

# Product and Services Guide

## Introduction

This Product and Services Guide forms part of the Services Schedule of the Master Services Agreement under the General Terms and Conditions (also referred to as the “Corporate Banking Terms and Conditions”).

This Product and Services Guide sets out the specific rights, terms, conditions and obligations that apply to the HSBC accounts set out hereunder and shall be read together with the General Terms and Conditions.

Unless otherwise defined in this Product and Services Guide, all capitalised terms used here shall have the same meanings given to them in the General Terms and Conditions.

## Features of Savings Accounts

### General

The Bank reserves the right to perform any obligation in any currency, at any rate and in any manner in each case as it determines, and such performance shall constitute a good and valid discharge of those obligations.

Fees and charges and any other amount payable by the Customer under the Corporate Banking Terms and Conditions which are payable or expressed in New Zealand Dollars may, in relation to an account in a currency other than New Zealand Dollars, be converted by the Bank to the currency of the account before being debited to the account.

If for any reason, including bankruptcy or insolvency, any amount is received by the Bank in a currency other than that in which it is payable, the Customer must immediately reimburse the Bank for any exchange loss.

The Bank may make any currency conversion at its spot rate of exchange for the relevant currencies.

The Customer acknowledges that the Bank has no liability or responsibility whatsoever, and have given no advice, in respect of movements in interest rates or exchange rates. The Customer will make its own judgments and decisions whether to open an account in a currency other than New Zealand Dollars. The Bank does not monitor movements in exchange rates for the Customer — **this is the Customer’s responsibility.**

### Minimum opening deposit

\$5,000 for Accounts in New Zealand Dollars or its equivalent in any of the following currencies:

- Hong Kong Dollars
- United States Dollars
- British Pounds
- Euro
- Canadian Dollars
- Japanese Yen
- Singapore Dollars
- Australian Dollars

Currencies not listed above may be accepted by arrangement.

### Maximum deposit

No maximum

### Interest rates

Unless an interest rate has been separately agreed between the Customer and the Bank, the interest rates applicable to the Account are variable rates and tiered. A tiered rate means that the Customer will earn or pay different rates of interest depending on the balance of the Account. These interest rates and account balance thresholds to which they apply are set by the Bank and may change at any time.

Current rates are available by visiting [www.hsbc.co.nz](http://www.hsbc.co.nz) at any time or by ringing the Customer's Relationship Manager.

### Calculation of interest

For any debit or credit interest on an account (including a Foreign Currency Account), the Bank calculates interest daily by dividing the current annual percentage rate of interest by 365, 360 or any other number of days depending on the accounting convention relating to the currency of the account, and by multiplying each day's closing balance by the daily percentage rate.

### Where is interest credited or debited

To or from the Customer's Account or another account the Customer holds with the Bank.

## How deposits and withdrawals can be made

### Business Current Account

	Deposit	Withdrawal
By HSBCnet	Y	Y
By automatic direct deposit	Y	N

Withdrawals of Available Funds can be made by the Customer or any authorised signatory or by any person who holds an authorisation from the Customer or an authorised signatory which is acceptable to the Bank.

### International Cash Management Account

New Zealand dollar accounts:

	Deposit	Withdrawal
By HSBCnet	Y	Y
By automatic direct deposit	Y	N

Withdrawals of Available Funds can be made by the Customer or any authorised signatory or by any person who holds an authorisation from the Customer or an authorised signatory which is acceptable to the Bank.

Foreign currency accounts:

	Deposit	Withdrawal
By HSBCnet	Y	Y

Currency conversions between Accounts also available.

The Customer may make withdrawals on an International Cash Management Account which is in a currency other than New Zealand Dollars in the following manner:

In New Zealand Dollars	Y
In the form of telegraphic transfers	Y

If any deposit or withdrawal is made in a currency different from the currency of the Account a currency conversion will be made to convert the funds deposited to the currency of the Account at the prevailing exchange rate.

### **Minimum amount of withdrawal**

No minimum amount applies.

### **Statements of Account**

Statements of account will be issued either monthly or quarterly, as the Customer chooses.

### **Account Formatting**

Using correctly formatted account details will ensure straight through processing of your payments, and reduces the chances of delays, rejections or non-receipt of payments.

### **New Zealand Dollar Accounts**

In New Zealand the local clearing system uses 16-digit account numbers for domestic NZD payments.

HSBC will provide you with a 16-digit account number for all your NZD accounts.

You will need to provide the full 16-digit number to your customers or suppliers for purpose of crediting/debiting a local payment to/from your HSBC NZD account(s).

Your 16-digit account number is made up of:

- 2 Digit Bank Code
- 4 Digit Branch Code
- 7 Digit Account Base Number
- 3 Digit Account Suffix

### **Foreign Currency (FCY) Accounts**

NZ clearing standards only apply to NZD local payments. Foreign currency (FCY) accounts only have 12-digit account numbers. Your 12-digit account number format as follows:

- 3 Digit Bank/Branch Code
- 6 Digit Account Base Number
- 3 Digit Account Suffix

### **Local Clearing Systems**

In New Zealand, there are three clearing systems which cover the range of different payments methods. HSBC is a direct participant in all the local clearing systems, which are:

#### **High Value Clearing System (HVCS)**

HVCS payments are fast and, once made, cannot be reversed. HVCS payments are commonly used for large value payments between corporate institutions and property settlements (includes Local RTGS, Local TT, and Cross Border International Payments). HVCS Participants use a dedicated Swift-based system between banks to settle these payments and interchange payment information between them. As of 20 March 2023, Aotearoa New Zealand became the first country in the world to start processing cross-border transactions with Swift's new ISO 20022 messaging standard.

### **Bulk Electronic Clearing System (BECS)**

BECS covers a range of bulk electronic transaction types that are made between its Participants, including direct credits, automatic payments, and direct debits. BECS Participants use Settlement Before Interchange (SBI) to settle transactions and exchange payment information multiple times throughout each business day\*.

### **Consumer Electronic Clearing System (CECS)**

CECS rules, standards and procedures govern the processing of EFTPOS payments, mobile payments, and the operation of ATMs.

CECS transactions also uses SBI to settle transactions and exchange payment information throughout each business day\*.

## **Making & Receiving Payments**

### **Electronic Domestic Payments – Changes from 27 May 2023**

From 27 May 2023, HSBC will process electronic domestic payments (that's local NZD payments including one off and batch direct credits, automatic payments, and direct debits) seven days a week, 365 days a year. So whether you are making or receiving such payments, they will be processed on weekend and public holidays on your NZD accounts.

This change does not apply to Real Time Gross Settlement (RTGS), Same Day Cleared Payments (SCP), or International Payments which will all remain unchanged (i.e. Monday to Friday excluding Public Holidays).

From 27 May 2023, the following will apply:

#### **Interest calculations**

Interest will continue to be accrued daily and credited to or debited from your account on a monthly basis. We will calculate interest on weekends and public holidays based on the end of day balance so any change in balances due to payments in or out of your account will be taken into account.

#### **Statements**

Statements will post payments made on weekends and public holidays on the next business day. Transactions made on weekends on public holidays will have additional

narrative displaying the value date of that payment (i.e. the date the payment was sent or received).

### Cleared Funds

Payments on a weekend /public holiday can only be made where sufficient cleared funds are on your account(s) to cover the value of any payments being made. Credit facilities will continue to operate on a business day only basis, so you will not be able to use any Overdraft or Intraday settlement facilities for making payments over weekend/public holidays.

### Direct Debits and Automatic Payments

HSBC will process Direct Debits and Automatic payments seven days a week, 365 days of the year. If you have any Direct Debits or Automatic Payments setup to debit your HSBC account, they will be processed on the value/due date. Please ensure that your account(s) are sufficiently funded prior to weekend/public holidays to avoid any direct debit or automatic payment rejections due to insufficient funds.

If you are a Direct Debit Initiator (i.e. you initiate direct debit instructions to debit other parties accounts) HSBC will process your instructions based on the value date provided. If you intend to debit parties on a weekend/public holiday, then you should advise those parties in advance that going forward direct debits will be processed on the agreed due/value date, which may include weekends or public holidays, so that they can ensure their accounts are sufficiently funded and this will reduce the likelihood of rejected debits.

### Payment cut-off times

To ensure payments are processed same day, the payment instructions must be authorised before the cut-off time for that particular payment type. Payment instructions received after cut off time will be processed on the next Processing Day (as defined in the table below).

These are HSBC cut-off times. Other banks may have different cut-off times for sending or receiving payments. You may receive payments from other banks during the evening depending on the cut-off time used by the other bank.

NZD PAYMENT CUT OFF TIMES (New Zealand Time)			
	Code	Cut Off Time	Processing Days

Local Payments (ACH Credit/Debit)	NZD	19:00 (Monday – Saturday) 17:30 (Sunday)	Monday to Sunday**
Local Payments (On Screen Priority Payments via HSBCnet)	NZD	19:00	Monday to Sunday**
Domestic RTGS / TT	NZD	16:30	Monday to Friday*
<b>FOREIGN CURRENCY PAYMENT CUT OFF TIMES (New Zealand Time)</b>			
Currency	Code	Cut-off Time	Processing Days
Australian Dollar	AUD	15:00	Monday to Friday*
Euro	EUR	15:00	Monday to Friday*
United States Dollar	USD	16:30	Monday to Friday*
Fijian Dollar	FJD	13:00	Monday to Friday*
Japanese Yen	JPY	13:00	Monday to Friday*
Indian Rupee	INR	15:00	Monday to Friday*
Thai Baht	THB	13:00	Monday to Friday*
Singapore Dollar	SGD	14:00	Monday to Friday*
Hong Kong Dollar	HKD	14:00	Monday to Friday*
Danish Kroner	DKK	14:00	Monday to Friday*
Norwegian Kroner	NOK	14:00	Monday to Friday*
Swedish Kroner	SEK	14:00	Monday to Friday*
South African Rand	ZAR	14:00	Monday to Friday*
Canadian Dollar	CAD	14:00	Monday to Friday*
Swiss Franc	CHF	14:00	Monday to Friday*
Pound Sterling	GBP	15:00	Monday to Friday*
Philippines Pesos	PHP	14:00	Monday to Friday*
Chinese Yuan (aka Renminbi)	CNY	14:00	Monday to Friday*
Saudi Arabia Riyal	SAR	14:00	Monday to Friday*
South Pacific Francs	XPF	14:00	Monday to Friday*
** Local NZD Payments run 7 days a week, 365 days of the year.			
*Excludes Public Holidays			

