

Managing your bank account smartly

A guide for business
owners in Hong Kong



Introduction

Proper management of your account will safeguard both your finances and those of the wider community

- ◆ Our business customers often also hold a personal account with us. Our best advice is to make sure that your business accounts remain strictly for business, and not for personal use
- ◆ As business owners, you are busy with daily operations and hard-pressed for time, so may benefit from guidance on how to manage your bank accounts smartly. This guide provides tips to keep your business safe from fraud and financial crime – practices that may also be applied to personal accounts



1

How best to manage
your account day to day

2

Keeping us informed
about organisational
changes

6

How to contact us

**In this guide,
we provide tips on:**

5

How we can work
together to fight
financial crime

4

What might happen if
your customer record
is not kept up-to-date

3

Considerations
when implementing
changes to your
business cycle

How best to manage your account day to day



Purpose and use of accounts

Use your account for legitimate purposes, based on the account type

A personal account is only for your personal transactions and not for business purposes and, likewise, a business account is only for business purposes and not for personal transactions



Statements, documents and records

Check your bank accounts regularly and reconcile all activity with your bank statements

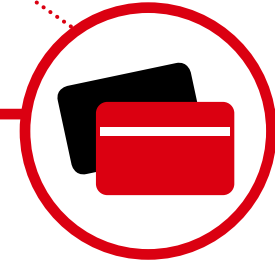
Ensure you keep records of income, transfers and expenditure, as well as receipts, invoices and supporting documents

Ensure records of domestic and international payments include sufficient details to show that funds have been transferred, received and spent as intended

Make good use of electronic payment channels for transactions such as telegraphic transfers and electronic bank transfers, for easier tracking of payments and identification of the source and destination of funds

Understand and comply with your tax obligations. Provide us with your tax residency information and maintain a clear record of tax documentation

There is no 'one size fits all' approach, but some habits and practices can help you effectively manage your account and protect you against fraud.



Security and staff education

Use tiered authority and signature levels for payments – for example, set up an authorisation matrix in your Business Internet Banking and set up signing instructions with transaction limits assigned for different signing groups

Do not help others to make payments or handle assets that do not belong to your business

Know who you are selling to or buying from – for example, payee and payer information

Do not let others operate your account if they are not authorised to do so

Do not share with others your personal details, account information, security device, internet banking ID and password, ATM card/credit card, Card Verification Value or cheque book

Stay vigilant against phone scams and/or phishing emails claiming to be carried out in the name of banks

Ensure that your computer security is up-to-date by using anti-virus software, a secure network connection and firewall protection

Educate your staff about fraud and financial crime risk. For example, highlight the importance of verifying a counterpart's email and conducting telephone verification before making a payment

Keeping us informed about organisational changes



As part of our commitment to fighting fraud and financial crime, we need to make sure that we hold the right data about you and your business. In addition to informing us about any changes to your company contact information (for example, change of address, telephone number and email address), it is important that you regularly inform us about changes to your business cycle.

Please see the 'How to contact us' section for instructions on how to update your account information.

Changes to your business cycle



Organic increase in sales turnover



Expansion into new markets and customer types



Changes in business nature

Changes to your company structure

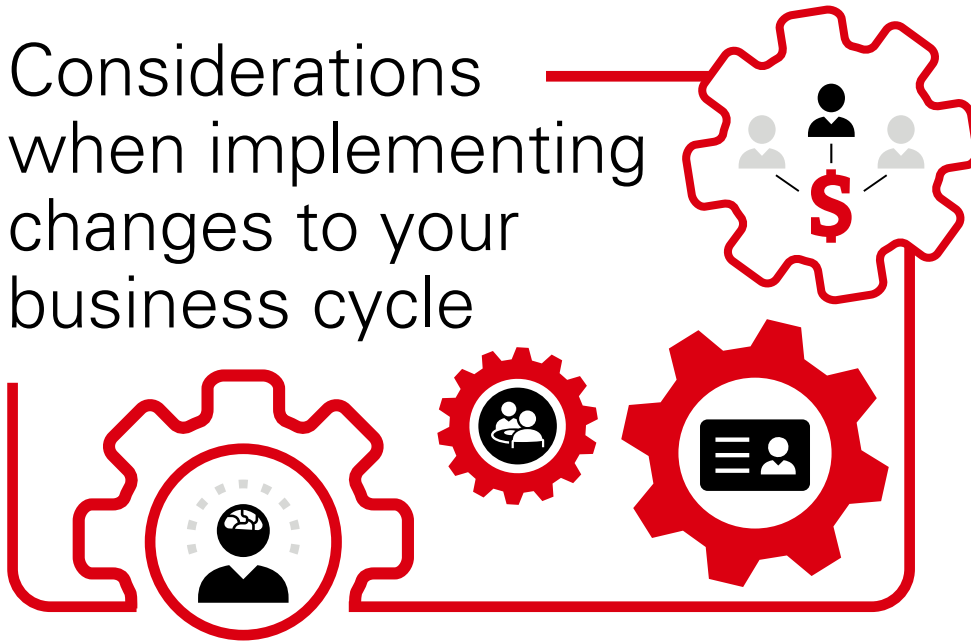


People – directors, authorised signatories, shareholders and ultimate beneficiary owners



Legal entity – for example, from a sole proprietor to a limited company

Considerations when implementing changes to your business cycle



As your business cycle changes, please consider the following to avoid exposing yourself to fraud or other financial crime.



Conduct market research into target markets and local banking support to identify relevant sanctions



Know who you are dealing with as a business – such as your buyers, suppliers, clients and service providers – and their business country and territory exposure



Be aware of your sources of funding – for example, ensure that funding from new investors or partnerships is legitimate



Keep track of your payment methods, including the use of payment agents and platforms. Do not transact via unlicensed remittance agents

What might happen if your customer record is not kept up-to-date



In today's increasingly connected world, financial crime is a growing global issue. Having accurate information about all our customers is a key part of our ability to detect and deter fraudulent transactions, money laundering and tax evasion. Without up-to-date information about your business, we may need to take the following action:

Business account



Ask you to explain account transactions that do not appear to match your current business profile. Examples include large wire transfers or cash deposits that cannot be explained by supporting documentation such as invoices and agreements. Such transactions tend to raise a red flag, as they can resemble undesirable activity including money laundering.

If we hold up-to-date information about your business – for example, expansion from domestic to international business, these transactions can be explained and unnecessary red flags avoided



If the unusual activity on your account cannot be explained, we may have to delay or restrict certain banking services such as outward remittances, or end our banking relationship with you

Personal account



There are no concerns about an individual receiving legitimate payments to their personal accounts from their business interests, providing these are properly documented. For example, payments arising from directors' remuneration, the repayment of accounted directors' loans, dividends or the sale or purchase of equity stakes can be validated by your company's annual accounts and/or receipts

How we can work together to fight financial crime





What should you do if you receive a request from us?



Be alert to letters, emails and calls from us



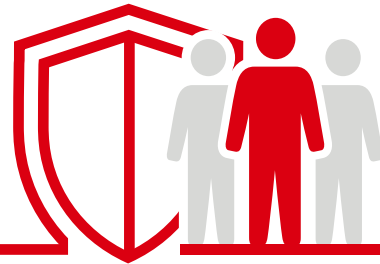
Respond to our requests for information in a timely manner



Ensure the information you provide to us is complete, accurate and up-to-date



Do not hesitate to contact us if you have any enquiries about business or personal updates



We are determined to provide you with a safe banking environment. In the interests of enabling banks, individuals and businesses to defend the integrity of Hong Kong's financial system, it is important to keep our customer information up-to-date.

How to contact us



- ◆ To update your company information, visit any HSBC Business Centre or call our Commercial Banking Service Hotline on (852) 2748 8288 (press #-0 after language selection)
- ◆ For personal banking, visit any HSBC branch in Hong Kong or call (852) 2233 3033 (HSBC Jade customers), (852) 2233 3322 (HSBC Premier customers), or (852) 2233 3000 (Other customers)

Ongoing protection

HSBC Safeguard is our range of measures designed to help keep the information in our global systems up-to-date to better protect our customers from fraud and financial crime. It is an ongoing programme and part of the process involves regular reviews where we will ask you to confirm or update your details or provide new information. You can also contact us to update your account details if any information about you or your organisation changes. This will help us protect you and your business by making sure that the transactions we conduct on your behalf are based only on genuine requests.

You can also find more information on the HSBC Safeguard website at www.hsbc.com.hk/hsbcsafeguard

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