

Business Transaction Account

Combined Financial Services Guide and
Product Disclosure Statement

18 March 2011

HSBC **Business**

HSBC 
The world's local bank

Product Disclosure Statement

About this Product Disclosure Statement (PDS)

This PDS contains information about the Business Transaction Account, which is issued by HSBC Bank Australia Limited (ABN 48 006 434 162 AFSL/ACL 232595). It will help you to decide whether the Business Transaction Account is right for you, and to compare business accounts.

The PDS has 4 Parts:

- Part 1 – the PDS part of this document;
- Part 2 – Business Transaction Account Fees and Charges;
- Part 3 – HSBC Business Fees and Charges; and
- Part 4 – Business Transaction Account Interest Rates.

You will be given Parts 1 - 3. Part 4 is available at www.hsbc.com.au or on request, at no charge. For current fees and charges and interest rates you can also call 1300 731 720 (or from overseas +61 2 9005 8414). You will also be given the Terms and Conditions.

All of these documents contain information about the Business Transaction Account. If you need another copy of any of them, please call 1300 731 720 (or from overseas +61 2 9005 8414) or ask at any branch.

PDS Updates

The information in this PDS is up to date at the time of preparation. However, some information that is not materially adverse may change from time to time. Where this occurs, we will make the updated information available by way of a PDS Update. PDS Updates are available on our website at www.hsbc.com.au. A paper copy is also available without charge on request.

Our contact details

HSBC Bank Australia Limited
580 George Street, Sydney NSW 2000
Phone: 1300 731 720 (or from overseas +61 2 9005 8414)
Fax: +61 2 9006 5440
www.hsbc.com.au

To report lost or stolen Access Codes or suspected unauthorised transactions

In Australia: Call 1300 731 720
Overseas: Call +61 2 9005 8414

If we are not notified you may be liable for unauthorised use – see the Banking Electronically Terms section of the Terms and Conditions.

About Business Transaction Account

Business Transaction Account:

- has all the features of a transaction account with competitive interest rates;
- has internet, telephone, branch, and electronic access;
- has an optional overdraft facility; and
- will also have an optional Business Visa Debit Card. This is expected to become available from 18 April 2011.

About the HSBC Group

Headquartered in London, the HSBC Group is one of the largest banking and financial services organisations in the world. Its international network comprises around 7,500 properties in 87 countries and territories in Europe, Hong Kong, Rest of Asia-Pacific, the Middle East, North America and Latin America.

With listings on the London, Hong Kong, New York, Paris and Bermuda stock exchanges, shares in HSBC Holdings plc are held by over 221,000 shareholders in 127 countries and territories. The shares are traded on the New York Stock Exchange in the form of American Depositary Receipts.

HSBC provides a comprehensive range of financial services to around 95 million customers through four customer groups and global businesses: Personal Financial Services (including consumer finance); Commercial Banking; Global Banking and Markets; and Private Banking.

HSBC has assets of US\$2,455 billion at 31 December 2010. With a tier one capital ratio of 12.1% and a loan to deposit ratio under 80% at 31 December 2010, HSBC is one of the most strongly capitalised and liquid banks in the world. HSBC is marketed worldwide as “the world’s local bank”.

The HSBC Group in Australia

In Australia, the HSBC Group offers an extensive range of financial services through a network of 34 branches and offices. These services include personal and commercial financial services, financial planning, trade finance, global markets, payments and cash management and securities custody. Principal HSBC Group members operating in Australia include HSBC Bank Australia Limited (ABN 48 006 434 162) and The Hongkong and Shanghai Banking Corporation Limited (ABN 65 117 925 970).

Business Transaction Account – key features

This table shows the key features of the Business Transaction Account.

Access	Internet, telephone, branch and electronic.
Optional Business Visa Debit Card#	Expected to become available from 18 April 2011.
Overdraft facility	Optional. Application can be made separately.
Minimum opening deposit	\$5,000
Minimum balance	No minimum account balance after opening. However, if the account balance falls below a certain amount, the interest rate will decrease to a lower rate. See "Interest rate" below.
Minimum withdrawal	No minimum.
Interest rate	The interest rate is variable. Different rates apply to different account balances. The interest rates and the different account balances to which they apply are set by HSBC and may change at any time. Current rates are set out in Part 4 of this PDS, Business Transaction Account Interest Rates , which is available at www.hsbc.com.au or on request, at no charge. You can also call 1300 731 720 (or from overseas +61 2 9005 8414).
When is interest calculated?	Daily.
When is interest credited?	Monthly in arrears and on closure of the Account.
Where is interest credited?	To your Account.
Statements of account	Issued monthly.
Fees and charges	We regularly review our fees and charges to ensure that they remain competitive. Current fees and charges are set out in Part 2 of this PDS, Business Transaction Account Fees and Charges and Part 3, HSBC Business Fees and Charges , which are available at www.hsbc.com.au or on request, at no charge. You can also call 1300 731 720 (or from overseas +61 2 9005 8414).

If you specify that your Account requires two people to sign or authorise a transaction, then the Account cannot be accessed by Business Visa Debit Card.

Deposits and withdrawals can be made as shown in this table.

	Deposit	Withdrawal	Who can withdraw?
By internet banking ¹	✓	✓ ²	Delegate(s)
By phone banking	✓	✓ ³	Delegate(s)
By periodic payment from another account with us	✓	✗	
By periodic payment from an account with another bank	✓	✗	
By periodic payment to another account with us	✗	✓	Authorised Signatory(ies) or Delegate(s) if done by phone/internet banking
By periodic payment to an account with another bank	✗	✓	
By direct deposit	✓	✗	
By writing a cheque against the Account	✗	✓	Authorised Signatory(ies)
By giving written instructions to us to make regular payments to third parties on your behalf (periodical payments)	✗	✓	
By direct debit ⁴	✗	✓	
In person at HSBC branches	✓	✓	Authorised Signatory(ies)
By Business Visa Debit Card (expected to become available from 18 April 2011):			
EFTPOS	✗	✓	Cardholder(s)
ATM (HSBC and non HSBC)	✗	✓	
Other Business Visa Debit Card Transactions	✗	✓	

Notes

1. To use our Internet Banking Service you must register for the service.
2. Including BPAY®. BPAY® payments made after 6pm, Sydney time, will not be processed until the next business day.
3. Either automated (including BPAY®) or staff assisted.
4. A direct debit is a withdrawal from your account made by a third party when you have given that third party authority to debit your Account.
5. If you specify that more than one signature is required to operate the Account, then the Account cannot be operated by Phone Banking or Business Visa Debit Card.

Authorised Signatories, Delegates

You can appoint either Authorised Signatories and/or Delegates to operate your Account.

Your Authorised Signatories can access and operate your Account where we require a signature.

You can appoint Delegates for our Phone Banking Service who can access and operate your Account alone through our Phone Banking Service. You determine the level of service available for each Delegate when you appoint each Delegate. Delegates can be appointed or removed after you have opened your Account. For further details, see the Terms and Conditions, under the heading "Daily limits for Phone Banking".

You can also appoint Delegates for our Internet Banking Service who can access and operate your Account alone (or in pairs if you have specified that your Account requires two people to sign or authorise a transaction) through our Internet Banking Service.

You can also appoint Delegates (called Cardholders) who have access to your Account by Business Visa Debit Card (see next section).

Business Visa Debit Card

(expected to become available from 18 April 2011)

You can have up to 5 Business Visa Debit Cards linked to your Account (including any overdraft facility). Primary Cards are issued to Authorised Signatories only. Additional Cards are issued to persons who are not Authorised Signatories.

Example 1: You nominate 1 Authorised Signatory to hold a Primary Card and 4 employees to hold Additional Cards.

Example 2: You nominate 2 Authorised Signatories to hold a Primary Card and 3 employees to hold Additional Cards.

The daily Visa purchase limit and the daily withdrawal limit are set during the Card ordering process. The daily Visa purchase limit defaults to \$10,000 if no selection is made. The daily withdrawal limit defaults to \$1,000 if no selection is made. Only an Authorised Signatory can set or vary these limits.

Cards can have restricted access to view account balances and restricted

access to cash withdrawals via EFTPOS and ATM. Only an Authorised Signatory can set or vary these access restrictions.

An Additional Cardholder cannot set or vary their own access restrictions and limits.

For Business Visa Debit Card Fees and Charges, see Part 2 of this PDS, **Business Transaction Account Fees and Charges**.

Security of access methods

For maximum protection of your assets, it is important to keep safe any secret codes such as the Access Codes/Passwords or the identification reference you use for Phone Banking and the Internet Banking Service, and the PINs for your Business Visa Debit Cards. Examples of security measures you should take are set out in the Terms and Conditions, under the heading "Security of access methods". If you do not take those security measures, you may be liable for unauthorised transactions.

Taxation

Interest credited to your Account

Interest credited to your Account during each financial year may be assessed for income tax purposes. In some circumstances (e.g. if you are tax exempt) this interest may not be included as part of your income tax assessment.

Withholding tax

If you are an Australian resident and do not provide us with your Tax File Number (TFN) or Australian Business Number (ABN), we must withhold tax calculated at the highest marginal tax rate plus the Medicare levy (46.50% at the date of this PDS) from the interest and remit the withheld amount to the Australian Taxation Office (ATO). If you are not an Australian resident, we must withhold non-resident withholding tax (10.00% at the date of this PDS, unless an exemption applies or the rate reduced under the relevant double tax agreements) from the interest and remit the withheld amount to the ATO.

Your contract with us

If you open a Business Transaction Account, the following documents make up the contract between you and us:

- Part 1 of this PDS – i.e. the PDS part of this document;
- Part 2 of this PDS – Business Transaction Account Fees and Charges;
- Part 3 of this PDS – HSBC Business Fees and Charges;
- Part 4 of this PDS – Business Transaction Account Interest Rates;
- the Terms and Conditions; and
- your Account Opening Documents.

HSBC may change this PDS (Parts 1, 2, 3 or 4) or the Terms and Conditions.

If you have a complaint or query

If you have a complaint or query (e.g. if you believe that an EFT transaction is incorrect or unauthorised or there is an error in an account statement), please raise your concerns with us. You can speak with any Branch Customer Service Manager or any Branch Manager in Australia or our Customer Relations Team, telephone 1300 308 188 or if you are calling from overseas: + 61 2 9005 8181. Alternatively, you can visit our website at www.hsbc.com.au and raise your concerns via the “Contact Us” icon.

If your complaint is not resolved by raising your concerns with us, you can contact the Financial Ombudsman Service Limited (FOS) telephone 1300 780 808, www.fos.org.au. This is an independent and impartial body which provides a free external dispute resolution procedure.

Complaints and queries concerning Business Visa Debit Cards can only be made by an Authorised Signatory. If an Authorised Signatory has a complaint concerning a matter relating to the use of a Business Visa Debit Card or if they believe there is an error on a statement of account relating to the use of a Business Visa Debit Card, they must tell us immediately in Australia by telephoning 1300 731 720 or contacting their HSBC branch or, if overseas, by telephoning +612 9005 8414. We may decide to resolve the matter under the rules of the Visa International card scheme. If we do so, resolution of the matter will be governed by the time limits imposed by those rules and if an Authorised Signatory delays notifying us of any apparent error, our ability to investigate and resolve the matter may be restricted. For this reason an Authorised Signatory should report any suspected unauthorised transaction to us as soon as possible. For more information about complaints and queries concerning Business Visa Debit Cards, see the Dispute Resolution section of the Terms and Conditions.

Definitions

In this document:

Account Opening Document means any account opening form (either in paper or electronic format), signature card, mandate or other document or agreement signed or entered into in connection with the opening or maintaining of a Business Transaction Account or any linked overdraft facility or Business Visa Debit Card.

Additional Card means a Business Visa Debit Card issued to a person who is not an Authorised Signatory.

Additional Cardholder means a person who holds an Additional Card.

Authorised Signatory means any person who is designated as such in an Account Opening Document and allowed by us to operate the Account.

Card means a Business Visa Debit Card.

Cardholder means a person who holds a Business Visa Debit Card. A Cardholder is a kind of Delegate.

Delegate means you and any person authorised by you and us to use our Phone Banking Service, our Internet Banking Service or a Business Visa Debit Card to access and operate your Business Transaction Account. You can appoint different people as Delegates for Phone Banking Service, Internet Banking Service and Business Visa Debit Card (called Cardholders).

HSBC, we, us and **our** mean HSBC Bank Australia Limited (ABN 48 006 434 162 AFSL/ACL 232595).

Primary Card means a Business Visa Debit Card issued to an Authorised Signatory.

Terms and Conditions means the HSBC Business Terms and Conditions.

Financial Services Guide

About this Financial Services Guide (FSG)

This FSG is designed to help you to decide whether to use any of the financial services which HSBC offers in it. It contains information about:

- How our employees are remunerated in relation to those services; and
- How complaints are dealt with.

About us and the financial services we provide

Our contact details are shown on the inside front cover.

We are authorised to do the following in relation to the Business Transaction Account:

- Open (i.e. issue), vary and close (i.e. dispose of) accounts; and
- Provide financial product advice.

Remuneration

Our employees receive a base salary and may be eligible for annual or other performance bonuses or rewards which may take into account the sales and referrals they make.

If you have a complaint or query

See page 6 in the PDS part of this document.

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