

Tariff Plan for Wealth Management (WM) Services

This document is valid from 3 December 2013



HSBC India offers two types of tariff plans for WM Services:

1. Transaction pricing plan: In this plan, HSBC India levies a fee for 'Advisory'* transactions as per regulatory requirements, at the time of every transaction execution.

*'Advisory' transactions are those where the distributor (HSBC) offers advice while distributing the product, which is subject to the principle of 'Appropriateness'** of products for that customer category.

**Appropriateness is defined as selling of that product categorisation which has been identified as best suited for investors within a defined upper ceiling of the risk profile.

2. FundMax™ pricing plan: In this plan, HSBC India levies fee on the average daily value of your equity mutual fund investments held with HSBC India. The average daily value is ascertained by the NAV of the MF schemes declared by various Asset Management Companies (AMC).

Details of the three plans are explained below:

1) Plan: Transaction pricing

Effective: 3 December 2013

Value of mutual funds investments* (₹ Million)	Transaction fee as a percentage of mutual fund transaction amount (excluding taxes)	
	Category I@@	Category II@@
Up to 1	2.50%	0.25%
More than 1 and up to 2	2.25%	
More than 2 and up to 10	2.00%	
More than 10 and up to 20	1.75%	
More than 20 and up to 30	1.60%	
More than 30 and up to 50	1.50%	
More than 50	1.25%	

*As explained under point 3 of terms and conditions.

@@As explained below Table II.

SIP charge plans	SIP transaction fee as a percentage of mutual fund transaction amount (excluding taxes)	
	Category I@@	Category II @@
Plan 1	Charge rate as per slabs mentioned in table above. Recovered at the time of execution of each SIP transaction.	Charge rate as per rate mentioned in table above. Recovered at the time of execution of each SIP transaction.
Plan 2	Flat rate of 1% to be charged on the committed SIP amount. Fee will be recovered upfront for every 12-month period. Fee is recovered upfront and is non-refundable.**	Flat rate of 0.25% to be charged on the committed SIP amount. Fee will be recovered upfront for every 12-month period. Fee is recovered upfront and is non-refundable.**

**Please refer section on 'Systematic Investment Plans' given below for complete details.

@@As explained below.

Category I

- Category I pertains to mutual fund schemes which invest predominantly in equity and equity-related securities/instruments and structured schemes.

Category II

- Category II pertains to mutual fund schemes which invest in non-equity and non-liquid funds, such as Monthly Income Plans (MIP), short-term debt funds, long-term debt funds (that includes gilt, fund of fund and any other debt oriented non - liquid – non-equity schemes).

Switch transactions

No charges will be applicable for switch transactions between mutual fund schemes within the same asset class* of a mutual fund.

Mutual fund transaction charges shall apply as per Table 1 for switch transactions between the mutual fund schemes of different asset classes** of a mutual fund.

* (e.g. switch from an equity scheme to another equity scheme.)

** (e.g. switch from a debt scheme to an equity scheme.)

Systematic Investment Plans (SIP)

Plan 1

SIP transaction fee is recovered at the time of execution of each SIP transaction at the standard tariff rate (as shown in Table I).

Plan 2

SIP transaction fee is recovered upfront at a preferential rate (as shown in Table II) on the committed SIP transaction amount for every 12-month period. This means, in a year one SIP transaction fee will be recovered upfront in Month 1 (for the period month 1 to month 12) and similarly for the following years till the end of the SIP plan.

Fee recovered upfront will not be refunded, in case of premature cancellation, discontinuation of SIP plan or non-execution of SIP transactions due to insufficient funds. Please refer the terms and conditions for further details.

Example:

Mr. Kumar holds MF investments through the Bank. In January 201X, Mr. Kumar books a SIP of ₹10,000 per month in an equity fund for 36 months. His MF investment value through HSBC India during January 201X is ₹2,100,000.

Assumption: Mr. Kumar's MF investment value through HSBC India remains constant (₹2,100,000) during the entire tenure of the SIP plan.

SIP transaction fee under plan 1 and plan 2

SIP charge plan	Month	Description SIP transaction fee mentioned below is excluding taxes
Plan 1	Monthly fee for each SIP transaction during the entire tenure of the SIP plan	Fee = ₹10,000 X 2% (Standard tariff rate) = ₹200 This will be charged monthly for the entire SIP period, i.e. 36 months
Plan 2	Fee in Month 1 - for the period: month 1 to month 12	Fee = ₹120,000 X 1% (Preferential tariff rate) = ₹1,200 Cumulative SIP transaction amount for months 1 to 12 = ₹120,000
	Fee in month 13 – for the period: month 13 to month 24	Fee = ₹120,000 X 1% (Preferential tariff rate) = ₹1,200 Cumulative SIP transaction amount for months 13 to 24 = ₹120,000
	Fee in month 25 – for the period: month 25 to month 36	Fee = ₹120,000 X 1% (Preferential tariff rate) = ₹1,200 Cumulative SIP transaction amount for months 25 to 36 = ₹120,000

Terms and Conditions

1. The revised tariff plans are applicable from 3 December 2013.
2. The tariff plans shown here are applicable to all Retail Banking Wealth Management customers (hereinafter referred to as 'the Customer'), of The Hongkong and Shanghai Banking Corporation Limited, India (hereinafter referred to as 'HSBC India').
3. Mutual Fund (MF) investments for the purpose of determining relevant slab for applying fees includes equity, debt and liquid mutual fund holdings through the Bank. The value of MF investments will be determined on the basis of the Net Asset Value (NAV) of the mutual fund schemes declared by the various Asset Management Companies (AMC) from time to time and the same shall be binding on the Customers.
4. MF investments through HSBC India consists of MF investments purchased through HSBC India or transferred to HSBC India by the Customer.
5. Transaction fee will be applied on the transaction amount. For example, a Customer who has a mutual funds investment to the tune of ₹8 million and purchases additional mutual funds of ₹1 million in a scheme that belongs to Category I, will have to pay ₹20,000 (excluding taxes) towards transaction fee for that transaction.
6. Transaction fee by default will be applicable for all purchase, Systematic Investment Plan (SIP), Systematic Transfer Plan (STP) and switch-in transactions. SIPs/STPs registered on or after 1 August 2009 will also be charged as per the above mentioned revised tariff plan with effect from 3 December 2013.

7. The transaction fee charged by HSBC India is separate from the mutual fund scheme related charges applied by the AMC, please refer to the Key Information Memorandum/Scheme Information Document/Statement of Additional Information and addendums issued by the mutual fund for scheme related charges applied.
8. Customers have the option to change to an alternate tariff plan subject to the Bank's discretion. HSBC India may permit such changes on receipt of a duly completed Customer instruction form (in the Bank's prescribed format).
9. The applicable fees, charges and taxes will be debited from the Customer's savings or current account which has been designated by the Customer for recovery of the applicable fees, charges and taxes (designated account) for availing the Wealth Management (WM) services. The Customer should maintain the required balance in the said designated account. HSBC India reserves the right to first recover any previous outstanding charges prior to executing the investment transaction.
10. Fees or charges and taxes as applicable will be debited from the Customer's designated account from which the transaction is executed. A MF transaction instruction may not be executed, in case HSBC India is not able to recover the charges and taxes as applicable and the investment amount as required for the transaction, from the Customer's account with the Bank. HSBC India shall not be liable for any losses, damages, costs or expenses arising out of the resultant non - execution of transaction instruction.
11. Where the Customer opts for SIP charge plan 2, the tenure of the SIP would need to be in multiples of 12 months (i.e., SIP tenure can be 12 months/24 months/36 months and so on). The minimum tenure of the SIP being 12 months.
12. Where the customer opts for SIP charge plan 2, the SIP frequency available would be monthly, quarterly, half yearly or annual depending on the frequencies offered by the respective mutual funds for the said scheme.
13. Under SIP charge plan 2, where SIP transaction fee is recovered upfront, the fee will not be refunded in case of premature cancellation, discontinuation of the SIP or non-execution of SIP transactions due to insufficient funds.
14. The fees or the charges as shown above are exclusive of applicable taxes or any such statutory levies as applicable. 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. The GST and other statutory levies are subject to change from time to time as per the applicable statutory/regulatory guidelines and the same will be levied as per the extant laws/regulations.
15. Tax liability, if any shall be borne by the Customer.
16. The Bank will provide regular statements providing the details of the fees levied.
17. The Customer understands that the tariff plan applicable to him/her by default or opted by him/her as the case may be, will be based on the value of the mutual funds investments through HSBC India as per the explanation provided above.
18. The Customer agrees to pay HSBC India the fees or the charges and the taxes as applicable from time to time. Fees or charges and taxes as applicable will be directly debited by HSBC India from the Customer's account with HSBC India. This authority shall be in force, unless revoked specifically in writing and submitted at any of HSBC India's branches.
19. HSBC India reserves its absolute right to withdraw or alter any of the terms and conditions and the tariff plans at any point of time at its discretion. For any revision in our terms and conditions and where the fee/tariff is revised upwards, a clear 30 days' notice will be provided to you to give you the opportunity to make an informed decision on the WM services you are availing from HSBC India.
20. HSBC currently offers investment products from third party entities registered and regulated in India. Mutual fund investments are subject to market risks. HSBC India does not offer this service to citizens/residents of the United States of America, Canada, New Zealand and Australia or any other country whose laws prohibit the Customer from entering into any transaction. The WM services are available only in jurisdictions where they may be lawfully performed by HSBC India and are not intended for use by persons located in or resident in jurisdictions that restrict the distribution of such material by HSBC India. Customers availing of the WM services are required to inform themselves about and observe all relevant restrictions/regulations. HSBC India makes no representations that the products or services provided are available to persons residing outside India, or are necessarily suitable for any particular person or appropriate in accordance with any applicable local laws, rules or regulations. Among other things, this means that the disclosures provided may not conform to the rules of the regulatory bodies of any other country and investment in such products will not afford the protection offered by the local regulatory regime in any other country. The provision of WM services and/or mailing of investment holdings statements and/or provision of other information relating to the financial markets shall not be construed as an offer or solicitation to sell investments or securities in any country, including India where, or to any person to whom, it is unlawful to make such an invitation or solicitation.
21. Investments in mutual funds are subject to market risk and the Customer shall read the Statement of Additional Information (SAI)/Key Information Memorandum (KIM)/Scheme Information Document (SID) and addendums along with terms and conditions pertaining to WM services in detail before investing through HSBC India. HSBC India shall not be held responsible for any losses suffered by the Customer for his investments through HSBC India.
22. The Customer shall contact his/her HSBC Relationship Manager/branch for any updates or changes in tariffs/charges/ terms and conditions, before effecting any transaction. For any further updates, please refer to HSBC India's website www.hsbc.co.in for any changes in tariffs/charges and updated terms and conditions
23. Any disputes arising out of the investments shall be subject to the exclusive jurisdiction of courts in Mumbai only.

The existence of any dispute shall not, by itself, constitute any claim against HSBC India.

2) Plan: FundMax™ pricing

Effective: 30 January 2012

Mutual fund investments* (₹ Million)	FundMax™ fee rate (per month) excluding taxes
<1	0.25%
> or equal to 1	0.20%

Mutual Fund (MF) investments for the purpose of determining relevant slab for applying fees includes equity, debt and liquid mutual fund holdings through HSBC India. The value of MF investments will be determined on the basis of the Net Asset Value (NAV) of the mutual fund schemes declared by the various Asset Management Companies (AMC) from time to time and the same shall be binding on the Customers.

*No transaction charge in case of switches between equity schemes of an AMC.

- A monthly fee will be charged on the average daily value of the Customer's equity mutual fund investment through HSBC India subject to a minimum monthly fee of ₹250
- A one time joining fee of ₹2,500 will be charged
- In case of redemption or exit of your equity mutual fund investment before 1 year, exit fees are applicable

Terms and Conditions

To be read in conjunction with the terms and conditions applicable for availing of Wealth Management (WM) services offered by HSBC India. Please visit www.hsbc.co.in for details.

FundMax™ Fee

1. The FundMax™ fees will be calculated on the Customer's average daily value of equity MF investments through HSBC India and at the fee rate corresponding to the Customer's overall mutual fund investments through HSBC India (as explained in point 2). For example, for a Customer having a MF investment of ₹1.1 million through HSBC India, with an equity investment of ₹0.5 million, the FundMax™ fees will be calculated as per below:
 - a. ₹500,000 X (Applicable fee rate - refer table given above x 12) X 30/365.
2. The FundMax™ fee will be calculated at the end of each month and collected in the first week of the next month.
3. Where the average daily value of the equity MF investments through HSBC India falls below ₹100,000 for any single charge period (i.e. one calendar month), a flat FundMax™ fee of ₹250 will be levied for that period.

Other charges[§] (as applicable)

4. Joining fee: For Customers opting for FundMax™ tariff plan, a flat joining fee of ₹2,500 will be applicable.
5. Exit/transfer fee: Where an equity or equity related investment is redeemed/switched*/transferred either through HSBC India or directly through the AMC within one year from the date of investment, an exit fee will be levied by HSBC India. Exit fee will be calculated on the prevailing NAV of the units being redeemed and will be charged for the number of days remaining to complete the one year period from the date of purchase. For example, if an investment is redeemed after the 7 months, an exit fee will be levied for the remaining 5 months at the fee rate corresponding to the Customer's overall mutual fund investments through HSBC India (as explained in point 2).
6. Switch out of FundMax™ (in case of change in tariff plan or termination of WM relationship with HSBC India): Any accrued monthly account fee not yet charged will be collected from the designated account, when all investment holdings have been redeemed or transferred. HSBC India shall also recover any exit fee (if applicable as explained above in point 5).
7. [§]The above charges applied by HSBC India are separate from mutual fund scheme related charges applied by the AMC. Please refer to the Statement of Additional Information (SAI)/Key Information Memorandum (KIM)/Scheme Information Document (SID) and addendums issued by the mutual funds for the mutual fund scheme related charges applied by the AMC.

3) Portfolio Advisory Services:

Presently there are no charges/fees applicable for availing Portfolio Advisory Services. Bank shall obtain consent from the customer as per the terms of the Investment Services Agreement prior to any revision in the charges/ fees.

General

8. FundMax™ tariff plan is available to all Retail Banking Wealth Management Customers (hereinafter referred to as 'the Customer' of The Hongkong and Shanghai Banking Corporation Limited, India (hereinafter referred to as 'HSBC India').
9. Mutual Fund (MF) investments for the purpose of determining relevant slab for applying fees includes equity, debt and liquid mutual fund holdings through HSBC India. The value of MF investments will be determined on the basis of the Net Asset Value (NAV) of the mutual fund schemes declared by the various Asset Management Companies (AMC) from time to time and the same shall be binding on the Customers.
10. The FundMax™ fee is charged by HSBC India on the average daily value of Customer's equity mutual funds investments through HSBC India. The average daily value is ascertained based on the Net Asset Value (NAV) of the MF schemes declared by the various Asset Management Companies (AMC) (please refer point 13 for further details).
11. MF investments through HSBC India consists of MF investments executed through HSBC India or transferred to HSBC

India by the Customer.

12. Customers have the option to change to an alternate tariff plan subject to adherence to HSBC India's terms and conditions. Any such changes will be made on receipt of a duly completed Customer instruction (as per Bank's prescribed format).
13. The applicable fees, charges and taxes will be debited from the Customer's savings or current account which has been designated by the Customer for recovery of the applicable fees, charges and taxes (designated bank account) for availing the Wealth Management (WM) services. The Customer agrees to maintain the required balance in the said designated account. HSBC India reserves the right to first recover any previous outstanding charges prior to executing the investment transaction.
14. The fees or the charges as shown above are exclusive of applicable taxes or any such statutory levies as applicable. Please note that based on 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. The GST and other statutory levies are subject to change from time to time as per the applicable statutory/regulatory guidelines and the same will be levied as per the extant laws/regulations.
15. Tax liability, if any shall be borne by the Customer.
16. Statements providing details of the FundMax™ fees levied can be obtained by the Customer from any of HSBC India's branch.
17. In case of non-recovery of fees and/or taxes, HSBC India reserves the right to recover the outstanding amount in full or part from the Customer's designated bank account as and when funds are available in the same. Further, a transaction instruction may not be executed by HSBC India, in case there are outstanding fees and/or taxes payable/recoverable by/ from the Customer to HSBC India. HSBC India shall not be held liable for any suit, action, proceedings, losses, damages, costs or expenses arising out of the resultant non-execution of transaction instruction consequent to non-payment of outstanding fees, charges, taxes, etc. HSBC India shall have the right of lien and set-off over the amounts lying in any of the accounts maintained by the Customer with HSBC India for recovery of any outstanding fees/charges/costs/taxes.
18. FundMax™ fee charged by HSBC India is separate from mutual fund scheme related charges applied by the AMC. Please refer to the Statement of Additional Information (SAI)/Key Information Memorandum (KIM)/Scheme Information Document (SID) and addendums issued by the AMC for the mutual fund scheme related charges applied by the AMC.
19. HSBC India reserves its absolute right to withdraw or alter any of the terms and conditions, tariff plans and services at any point of time. For any revision in our terms and conditions and where the fee/tariff is revised upwards, a clear 30 days' notice will be provided to you to give you the opportunity to make an informed decision on the WM services you are availing from HSBC India.
20. Some of the services mentioned above may not be available to Customers based overseas. Please contact your HSBC Relationship Manager for further details.
21. HSBC currently offers investment products from third party entities registered and regulated in India. Mutual fund investments are subject to market risks. HSBC India does not offer this service to citizens/residents of the United States of America, Canada, New Zealand and Australia or any other country whose laws prohibit the Customer from entering into any transaction. The WM services are available only in jurisdictions where they may be lawfully performed by HSBC India and are not intended for use by persons located in or resident in jurisdictions that restrict the distribution of such material by HSBC India. Customers availing of the WM services are required to inform themselves about and observe all relevant restrictions/regulations. HSBC India makes no representations that the products or services provided are available to persons residing outside India, or are necessarily suitable for any particular person or appropriate in accordance with any applicable local laws, rules or regulations. Among other things, this means that the disclosures provided may not conform to the rules of the regulatory bodies of any other country and investment in such products will not afford the protection offered by the local regulatory regime in any other country. The provision of WM services and/or mailing of investment holdings statements and/or provision of other information relating to the financial markets shall not be construed as an offer or solicitation to sell investments or securities in any country, including India where, or to any person to whom, it is unlawful to make such an invitation or solicitation.
22. Investments in MF are subject to market risk and the Customer shall read the Statement of Additional Information (SAI)/Key Information Memorandum (KIM)/Scheme Information Document (SID) and addendums along with terms and conditions pertaining to WM services in detail before investing through HSBC India. HSBC India shall not be held responsible for any losses suffered by the Customer for his/her investments through HSBC India.
23. The Customer shall contact his/her HSBC Relationship Manager/branch for any updates or changes in tariffs/charges/terms and conditions, before effecting any transaction. For any further updates, please refer to our website www.hsbc.co.in for any changes in tariffs/charges and updated terms and conditions.
24. Any disputes arising out of the investments shall be subject to the exclusive jurisdiction of courts in Mumbai only. The existence of any dispute shall not, by itself, constitute any claim against HSBC India.