HSBC Self Invested Personal Pension

Terms and Conditions

Effective Date 31 Jan 2025

HSBC UK

Contents

1. Definitions

Unless the context otherwise requires, the words and phrases below shall have the following meanings:

Additional SIPP Services means the services set out in Appendix 2.

Authorised Representative means any manager, adviser or other person you have appointed from time to time and notified us in writing as having been authorised to act on your behalf in giving Instructions to us, communicating with us and carrying out any other acts or duties under the SIPP.

Beneficiary means a person eligible under the Rules to receive a lump sum or pension on your death. This includes any person nominated by you in the expression of wish form plus, your relatives, dependants and any Beneficiary under your will.

Business Day means any day except Saturday and Sunday or a day which is a public holiday in England.

Capped Drawdown means drawing amounts as income from an Individual Fund, whilst keeping the Individual Fund invested. The amounts you can take as "income" are subject to maximum limits set by the Finance Act 2004 and are reviewed regularly.

Cash Account means the account opened by us as Operator and banker. Details of the cash account are contained in Appendix 3.

Connected Person has the same meaning as in Appendix 4.

Customer Information has the same meaning as in Appendix 4.

Drawdown Pension means drawing amounts as income from an Individual Fund, whether as Capped Drawdown or Flexi-Access Drawdown.

Flexi-Access Drawdown means drawing amounts as income from an Individual Fund, whilst keeping the Individual Fund invested, with no limit on the amount that can be withdrawn (until the fund is exhausted).

FCA means the Financial Conduct Authority or any successor regulator which may regulate the provision of the Services.

HSBC Group means collectively and individually HSBC Holdings plc, its affiliates, subsidiaries, associated entities and any of their branches and offices, and any member of the HSBC Group has the same meaning.

Individual Fund means the investments and money attributable to each SIPP having regard to:

- Transfer-in payments received in respect of the account.
- (For a Member) contributions received for the account.
- (For a Survivor) amounts allocated under paragraph 10 of Appendix 5 (Benefits on Death) to provide the Survivor with Drawdown Pension under the account.
- Benefit and transfer-out payments made from the account.
- Charges, fees and expenses deductible under the account.
- Investment income, gains or losses.

Individual Fund Trustee means any person (who may include the relevant Member (or Survivor)) for the time being appointed to act jointly with us as a trustee of the Individual Fund of a Member (or Survivor).

Instructions mean directions which you or your Authorised Representative provide to us concerning your SIPP or any other Instructions in relation to the Services we may provide. Clause 4 sets out how such Instructions must be given.

Member means an individual whose application for membership we have accepted under Section 2 of these Terms and Conditions.

Operator shall have the same meaning as in the Rules. This is HSBC UK Bank plc or any replacement Operator appointed under the Rules from time to time.

Personal Data has the meaning given in Appendix 4.

PRA means the Prudential Regulation Authority or any successor regulator which may regulate the provision of Services.

Provider means the provider of any investments that you hold within your SIPP such as Discretionary Fund Managers, Stockbrokers, Fund Managers, OEICs, Unit Trusts etc.

Rules means the deed and rules that establish the Scheme, as amended from time to time.

Scheme means the Self-Invested Personal Pension, which is a pension scheme registered under Part 4 of the Finance Act 2004 established by declaration of trust on 15 October 1998 with pension scheme tax reference 00605744RA.

Services means the Standard SIPP Services and the Additional SIPP Services.

SIPP means the legal agreement described in Section 2 of these Terms and Conditions.

Standard SIPP Services means the services set out in Appendix 1.

Survivor means an individual Beneficiary whose application for Drawdown Pension we have accepted under paragraph 10 of Appendix 5 (Benefits on Death).

Terms and Conditions means the Terms and Conditions set out in this document, together with any amendments to them.

Trustees in relation to an Individual Fund means us and the Individual Fund Trustee(s) appointed to act jointly with us as trustees of that Individual Fund.

We, us or **our** means the Operator.

You or **your** refer to the individual who is a Member or a Survivor.

2. Commencement of the SIPP

Your SIPP is a legal agreement between you and us. It is made up of:

- The Terms and Conditions.
- The application form you completed to join the SIPP.
- Any other documents executed by the parties from time to time which state that they form part of the agreement.

The Terms and Conditions become binding on you and us and the SIPP starts on the date we accept your signed and fully completed SIPP application form. Our acceptance of your application is dependent on the satisfactory completion of any money laundering and other checks we must reasonably carry out.

As the Individual Fund Trustee, these Terms and Conditions are binding on you in your capacity as (i) Member or Survivor and (ii) Individual Fund Trustee.

We provide your SIPP under the Scheme. The Scheme is a registered pension scheme established by trust and is governed by a set of Scheme Rules. The SIPP is subject to the Rules, a copy of which can be provided on request. It might be necessary to change the Rules to take reasonable account of any changes to law or regulation affecting the Scheme or for any other reason the rules or law permit. We provide notice to you of any significant changes if required by law.

If there is any conflict between documents or literature they will be prioritised in the following order Rules, Documents listed in Section 2 (listed in priority order), other literature.

3. Provision of the Services

3.1 You agree to take and pay for, and we agree to provide, the Standard SIPP Services.

3.2 If you ask us to provide any Additional SIPP Services and we agree to do so, you will pay our fees for their provision at the rates set out in Appendix 2.

3.3 We will provide the Services with reasonable skill and care. We will ensure that in providing the Services we will make available staff of appropriate seniority and experience. We will ensure the proper supervision of staff providing the Services.

3.4 We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the provision of the Services.

4. Instructions

4.1 As part of the SIPP Service, we are not responsible for giving and shall not be deemed to have given any legal, financial, investment, tax or any other advice in connection with your SIPP or any investments or decisions associated with it.

4.2 If you have appointed an Authorised Representative, Instructions will normally be submitted to us by your Authorised Representative, and we will accept all Instructions as binding and received in good faith. If Instructions are submitted to us by your Authorised Representative, we will not be responsible for any investment loss or expenses incurred by your SIPP which are caused by a delay on the part of the Authorised Representative. We will act on Instructions from your Authorised Representative until you instruct us not to do so.

4.3 If you don't have an Authorised Representative, or if you want to instruct us directly, all Instructions to us must be from you, in writing and signed by you. We reserve the right to accept email or telephone Instructions but we may require you (or your Authorised Representative if you have one) to confirm your Instructions in writing before we act on those Instructions.

4.4 As the Individual Fund Trustee, your Instructions (whether submitted by you or your Authorised Representative) are treated as being given in both your capacity as (i) Member or Survivor and (ii) Individual Fund Trustee.

4.5 If any Instructions are unclear or we have reason to believe that email or telephone Instructions may not have come from you or your Authorised Representative, we'll request clarification from you or your Authorised Representative before proceeding. We'll not be responsible for any losses caused by the delay arising from us seeking such clarification.

4.6 You must notify us immediately of any changes concerning your SIPP membership including payment of contributions which do not attract tax relief.

4.7 It is your responsibility to notify us immediately if you identify any errors.

4.8 Any instruction, notice or communication that we give to you under these Terms and Conditions will be in writing and sent by email or post to your last known address (or by such other methods as we may decide from time to time). If a communication is sent by email before 5pm on a Business Day, it will be deemed to have been received by you on that day. Otherwise, a communication sent by email will be deemed to have been received by you on the next Business Day after it is sent. If a communication is posted, it will be deemed to have been received by you 2 days after posting (excluding Sundays and Public Holidays). We will communicate with your Authorised Representative unless you tell us to communicate directly with you. Any communication which we provide to you is provided solely for your own use and it is not intended to be relied upon by any third parties.

4.9 You will arrange for us to be supplied with a list of the names and, if we request, specimen signatures of all persons authorised to act as your Authorised Representatives in relation to Instructions and other matters relating to the SIPP. We shall be entitled to rely on such list until we are notified otherwise. In the absence of any notification from you to the contrary, you agree that we may disclose any relevant information about you and the

SIPP to any Authorised Representative and that there are no limitations on the authority of any Authorised Representative in relation to the SIPP.

4.10 In an emergency at our discretion, Instructions may be given by telephone, but any such Instructions must be confirmed in writing by 5:00pm on the following Business Day. All telephone Instructions shall be given at your sole risk and we shall not be liable for the consequences of any misunderstanding relating to any telephone Instructions accepted and acted on in good faith, whether or not they are confirmed in writing. We will monitor and/or record our telephone conversations with you and/or Authorised Representatives. All recordings are our property and may be used in evidence in any court proceedings.

4.11 Subject to such security arrangements as we may require from time to time, Instructions may be given by facsimile at your sole risk. We shall not be held liable for acting in good faith in accordance with facsimile Instructions which appear to us to have been made with the authority of you or any Authorised Representative.

4.12 Where we have acted in good faith on any Instructions, we shall have no responsibility for any loss you suffer, howsoever arising, and we will be entitled to rely on your obligation set out in Section 14.3 of these Terms and Conditions to be responsible for any loss, expense or costs we may incur in acting on such Instructions.

4.13 Notwithstanding anything in this Section 4, we may without any liability on our part:

(a) decline to act on Instructions where to do so would, in our reasonable opinion, involve us in acting contrary to any laws, rules and regulations (including the FCA rules), fiscal requirements and orders of any competent court or the Rules or other duty we have; or

(b) decline to act on Instructions which would be likely, in our opinion, to result in a liability for an unauthorised payment or other tax charge to be made; or

(c) in our absolute discretion (but with no duty to do so) decline to act on Instructions where such Instructions are not in writing, are incomplete, unclear, ambiguous and/or in conflict with other Instructions received by us or are believed by us on reasonable grounds to have been inaccurately transmitted or not to be genuine

(d) in our absolute discretion (but with no duty to do so) decline to act on Instructions and direct any Provider to decline to act on Instructions and we can sell an existing investment if:

(i) the relevant investment is not or ceases to be an investment type acceptable to us or otherwise does not or ceases to meet our investment criteria;

(ii) making or holding the relevant investment may expose us or your SIPP to liabilities which your SIPP may not be able to meet or limit or restrict our ability to administer the Scheme;

(iii) (in relation to us refusing your Instruction) there isn't enough cleared money available in the Cash Account to make the proposed investment and meet any due benefit payments, expenses etc. (after taking into account any proceeds from a dependant sale); the Instruction is to buy an investment and you cancel a transfer into your SIPP to which the Instruction relates; carrying out the Instruction is impracticable, unlawful or contrary to any agreement by which we are bound, or to any applicable court order; or, for a property, the results of title, environmental and other searches are not satisfactory; or

(iv) in relation to us directing that an asset must be sold) disposal of the investment is required by the terms of any applicable agreement, for example a co-ownership agreement

Our decision to refuse an Instruction or direct an investment to be sold must be exercised reasonably.

4.14 In any case where we decline to act on Instructions, we will notify you of such decision as soon as reasonably practicable (except where to do so would be contrary to any laws, rules and regulations (including the FCA rules), fiscal requirements and orders of any competent court).

5. Information

5.1 You must disclose to us such information and make available to us such records and documents (including those relating to investments) as we may reasonably require to provide the Services. The way in which we will treat your information is detailed in Appendix 4.

5.2 We will send you regular written reports in relation to the SIPP at least annually. We will provide you with an annual review pack that includes a valuation of your SIPP, benefit illustrations and a statement of account.

5.3 If we receive requests for advice, information or illustrations of benefits or other enquiries from a third party with suitable authority signed by you, we may respond directly to them and rely on them to send you a copy of any response intended for your review.

5.4 Unless you advise us to the contrary, you agree that we may telephone you without express invitation.

5.5 We will maintain all appropriate registrations under applicable data protection laws.

5.6 We and other members of the HSBC Group may collect, use and share Customer Information (including information about you and any Connected Person, your transactions, your use of our products and services, and your relationships with the HSBC Group). Customer Information may be requested by us, by any member of the HSBC Group, or by a third party on behalf of us or any member of the HSBC Group, and may be collected from you directly, from a Connected Person, from a person acting on behalf of you or a Connected Person, or from other sources (including from publically available information), and it may be combined with other information available to us or any member of the HSBC Group. Appendix 4 provides further information on how we may collect, process and share Customer Information.

5.7 Any information or illustrations that we give to you is confidential and are not to be disclosed by you to any third party unless we give our prior consent or the law requires it.

5.8 Neither we nor any other member of the HSBC Group owes any duty to disclose to you or to use for your benefit any fact, matter or thing which comes to our notice or the notice of that member of the HSBC Group in the course of rendering similar services to others.

5.9 Sections 5.6, 5.7 and 5.8 of these Terms and Conditions shall continue in force after and despite the termination of the SIPP, whatever the reason for termination.

6. Fees

6.1 Our fees for providing the Services are set out in the relevant Appendix. The fees for the Standard SIPP Services set out in Appendix 1 and the fees for the Additional SIPP Services set out in Appendix 2 are subject to review by us each year and any or all of them may be amended by us giving you not less than 30 days' notice.

6.2 You are responsible for ensuring that our fees are paid. Unless you or your Authorised Representative instruct us otherwise fees are met from your SIPP.

You can arrange for our fees to be paid by a third party (such as an employer in relation to the SIPP).

6.3 Our fees are subject to VAT (if applicable) at the prevailing rate and which shall be charged and paid in addition, in the same manner and at the same time as the relevant fee.

6.4 The Set-Up Fee specified in Appendix 1 is payable when we have received the completed documentation to establish the SIPP. The Annual SIPP Fee specified in Appendix 1 is payable annually in advance. The fees for the Additional SIPP Services specified in Appendix 2 are payable as the relevant Additional SIPP Services are provided although we may defer invoicing such fees until a later date, usually when the next Annual SIPP Fee is due.

6.5 We will issue an annual invoice to you on each anniversary of the commencement of your SIPP, in respect of fees and charges payable by you. We can, in addition, issue interim invoices for the Additional SIPP Services as they are provided. If an invoice is not paid in full within 30 days of the date of the invoice, interest will be payable on the outstanding amount. If we decide it is appropriate to do so, we can deduct from the SIPP any outstanding amounts owed in respect of the Set-Up Fee and Annual SIPP Fee and (except to the extent of any dispute already advised to us in writing) any fees for Additional SIPP Services, together with interest thereon. Such interest shall accrue at the rate of 3% above the Bank of England base rate from time to time, on a daily basis from the invoice date until the date of payment and shall be compounded monthly.

6.6 We reserve the right to charge a proportionate fee in respect of Additional SIPP Services provided in relation to an aborted transaction and to invoice on an interim basis in respect of ongoing transactions.

6.7 Even if you disagree with or dispute any amounts invoiced to you in respect of Additional SIPP Services or interest payable under Section 6.5 of these Terms and Conditions, you must still pay our invoices for the Set-Up Fee and/or the Annual SIPP Fee.

6.8 When the SIPP is closed or the benefits transferred out of the Scheme, we will refund a pro-rata proportion of any Annual SIPP Fee paid in advance (rounded down to the nearest whole month) in respect of the remaining months for which the Services specified in Appendix 1 will not be provided. You should note that our fees for any Additional SIPP Services which are provided on closure will still be payable.

7. Holding of cash

7.1 In accordance with the FCA Rules we are able to hold the cash within your SIPP either as banker or as Client Money within the pension trust. Unless we have notified you otherwise we will hold your money as banker. We will give you not less than 30 days' prior written notification in accordance with Section 18 of these Terms and Conditions of any change to how we hold your cash.

7.2 We will keep a record of all cash held in relation to your SIPP.

7.3 Interest is payable on the cash account in accordance with Appendix 3.

Holding money as banker

7.4 As your money is held by us on deposit as banker, and not as trustee under client money rules, in the event of our failure, the FCA client money distribution and transfer rules will not apply. So you would not be entitled to share in any distribution made under those rules. The cash in your SIPP will be dealt with under the deposit protection scheme of the Financial Services Compensation Scheme as described in Section 14 of these Terms and Conditions.

8. SIPP assets

8.1 Your SIPP assets are held and/or registered in the joint names of (i) us or our nominee and (ii) the relevant Individual Fund Trustee, as trustees of the Individual Fund.

8.2 However, your SIPP assets are held or registered in our sole name (or that of our nominee) if such assets are held for the Individual Funds of more than one Member or Survivor.

8.3 Subject to Section 8.4 of these Terms and Conditions, to the extent SIPP assets are held or registered in our name or the name of our nominee we will be responsible for the custody of the SIPP assets and we will safeguard your assets in accordance with the FCA Rules. The protection accorded to the assets under the FCA 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 Section 14 of these Terms and Conditions.

8.4 Where you decide to invest in a discretionary or third party investment portfolio, custody services will be provided by the investment manager, who will be responsible for the custody of assets within these portfolios in accordance with their terms of business. These terms will be provided to you separately at the time of your investment.

Our responsibility

8.5 We will accept responsibility to the full extent required by the FCA Rules for the acts and omissions of associates, including our nominee, and other third parties with whom we deal on behalf of the SIPP for the assets held within the trust.

8.6 We arrange to keep the assets held under your SIPP separate from our own assets. Your investments may be registered collectively with those of our other members and survivors, but are separately identifiable on our administration systems.

8.7 In the event of the failure of us, if there is an irreconcilable shortfall on the pooled account, all clients with assets in the pooled account may share in that shortfall. The amount of shortfall will be calculated in proportion to their original share of the assets in the pooled account.

8.8 Where the FCA Rules require us to fund any shortfall in assets, we may make good that shortfall using assets. Please contact us if you have any questions about the way in which we hold your assets.

9. Records

9.1 We shall maintain records (in the form of computer files in a format of our choosing or paper files) for the purpose of providing the Services. We shall make use of such computer systems as we deem appropriate for this purpose. Such records and computer systems belong to us.

9.2 We keep records of our investment business transactions for at least 6 years and you have a right to inspect entries in our books or computerised records relating to transactions undertaken on behalf of the SIPP. As we treat all clients' records as confidential, we reserve the right to give you copies of the relevant records if an inspection of them would prejudice our duty of confidentiality to other clients.

10. Termination

10.1 Your SIPP will terminate immediately on the occurrence of any of the following events:

- Payment of a transfer value in respect of all of your Individual Fund to another registered pension scheme or to a scheme that is a qualifying recognised overseas pension scheme for the purposes of the Finance Act 2004 or to purchase an annuity.
- If your Individual Fund is exhausted through the payment of benefits.
- The cancellation of your SIPP within the cancellation period.
- On the winding-up of the Scheme in accordance with the trust deed and Rules.

10.2 If there are no funds held in your Individual Fund for a period of at least 30 days, we will have the right to close your SIPP.

10.3 If we think it is appropriate and reasonable to do so we can terminate your SIPP for one of the following reasons:

- We receive a court order obliging us to terminate your SIPP.
- We cease to be authorised by the PRA.
- We cease to be regulated by the PRA or FCA for the Services.

- If we are informed, or otherwise become aware, that you are using your SIPP for illegal purposes.
- You are not observing the Terms and Conditions of the SIPP.
- If the Scheme becomes too expensive for us to operate.
- If we make an alternative scheme available that provides similar benefits.
- If our business is to be sold or wound up.
- If the registration of the Scheme is removed by HMRC.
- Your behaviour, in our reasonable opinion, is abusive, offensive or threatening (in language or action) or is otherwise inappropriate.

Where practicable, we will give you at least 6 months' advance notice of a decision to terminate your SIPP under this Section 10.3. However, we may not give you notice if there are serious grounds e.g Court Order, breaches of sanction, regulatory action, financial crime etc that require us to close your SIPP sooner.

10.4 In the event we terminate your SIPP and if we have not received your written Instructions within the notice period, we will sell your holdings in your investments. We will then deduct any outstanding fees taxes or other liabilities. The balance will be transferred out to another UK registered pension scheme. You can tell us which UK registered pension scheme to transfer your funds to during the notice period outlined in 10.3. If you do not do so, we will transfer the funds to a UK registered pension scheme of our choice.

10.5 All outstanding fees must be settled before your SIPP can be terminated.

10.6 The termination of your SIPP does not affect:

- Any rights and/or obligations you or we have which accrue before the date of termination.
- Any rights and/or obligations expressed or intended to continue in force after and despite termination, which shall include fees (Section 6), Financial Services Compensation Scheme (Section 14), unauthorised payments (paragraph 14 of Appendix 5) and costs attributable to your Individual Fund.
- Our obligation to complete any work or transaction already started as soon as practicable after termination and to co-operate fully with anyone necessary to complete the work or transaction.
- Our right to charge for any Services provided after termination.

11. Closure of the Scheme

11.1 We may inform you that no new members will be admitted to the Scheme and/or contributions by existing members will no longer be accepted.

11.2 Any such decision may be made for valid reasons including, but not limited to, any of the following:

- We cease to be authorised by the PRA.
- We cease to be regulated by the PRA or FCA for the Services.
- The Scheme ceases to be a registered pension scheme.
- We determine that it is necessary for the protection of the members.
- (In respect of stopping accepting further contributions) allowing contributions to continue to be paid in would breach HMRC or FCA regulations.
- If the Scheme becomes too expensive for us to operate.
- If we make an alternative scheme(s) available that provides similar benefits.
- Our business is to be sold or wound up.

11.3 Where practicable, we will give you at least 6 months' advance notice of a decision to close the Scheme to new members or to stop accepting contributions from existing members under this Section 11. However, we may not give you notice if there are serious grounds e.g Court Order, breaches of sanctions, regulatory action, financial crime etc that require us to close the Scheme to new members or new contributions sooner.

11.4 If the Scheme closes, we will notify you of your rights and options. Where it is necessary to transfer your SIPP to an alternative registered pension scheme unless we receive your written Instructions within the notice period we will sell your holdings in your investments. We will then deduct any outstanding charges. The balance will be transferred out to another UK registered pension scheme. You can tell us which UK registered pension scheme to transfer your funds to during the notice period outlined in 11.3. If you do not do so, we will transfer the funds to a UK registered pension scheme of our choice. Alternatively, we can, at our discretion, make payments directly to you where such payments would be 'authorised payments' for the purposes of the Finance Act 2004. We will pay to you any authorised payments as defined by The Registered Pension Schemes (Authorised Payments) Regulations 2009.

12. Assignment

The SIPP is personal to you and shall not be capable of being transferred by you. We may, upon giving one month's written notice, appoint any member of the HSBC Group to provide the Services in our place and we shall then transfer to such appointee all the benefits of the SIPP and all of our duties and obligations thereunder.

13. Events beyond a party's control

If a party is prevented from, or hindered or delayed in, performing any of its obligations under the SIPP (other than an obligation to make payment) by any event beyond its control (which shall include, without limitation, any law, order or regulation; currency restriction or devaluation; market conditions affecting the execution or settlement of transactions; war or terrorism; strike or industrial action; malfunction, interruption or failure of third party transport, telecommunications, computer services or systems; natural disasters or acts of God) its obligations under the SIPP shall be suspended while the relevant event continues to the extent that that event prevent, hinders or delays the performance by that party of those obligations.

14. Financial Services Compensation Scheme

14.1 Where cash is held in your SIPP, this is an eligible deposit and covered by the Financial Services Compensation Scheme ("FSCS"). This is the statutory fund of last resort which can pay compensation to eligible claimants if we are unable to meet our obligations in the event of insolvency.

The FSCS can pay compensation to depositors if a bank is unable to meet its financial obligations. Most depositors are covered by the scheme. In respect of deposits, an eligible depositor is entitled to claim up to the current FSCS limit for deposits.

The FSCS deposit limit relates to the combined amount in all the eligible depositor's accounts with the bank, including their share of any joint account, and not to each separate account. For further information about the scheme compensation provided by the FSCS (including the amounts covered and eligibility to claim) please refer to the FSCS website fscs.org.uk or call the FSCS on 0800 678 1100 or 0207 741 4100. Please note only compensation related queries should be directed to the FSCS.

You may be eligible to 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. There are limits that apply to the amount of compensation you are eligible to receive from the FSCS in respect of investment business. These limits can be subject to change so please refer to the FSCS using the details listed above for the most up to date information.

Liability and responsibility

14.2 We shall not be liable to you for any claims, costs, expenses, losses, liability, default or delay arising to your SIPP and its underlying investments unless that loss has been caused by our wilful neglect, wilful default or fraud.

14.3 You are responsible to us for all and any losses, costs, claims, damages, liabilities and expenses that we suffer or incur arising out of or connected with the provision of the Services except to the extent that such losses, costs, claims, damages, liabilities and/or expenses have been caused by our own negligence, fraud or wilful default.

14.4 In particular, we shall not be liable for any losses arising from:

- You or your Authorised Representative failing to provide us with accurate data or information, or delays providing data or information on the part of you or your Authorised Representative.
- Acts or omissions of your chosen Provider, a discretionary fund manager, or their nominee or custodian.
- A failure to perform or delay in performing our obligations under these Terms and Conditions if the failure or delay results from war, riot, terrorism, fire, flood or other natural disaster, strikes or industrial action, cyber-attack on our computer systems, or any other cause beyond our reasonable control.
- Any unauthorised payment (as defined in Section 160(5) of the Finance Act 2004) or resulting tax charges in respect of your SIPP.
- Any loss on the investments in your SIPP and/or any resulting consequential loss to you (for example the loss of the opportunity to invest in another investment).
- The acts or omissions of any third party you may use to assist you in making investments.
- Any act or failure to act by you which is prohibited by legislation and regulation, and which requires us to take corrective action.

14.5 The Cash Account can only be used to meet charges, costs, or expenses directly associated with your SIPP. No other charges, costs or expenses may be paid out of the Cash Account. We reserve the right to request proof that any payments made out of the Cash Account are directly associated with the administration and operation of your SIPP.

14.6 You must ensure that you transfer sufficient cash to the Cash Account to meet any benefit payments, charges, costs or expenses directly associated with your SIPP. If you do not transfer sufficient cash, we follow the procedure in paragraph 13 (Insufficient Cash) of Appendix 5. The procedure might mean there is a delay in meeting any charges costs and expenses and the payment of benefits. You will be personally responsible for any additional costs arising as a result of such delay. If there are insufficient investments in your SIPP to pay the charges due, you are personally responsible for covering the payment of these charges. This means that if we need to take legal action against you to recover our charges then you will be liable for any expenses (and legal fees) incurred by us in taking this action.

14.7 In the event that we incur any costs, charges or expenses as a result of any action or inaction on your part, we will take all steps that we consider reasonable to recover these amounts from you personally. You agree to reimburse us in respect of such amounts. If we incur any costs, charges or expenses as a result of any action or inaction on the part of your Authorised Representative we reserve the right to pursue you or your Authorised Representative to recover the amount of those costs, charges and expenses.

14.8 For the avoidance of doubt, we do not exclude our liability where we are prohibited from doing so by legislation and regulation, including liability for death or personal injury caused by our negligence.

14.9 Nothing in the SIPP will:

- Exclude or restrict any obligation which we have to you under law.
- Be construed as purporting to exclude or restrict liability for fraudulent misrepresentation or to otherwise exclude or restrict any liability which we may incur under law in respect of a breach of any such obligation.
- Reduce your statutory rights relating to mis-described products or services and the fairness of terms on which they are offered. For further information about your statutory rights contact your local authority, Trading Standards Department or Citizens Advice Bureau.

15. Conflicts of interest

15.1 We have established procedures which are designed to identify, prevent or manage such conflicts which may adversely affect the interests of clients. These are summarised in Appendix 6. 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.

15.2 We will promptly inform you, and confirm in writing, if at any time we become aware of any conflict or potential conflict arising between our duties to you under the Terms and Conditions and any obligations we may have to any other party, including your employer. We will not act for both parties in respect of any such matter unless you and we agree that we may do so.

16. Complaints

16.1 We have in place a procedure for the effective consideration and proper handling of complaints. You should make any complaints to the HSBC Customer Care Team through the following contact details:

The Customer Care Team
HSBC Bank plc
PO Box 6125
Coventry
CV3 9GW

Email: customer.care.team@hsbc.com

Telephone: 0345 740 4404

16.2 If you are not satisfied with our investigation into your complaint, you are able to refer the matter to The Financial Ombudsman Service whose address is:

The Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square
London
E14 9SR

Web: financial-ombudsman.org.uk

17. General Terms

17.1 Any taxation information contained in the documents constituting your SIPP is based on our interpretation of current legislation and HMRC practice at the time those documents were produced and which may change in future. Applicable taxation legislation overrides any conflicting terms in your SIPP.

17.2 If we do not insist that you perform any of your obligations under these Terms and Conditions, or if we do not enforce our rights against you, or if we delay in doing so, that does not mean that we have waived our rights against you and that does not mean that you do not have to comply with your obligations. If we do waive a failure to perform by you, we only do so in writing and that waiver only applies to that specific failure.

Changes to your personal details

17.3 Please tell us if:

- You stop being resident in the UK
- You become a US Person.
- You change your name or address.
- You change your UK bank account.

17.4 We may ask you for evidence to confirm the change of details.

Telephone recording

17.5 We may monitor and record phone calls and retain these for the purposes of training and quality assurance and to ensure that we have an accurate record of your Instructions.

18. Amendments

18.1 We may amend the fees for the Services in accordance with Section 6.1 of these Terms and Conditions.

18.2 We can make any other changes to these Terms and Conditions for any of the following reasons:

- To respond proportionately to changes in general law or decisions of the Financial Ombudsman Service or the Pensions Ombudsman Service or the Financial Services Compensation Scheme.
- To respond proportionately to a court order or decision affecting the Scheme or your SIPP.

- To respond proportionately to any changes in the operation of markets, investment dealing or administration.
- To meet regulatory requirements.
- To reflect new industry guidance and codes of practice which raise standards of consumer protection.
- To reflect a change in our corporate structure that does not have a significant unfavourable impact on your rights under your SIPP but which does require us to make certain changes to the terms of the Scheme or your SIPP.
- To reflect a reorganisation in our business by it or part of it being acquired by or it acquiring another pension provider.
- To reflect any reorganisation in the way we administer our business (so that customers with similar pension schemes can be treated in the same way.
- To respond proportionately to changes in the terms or charges of any investment fund.
- To respond proportionately to changes in relevant market rates or indices or tax rates.
- To reflect proportionately other legitimate cost increases or reductions associated with providing the Scheme and your SIPP.
- To provide for the introduction of new or improved systems, methods of operation, services or facilities.
- To reflect the appointment by us of alternative third parties to provide services under the Scheme or your SIPP or to respond proportionately to changes in the Terms and Conditions or charges of any third parties appointed in respect of the Scheme or your SIPP.

18.3 We will tell you about the changes and when they come into force by post. If the change is to your disadvantage, we will give you 30 days or more prior notice before we make the change. We may make any other change immediately and tell you about it within 30 days.

18.4 If you are unhappy with any change made, you can close your SIPP or transfer it to another pension provider. We do not charge for transferring out your fund in these circumstances. Although we do not charge for the transfer, any outstanding charges up until the date of transfer or closure are still payable.

19. Severability

If any provision of your SIPP is or becomes invalid or contravenes any applicable law then the remaining provisions shall remain in force.

20. Delegation

We may delegate any of our functions or responsibilities under the SIPP 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 or responsibilities, we will require such person to keep all data confidential and we will take reasonable steps to ensure that such person provides the Services with reasonable skill and care.

21. Third party rights

A person who is not a third party to the SIPP (other than a Beneficiary in relation to death benefits) has no rights to enforce any terms of the SIPP under the Contracts (Rights of Third Parties) Act 1999 and the parties to the SIPP do not intend that any third party rights are created by the SIPP.

22. Governing law

The SIPP is governed by and construed in accordance with English law. The English courts shall have non-exclusive jurisdiction to settle any disputes or claims which may arise out of or in connection with the SIPP.

23. Adding, investing and taking out money

The provisions of Appendix 5 apply.

24. Operational matters

The provisions of Appendix 5 apply.

HSBC Self Invested Personal Pension

Appendix 1 – Standard SIPP Services

All fees set out below are subject to VAT at the prevailing rate. VAT will be charged and itemised in any invoices we may issue when we provide Additional Services.

Set-Up Services
£600 one-off Set-Up Fee

- Provision of all documents required to establish the SIPP, including your appointment as Individual Fund Trustee.
- Provision of "Expression of Wish Forms" to you in respect of death benefits.
- Provision of "Expression of Wish Forms" to you in respect of a replacement Individual Fund Trustee.
- Establishing records for the SIPP.

£800 Annual SIPP Fee

- Information on the day-to-day running of the SIPP including the provision of:
  - General information on changes in legislation, drawing benefits from the SIPP and the benefits available on death.
  - Information regarding interpretation of the Trust Deed, the Rules and HMRC practice.
- Routine SIPP administration including:
  - Provision of SIPP statements at least annually.
  - Record keeping.
  - Provision of additional SIPP valuation statements on request.
  - Operation of the Cash Account.
  - Liaison with your HSBC financial adviser.
  - Making SIPP investments through authorised HSBC financial advisers.
  - Banking cash contributions and investment income.
  - Reclaiming tax on member and third party contributions (for further details please see Appendix 5).
  - Monitoring the purchase and sale of assets on behalf of the SIPP.
  - Maintaining the Scheme in line with legislation and regulation.

- Acting in line with Instructions.
- Dealing with and reporting to HMRC all routine matters as required by legislation.

Trustee and Administration Services

- Professional responsibility as the Operator.
- Professional responsibility as the HMRC scheme administrator.

Appendix 2 – Additional SIPP Services

Transfer of benefits to and from the SIPP

£125 per transfer (cash transfers)
£250 per transfer (transfers in specie)

- Liaison with the current/receiving pension provider.
- Completion of all necessary forms and documentation.
- Arranging for the transfer to be made in cash or by the surrender, assignment or transfer of assets in specie (meaning the asset is transferred directly from one scheme to another, without being sold to cash) at our discretion as appropriate.

Trustee meetings

Attendance at meeting **£250** per meeting

- Attendance at meetings.

Preparation of formal agenda and minutes

£200 per meeting

- Preparation of agenda and minutes, if required.

Registering for Protection

£350 single fee

- Collation of pension values, preparation of summary and assistance completing HMRC reporting forms.

Unauthorised Payments

Charged at time cost at **£150** per hour

- Preparing and filing the registered pension scheme event report where an unauthorised payment has been made. Subsequent negotiations with HMRC and other parties as required. Deduction of any tax to be paid from your Individual Funds and payment to HMRC.

Property transactions

Charged at time cost at **£150** per hour

- Advice and liaison with solicitors in relation to the purchase or sale of a property by the SIPP, to ensure that the transaction is within the Rules and complies with our and HMRC's requirements.
- First stage environmental contamination investigations.
- Advice regarding the lease between the Trustees and the tenant.
- Legal fees and the costs of any second stage environmental investigations required will be payable separately and in addition.

Property Environmental Contamination Investigations

Minimum **£450** per property

- Costs of any additional environmental contamination investigations identified after first stage investigations have been undertaken.

Borrowing

£300 per borrowing

- Calculating borrowing limits, agreeing and authorising documentation.

Monitoring Property lease and rental income

£150 per property per annum

- Regular monitoring of the property insurance, lease and rental income.

Benefit Calculations

£125 per illustration

- Calculation of benefits payable from the SIPP.

Payment of Pension Commencement Lump Sum

£150 per payment

- For a Member, arranging for assets to be disinvested and making cash payment to your bank account. Updating records for the SIPP and making all necessary reports to HMRC.

Payment under PAYE

£50 per annum

- Establishment of member records on computer system. Liaison with HMRC in respect of your tax code.
- Regular payment of pensions on our usual payroll date.

Annuity Purchase

£125 per request

- Provision of information to your Authorised Representative and/or annuity provider.

Distribution of benefits following death

£150 pre age 75

£250 post age 75

- Liaison with the replacement Individual Fund Trustee and/or your personal representatives. Arranging payment of benefits and paying any tax due. Reporting to HMRC as necessary. This charge will apply to each Beneficiary.

Tax reclamation

£75 per recovery

- Reclaiming income tax deducted from investment income. Tax reclaims will be invested in accordance with the Trustees' requirements.

Provision of information to third parties

£125 per request

- Providing information relating to the SIPP at your request.

Other services

Charged at time cost at **£150** per hour

- Services not covered in the day-to-day running of the SIPP or elsewhere in the SIPP, e.g. work required in connection with divorce.

Appendix 3 – Terms for the Cash Account

Held with HSBC UK Bank Plc ("the Bank")

General Terms

- All balances will be held in Great British Pounds Sterling.
- Interest on cleared funds (ie, funds that have passed through the inter-bank clearing system and are deemed as available for use) is calculated on a daily basis and will be credited quarterly in arrears, during the months of March, June, September and December. Interest will be paid gross, i.e. without the deduction of income tax.

- Credit interest is paid at the rate of 75% of the Bank of England's Base Rate (down to a minimum of zero), as varied from time to time, e.g if Bank of England's Base Rate was 4%, credit interest would be 75% of this, i.e. 3%.

Member Terms

- Each Member (and Survivor) is required to maintain a minimum balance, at all times, sufficient to cover any payments due.
- Any payment request that would otherwise cause the Member's (or Survivor's) account to be overdrawn will NOT be carried out.
- Statements will be issued to each Member (or Survivor) at least annually.
- Standing Orders may be operated on the Cash Account to make regular payments.
- On request, Direct Debit mandates may be granted, by us, to other organisations allowing them to collect funds from the Cash Account. However, we do not issue Direct Debits for collection of funds from other bank accounts.
- Cheque payments are chargeable at £11.00 per cheque.

Appendix 4 – Your Information

Glossary of terms used in Appendix 4
Capitalised terms used in this Appendix and our Privacy Notice 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 any other persons or entities with whom you have a relationship that is relevant to your relationship with the HSBC Group. 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.

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 means (a) the opening, maintaining and closing of your accounts with us (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).

Privacy

We take your privacy seriously. When you open an account with us, we send you our Privacy Notice.

This explains how we:

- collect
- use
- disclose
- transfer
- store your information

It also sets outs your rights to your information and when we might need to share it with others. You can find the most recent version of the Privacy Notice at hsbc.co.uk/privacy or ask for a copy in one of our branches or by calling us.

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.

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 and are 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.

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 to us:

(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.

Appendix 5 – Adding, Investing and Taking Out Money

1. Your status

1.1 You are our 'retail client' for the purpose of the FCA rules. Retail clients benefit from the highest degree of protection under the FCA rules. You are required to obtain advice on the suitability of certain options open to you to access your funds.

2. Pension transfers into the SIPP

2.1 Transfers will be accepted at our discretion. On receipt of a signed declaration requesting a transfer, either as part of your SIPP application or submitted separately, we will make contact with the transferring scheme to arrange payment.

2.2 We will only accept a transfer of safeguarded rights if you have received advice from a suitably qualified and authorised financial adviser. We will not accept a transfer if your financial adviser has advised you that a transfer would not be suitable for your personal circumstances. We do not accept transfers into a SIPP from defined benefit pension schemes.

2.3 Transfers must be from a registered pension scheme or a recognised overseas pension scheme, and will be administered as follows:

- Cash transfers: We will notify you on receipt of the monies from the transferring scheme.
- In specie transfers: These are only accepted at our discretion. You may need to provide us with further information to enable us to make a decision.

2.4 Pension transfers in cash can be paid to us by electronic bank transfer from your existing pension scheme (such as BACS, or faster payments).

3. Making contributions

Paying contributions

3.1 As a Member you can pay single contributions. We will accept contributions paid on your behalf by an employer and/or by a third party. However, before we can accept contributions paid by another person (including your employer) we must receive satisfactory evidence of the identity and address of that third party. No contributions can be paid if you have not been resident in the UK or a crown dependent for 5 years. We can also stop the application of any contributions to your SIPP if we consider it necessary as part of our Financial Crime Risk Management Activities (see Appendix 4 for further details).

3.2 Contributions must be paid in cash.

3.3 Contributions cannot be paid into your SIPP if you are a Survivor.

Tax relief

3.4 We will apply to HM Revenue and Customs (HMRC) each month for the tax relief due on all personal and third party (except employer) contributions paid. We will only apply for tax relief on contributions made by you or by a third party (except employer) on your behalf at the basic rate of income tax applicable to you and notified to us by HMRC. We will only apply the tax relief to your SIPP once we have received it from HMRC, this usually takes 12 weeks. Additional tax relief may also be available if you pay income tax at a higher rate than the basic rate tax relief we have applied for on your behalf, for example if you are higher rate or additional rate taxpayer which you can claim through a self-assessment tax return or from HMRC directly. We rely on information provided by HMRC in respect of your status as an English, Scottish, Welsh or Northern Irish taxpayer. If we make a mistake in recording your status in our records we will inform you and HMRC about this and HMRC will correct your tax position through changes to your tax code or via self-assessment.

3.5 You will not qualify for tax relief on any contributions paid above the higher of 100% of your relevant UK earnings (for example salary, wages or bonus) or £3,600. Any employer contributions do not count towards this tax relief limit.

3.6 We reserve the right to refuse to accept further contributions into your SIPP from any of you, a third party who is paying contributions on your behalf, or your employer (as applicable), or any withdrawal or transfer payment, or to close your SIPP, where you, the third party or your employer, as appropriate, are listed on any sanctions lists compiled by His Majesty's Treasury, and/or the Office of Foreign Assets Control and each of their successors, or any other similar sanctions list or are not resident in the UK.

Allowances

3.7 In addition, there is a maximum amount of pension savings you can accrue each year under UK tax-approved pension schemes without incurring a tax charge. This maximum is called the Annual Allowance. You may be able to carry forward unused Annual Allowance from the previous 3 tax years provided that you were a Member of a registered pension scheme during that time. The full amount paid must be within your relevant UK earnings for the tax year in which the payment is made.

3.8 You may be subject to a tax charge if the following exceed the Annual Allowance in any tax year:

- the total contributions made by you or anyone else to your money purchase arrangements (your SIPP is a money purchase arrangement); and
- the increase in the value of any defined benefit pension scheme benefits you have is above the Annual Allowance.

The tax charge will be made on the amount by which the contributions and increase in value exceed the Annual Allowance.

3.9 If you are currently or have been since 6 April 2015 in receipt of any flexibly accessed benefits from your SIPP or another money purchase arrangement, the 'Money Purchase Annual Allowance' rules will apply to you. You will still retain the full Annual Allowance but what you can pay to a money purchase arrangement will be limited by the Money Purchase Annual Allowance. Any defined benefit pension savings you have can still use the full Annual Allowance in that tax year, less any contributions paid to money purchase arrangements. You will be subject to a tax charge which you will have to pay personally on any amounts which exceed the Annual Allowance or Money Purchase Annual Allowance.

3.10 If the Money Purchase Annual Allowance applies to you, you must tell the administrators of your money purchase (or similar) pension schemes that you have flexibly accessed your pension and, as a result that you are subject to the Money Purchase Annual Allowance. If you flexibly access pension benefits in another money purchase pension scheme you must tell us within 91 days of receiving a statement confirming this from the scheme administrator of that pension scheme. If you flexibly access pension benefits in your SIPP (and you have not previously told us that you have already flexibly accessed pension benefits) you will receive a statement from us regarding this. You should tell the administrator of your other pension schemes within 91 days of receiving this statement or within 91 days of becoming an active Member of that scheme, whichever is later. Failure to tell the administrators of your other pension scheme(s) that the Money Purchase Annual Allowance applies to you could result in you being fined by HMRC.

3.11 In addition if you have 'adjusted income' (including the value of any pension contributions) of over £260,000 per annum, and a threshold income of over £200,000, your Annual Allowance will be reduced by £1 for every £2 of income above £260,000, subject to a minimum reduced annual allowance of £10,000.

3.12 Your pension input period (the period over which the amount of your pension saving is measured, and which is used to calculate whether the Annual Allowance is exceeded) will start on the date you start your SIPP and will end on the following 5 April. Subsequent periods will then run from each 6 April to the following 5 April.

4. Permitted investments

4.1 You can instruct us or, if appointed, a Provider to invest in any type of investment that meets our criteria. We explain the investment criteria to you, upon request. We can change our investment criteria for the valid reasons listed below:

- Changes in HMRC rules.
- Changes in pensions or other relevant legislation.
- Changes in the regulatory regime governing pensions or the reporting requirements.
- Changes in investment markets.
- Changes in how our business operates.

We will not notify you every time we change our investment criteria and therefore it is your responsibility, along with your Authorised Representative, to check with us our investment criteria when making decisions about investments.

Property

4.2 You can instruct us to invest in property by completing our Property Application Form. You must not make any commitment to purchase the property through your SIPP until we have approved the proposed investment. Any fees, expenses or liabilities incurred by you prior to our approval are borne by you personally and not your SIPP.

4.3 If we agree to the property investment, the Trustees must appoint professional service firms to buy or sell the property and to administer and manage the property and to help the Trustees comply with their duties as holder of the property, including as landlord. This includes surveyors, environmental specialists, solicitors, insurance consultants, property administrators and property managers. Each firm is chosen by us or, if the firm's terms of appointment are acceptable to us and if the firm meets our requirements, chosen by you. The firm acts for the Trustees. If a potential or actual conflict of interest arises, we can appoint another firm to act only for us.

4.4 The investment in property must limit our liability under any loan, mortgage, lease or other instrument in aggregate to the value of the Individual Fund(s) for which the property is to be held. A clause to this effect must be included in legal documents.

4.5 We make decisions about the ongoing administration of the commercial property, if possible in consultation with you, to maintain both the property and to ensure we comply with our obligations under law and your SIPP. The property must be insured. Insurance can be arranged by you to our satisfaction. If you are arranging insurance this must be done promptly and evidence of the insurance cover must be provided to us.

Borrowing

4.6 Your SIPP can borrow to assist with the purchase of a property investment by making an Instruction under Section 4 of the Terms and Conditions.

4.7 All borrowing must comply with Section 182 of the Finance Act and any other legal or regulatory requirements. The borrowing must be arranged in the Trustees' name, as trustees of the Individual Fund (subject to Section 9.2 of the Terms and Conditions) and on terms satisfactory to us but we do not take responsibility for arranging a lender. Any lender must be a bank, building society or similar organisation. In no case may the lender be you or any of your Connected Persons.

4.8 The lender must pay the borrowed money to the Cash Account. All repayments of interest or of capital to the lender must pass through the Cash Account. You are responsible for ensuring that there is enough cleared money available in the Cash Account in good time to cover ongoing capital and interest repayments. If there is not enough cleared money in the Cash Account to meet the repayments, we can cover the shortfall by arranging for the sale of investments held within your Individual Fund under the procedure described in paragraph 13.

5. Investment choice

5.1 You are responsible for agreeing and directing the investment strategy of your SIPP, subject to any restrictions on investments as set out in paragraph 4. You should discuss the investment strategy with your financial adviser on a regular basis.

5.2 The money in your SIPP will remain in cash until you or your Authorised Representative provides us with investment Instructions.

5.3 The value of your SIPP is dependent on the value of your cash and investments when they are sold. There is no guaranteed amount. The amount you get will depend on the following factors:

- How much you invest.
- The performance of your investments.
- Any fees and charges.
- The terms and conditions of your investments.

5.4 We do not provide investment or pensions advice, nor act as investment manager.

We do not accept liability for:

- The performance or choice of your investments.
- Your choice of Provider or Authorised Representative.

- For any loss caused by your Authorised Representative, Provider or any other person or firm who is responsible for any investment management.

5.5 We do not accept any liability for any tax charges if you invest in investments which are deemed to be taxable property by HMRC. If any tax charges are liable to be paid by your SIPP or us as a result of the taxable property investment rules, we will deduct the amount(s) due from your Individual Fund and pay this to HMRC.

6. Providers

6.1 You can choose to have a UK FCA regulated investment manager or stockbroker appointed to deal with investments on your behalf for your SIPP. Before being appointed, your chosen investment manager or stockbroker must be acceptable to us and must agree to any standard supplemental terms that we request are put in place between the Trustees, your investment manager/stockbroker and you. For example, we insist on limiting our liability to the value of your SIPP and the range of investments being limited to those that meet our investment criteria.

6.2 If you are unsure whether your chosen Provider is acceptable to us, please contact us. You are responsible for ensuring that the Provider's terms of appointment are acceptable to you, including the fees payable to the Provider.

6.3 If a Provider is appointed for your SIPP (or any part of your SIPP) you must give all investment Instructions direct to the Provider for that part of your SIPP.

6.4 You may change your appointed investment manager or stockbroker by notifying us in writing and providing us with details of any alternative investment manager or stockbroker that you wish to be appointed.

6.5 We can terminate our relationship with your investment manager or stockbroker in the event that they do not comply with our standard supplemental terms or cease to hold the required UK FCA regulated permission to act as an investment manager or stockbroker.

6.6 The costs, fees and expenses arising from the provision of investment management or stockbroker services, relating to your Individual Fund will be deducted directly from the investments by the Provider of the services.

7. Investment information and voting rights

7.1 We will only forward you copies of reports, accounts, scheme particulars or meeting and voting information if we are under a regulatory obligation to do so.

7.2 We will not normally contact you regarding shareholder meetings, proxy voting or AGM attendance arising from your investment holdings.

7.3 If you wish to receive anything relating to or in addition to this, you can request this, subject to our agreement and you agreeing to pay our reasonable charges.

7.4 We will not exercise any voting rights in respect of your investments.

8. Member Benefits

This Section applies to you as a Member.

8.1 As a Member, you can access your Individual Fund at retirement. You can take benefits from your SIPP from age 55 or on and after 6 April 2028 from age 57 (or earlier if you have a protected early retirement age or if you are in ill-health and meet HMRC requirements). Alternatively, you can transfer the value of your SIPP to a different pension product. There are a number of pension products available to you.

8.2 To help you decide, the Government has introduced a free and impartial pension guidance service, known as MoneyHelper. You can find out more about this service at moneyhelper.org.uk. This service offers guidance about your retirement options but does not offer advice.

8.3 We write to you 6 months before your chosen retirement age to let you know your benefit options. You can amend your retirement age at any time by confirming this to us in writing. If you pass your chosen retirement age, have not taken benefits and we have not received a confirmation from you to extend your chosen retirement age, we will automatically change your retirement age to your 75th birthday. When you reach age 75 and if you still have not taken your benefits, we will change your retirement age to your 99th birthday. Updating your retirement age in this way, will trigger additional communications about your options before your new retirement age.

What you can do with your Individual Fund

8.4 When you become eligible to take benefits from your SIPP you can use your Individual Fund to:

- Designate some or all of your Individual Fund for the payment of Drawdown Pension.
- Withdraw some or all of your Individual Fund as an Uncrystallised Funds Pension Lump Sum.
- Withdraw some or all of your Individual Fund as a small pots payment, subject to your Individual Fund not exceeding £30,000.
- Buy an annuity.

Or a combination of these options, depending upon your eligibility to use them.

We can also, at our discretion, allow any other form of benefit if payment of the benefit would be an authorised payment for the purposes of the Finance Act 2004. You will need to let us know the proportion of your SIPP assets you wish to use for these options. You can choose to receive benefits from only part of your SIPP, and you have the flexibility to choose when you receive benefits.

8.5 If you want to access your Individual Fund, using Drawdown Pension, you must have received advice from an authorised adviser who has recommended that taking pension drawdown is suitable for you.

8.6 Under current HMRC rules, when you take benefits you can usually take some tax free. This will be the lower of the applicable amount (which is ordinarily 25% of the fund being crystallised, that is, the amount of fund being used to provide benefits), your remaining Lump Sum Allowance (LSA) and your remaining Lump Sum & Death Benefit Allowance (LSDBA). We will pay your benefits by electronic transfer directly to a UK bank account in your name.

8.7 As you cannot reverse a small pots payment or Uncrystallised Funds Pension Lump Sum, we will not transact either payment during any cancellation period as detailed in Section 11.

Lump Sum Allowance (LSA) and Lump Sum & Death Benefit Allowance (LSDBA)

8.8 Individuals can build up pension savings over their lifetime without incurring a tax charge but the amount that can be withdrawn tax free is limited by your Lump Sum Allowance (LSA) and Lump Sum & Death Benefit Allowance (LSDBA). As a member, when you take benefits from your Scheme or designate part of your Individual Fund for the payment of a Drawdown Pension, we test the tax-free lump sum against your LSA and LSDBA.
If you die before your 75th birthday, a further test will be carried out against your LSDBA if your beneficiary chooses to receive a lump sum death benefit rather than allocating the inherited fund to Flexi-Access Drawdown or purchasing an annuity.

8.9 If the LSA or LSDBA is exceeded, the excess is subject to the member's or beneficiary's marginal rate of tax, depending on who's receiving the lump sum. If the lump sum is paid to the member, we will deduct income tax at their marginal rate. If paid to a beneficiary, the lump sum will be paid gross and the personal representative must report the payment to HMRC and pay any appropriate tax charges.

9. Payment of your Drawdown Pension

Members and Survivors

9.1 The Member's or Survivor's death should be notified to us by contacting our dedicated Bereavement Support Team.

9.2 If you designate all or part of your Individual Fund for the payment of Flexi-Access Drawdown there are no minimum or maximum amounts that we may pay to you. If you are eligible to receive benefits you can designate all of your Individual Fund for the payment of Flexi-Access Drawdown at any time. Alternatively, you can make an annual designation of part of your Individual Fund for the payment of Flexi-Access Drawdown.

9.3 If you wish to continue to receive Capped Drawdown income there is a maximum annual amount which we can pay and this will be notified to you. You can receive individual lump sum payments or regular payments which can be made monthly, quarterly, half-yearly or yearly. If you wish to draw more than the maximum annual amount, you can elect to switch from Capped Drawdown to Flexi-Access Drawdown. If you do so, when you take your first payment as Flexi-Access Drawdown, you will become subject to the Money Purchase Annual Allowance and you will no longer be able to have Capped Drawdown.

9.4 In accordance with your Instructions we will ask your investment managers to sell your investments to generate sufficient cash, to be held in the Cash Account, to make any payments including an allowance for any tax due to HMRC. If there is insufficient cash in the Cash Account we will sell your investments as detailed in 13.2. This might mean there is a delay in making any payments to you.

9.5 Payments to you will be made by electronic transfer directly to your UK bank account in your name on the 1st day of the month. We will not make any Drawdown Pension payments to overseas bank accounts. Where the 1st of the month is not a Business Day we will pay you on the Business Day before.

9.6 You may change how much you receive or stop payments at any time by telling us by the fifth day of the month. If you tell us after the fifth day of the month, these changes will not apply until the following month.

9.7 You will receive an annual statement confirming details of the Drawdown Pension paid to you and tax deducted. After the end of the tax year, you will receive a P60 form which should be retained safely as you may need to include the information on your tax return.

9.8 We will deduct the amount of income tax due before we pay any Flexi-Access or Capped Drawdown pension payments to you. We will account for the income tax and submit this to HMRC. We deduct tax using the emergency tax code until HMRC notify us of your correct tax code. We can only calculate your tax liability based on the tax code we receive from HMRC even if this is different to the tax code you have received personally. We will not be liable for any loss you incur due to the incorrect tax code being issued to us.

Survivors

9.9 If you are a Survivor the whole of your inherited Individual Fund is allocated for the payment of Flexi-Access Drawdown and you can take income from it at any time. We can also, at our discretion, allow any other form of benefit if payment of the benefit would be an authorised payment for the purposes of the Finance Act 2004. You can receive individual lump sum payments or regular payments which can be made monthly, quarterly, half-yearly or yearly from the funds that have been designated for Flexi-Access Drawdown. The payment of Drawdown Pension from your inherited HSBC SIPP will not trigger the Money Purchase Annual Allowance because you are taking benefits as a beneficiary of the original Member.

9.10 If you are a Survivor and the original Member of whom you are a Survivor died before their 75th birthday, Flexi-Access Drawdown payments to you will be tax free and will be made without the deduction of income tax, provided benefits are designated within 2 years of the date our Bereavement Support Team are advised of the Member's death. If we are notified of the Member's death via another channel (e.g. relationship manager or branch staff), which may be earlier than notified to our Bereavement Support Team, we will use the date of that notification to determine when the 2 year time period for payment of benefits without the deduction of income tax commences.

9.11 If you are a Survivor and the original Member of whom you are a Survivor died on or after their 75th birthday, Flexi-Access Drawdown payments to you will be chargeable to income tax at your marginal rate. We will deduct the amount of income tax due before we pay any Flexi-Access Drawdown pension payments to you.

10 Benefits on death

10.1 On the death of a Member or Survivor, we use the remaining Individual Fund in either or both of the following ways and in such proportions as we in our absolute discretion determine:

- to provide pension income in accordance with paragraph 10.2 for any one or more Beneficiaries and, if more than one, in such proportions as we decide (but only for a Beneficiary to whom the Finance Act 2004 permits pension income to be paid on that occasion); and
- to pay one or more lump sum death benefit in accordance with paragraph 10.4

10.2 Following confirmation of your death the remaining Individual Fund may:

- Be paid as a lump sum(s) to the Beneficiary(ies) we select.
- Be used to buy an annuity or annuities for them.
- If your Beneficiaries want to use Drawdown:

— subject to our consent, be designated for Drawdown Pension under paragraph 9; or

— Be transferred to a new HSBC Flexible Retirement Account that would (subject to our acceptance of the beneficiary's application) be set up in their name as a Survivor (this must have been recommended to them by a regulated financial adviser); or

— Be transferred to another registered pension scheme.

10.3 If a Survivor has not specified his desired level of Drawdown Pension within a reasonable time of being asked by us to do so (such time to be determined at our discretion), we set a Drawdown Pension figure of zero. This remains in effect until advised otherwise by the Survivor.

10.4 You should complete an Expression of Wish form nominating the Beneficiaries you would like your benefits to be paid to on your death. You may amend your nomination at any time. We will take this into account when deciding to whom your benefits should be paid, but the form is not binding on us. The decision and any payments will be made at our discretion and in line with the Rules, and we will write to the Beneficiary(ies) we select giving details of the options available to them.

10.5 On notification of the death of a Member or Survivor we will cease all correspondence, contributions and income payments to and from the deceased Member/Survivor. We will correspond with the personal representative of the Member/ Survivor.

11. Your right to change your mind

11.1 If you wish to change your mind and exercise your right to cancel, you can write to us at the address shown in the cancellation notice. You are able to use any form we provide for this purpose, or write us a letter quoting your name and Member number. The rest of this paragraph 11 sets out when a right to cancel will apply to you.

Cancellation after a transfer

11.2 If you make a transfer payment to your SIPP from a money purchase occupational scheme or a personal pension scheme, you will receive a 30-day cancellation period for the transfer. If you decide to cancel the transfer, the value of the initial amount invested will be returned to the transferring scheme unless the value of the underlying investment has fallen before we receive your completed cancellation notice, in which case the lower amount will be paid back. On receipt of the cancellation notice any investments made will be sold and the proceeds held in the Cash Account until paid out. If the transferring scheme refuses to accept the returned transfer payment, you must select an alternative pension plan to which the transfer payment can be paid.

Cancellation after Drawdown

11.3 If you decide to cancel in accordance with paragraph 11.2 and you have taken retirement benefits (excluding small pots or Uncrystallised Funds Pension Lump Sum) from your SIPP you must return these to us before the expiry of the 30 day cancellation notice period. If you have selected small pots or Uncrystallised Funds Pension Lump Sum then no cancellation rights apply.

11.4 You may change your mind once you have made an election to receive retirement benefits by way of Drawdown Pension. You have 30 days from receipt of your cancellation notice in which to notify us of your change of mind, and to return all of the benefits that have been paid. If you do not return all your tax free lump sum and any Drawdown Pension, these payments will be treated as unauthorised payments by HMRC, who will impose a tax charge on you. We will deduct any tax charges owing to HMRC as a result of the unauthorised payment being made from your Individual Fund. If the value of your Individual Fund does not cover the amount of the tax charge, you are personally responsible for paying any further amounts of tax or interest charges or both due to HMRC.

Survivors

11.5 When we accept your application, you have 30 days to cancel your SIPP. This time period runs from the date you receive the cancellation form that we send you. To confirm your wish to cancel, you must inform us in writing by completing and returning the cancellation form to us.

Closing your SIPP after the 30-day cancellation period

11.6 After the 30-day cancellation period has ended, you can close your SIPP at any time by taking all the value of your SIPP as benefit payments under paragraphs 8 and 9 or by transferring all the value of your SIPP to another pension scheme under paragraph 12.

11.7 Taking all of your SIPP as benefits or transferring to another scheme is treated as termination of your SIPP. The provisions of Section 12 of the Terms and Conditions (Termination) apply as regards rights and obligations accrued before the date of termination.

12. Transfers out

12.1 You can transfer all of your SIPP to another registered pension scheme or a Qualifying Recognised Overseas Pension Scheme (as that term is defined in the Finance Act 2004).

12.2 In certain circumstances you may be able to make an in specie transfer. This means the assets held in your pension are transferred directly from one scheme to another, without being sold into cash. Any such transfer is entirely at our discretion.

12.3 Transfers will be paid by electronic transfer and must meet HMRC and any other applicable legislative or regulatory requirements.

12.4 Where you ask us to carry out a transfer, you must provide us with all documentation that we may reasonably require, including your written transfer request. We will also require information from the receiving pension scheme. We will carry out any transfer as soon as reasonably possible once we have received all of the information we require. At our discretion we can, in certain circumstances, refuse to carry out a transfer.

12.5 Any outstanding fees and charges are applied to the value of your SIPP before we carry out a transfer.

12.6 If we receive any further monies in respect of your SIPP after you have transferred out we can, at out discretion, make payments of such amounts directly to you where such payments would be ‘authorised payments’ for the purposes of the Finance Act 2004.

Operational Matters

13. Insufficient cash

13.1 If there is not enough cleared money in the Cash Account to meet benefit or other payments due from your SIPP, we ask you for additional contributions or Instructions to sell assets from your SIPP or both. The Instructions must specify the assets in your Individual Fund that we are to sell and the order in which we are to sell them and must be signed by you.

13.2 If within one month of our request we do not receive enough additional contributions or Instructions to sell, we arrange for assets to be sold or cash to be recalled to the extent necessary to provide enough cleared money. We realise assets for cash in the following order:

- any cash held on deposit with another bank or licensed deposit taker;
- any assets held through a Provider (last one appointed contacted first);
- stocks and shares, on a last-in, first-out basis;
- investment trusts/unit trusts/open-ended investment companies (OEICs) on a last-in, first-out basis;
- trustee investment policies/bonds on a last-in, first-out basis;
- any other asset (excluding commercial property) not included above on a last-in, first-out basis; then
- commercial property on a last-in, first-out basis

13.3 We write to you as soon as practicable to confirm our intention to sell assets and the intended order of sale. We also write to confirm details after the assets have been sold and the amount of our and third parties' fees and the expenses.

13.4 In some circumstances, it is necessary to sell an asset at whatever price is available at the time. This can result in selling assets when the relevant market is depressed. Selling any investment is governed by the terms and conditions of that investment. Such terms and conditions might include a right for the investment provider to delay the sale.

13.5 We sell the entire holding if required to sell more than 95% of an investment. If there are restrictions on the minimum number of units/shares which may be sold at any time, then the number of units/shares that are sold may be significantly higher than is required to settle the payment due from your SIPP. We sell whole units/shares in an investment and we will round up to the nearest unit/share.

13.6 For the purpose of this paragraph 13 only, we accept the instruction of any legally authorised party acting on your behalf if we receive medical advice (commissioned by and addressed to us) that you are unable to act due to serious ill-health, physical or mental incapacity.

14. Unauthorised payments

14.1 If we or a third party make any payments, or have to carry out any transactions within the SIPP which are deemed not to be authorised payments under HMRC rules, tax charges may apply. An example of this may be where you close your SIPP and you do not return any tax free lump sum and/or withdrawals we have paid to you. We can deduct from the value of your SIPP an amount to cover any tax charge that we are, or may become, liable to pay as a result of the payment or transaction being made.

14.2 Where the extent of any tax liability is uncertain, we can at our absolute discretion either deduct such amount from the value of your SIPP as we may determine or, if the tax liability relates to a payment from your SIPP that is due to be paid, postpone the payment to the recipient. We will rely on information provided by you (or any other recipient of benefits from your SIPP after your death) where we are required to calculate any tax liability due.

14.3 If the value of your SIPP is not sufficient for us to recover such tax, interest or charge, you or, following your death, the relevant Beneficiary will be personally liable to reimburse us for any loss we suffer in respect of the tax charge.

14.4 We can refuse to allow any transaction if it is apparent that the transaction could lead to an unauthorised payment charge, and unauthorised payments surcharge or a scheme sanction charge under the Finance Act 2004, or any other punitive tax or charge.

Appendix 6 – HSBC policy on conflicts of interest

'HSBC Group' means HSBC Holdings plc and its subsidiaries, associated and affiliated companies. 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, prevent and manage such conflicts which may adversely affect the interest 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 on its own behalf for its own investment account and may be 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 us.

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Accessibility

If you need any of this information in a different format, please let us know. **This includes large print, braille, or audio.** You can speak to us using the live chat on our website, visiting one of our branches, or by giving us a call.

There are also lots of other options available to help you communicate with us. Some of these are provided by third parties who are responsible for the service. These include a Text Relay Service and a British Sign Language (BSL) Video Relay Service, to find out more please get in touch. You can also visit: hsbc.co.uk/accessibility or: hsbc.co.uk/contact.

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