

## TERMS AND CONDITIONS FOR CLUSTER CURRENT ACCOUNT FOR HSBC ADVANCE

By signing the HSBC cluster deposit/current account cluster deposit creation form ('designated form') you agree to be bound by the appended terms and conditions associated with the cluster deposit facility in cluster/current account.

### Definitions

**Bank** means The Hongkong and Shanghai Banking Corporation Limited, India, a company incorporated under the Companies Ordinance of the Hong Kong Special Administrative Region (HKSAR), having its registered office at 1, Queen's Road Central, Hong Kong and having its India Corporate office at 52/60 Mahatma Gandhi Road, Fort, Mumbai 400 001.

**Customer** means a resident Indian having cluster account with the Bank.

**Business Day** means any day, except Sunday on which Bank is open for normal banking business during normal banking hours in India.

**Account Minimum Balance Level (AMBL)** means a minimum threshold amount above which any amounts lying in the cluster account will be transferred to cluster deposits.

**Cluster Account** means the account linked to the current account maintained with the Bank, mentioned in the designated form for availing cluster deposit facility.

**HSBC Cluster Deposit (CD)** facility is fixed deposits linked to the HSBC current/cluster account, that support automated placement or breakage of deposits based on End-of-Day (EOD) funds position in the cluster account.

**Designated form/cluster deposit creation form** means the form for availing the CD facility.

### General Terms

- The account rules associated with 'Fixed Deposit' of the Bank will be applicable on the cluster deposits placed as per the instructions from the customer. Please visit [www.hsbc.co.in](http://www.hsbc.co.in) for fixed deposit account rules.
- If the EOD funds position of the cluster account is above a pre-defined threshold, cluster deposits will be automatically placed based on pre-defined placement unit and tenure as defined/agreed by the customer on the creation form. Similarly, if the end-of-day funds position of the cluster account is below the AMBL, the cluster deposits linked to this account (if any) would be automatically de-linked and the funds transferred to reinstate the minimum balance level. The AMBL will be as specified in this cluster deposit creation form and cannot be specified at any other level by the customer. The minimum amount of a single deposit under the cluster deposit unit will be ₹25,000 or more.
- Cluster deposits to be created and withdrawn as per the standing instructions, will without any further instructions from customer be prepaid in withdrawal unit(s), whenever the amount in the customer account falls below the AMBL. If there are more than one (1) cluster deposits, then the cluster deposit created last will be prepaid first and if this is not adequate, then the cluster deposit created prior to the last cluster deposit will be prepaid and so on and so forth.
- Customer understands that the Bank accepts no responsibility, for any loss or delay, which may occur in the transfer, transmission and/or application of funds due to any cause beyond the control of the Bank.  
Kindly note, cluster deposits that are prematurely encashed (on customer's instruction or due to fall of EOD balances below AMBL) is subject to penalty on premature withdrawal of fixed deposit as may be applicable from time to time. Please check the account rules page on [www.hsbc.co.in](http://www.hsbc.co.in) for the applicable penalty.  
The interest paid will be lower by the penal rate (as may be applicable to the value and date of placement of the cluster deposit) than the rate prevailing on the date of placement of the cluster deposit for the period for which the cluster deposit remained with the Bank or the contractual rate, whichever is lower. No interest will be paid on premature withdrawals of cluster deposit which has remained with the Bank for less than the minimum period for which the cluster deposits were being accepted for the said currency and deposit types, as on the date of placement of cluster deposit.
- Customer acknowledges and agrees that the Bank shall deduct tax deducted at source (TDS), as payable under applicable tax laws, from the cluster account specified in the cluster deposit creation form. Notwithstanding the above, in case sufficient funds are not available to meet the requirements of TDS, then the Bank shall deduct the TDS from the maturity proceeds or proceeds at the time of premature termination of cluster deposit prior to credit of the same to the cluster account or any other amounts due and payable by the Bank to the customer. In the case of 'resident' payee, TDS at appropriate rates will be deducted where the aggregate of interest on such cluster deposit(s) credited or likely to be credited by any of the Bank's branch exceeds ₹10,000 during the financial year.
- TDS, when due and applicable will be deducted in accordance with the provisions of the Income Tax Act, 1961 and the rules thereunder as in force. TDS at appropriate rates will be deducted. The sole/first depositor will be usually regarded as the beneficial owner of the fixed deposit and considered as the payee for the purposes of Income tax deduction at source (TDS) from the interest on cluster deposit.
- In the case of 'resident' payee, TDS at appropriate rates will be deducted where the aggregate of the interest on such deposit(s) credited, during a financial year exceeds the maximum amount prescribed by the Income Tax Act, 1961. Such TDS shall be recovered from the designated savings/current/demand deposit a/c(s).
- Individuals who wish to avail exemption from TDS should submit duly filled in Form 15G/15H as applicable with the Bank. Such exemption from TDS will take effect from the following month of the date of submission of Form 15G/15H. For every financial year, individual would need to submit a new Form 15G/15H.
- Customer acknowledges and agrees that in the event of non breakage of the cluster deposit beyond the tenor of the cluster deposit, the cluster deposit principal and interest will be renewed for a further similar tenor.
- Cluster deposits cannot be clubbed with SmartMoney facility.
- In case the customer wants to discontinue the cluster account or the Cluster Deposit (CD) facility, the customer shall intimate the Bank about the same and all existing CDs will be prematurely encashed (subject to premature encashment penalty) and credited to the cluster account or in case of discontinuance of the cluster account, all the amounts lying in the account shall be paid to the customer after debiting any applicable TDS, penalty for premature break of the CDs and any other applicable charges.
- In case due to honouring of outward payments, the balance in the cluster account goes below the required account 'minimum balance level, then the linked cluster deposits will prematurely break on a Last In First Out (LIFO) basis and premature penalty clause will be applicable. The breakage of the cluster deposits will occur irrespective of whether the AMBL deficit is met.
- The Bank's right of general lien and set off shall have priority over any obligation to pay a cheque drawn or withdrawal instruction provided on the customer account under this scheme.
- The rate of interest applicable for a CD will be the prevailing rate of interest for the particular tenure on domestic fixed deposit offered by the Bank, at the time of creation of the CD and subject to change from time to time. Customer is requested to visit [www.hsbc.co.in](http://www.hsbc.co.in) or nearest HSBC branch in India to know the prevailing interest rate applicable on domestic fixed deposits.
- In case of joint accountholders, premature withdrawal of deposits will require authorisation by all accountholders.

### Confidentiality

The customer hereby agrees that the Bank may need to share, store or transmit information about the customer or any of customer accounts, within the HSBC Group or with any agent or third party used by HSBC either in India or in another country, for the purpose of providing the cluster deposit facility. Any such sharing, storage or transmission of such information will be done on a confidential basis and the Bank will endeavour to maintain strict confidentiality of such information within the HSBC Group unless: (a) otherwise required by any applicable law, regulation or request of any public, regulatory or judicial authority; or (b) where disclosure is required for the purposes of preventing crime; or (c) HSBC deems disclosure necessary to provide services.

### Services and Consideration

The customer hereby provides his/her consent for the premises and covenants contained in these terms and conditions.

### Force Majeure

The Bank will not be responsible for non-performance or delay in the performance of the cluster deposit facility that is caused by circumstances beyond its control. Circumstances beyond the Bank's control include, but are not limited to, fires, casualty, breakdown in equipment, communication line failure, power failure, lockout, strike, unavoidable accident, act of God, terrorism or threat of terrorism, riot, war or other enactment, issuance or operation of any adverse governmental law, ruling, regulation, order or decree, or emergency that prevents the Bank from operating normally.

### Limitation of Liability

Notwithstanding anything contrary contained herein or any other deed, document or agreement between the Bank and the customer, the Bank shall have no liability to the customer or any other person for any consequential, compensatory, special or other damages, including without limitation damages for lost profits, or loss or damages from subsequent wrongful dishonour caused by any error, act, delay or omission by the Bank.

### Indemnity

As long as the Bank has performed in good faith, the customer shall indemnify the Bank and hold the Bank harmless from time to time and at all times from any and all claims, damages, losses, liabilities and costs or expenses (including legal fees) incurred by the Bank, arising due to any delay or loss caused to the customer due to dishonour of any instruments as a result of availing the CD facility or due to services performed under these terms and conditions.

### Virus Check(S)

Customer will ensure to prevent the spread of viruses by checking all magnetic tapes, diskettes, cartridges, and all computer software used for transmission of data to the Bank. This includes running a virus check programme on the computer where the transmission of data to the Bank will be originated.

### Change of Terms

- The Bank has the sole discretion to change, add or delete these terms and conditions.
- The Bank may modify, terminate and/or suspend the cluster deposit facility to the customer anytime with or without prior notice, due to any changes in internal policies, rules, regulations and laws set by relevant tax authorities/regulators.
- Any amendment of these standard terms and conditions proposed by the customer shall not be effective unless it shall be reduced to writing through an amendment form and accepted by the Bank. Amendments made under this clause shall be deemed to be a part of these terms and conditions and in case of any contradiction, the amendment form shall prevail.

### Terms and Termination

These terms and conditions will continue to be in effect until terminated by either party with at least thirty calendar days' prior written notice to the other party. Either party may terminate the cluster deposit facility without affecting other services. These terms and conditions shall remain valid until it is replaced by another set of terms and conditions or terminated by either party whichever is earlier. If the customer suffers distress or execution or commits an act of bankruptcy or goes into liquidation or if a court receiver is appointed over any part of the customer's business / property, then the Bank shall have the right to terminate these terms and conditions forthwith by serving the customer with a written notice to that effect.

Notwithstanding anything contained to the contrary, any rights, liabilities and obligations arising due to the acts done prior to the date of termination shall continue to be binding on the customer and the Bank and the terms and conditions shall be valid and binding to that extent.

### Fees

The customer agrees to pay applicable service charges to the Bank for the cluster deposit facility, as may be agreed between the Bank and the customer from time to time, and all statutory dues including service tax (any cess thereon), stamp duty, etc payable in respect of these terms and conditions or any other deeds or documents to be executed in pursuance hereof shall be borne and paid solely by the customer.

### Severability

If any provision(s) of these terms and conditions shall be held to be illegal or unenforceable, the validity of the remaining portions of these terms and conditions shall not be affected.

### Governing Law

These terms and conditions shall be governed by the laws of India and each of the parties hereto hereby submits to the exclusive jurisdiction of the courts at Mumbai.

### Cancellation of Instruction

In case the customer requests the Bank to cancel or modify the cluster deposit facility, any payment instructions for whatever reason after submission of the said instructions to the Bank, the Bank will make reasonable efforts to comply with the customer's request. However, the Bank shall not be liable for any failure to cancel or modify the payment instructions, if such is received at a time or under circumstances that renders the Bank unable to comply with the customer's request.

### Right of Set-off

If the Bank selects to execute a customer instruction, resulting in an overdraft, the Bank has the right to debit any of the customer account(s) for any amount owed to it by the customer for such overdraft or any outstanding obligation including any service charges due from the customer on such execution of the instruction.

### General Undertaking from Customer

The customer hereby agrees and confirms that:

- The customer fully understands, agrees and is satisfied with all the features of cluster deposit facility offered including its usage for achieving the purpose for which customer is availing the facility.
- The customer is solely responsible for the accuracy, completeness and timeliness of instructions issued to the Bank from time to time.
- The customer is solely responsible for ensuring that the use of the cluster deposit facility achieves the intended purpose.
- The customer shall be bound by any instruction executed by the Bank, if the Bank had executed the instruction(s) in good faith.