Corporate Individual Savings Account (ISA)

Terms and Conditions
Effective Date 14 March 2019
Corporate Individual Savings Account (ISA) Terms and Conditions

Important information
These are the Terms for your Corporate Individual Savings Account (ISA) with us and you are advised to read them carefully. These Terms will come into force on the Effective Date.

These Terms amend the terms of any agreement we may previously have entered into with you in respect of the Account. If there is any contradiction between information contained in the Brochure or otherwise notified to you relating to the Account and these Terms or any conflict between these Terms and the Brochure then these Terms will prevail.

Before we can accept an application from you, you will need to confirm that you have read the latest version of the Costs and Charges Disclosure Document. We will provide you with a copy of this document when you request an Application Form from us. You can also view, download and print a copy of the relevant Costs and Charges Disclosure Document by visiting www.investments.hsbc.co.uk/costs-and-charges. Alternatively we can provide these documents either electronically or by post.

1. Definitions
In these Terms:
‘Account’ means the Corporate Individual Savings Account opened in accordance with these Terms or any previous terms and conditions, your Application Form, the Regulations and the Rules;
‘Account Investments’ means the Company Shares, Other Shares and cash held within the Account;
‘Account Manager’ means us;
‘Additional Permitted Subscription’ means an additional subscription which you can apply to make into your Account following the death of your spouse or civil partner. The Additional Permitted Subscription will not count towards your current tax year ISA subscription limit;
‘Administrative Office’ means HSBC Trust Company (UK) Limited, PO Box 6189, Coventry CV3 9HS or such other address notified to you from time to time;
‘Application Form’ means the duly completed application form or transfer-in application form used to open the Account or such other document or method of application as is acceptable to us;
‘Associated Company’ means any company in the same group as us or a subsidiary of any such holding company as such terms are defined in the Companies Act 2006 as amended or replaced from time to time;
‘Best Execution Disclosure Statement’ means the statement in Annex 1 to these Terms;
‘Best Possible Result’ means the best possible result for a purchase or sale of Company Shares and/or Other Shares in order to comply with our best execution obligations under the Rules;
‘Business Day’ means any day on which we are open for business;
‘Brochure’ means the brochure you were given when you applied for the Account together with any changes to it we subsequently tell you about;
‘Client Money’ means, in relation to the Account, money held on your behalf by us in our name and deposited with any third party nominated by us. Such money is identified as Client Money and is segregated from our money in accordance with the Rules;
‘Communications’ means all communications between us and you by post or telephone;
‘Company’ means the company described in the Brochure and as stated in the Application Form;
‘Company Shares’ means shares in the Company or in any other company which we consider, at our discretion, is successor to the Company, or all or part of its business, following any takeover, conversion, amalgamation or reconstruction;
‘Corporate Action’ means any mandatory or voluntary corporate action event including, without limitation, any events concerning takeovers, mergers, other offers or reorganisations and the exercise of conversion and subscription rights relating to Account Investments;
‘Costs and Charges Disclosure Document’ means the document that gives you important information about charges and the breakdown of costs you pay in respect of the service we provide to you which is included in the Brochure;
‘Costs and Charges Statement’ means the document which we will provide to you annually that gives you important information about charges and the breakdown of costs you pay in respect of your Other Shares and the related service we provide to you;
‘Effective Date’ means the Business Day upon which we accept both your Application Form and initial Payment;
‘Execution Policy’ means our internal policy setting out how we will take all reasonable steps to deliver the Best Possible Result for purchases and sales of Company Shares and/or Other Shares;
‘Financial Conduct Authority’ or ‘FCA’ means the authority, and any successor authority, responsible for the conduct and supervision of all regulated financial firms and the prudential supervision of those not supervised by the Prudential Regulation Authority;
‘HSBC Group’ means HSBC Holdings plc and its subsidiaries, associated companies and affiliated companies;
‘Income’ means dividends or distribution of income from Account Investments held on your behalf in your Account;
‘ISA’ means an Individual Savings Account opened in accordance with the Regulations;
‘Manager’ means the manager or the Authorised Corporate Director (ACD) of Other Shares;
‘Other Shares’ means shares in the HSBC FTSE All-Share Index Fund or such other investment fund(s) as may be nominated by us for these purposes from time to time;
‘Payment’ or ‘Payments’ means any amount received from you, or from another ISA manager on your behalf, including an Additional Permitted Subscription, for investment in your Account;
‘PRA’ means the Prudential Regulation Authority and any successor authority, responsible for the prudential supervision and regulation of banks, building societies, credit unions, insurers and investment firms;
‘Regulations’ means the Individual Savings Account Regulations 1998 as amended or replaced from time to time and any other applicable statutes and regulations;
‘Rules’ means the rules of the FCA and any other organisation acting within the scope of the Financial Services and Markets Act 2000 or any other legislation applicable to the Account at any given time;
"Save As You Earn Share Option Scheme" means a share option scheme as defined in Schedule 3 of the Income Tax (Earnings and Pensions) Act 2003;

"Schedule 2 Share Incentive Plan" means a Share Incentive Plan which meets the requirements of Schedule 2 of the Income Tax (Earnings and Pensions) Act 2003;

"Tax Year" means a year beginning on 6 April and ending on the following 5 April;

"Terms" means the Account terms and conditions which include the terms of the Application Form and accompanying Brochure;

"we", "us", "our" or "ourselves" means HSBC Trust Company (UK) Limited, which is authorised by the PRA and regulated by the FCA and the PRA;

"you" or "your" means the person whose name, address and other particulars appear in the relevant Application Form.

2. Appointment

2.1 You appoint us as the Account Manager to manage your Account in accordance with these Terms, the Regulations and the Rules. You authorise us to claim and receive dividends and other entitlements accruing in respect of your Account.

3. Management

3.1 Each Account opened is subject to a minimum investment limit. The limit is as stated in the Brochure which is available on request. On giving you 30 days' notice in writing, we may change the minimum investment limits.

3.2 You will need to complete a new Application Form for each Tax Year that you subscribe to the Account. Each new Account you take out with us for a Tax Year will, unless you have previously instructed us to merge your Accounts, be classed as a separate Account from that opened in any other Tax Year and subject to the relevant charges. If you have more than one Account these Accounts can be merged if they hold the same Company Shares and will be subject to the charges as detailed in the Brochure.

3.3 Investment into the Account can be made by cash, direct transfer of Company Shares, or transfer from another ISA manager, for further information please see Clause 8.1 and Clause 13.

3.4 We cannot normally open the Account until seven days have elapsed after receipt of a valid Application Form and Payment. This period is known as the 'cooling off' period. This does not apply to transfers from another ISA manager.

3.5 Except in the case of transfers from other ISA managers, cheques relating to Payments will be subject to a clearing period of up to seven days commencing on the day of receipt.

3.6 We will stop accepting Application Forms prior to the end of the Tax Year. The last date in the relevant Tax Year for receipt of Application Forms will vary depending on the method(s) of subscription. This information can be obtained from our Administrative Office. All Application Forms received after the relevant dates other than those for the next Tax Year will be returned.

3.7 We will be responsible for our own acts and omissions in relation to transactions on the Account.

Please note, however, that applicable laws and regulatory requirements prevent us from conducting certain activities or taking on certain liabilities. As a result, we are not able to accept responsibility for the acts and omissions of other HSBC entities that may provide you with execution and dealing services as contemplated by Annex 1. But if you have any concerns or complaints on this front at any time, please let us know straight away and we will explain how these can be dealt with.

Please also see Annex 3 which provides further information on this front.

3.8 If you are an existing Account holder and your existing Account contains Other Shares, then:

(i) You may continue to hold Other Shares in your Account;

(ii) You may instruct us to reinvest any income or distributions arising from Other Shares to purchase further Other Shares or you may elect to receive any income or distributions arising from Other Shares; and

(iii) You may instruct us to sell Other Shares which we hold in your Account.

These are the only circumstances in which you may instruct us to deal with Other Shares on your behalf.

3.9 Subject to Clause 3.8, cash invested in the Account (less the brokerage charges) will be used to purchase Company Shares. Pending such purchase, cash Payments will be retained.

3.10 Income and other monies pending investment will be held as Client Money. Other Income, such as cash received following a Corporate Action and sale proceeds relating to withdrawal of the Account, will also be held as Client Money.

3.11 Any amount of cash held as Client Money, including Income, cash received following a Corporate Action and sale proceeds relating to withdrawal or closure of the Account will not earn interest.

3.12 Transactions in Company Shares or Other Shares will be executed by us (acting as your agent). Transactions in Other Shares will be received and transmitted by us to the Manager for execution. We will not be responsible to you for any delay in the settlement of a transaction in Company Shares or Other Shares or in the payment of any proceeds out to you resulting from circumstances beyond our control, or the failure of any Manager or of any other third party to perform, or any delay in their performance of any of the steps necessary to settle such a transaction. Transactions in Other Shares are subject to the dealing arrangements and the terms and conditions of the Manager (including, without limitation, the fund prospectus). We will act as an intermediary in making arrangements for the purchase of Other Shares for your Account.

3.13 The purchase of Company Shares following an initial application will take place immediately following the expiry of the 'cooling off' period. Where the Payment to the Account is funded by more than one transaction, for example, by cheque and by the proceeds of sale of existing Company Shares, we reserve the right to use the proceeds from each transaction separately. While we will comply with our best execution obligations, Company Shares may therefore be purchased at different prices. Where Company Shares are to be used to make a Payment to the Account these will be used prior to any cash Payments and any cash in excess of the requested investment will be returned to you.

3.14 The purchase of Company Shares resulting from an additional Payment will normally take place no later than the next Business Day following receipt of cleared funds.

3.15 We will not advise you on the merits or otherwise of making a purchase or a sale of the Company Shares and/or Other Shares.

3.16 Where we sell Company Shares to generate a cash Payment for investment in your Account the price of the sale of the Company Shares is likely to be lower than the price we pay to buy them back for your Account.

3.17 If procedures require transactions in Company Shares with a settlement period in excess of the industry standard settlement period of 10 days, the share price obtained may be less favourable than the share price which might be obtainable if the order settled in 10 days.
3.18 If you have elected to receive Income, if there is less than £1.00 in the Account it may be retained until such time as it exceeds £1.00 in value (as additional Income is added) and paid to you at the next payment date. Otherwise all cash dividends received on the Company Shares or distributions received from Other Shares by us will be retained within the Account on your behalf and will be used to purchase further Company Shares or Other Shares as appropriate. We shall deduct any outstanding fees before any Income is paid to you or reinvested in your Account.

3.19 Transactions undertaken on your behalf may be combined with transactions for other investors in the ‘Account’, subject to the Rules. We will generally place combined transactions to buy or sell Company Shares and Other Shares at the same time each Business Day. Combining transactions in this way may result in you obtaining on some occasions a more favourable price and on others a less favourable price than if the order had been executed separately. The price received on combined transactions can affect the number of Company Shares and/or Other Shares allocated to you.

3.20 If we are unable to execute your transaction to buy or sell Company Shares in its entirety for any reason, we will partially execute your transaction to the extent we are able to do so. Unless trading has been suspended (or we are otherwise unable to trade due to reasons beyond our reasonable control), we will execute the remainder of the transaction to the extent possible on each Business Day until the transaction has been completed in its entirety. We will not be responsible for any loss you may suffer from transactions partially executed in this way. We will let you know if we are unable to complete your transaction.

3.21 You or your nominated agent may at any time request sight of a copy of all entries in our books relating to the transactions for your Account. Records will be retained for at least seven years from the date of the relevant transactions. You may ask for a copy of any record at any time during this period.

3.22 You will not qualify for any special Company benefits associated with the ownership of Company Shares in the Account.

3.23 Transactions in Company Shares and/or Other Shares will be undertaken in accordance with our Best Execution Disclosure Statement which is set out in Annex 1 at the end of these Terms.

3.24 You agree and confirm that for such time as we are appointed as the Account Manager, you will be deemed to have consented to:
   (i) our Execution Policy;
   (ii) us executing transactions in Company Shares for you by entering into the transaction on your behalf (acting as your agent);
   (iii) us receiving and transmitting transactions in Other Shares to the Manager for execution; and
   (iv) the execution of your transactions for the purchase or sale of Company Shares and/or Other Shares outside a regulated market, organised trading facility or multilateral trading facility (as such terms are defined in the Rules).

3.25 Where we execute transactions on your behalf, you authorise us to:
   (i) transact with or through any counterparties, including third party brokers, as we reasonably think fit;
   (ii) take, or omit to take, steps which we reasonably believe necessary to comply with market practices or applicable laws and regulatory requirements;
   (iii) negotiate and execute contracts with third parties which we reasonably consider to be necessary (for example, third party brokers), on your behalf; and
   (iv) otherwise act as we reasonably consider to be appropriate.

3.26 Please also note that, in this scenario, it is the other party to the transaction and not us who is responsible for settling the transaction with you and delivery or payment (as the case may be) will be at your entire risk. Our obligation is only to pass on to you, or to pass on as you direct, or to credit to your account, such deliverable documents or sale proceeds (as the case may be) as we actually receive.

3.27 All telephone calls that lead or may lead to a transaction will be recorded and kept for seven years. You may ask us for a copy of any such record within the applicable seven year period.

Additional Permitted Subscription

3.28 You can make an Additional Permitted Subscription into your Account. You must complete the relevant form each time that you wish to make an Additional Permitted Subscription.

3.29 If your spouse or partner died on or before 5 April 2018, the Additional Permitted Subscription must not exceed the combined value of your spouse or civil partner’s ISAs which they held at the date of their death (including any income accrued, but not paid or credited to the ISAs at the date of death), and must be made in accordance with the requirements set out in the Regulations.

3.30 If your spouse or civil partner dies on or after 6 April 2018, the Additional Permitted Subscription must not exceed the higher of the combined value of your spouse or civil partner’s ISAs which they held at either (i) the date of their death (including any income accrued, but not paid or credited to the ISA at the date of death), or (ii) the point the ISAs ceased to be a “continuing account of a deceased investor” (including any income accrued, but not paid or credited to the ISAs at that date), and must be made in accordance with the requirements set out in the Regulations.

3.31 You may make several Additional Permitted Subscriptions; however, they must not, in aggregate, exceed the relevant values set out at Clauses 3.29 and 3.30 above and must be made within the timescales set out in the Regulations.

3.32 We will not accept an Additional Permitted Subscription where we know that the information you provide in the relevant form is false or where the requirements set out in the Regulations are not satisfied.

Corporate Actions – Entitlement to shares and other benefits

3.33 For any Corporate Action, entitlements to shares and any other benefits, including cash proceeds, will be distributed amongst all investors who hold investments as described in Clause 9.2. The distribution will be in the same proportion as the respective holdings of clients who have given identical instructions in connection with the relevant Corporate Action. In the case of mandatory Corporate Actions, investor instructions will be deemed to have been given. In the case of voluntary Corporate Actions, the entitlement will be paid on the default option for any events not instructed on.

3.34 We will apply any share entitlements to the fullest extent possible however where any Corporate Action results in you being entitled to the cash value of a fraction of a share, we will credit your Account with that cash amount in full.

4. Delegation and Assignment

4.1 We may delegate any of our functions under these Terms to any person however, before doing so and from time to time thereafter, we will satisfy ourselves that such person is competent to carry out those functions.

4.2 We may not assign your agreement with us under these Terms to a third party without your consent, except that we may transfer it to an Associated Company (which is suitably authorised and capable of providing the services to you at a similar level of service) as part of an internal reorganisation of our business. In the event that we do undertake such a transfer, we will give you at least 30 days’ advance personal written notice of the change.
The new contracting entity will assume our obligations to provide the services under these Terms to you in our place. If you do not agree to the transfer, you always have the right to terminate this agreement at any time in accordance with Clause 15 (including the right to transfer your Company Shares and/or Other Shares to another provider).

5. Appointment of Replacement Account Manager

5.1 By giving you at least 30 days’ written notice, we may appoint a duly authorised Associated Company in our place to manage the Account in accordance with these Terms.

6. Conflicts of Interests

6.1 A summary of the HSBC Group policy on conflicts of interest is set out in Annex 2 at the end of these Terms.

6.2 We will always try and act in your best interests in carrying out any transaction for your Account.

6.3 HSBC has established procedures which are designed to take all appropriate steps to identify, prevent or manage such conflicts which may adversely affect the interests of clients. These are summarised in Annex 2.

6.4 For some of our services we may receive other minor benefits (but not payments) that we believe improve the quality of the service provided to you. Such benefits will be minor in nature so that they do not impact on our ability to always act in your best interests.

7. Communications

7.1 All Communications relating to your Account must be sent to us in writing to our Administrative Office unless otherwise specified in these Terms.

7.2 You will be deemed to have received any Communications which are posted from us on the third Business Day after posting.

7.3 We will send you all statements, notices and other documents relating to your Account by post to your most recent address notified to us.

7.4 You must promptly advise us of any change in any of the information we hold in respect of your Account. You must inform us immediately if you stop being UK resident for tax purposes or cease to perform duties as a Crown Employee working overseas and paid out of UK public revenue, or cease to be married to or in a civil partnership with a Crown Employee working overseas. In each case, we may require that you transfer your Account to another ISA manager or that you close your Account.

7.5 We will notify you in writing, if by reason of any failure to satisfy the Regulations:

(i) the Account (or any part of it) has, or will, become void; or
(ii) you will otherwise lose the tax benefits associated with the ISA as a result of an invalid Payment having been made.

As soon as is practicable afterwards we shall write to you with details of any corrective action taken or details of any options available to you.

7.6 Any action taken whether by us or you, will be subject to such deductions (if any) as we may require to meet tax or other liabilities. You agree to pay us on an after-tax basis an amount equal to any amount which we are required to pay to HM Revenue & Customs for a liability to tax in respect of your Account or which we are required to pay to any third party in respect of your Account under any applicable laws.

7.7 We may provide you with information including documentation via our website www.hsbc.co.uk as permitted by the FCA rules and where you have agreed to this. By agreeing to these Terms you agree to receive information via the website relating to Other Shares. We will notify you of the website address electronically where such information will be available and updated from time to time. You agree that we may in particular provide the following to you via a website:

- our terms in relation to trading;
- a general description of the nature and risks of financial instruments;
- our published fee tariffs, Costs and Charges Disclosure Document and other information on our costs and charges (which may be included in our Brochures);
- details of our Best Execution policies; and
- Key Information Documents (KIDs) and Key Investor Information Documents (KIID)s (as required).

7.8 KIDs (where available) and KIID{s} will be provided in relation to Other Shares where required and may be accessed and viewed, downloaded, saved and printed from our website or from another website that we will provide to you. We will provide you with a KID or KIID on paper, or via the website depending on the choice you made when becoming a client or subsequently chose. Where you have chosen to receive KIDs or KIID{s} via the website you confirm that you have regular access to the internet and you have provided us with your email address. Where we have provided you with a KID or KIID via a website you have the right to request a paper copy of the KID or KIID free of charge. We will direct you to the website or websites on which any KID{s} or KIID{s} are available.

8. Subscriptions via the Direct Transfer of Company Shares

8.1 Subscriptions to the Account may be made by the direct transfer of Company Shares acquired by, or appropriated to you under a Save As You Earn Share Option Scheme, or a Schedule 2 Share Incentive Plan.

8.2 Company Shares acquired by you in accordance with the provisions of a Save As You Earn Share Option Scheme must be transferred to us within 90 days following the exercise of the option by which the Company Shares are acquired.

8.3 Company Shares acquired by you in accordance with the provisions of a Schedule 2 Share Incentive Plan must be transferred to us within 90 days following the date at which the Company Shares ceased to be subject to a Schedule 2 Share Incentive Plan.

8.4 The 90 day period referred to in Clauses 8.2 and 8.3 is inclusive of the ‘cooling off’ period as described in Clause 3.4.

8.5 The value of the Company Shares transferred to us in accordance with Clause 8.1 will be the lower of the following:

(i) halfway between the highest and lowest price at which transactions, other than those undertaken at special prices, were recorded in the Company Shares for the relevant date; and
(ii) the lower of the two prices shown in the quotation for the Company Shares in the Stock Exchange Daily Official List on the relevant date plus one half of the difference between those two figures choosing the amount under (ii) above if no transactions were recorded for the relevant date.

8.6 Where you hold Company Shares that are not eligible for direct transfer you may transfer these shares into your ISA using the share exchange subscription method. This method requires us to sell the Company Shares and invest the resulting cash proceeds into your Account by purchasing new Company Shares. In order to facilitate the required sale of Company Shares you must consent to the transfer of the Company Shares to HSBC Bank plc’s nominee (currently James Capel Nominees Limited) where the Company Shares will be held during the settlement period of the trade. Your rights and responsibilities in respect of our arrangements with HSBC Bank plc are set out in Annex 3 to these terms.
9. Custody and Cash in your Account

9.1 You will be, and will remain, the beneficial owner of your Company Shares and Other Shares. However, the title to Company Shares and Other Shares will be registered in the name of an Associated Company or in the name of our nominee. We are also authorised to hold your investments with such sub-custodians as we may think fit (and as at the date of these Terms have appointed HSBC Bank plc, an Associated Company, as sub-custodian of the Company Shares). Where we use a sub-custodian, your Company Shares will be held in the name of a nominee of that sub-custodian (and for the avoidance of doubt, a reference in these Terms to “our nominee” includes a nominee of the sub-custodian).

You should note that we will have security interests or liens over your Company Shares, Other Shares or cash held with us and where we use a sub-custodian, the sub-custodian will have security interests or liens over, or rights of set-off in relation to your Company Shares held with them. In addition where you owe us money, and you have no cash standing to the credit of your accounts, we may act as your agent to sell Company Shares and/ or Other Shares on your behalf and credit the proceeds of sale to your cash account. These interests and rights allow us or any sub-custodian, subject to the FCA Rules, to retain, transfer into our name, or sell (acting as your agent) any of your Company Shares or Other Shares and apply the proceeds to discharge any monies properly owing to us or them for the provision of custody services. We remain responsible for the custody of your Company Shares and Other Shares to the full extent required by the Rules. Where a share certificate or other document evidencing title to Shares and Other Shares to the full extent required by the Rules. You may not agree or undertake to transfer your Company Shares and the selling price of Other Shares but it will

9.2 Your Company Shares and Other Shares will be registered with investments made by other investors in the name of the relevant nominee and will be segregated from our property in order to protect your interests in the event that we or the nominee were to fail. Your Company Shares and Other Shares will be held on an omnibus basis which means that they will be pooled with those of other investors and may not therefore be individually and separately identifiable. However we will keep a separate record of your entitlement.

9.3 If we, the sub-custodian or the relevant nominee default then any irreconcilable shortfall in the Company Shares and Other Shares registered in the same nominee name may be shared pro rata among all investors whose investments are so registered. We are responsible to you for the acts and omissions of our sub-custodian and nominee to the same extent as for our own acts and omissions.

9.4 We have policies and procedures in place to undertake checks and reconciliations of the records and accounts of your Company Shares and Other Shares, resolve any discrepancies which are identified and to deal with any shortfalls in your Shares. Where we are responsible for any such shortfall we may hold Client Money immediately at our cost to correct our position.

9.5 We may sell Company Shares and/or Other Shares in your Account for the purpose of paying the charges which apply to your Account in accordance with Clause 10. However our power to transact with such shares is subject at all times to our fiduciary duties and the Rules. You may not agree or undertake to transfer beneficial ownership of the Company Shares and Other Shares in your Account to any other person(s). You may not use your Company Shares and/or Other Shares as security for a loan.

9.6 Client Money will be held on trust in accordance with the Rules and deposited with a number of financial institutions which may include HSBC Bank plc, HSBC UK Bank plc or other third party financial institutions as we may nominate from time to time. We remain responsible to you for your Client Money to the full extent required by the Rules. In the event we, HSBC Trust Company (UK) Limited (or any third party with whom your Client Money is deposited) were to fail, the FCA’s client money distribution and transfer rules contained in the Rules apply to your Client Money. The purpose of the client money distribution and transfer rules is to protect your interests and seek to facilitate the timely return of your Client Money following any such failure.

9.7 The protection accorded to your Account Investments under the Rules is in addition to any rights you may have, subject to eligibility, to claim compensation under the Financial Services Compensation Scheme, as set out in Clause 17.3.

10. Charges

10.1 The charges that apply to the Account are as detailed in the relevant Brochure.

10.2 We may amend the charges in accordance with Clause 16.

10.3 If there are insufficient uninvested monies in your Account to pay any charges or fees which become due to us, we shall be entitled to:

(i) deduct from any future Income, or
(ii) dispose of Account Investments

for the purpose of realising an amount necessary to pay such fees. This includes occasions where there is insufficient uninvested monies when the Company has not declared dividends.

10.4 On termination or transfer of the Account any outstanding fees due to the date of termination or transfer will be payable by you and we will deduct any such fees from your Account.

10.5 You will be liable to pay any applicable Value Added Tax chargeable in respect of any charges or fees payable by you under the Account. Our VAT Registered number is 365684514.

11. Documentation

11.1 A letter confirming the amount of the initial Payment will be sent to you by post within 14 days of the Account being opened.

11.2 We will also provide you with our Costs and Charges Disclosure Document containing important information about charges and the breakdown of costs you pay in respect of your Account Investments and the Service we provide to you.

11.3 We will send you quarterly statements and a valuation of your Account dated as at or near to 5 January, 5 April, 5 July and 5 October. These will be sent to you by post as soon as possible following the relevant date. The statement will show your Account valuation, Payment(s), sales, purchases, the number of Company Shares and/or Other Shares held, charges, Income, cash residue, withdrawals and Corporate Actions made since the commencement of your Account or the date of the previous statement, as appropriate.

11.4 If you have investments in Other Shares then each year we will send you a Costs and Charges Statement. This statement shows the total actual costs that we have charged you for your investment in Other Shares and the services we have provided in connection with those investments. The Costs and Charges Statement will also include an illustration of the cumulative effect of those costs on the return on your investment in Other Shares.

11.5 The valuation will be based on the mid market price of Company Shares and the selling price of Other Shares but it will not include any measure of performance.

12. Shareholder Rights

12.1 If you ask us we will arrange for you:

(i) to be sent a copy of the Company review and/or the annual and half-yearly reports and accounts last issued in respect of the Company Shares and/or Other Shares; and
(ii) to be sent a copy of the relevant prospectus or equivalent document last issued in respect of the Company Shares and/or Other Shares; and
statement, as appropriate. 
The commencement of your Account or the date of the previous cash residue, withdrawals and Corporate Actions made since possible following the relevant date. The statement will show your chargeable in respect of any charges or fees payable by you.

fees due to the date of termination or transfer will be payable by dividends.

uninvested monies when the Company has not declared for the purpose of realising an amount necessary to pay Compensation Scheme, as set out in Clause 17.3.

timely return of your Client Money following any such failure. The purpose of the client money distribution and transfer rules contained in the Rules apply to your Client Money is deposited) were to fail, the FCA's client money distribution and transfer rules is to protect your interests and seek to facilitate the Client Money. The purpose of the client money distribution and transfer rules contained in the Rules apply to your Client Money.

If you have investments in Other Shares then each year we carry out your instructions provided such period is not less than amount requested for withdrawal within 30 days.

(i) sell the Company Shares and/or Other Shares and pay you the amount requested for withdrawal within 30 days.

(ii) transfer to you Account Investments to the value of the amount requested for withdrawal within 30 days.

Instead any money you subscribed to the cash ISA in the current Tax Year or to your Account. If you are transferring a cash ISA to your Account you must be 18 years of age or over. We will contact the ISA manager(s) concerned on your behalf and effect the necessary transfers. Unless otherwise agreed with us, all transfers to the Account must be made in cash and/or Company Shares.

At your request and within the time you stipulate (subject to you giving us 30 days’ notice for Company Shares and 25 days’ notice for cash and/or Other Shares) we will transfer all or part of your Account, with, where appropriate, all rights and obligations of the parties to it, to another ISA manager provided they agree to such a transfer. Such transfers will normally be carried out within the time you stipulate although there may be occasions when the transfer will take longer to complete due to circumstances beyond our control.

If we receive an instruction to transfer your Account to another ISA manager, when we receive a request to transfer, we will encash any Company Shares and/or Other Shares in your Account and transfer the cash value of your Account or if requested by you transfer the Account Investments (without first realising the Company Shares and/or Other Shares) to the ISA manager of your choice.

You may withdraw all or part of your Account at any time. At your request (in writing or by telephone) and normally within the timescales below following receipt of your instructions by our Administrative Office, we will:

(i) sell your Company Shares and/or Other Shares and pay you the value of your Account within seven Business Days of receiving your instruction; or

(ii) transfer the Account Investments to you without first selling the Company Shares and/or Other Shares within 30 days of receiving your instruction.

You can stipulate an alternative time period in which we will carry out your instructions provided such period is not less than the timescales stated above. You should be aware that there may be occasions where such transfer may take longer to complete than the timeframes set out above or that you instruct, due to circumstances beyond our control. We will not incur any liability to you for any loss you may suffer as a result. If, for any reason, the value of your Account cannot be paid or transferred to you, we will sell your Account Investments and (subject to Clause 14.4) hold the cash proceeds as Client Money which will not attract interest. In such circumstances the investment will no longer be contained within an ISA.

If you are closing your Account or transferring your Account to another ISA manager we will not pay you interest on any further Income (for example residual distributions) that may be received into your Account.

15. Termination

15.1 On termination, we will continue to operate your Account to facilitate the settlement of all outstanding transactions, for example receipt of Income which may be due. After such transactions have been settled and their value has been paid to you your Account will close.

15.2 You may terminate your Account at any time by writing to our Administrative Office. Please note we will not accept an email. Depending on your instruction, we will:

(i) sell your Company Shares and/or Other Shares and pay you the value of your Account within seven Business Days of receiving your instruction; or

(ii) transfer the Account Investments to you without first selling the Company Shares and/or Other Shares within 30 days of receiving your instruction.

You may terminate your Account immediately and close your Account in the following instances:

(i) If you have seriously and/or persistently broken any of the Terms including where:

• you are, or we reasonably suspect that you may be using or obtaining, or allowing someone else to use or obtain an account, service or money illegally; or

• your Account is, or we reasonably suspect your Account is, being used for an illegal purpose; or

• you are, or we reasonably suspect you may be, acting fraudulently; or

• in the circumstances set out in Clause 18.2.

(ii) if we reasonably consider that by continuing our agreement with you:

• we may break a law, regulation, code, court order or other duty; or
we, or an Associated Company, may be exposed to action or censure from any government, regulatory or law enforcement agency; or

(iii) you were not entitled to open your Account or cease to be eligible for an Account as described in the relevant Brochure; or

(iv) if we have reason to believe that your conduct will adversely affect the ability of others to trade or the terms on which they trade.

We will inform you in writing immediately if we decide to close your Account under this Clause 15.4.

15.5 We may also end our agreement with you and close your Account for any other valid reason by giving you at least 30 days’ advance notice in writing.

15.6 If we terminate your Account, no additional charges will apply. Our letter of termination will tell you the options available to you which will include transferring your ISA to another ISA manager or selling your Account Investments. However, if you close your ISA without transferring to another ISA manager the investment will no longer be contained within an ISA.

15.7 If your Account is to be closed under this Clause 15 and we do not receive instructions from you within a reasonable time (which we will notify you of), we will sell any Company Shares and/or Other Shares within your Account and hold the cash proceeds as Client Money which will not attract interest. In such circumstances the investment will no longer be contained within an ISA.

15.8 If we terminate your agreement and close your Account in the circumstances set out in Clause 18.2, please be aware that, to the extent permitted by law, we may also end or restrict the provision of any other services we provide to you or close any other accounts you have with us. In addition, other members of the HSBC Group may end their relationship with you and restrict or close accounts you hold with them or restrict or terminate the provision of any services to you (see Clause 18).

Termination on death

15.9 If you died on or before 5 April 2018 the Account will terminate on your death, however your personal representatives should provide proof of the date of your death and of their appointment. Once we receive such proof as is acceptable to us, we will deal with the Account Investments in accordance with the instructions of your personal representatives who will become subject to these Terms. We will continue to hold the Account Investments but outside the ISA tax regime.

15.10 If you die on or after 6 April 2018 we will designate your Account as a “continuing account of a deceased investor” in accordance with the Regulations. Your Account will remain as a “continuing account of a deceased investor” until the earlier of:

(i) completion of the administration of your estate;

(ii) the closure of your Account; and

(iii) the third anniversary of your death.

We are not required to check with your executors if or when the administration of your estate has been completed.

While your Account is a “continuing account of a deceased investor”, no Payments may be made into it but the existing Account Investments will continue to be held and to benefit from ISA tax advantages. This means that any interest, dividends or gains in respect of investments in your Account will be exempt from UK income tax and capital gains tax.

If the administration of your estate has not been completed by the third anniversary of your death, then your Account will cease to be a “continuing account of a deceased investor”. This means that the investments in your Account are no longer held in an ISA wrapper and subsequent income or gains on your investments will become taxable.

Personal representatives appointed to administer your estate are not entitled to apply to us to change a stocks and shares ISA into a cash ISA, innovative finance ISA or Lifetime ISA; nor are they allowed to request the transfer of a “continuing account of a deceased investor” managed by us to an alternative ISA Manager.

These Terms will continue to apply to your Account while it is designated as a “continuing account of a deceased investor”, but we may choose to waive any fees and charges which become due in this period at our discretion.

16. Changing the Terms

16.1 We may amend these Terms (including introducing new charges or fees or making changes to the amount, rate or basis on which we charge) in the following ways:

(i) if we reasonably consider that the change is favourable to you, by telling you about it within 30 days of the change;

(ii) if the change is not favourable to you, by giving you at least 30 days’ prior written notice before we make the change.

16.2 We may make any change to the Terms for all or any of the reasons set out in this Clause 16 that apply.

♦ If the change is favourable to you.

♦ Following, or in anticipation of and to respond to a change in relevant law, regulation or to reflect a change in industry guidance or code of practice or good banking practice.

♦ To respond to the making of a recommendation, requirement or decision of any court, ombudsman, regulator or similar body.

♦ To respond to the costs or consequences of any event beyond our control that may impact our provision of accounts, services or facilities to you.

♦ To make the Terms clearer.

♦ To respond to any change in our systems and procedure, including any change arising from the reorganisation of our business as a result of it being acquired by or our acquiring another bank or organisation.

♦ To respond to changes or anticipated changes in costs associated with relevant technology, the costs we pay to others in respect of your Account, inflation and/or in our costs of providing accounts, services or facilities.

♦ To improve the service we provide.

♦ To respond to our internal policies on competitiveness, market share and/or the profitability of our business as a whole, where we are not acting dishonestly, for an improper purpose, in a manner which unreasonably discriminates against a particular customer or as an unreasonable financial institution would.

Where we make a change under this Clause, the change will be proportionate to the underlying reasons for the change.

Other reasons for making a change

16.3 We may also make changes to the Terms (including introducing new charges or fees or changing the amount, rate of, or basis on which we charge) for any other valid reason that applies and is not described in Clauses 16.1 and 16.2 above.

We will always give you at least 30 days’ prior written notice of any such change.

What you can do when we tell you about a change

16.4 You may close your Account in accordance with Clause 15 within 30 days of the date of any advance notice of a change we send you or, if longer, up to the date the change is due to take effect. If you do not tell us that you want to close your Account by this time, then you will be deemed to have accepted such a change and the change will take effect automatically. There will be no charge for closing your Account. If you close your Account without transferring to another ISA manager the investment will no longer be contained within an ISA.
17. Complaints and Compensation Rights

17.1 You should address any complaints in connection with the Account to the Account Manager at HSBC Trust Company (UK) Limited, at our Administrative Office. A written copy of our complaints procedure is available on request.

17.2 In addition, you have the right to complain direct to the Financial Ombudsman Service, whose address is:
The Financial Ombudsman Service
Exchange Tower
London
E14 9SR
Telephone: 0800 0234 567 or 0300 1239123
Email: complaint.info@financial-ombudsman.org.uk
www.financial-ombudsman.org.uk

17.3 HSBC Trust Company (UK) Limited is covered by the Financial Services Compensation Scheme (FSCS). You may be eligible for compensation from the scheme if you have a valid claim against us in respect of investment business and we cannot meet our obligations. Most types of investment business are covered. For further information about the compensation provided by the FSCS (including the amounts covered and eligibility to claim) please refer to the FSCS website www.fscs.org.uk or call the FSCS on 0207 741 4100.
Please note only compensation related queries should be directed to the FSCS.

17.4 HSBC Trust Company (UK) Limited is authorised by the Prudential Regulation Authority (with its registered address at 20 Moorgate, London EC2R 6DA) and regulated by the Financial Conduct Authority (with its registered address at 12 Endeavour Square, London E20 1JN) and the Prudential Regulation Authority and is entered on the Financial Services Register as number 119297. You can check this on the Financial Services Register www.fca.org.uk Our main business is the provision of trustee services and administering investments.

17.5 The Financial Conduct Authority’s website is www.fca.org.uk, where contact details can be found.

17.6 The Prudential Regulation Authority’s website is www.bankofengland.co.uk/prudential-regulation, where contact details can be found.

18. Your Information

Definitions
Capitalised terms used in this Clause 18 shall have the following meanings:
‘Authorities’ includes any judicial, administrative, public or regulatory body, any government, any Tax Authority, court, central bank or law enforcement body, or any of their agents with jurisdiction over any part of the HSBC Group.

‘Compliance Obligations’ means obligations of the HSBC Group to comply with: (a) Laws or international guidance and internal policies or procedures, (b) any demand from Authorities or reporting, disclosure or other obligations under Laws, and (c) Laws requiring us to verify the identity of our customers.

‘Connected Person’ means any natural person or legal entity (other than you) whose information (including Personal Data or Tax Information) you provide, or which is provided on your behalf, to any member of the HSBC Group or which is otherwise received by any member of the HSBC Group in connection with the provision of the Services. A Connected Person may include any guarantor or owner of a legal estate in land over which we are to take security, provider or recipient of a payment or any other persons or entities with whom you have a relationship that is relevant to your relationship with the HSBC Group.

‘Customer Information’ means your Personal Data, confidential information, and/or Tax Information or that of a Connected Person.

‘Financial Crime’ means money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, evasion of economic or trade sanctions, and/or any acts or attempts to circumvent or break any Laws relating to these matters.

‘Financial Crime Risk Management Activity’ means any action to meet Compliance Obligations relating to the detection, investigation and prevention of Financial Crime. This may include (a) screening, intercepting and investigating any communication, application for Services or any payment, whether sent to or by you or on your behalf, (b) investigating the source of or intended recipient of money, (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 relevant person or entity (whether they are subject to a sanctions regime or confirming their identity or status).

‘HSBC Group’ and ‘any member of the HSBC Group’ means HSBC Holdings plc, and/or any of its affiliates, subsidiaries, associated entities, and any of their branches or offices, and includes HSBC Bank plc.

‘Laws’ include any local or foreign law, regulation, judgment or court order, voluntary code, sanctions regime, agreement between any member of the HSBC Group and an Authority, or agreement or treaty between Authorities and applicable to us or any other member of the HSBC Group.

‘Personal Data’ means any information relating to an individual, from which they can be identified.

‘Services’ includes (a) the opening, maintaining and closing of your accounts with us, including your mortgage account, (b) providing you with credit facilities and other banking products and services, processing applications, credit and eligibility assessment, and (c) maintaining our overall relationship with you, including marketing services or products to you, market research, insurance, audit and administrative purposes.

‘Tax Authorities’ means UK or foreign tax, revenue or monetary authorities (for example, HMRC).

‘Tax Information’ means documentation or information about a person’s tax status, including yours.
Reference to the singular includes the plural (and vice versa).

18.1 Privacy
Your privacy is important to HSBC.
Our Privacy Notice explains how we collect, use, disclose, transfer and store your information and sets out your rights in relation to your information. A copy of our Privacy Notice is available separately and we will inform you when we may make any changes to it. You can find a copy at www.hsbc.co.uk or you can ask for a copy in branch or by telephone.

18.2 Your responsibilities
If we make a reasonable request for information, you must give it to us as soon as possible. If you don’t give it to us, or if we suspect fraudulent or criminal activity of any kind:
- you might not be able to carry on doing some or all of your banking with us anymore;
- we might try to get it from another source, ourselves.

It’s up to you to make sure the information you give us is accurate and up to date, and you must tell us if anything changes, within 30 days.

We’ll use your information as explained in our Privacy Notice. We’ll give it to others if we’re compelled to do so by law, we’ve a public duty to disclose it, we need to disclose to protect our own interests (for example in any legal proceedings) or if we have your specific agreement. For example, if we believe you may have tax obligations in other countries, we may have to disclose information about you directly to HM Revenue & Customs (HMRC) or other local tax authorities.
18.3 Tax Compliance

It’s up to you to meet your tax responsibilities in the UK and any other countries where this arises. This relates to the opening and use of accounts and services provided by members of the HSBC Group. Some countries’ tax laws may apply to you even if you don’t live there or aren’t a citizen of that country. Connected Persons, who are people connected with you that’s relevant to your relationship with us, are responsible for their own tax obligations. As you are responsible for your own tax obligations (and Connected Persons, for theirs), no HSBC Group member is responsible for this nor provides tax advice. It is your choice if you seek independent legal and tax advice.

18.4 Actions we may take in order to prevent Financial Crime

Members of the HSBC Group are required, 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"). Such action may include, but is not limited to:

a. screening, intercepting and investigating any instruction or communication sent to or by you or a Connected Person, or on your or their behalf;

b. investigating the source of or intended recipient of funds;

c. combining Customer Information with other related information in the possession of any member 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 their identity and status.

Exceptionally, our Financial Crime Risk Management Activity may lead us to:

a. delaying or refusing to either process a payment or your instructions;

b. being unable to provide all or part of the Services to you and ending our entire relationship with you;

c. taking necessary steps for any member of the HSBC Group to meet the Compliance Obligations; and/or

d. blocking or closing your account(s) (although not any of your mortgage account(s)).

To the extent permissible by law, no member of HSBC Group shall be liable to you or any third party in respect of any loss (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.

19. General

19.1 We, or any other members of the HSBC Group, may take whatever action we consider appropriate to meet any obligations, either in the UK or elsewhere in the world, relating to the prevention of fraud, money laundering and terrorist activity and the provision of financial and other services to persons who may be subject to sanctions. This may include, but is not limited to, investigating and intercepting payments into and out of your account(s) (particularly in the case of international transfers of funds) and investigating the source of or intended recipient of funds. It may also include making enquiries to establish whether a person is subject to sanctions. Exceptionally, this may delay the carrying out of your instructions or the receipt of cleared funds but, where possible, we will advise you of the reasons for and likely length of any delay. If we are not satisfied that a payment in or out of your account is lawful, we may refuse to deal with it.

19.2 We will not be responsible for any loss you may suffer if we or any of our agents or correspondents are prevented from or delayed in providing you with any banking or other services due to strikes, interruption of power supplies, machinery or computer (hardware or software) failures or causes beyond our control.

19.3 Nothing in these Terms shall exclude or restrict any obligation which we have to you or any liability or obligation which we may incur under the Financial Services and Markets Act 2000, or the Rules, or any other liability or obligation which we are not permitted to exclude under laws, rules and regulations.

20. Governing Law and Language

20.1 These Terms are governed by the laws of England and Wales. You and we submit to the non exclusive jurisdiction of the courts of England and Wales.

20.2 The Terms are in English and all communications between us will be in English.

Annex 1

Best Execution Disclosure Statement

1. Purpose and scope

This Best Execution Disclosure Statement provides a summary of the steps we will take to achieve the Best Possible Result for transactions under our Execution Policy when we conduct transactions for you under these Terms.

Transactions in Company Shares we conduct for you as contemplated by these Terms will involve us (acting as your agent) executing deals with third parties on your behalf. It will also involve us engaging another company in our group (HSBC Bank plc) to provide you with certain dealing and execution services. For more information on this, please see Annex 3. Transactions in Other Shares will be transmitted for execution to the Manager.

2. Execution of Your Transactions

2.1 Company Shares

Under our Execution Policy we will take all sufficient steps to achieve the Best Possible Result on a consistent basis, including where possible in situations of market stress, taking into account a range of factors which include price; cost; speed; likelihood of execution and settlement; size; nature or any other consideration relevant to the execution of transactions. Price and execution costs will be paramount although other factors such as the type of transaction, the type of assets and the choice of execution venue will also be considered where necessary to achieve the Best Possible Result. If applicable any execution venue costs will be disclosed to you.

2.2 Other Shares

Transactions for the purchase or sale of Other Shares will be carried out within the time periods specified in the Terms or, where applicable, at such time as you instruct. Any specific instructions from you may prevent the Manager from taking the steps that Manager has designed and implemented to obtain the Best Possible Result for the execution of those transactions in respect of the elements covered by those instructions. The price for all purchases and sales of Other Shares will be determined at the next valuation point following the receipt of the transaction by the Manager.

2.3 Specific instruction warning

We will only execute or carry out transactions as set out within these Terms and process transactions in accordance with our Execution Policy. We are not able to accept any additional specific instructions you give us as to how to execute transactions e.g. to use a specific broker or execution venue.

Where you are permitted to give a specific instruction this may prevent us from achieving the Best Possible Result in accordance with our Execution Policy in respect of the aspects covered by the specific instruction.
3. Execution Venue

3.1 Company Shares
HSBC Bank plc, acting through its Global Banking and Markets division, will be the execution venue for your transactions in Company Shares. Should it be deemed necessary, you agree that transactions may be executed off a regulated market, multilateral trading facility or organised trading facility (as defined in the FCA Rules). Where we do execute a transaction other than on a regulated market, multilateral trading facility or organised trading facility, there may be an increase in counterparty risk. If you have any questions regarding the consequences of such transactions please contact us using the details given at the beginning of these Terms. In selecting any execution venue, consideration is given to the cost of executing, liquidity available for the financial instrument, the speed of execution, reliability, continuity of trading, the creditworthiness of the execution venue and the quality of any related clearing and settlement facilities.

3.2 Other Shares
Transactions in Other Shares can only be transmitted to the Manager for execution and therefore are never traded on a regulated market, multilateral trading facility or organised trading facility (as defined in the FCA Rules). All transactions for the purchase or sale of Other Shares will be executed by the Manager, which will be the execution venue for the purposes of the Rules.

3.3 Review of execution venues
We keep our choices of execution venue under regular review. Execution venues may vary depending on market conditions from the ones listed above. Where we use a single internal execution venue this choice is kept under review to ensure that the execution arrangements continue to meet the Best Possible Result obligation that we owe to you. For Other Shares the Manager will be the execution venue and is not subject to such review.

Information regarding execution and the top five execution venues for each class of financial instrument can be accessed via our website http://www.hsbc.co.uk/investments/products-and-services/best-execution/

4. Effective date, review, amendments and monitoring
This Best Execution Disclosure Statement is reviewed annually. We may amend this Best Execution Disclosure Statement as necessary and where a material change has occurred, we will inform you in writing. We will also regularly monitor our effectiveness in achieving the Best Possible Result for you. You may ask us at any time in the seven years following a transaction to demonstrate that we have executed your order in accordance with our Execution Policy.

Annex 2
HSBC Policy on Conflicts of Interest
The HSBC Group is a global organisation which provides a wide range of financial services. As such, it, or a company with whom it has an association (HSBC), may from time to time have interests which conflict with its clients’ interests or with the duties that it owes to its clients. These include conflicts arising between the interests of HSBC, its associates and employees on the one hand and the interests of its clients on the other and also conflicts between clients themselves. Conflicts may also arise from the receipt of payments or benefits from third parties or from remuneration and other incentive structures.

HSBC has established procedures which are designed to take all appropriate steps to identify and manage such conflicts which may adversely affect the interests of clients. These include organisational and administrative arrangements to safeguard the interests of clients. A key element of this policy is that persons engaged in different business activities involving a conflict of interest must carry on those activities independently of one another.

Where necessary, HSBC maintains arrangements which restrict the flow of information to certain employees in order to protect its clients’ interests and to prevent improper access to client information.

HSBC may also deal as Principal for its own investment account and maybe matching transactions with another client. Procedures are in place in order to protect the client’s interest in this instance.

In some cases, HSBC’s procedures and controls may not be sufficient to ensure that a potential conflict of interest does not damage a client’s interests. In these circumstances, HSBC will consider whether it is appropriate to disclose the potential conflict to the client and obtain the client’s formal consent to proceed. However, HSBC may decline to act in any circumstance where there is residual risk of damage to the interests of any client.

You may have further questions which relate to the underlying procedures within HSBC. In such cases you should contact the Client Enquiry team, who will direct your query accordingly.

Annex 3
Your rights and responsibilities

We (HSBC Trust Company (UK) Limited) will act as your agent in engaging another company in our group (HSBC Bank plc) to provide you with certain dealing and execution services for the purposes of the Terms. These services will be provided under a terms of business between us and HSBC Bank plc as amended from time to time (Terms of Business).

In this Annex, we have set out some information about your rights and responsibilities in relation to this Terms of Business, and your relationship with HSBC Bank plc generally, which is important for you to read and understand:

♦ The Terms of Business is a legally binding contract between us (acting as your agent and on your behalf) and HSBC Bank plc.

♦ Under that contract, HSBC Bank plc will be entitled to treat us (and not you) as its client for certain regulatory purposes. But because we are entering into the contract as your agent and acting on your behalf, you will still be a party to the contract as a matter of law.

♦ As a result, you will be bound by the terms of the contract, and you will also be entitled to enforce the contract if it is breached by HSBC Bank plc. In other words, you will have the right to make a legal claim against HSBC Bank plc directly, rather than having to go through us.

♦ If you want more information about what the Terms of Business say, please let us know and we will send you a copy of the Terms of Business in force as at that time.

♦ Applicable laws and regulatory requirements prevent us from conducting certain activities or taking on certain liabilities. As a result, we are not able to accept responsibility for the acts and omissions of HSBC Bank plc when it provides execution and dealing services under the Terms of Business. But if you have any concerns or complaints on this front at any time, please let us know straight away and we will explain how these can be dealt with.

♦ You should also be aware that, if you are ever dissatisfied with HSBC Bank plc’s services, you always have the right to submit a complaint to it directly. Further details regarding its complaints procedures are available from us on request.

♦ If you are not satisfied with the way in which HSBC Bank plc deals with a complaint you have made, then you may be able to refer it to the Financial Ombudsman Service. Further information is available from us on request or from the Financial Ombudsman Service itself at Exchange Tower, Harbour Exchange, London E14 9SR (www.financial-ombudsman.org.uk).
HSBC Bank plc is also covered by the Financial Services Compensation Scheme (FSCS). You may be eligible to compensation from the scheme if you have a valid claim against HSBC Bank plc in respect of investment business and it cannot meet its obligations, due to insolvency. Most types of investment business is covered.

Under the Terms of Business, HSBC Bank plc may ask us to obtain from you certain information, documents or materials (for example, where these are requested to enable HSBC Bank plc to comply with applicable laws or regulatory requirements, or its internal policies and procedures). If we ask you to give us something for this reason, you will need to provide it to us as quickly as possible, and make sure it is complete, correct and up to date.

Please note that nothing in this agreement or the Terms of Business is intended to or shall limit or exclude any rights or remedies you have under the general law or any regulatory regime. To be clear, this includes any rights you may have against HSBC Bank plc under the Consumer Rights Act 2015 or section 138D of the Financial Services and Markets Act 2000 (in each case, as in force from time to time).

To explain further how section 138D may be relevant in practice:

- We are under a regulatory duty to take all sufficient steps to obtain the best possible result for you when executing orders on your behalf. This is known as “best execution”. This is in addition to any contractual obligations we may owe you.

- We will categorise you as a retail client for the purposes of the FCA rules. This means we will have a regulatory duty to provide you with “retail quality” best execution – i.e. in general terms, when executing orders for you, we have to determine what the best possible result is in terms of price and cost.

- If this duty is breached, you may have a right to take action against us under section 138D of the Financial Services and Markets Act. In general terms, section 138D can give private persons a right to take action if they suffer loss because a relevant firm has breached certain rules made by the FCA.

- Over and above this, HSBC Bank plc will also have obligations under the Terms of Business. For example, it will be subject to a contractual obligation to provide you with “retail quality” best execution. Accordingly, depending on the circumstances, if there is a breach on this front, you may also have a right to take action against HSBC Bank plc for this breach, although this will be under the law of contract, rather than under section 138D as explained above.

If you have any questions about the information set out in this Annex, please do not hesitate to let us know and we will do our best to help.