given by the Bank
- If prepayment is made by cheque, the prepayment takes effect only when the cheque is cleared

- You can partially prepay up to a maximum 20% of the original loan disbursed amount per year, across 2 transactions in a year. (the year in such a case will be a period of 12 months beginning from your loan disbursal date). Partial prepayment can be initiated only after 12 months of loan disbursal date.

Any payment would attract prepayment charge of 3.75% of the amount prepaid or as per terms detailed in your Personal Loan agreement

- In the event that an existing HSBC Personal Loan customer applies for a new top-up Personal Loan and the same is sanctioned by the Bank, the disbursed amount of the new Personal Loan, will be first utilised to close the existing Personal Loan and the balance amount will be disbursed to the applicant

DISCLOSURES

- The applicant acknowledges the right of the Bank to provide details of his/her account to third party agencies for the purpose of availing of support services of any nature by the Bank, without any specific consent or authorisation from him/her
- The applicant further acknowledges that the Bank is authorised to share information relating to the applicant, including information relating to any default committed by the applicant in discharge of his/her obligation, as HSBC India may deem appropriate and necessary, with any existing or future credit bureaus/credit reference agencies as determined by the Bank from time to time. Accordingly, the applicant herein expressly gives consent to disclose information to such credit bureaus/credit reference agencies. Such entities may further make available processed information or data or products thereof to banks/financial institutions and other credit grantors
- Bank also provides information relating to credit history/repayment record of the applicant to a credit information company (specifically authorised by the RBI), in terms of the Credit Information Companies (Regulation) Act, 2005
- For accounts where correspondence from the Bank is currently withheld due to non delivery of earlier correspondence, then the Bank will make attempts to contact the customer to update the correct address details. If the Bank is unable to establish contact with the customer, the operation of the account will be restricted by providing a prior notice of 30 days until the correct address is updated on the Bank's records with address proof, or until the customer confirms the current address on the Bank's records to be correct
- Please note that the Bank does not extend any kind of credit facilities to resident individuals to facilitate remittances under the liberalized remittance scheme (LRS). Therefore utilizing the disbursed loan amount towards facilitating remittances under the liberalized remittance scheme (LRS) is prohibited

TAX REPRESENTATION

- Individual accounts: You are responsible for fulfilling any obligation that you may have with respect to the filing of returns or other required documentation in respect of and the payment of all relevant taxes, including, without limitation, all income, capital gains, wealth and estate duties, stamp duties, Goods and Services Tax and any other applicable taxes. The creation and continued operation of your account and/or the acquisition, holding or disposal of investments or assets in such account, as well as any income, distributions or losses realised in relation to the operation of the account may expose you to tax consequences depending on a number of factors including, but not limited to, your applicable domicile, your place of residence, your citizenship or the type of assets you hold in your account. Certain countries may have tax legislation with extraterritorial effect regardless of your place of domicile, residence or citizenship. The Bank does not provide any legal or tax advice and you should seek legal and/or tax advice from an independent legal and/or tax adviser. You acknowledge and agree that the Bank has no liability in respect of any of your tax obligations and/or any legal and/or tax advice provided to you by third parties
- Non-Individual accounts: Customer (and each Connected Persons) is responsible for fulfilling its own obligations with respect to the filing of returns or other required documentation in respect of reporting and payment of all relevant taxes, including, without limitation, all income, capital gains, wealth and estate taxes. The creation and continued operation of the account and/or the acquisition, holding or disposal of investments or assets in such account, as well as any income, distributions or losses realised in relation to the operation of the account may expose you (or any Connected Person) to tax consequences depending on a number of factors including, but not limited to, applicable domicile, place of residence, citizenship, place of incorporation or the type of assets held in the account. Certain countries may have tax legislation with extraterritorial effect regardless of place of domicile, residence, citizenship or incorporation. The Bank does not provide any legal or tax advice and you (and each Connected Person) should seek legal and/or tax advice from an independent legal and/or tax adviser. You acknowledge and agree that the Bank has no liability in respect of any of your tax obligations (or those of any Connected Persons) and/or any legal and/or tax advice provided to you by third parties

SANCTION CLAUSE

- The Bank and other members of the HSBC Group are required to 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) and act in accordance with the laws, regulations and requests of public and regulatory authorities operating in various jurisdictions which relate to Financial Crime. 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 (a) screening, intercepting and investigating any instruction, communication, drawdown request, application for services, or any payment sent to or by you, or on your behalf, (b) investigating the source of or intended recipient of funds (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 person or entity, whether they are subject to a sanctions regime, or confirming your identity and status and (e) share information on a confidential basis with such HSBC Group offices, whether located in India or overseas in relation to prevention of Financial Crime
- Exceptionally, our Financial Crime Risk Management Activity may lead to us delaying, blocking or refusing the making or clearing of any payment, the processing of your instructions or application for services or the provision of all or part of the services. To the extent permissible by law, neither we nor any other member of HSBC Group shall be liable to you or any third party in respect of any loss (whether direct or consequential and including, without limitation, loss of profit or interest, 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

For the purpose of the present clause

- 'Compliance Obligations' means obligations of the HSBC Group to comply with: (a) laws or international guidance and internal policies or procedures, (b) any demand or request from authorities or reporting, disclosure or other obligations under laws, and (c) laws requiring us to verify the identity of our customers
- 'Financial Crime' includes money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, evasion of economic or trade sanctions, and/or any acts or attempts to circumvent or violate any laws relating to these matters

KNOW YOUR CUSTOMER/DUE DILIGENCE REQUIREMENT

- In line with the requirements of the Bank's policy, the Know Your Customer (KYC) documents along with other documentation need to be submitted at the time of opening a new account or as and when requested by the Bank. The Bank reserves a right to allow/restrict operations in a newly opened/existing accounts maintained with the Bank, if the customer is not able to satisfy the due diligence requirements in line with the Bank's policy

ACCOUNT RULES AND TERMS AND CONDITIONS

- The Bank reserves a right to block transactions/allow operations in a newly opened/existing accounts maintained with the Bank, if the account deliverables/welcome letter/welcome pack/bank correspondences not limited to account statements, etc., are returned undelivered and the Bank is unable to contact the accountholder at the address/contact number provided by them at the time of account opening/updated in bank records

Instructions/ Check list / Guidelines for filling Individual Application Form

Self-Certification of documents is mandatory.

The generation of KYC number/identifier will be performed by the Bank subject to availability of necessary technology.

Clarification / Guidelines on filling details for CRS purposes.

Reason A The country where I am liable to pay tax does not issue TINs to its residents.

Reason B The accountholder is otherwise unable to obtain a TIN or equivalent number. (Please explain why you are unable to obtain a TIN in the below table if you have selected this reason)

Reason C No TIN is required.

(Note: Only select this reason if the authorities of the country of tax residence entered in the table do not require the TIN to be disclosed)

Appendix – Definitions

Note: These are selected definitions provided to assist you with the completion of this form. Further details can be found within the Income Tax Rules, 1961 and OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (the CRS), the associated Commentary to the CRS, and domestic guidance. This can be found at the following link www.oecd.org/tax/automatic-exchange/. If you have any questions then please contact your tax adviser or domestic tax authority.

Tax identification Number (TIN): TIN (including functional equivalent) – The term TIN means Taxpayer Identification Number assigned to a person in the country or territory in which he is resident for tax purposes and includes a functional equivalent in case no such number is assigned. A TIN is a unique combination of letters or numbers assigned by a jurisdiction to an individual or an Entity and used to identify the individual or Entity for the purposes of administering the tax laws of such jurisdiction. Further details of acceptable TINs can be found at the following link: www.oecd.org/tax/automatic-exchange/.

Some jurisdictions do not issue a TIN. However, these jurisdictions often utilise some other high integrity number with an equivalent level of identification (a functional equivalent). Examples of that type of number include, for individuals, a social security/insurance number, citizen/personal identification/service code/number, and resident registration number, PAN (Permanent Account number) and resident registration number)

Accountholder – The term ‘accountholder’ means the person listed or identified as the holder of a Financial Account by the financial institution that maintains the account.

CKYCR – Central KYC Registry

Controlling Person – This is a natural person who exercises control over an entity and includes a beneficial owner as determined under sub-rule (3) of rule 9 of the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005.

In determining the beneficial owner, the procedure specified in the following circular as amended from time to time shall be applied, namely:

- (i) DBOD.AML.BC. No.71/14.01.001/2012-13, issued on 18 January 2013 by the Reserve Bank of India; or
- (ii) CIR/MIRSD/2/2013, issued on 24 January 2013 by the Securities and Exchange Board of India; or
- (iii) IRDA/SDD/GDL/CIR/019/02/2013, issued on 4 February 2013 by the Insurance Regulatory and Development Authority.

In the case of a trust, the controlling person means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, the said expression means the person in equivalent or similar position.

Where an entity accountholder is treated as a Passive Non-Financial Entity (NFE) then a Financial Institution must determine whether such Controlling Persons are Reportable Persons. If the account is maintained for an entity of which the individual is a Controlling Person, then the ‘Controlling Person tax residency self-certification’ form should be completed instead of this form.

Entity – The term ‘Entity’ means a legal person or a legal arrangement, such as a corporation, organisation, partnership, trust or foundation.

FATCA – Foreign Account Tax Compliance Act

Financial Account – A ‘Financial Account’ is an account maintained by a Financial Institution and includes: Depository Accounts; Custodial Accounts; Equity and Debt interest in certain Investment Entities; Cash Value Insurance Contracts; and Annuity Contracts.

Reportable Account – The term ‘Reportable Account’ means an account held by one or more Reportable Persons or by a Passive NFE with one or more Controlling Persons that is a Reportable Person (relevant extract for CRS).

Reportable Person

Reportable person means,

- (a) one or more persons other than,
 - (i) a corporation, the stock of which is regularly traded on one or more established securities markets;
 - (ii) any corporation that is a related entity of a corporation mentioned in item (i);
 - (iii) a Governmental entity;
 - (iv) an International organization;
 - (v) a Central bank; or
 - (vi) a financial institution,

that is a resident of any country or territory outside India (except the United States of America) under the tax laws of such country or territory or an estate of a decedent who was a resident of any country or territory outside India (except the United States of America) under the tax laws of such country or territory; (relevant extract for CRS).

Dual resident individuals may rely on the tiebreaker rules contained in tax conventions (if applicable) to solve cases of double residence for purposes of determining their residence for tax purposes.