

Business account fitness guide





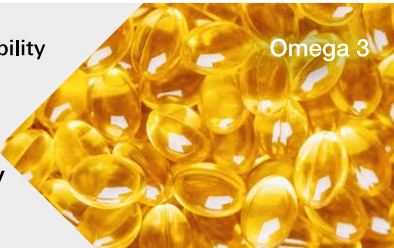




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Running a successful business takes more than just offering great products or services. It requires a strong grasp of your company's financial health. Much like personal wellness, maintaining financial fitness means building healthy business account management habits, monitoring your financial position regularly, staying vigilant against risks, and ensuring your business is set for long-term growth and stability.

Good habits you should know

7 Smart financial habits for a healthy business account

<p>1</p> <p>Focus enhancer</p> <p>▼</p> <p>Set clear boundaries for business account usage</p> <p>Soybean</p> 	<p>2</p> <p>Memory booster</p> <p>▼</p> <p>Keep proper transaction records</p> <p>Walnuts</p> 
<p>3</p> <p>Improves cognitive ability</p> <p>▼</p> <p>Transact with licensed banks or payment agents only</p> <p>Omega 3</p> 	<p>4</p> <p>Vision care</p> <p>▼</p> <p>Avoid transactions with parties who pose sanctions risks</p> <p>Goji berries</p> 
<p>5</p> <p>Immunity shield</p> <p>▼</p> <p>Avoid handling transactions on behalf of others using the company account</p> <p>Vitamin C</p> 	<p>6</p> <p>Hearing health</p> <p>▼</p> <p>Respond in good time to your bank's enquiries and provide the requested information</p> <p>Kale</p> 
<p>7</p> <p>Vocal wellness</p> <p>▼</p> <p>Inform your bank of changes to your business operations and structure</p> <p>Honey</p> 	

Good habits you should know

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1

Focus enhancer



Set clear boundaries for business account usage

Use your business account strictly for transactions related to legitimate business activities.

Soybean



Scenario 1:

A company director uses the business account to pay for personal entertainment or their children's overseas tuition fees.



Note:

To maintain a healthy business, it's wise to keep your personal and business finances separate.



Scenario 2:

Frequent transfers between the business account and personal accounts, or large cash deposits from individuals.



Note:

These transactions may resemble suspicious activities, including money laundering. We may ask you to provide supporting documents, such as invoices or contracts, to explain those transactions that do not align with your business profile on record.

2

Memory booster



Keep proper transaction records

Maintain proper records for all sources and purposes of funds, including incoming, transfers and outgoing payments to safeguard your account.

Walnuts



Scenario:

A wholesaler receives large cash payments but cannot provide sales records.



Note:

Keep business receipts, contracts, bills of lading and other supporting documents for every account transaction. These records help clearly identify the source and purpose of funds.

Reminder:

The Inland Revenue Ordinance Hong Kong requires that all business records must be retained for seven years from the transaction date to enable the assessable profits to be readily ascertained.

Source: https://www.ird.gov.hk/eng/tax/bus_rke.htm

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3

Improves
cognitive ability



**Transact with licensed banks
or payment agents only**

Omega 3

Be cautious when making and receiving business payments.
Avoid using unlicensed remittance agents.



Scenario:
Using an unlicensed third-party payment platform makes it difficult to track the source and destination of funds.



Note:
Make good use of your bank's digital payment platform or licensed remittance services for transactions such as remittances and bank transfers. This makes it easier to track payments and identify the source and destination of funds.

4

Vision Care



**Avoid transactions with parties
who pose sanctions risks**

Goji berries

Know who you are engaging with in business—including your buyers, suppliers and service providers—and understand which countries or regions they operate in. This helps you identify any potential sanctions risks.



Scenario:
Making payments to a supplier based in a sanctioned region.



Note:
Always verify whether your business partners are subject to sanctions risks to avoid high-risk transactions.

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5

Immunity shield ▶▶ **Avoid handling transactions on behalf of others using the company account**

Protect your business by refusing to receive payments or make payments on behalf of others. This helps prevent fraud and financial crime.



Scenario:
An electronics trading company helps a friend pay a garment supplier.



Note:
Conduct transactions related to your business only. Avoid handling funds or assets that are unrelated to your business operations.

6

Hearing health ▶▶ **Respond in good time to your bank's enquiries and provide the requested information**

To help detect and prevent fraudulent transactions, we may contact you to verify unusual account activity.



Scenario:
The bank calls to confirm a suspicious payment transaction, but no one answers.



Note:
Always check emails and phone calls that come from us. If we can't reach you, we may need to delay or restrict certain services, such as outward remittances.



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7

Vocal wellness ▶▶

**Inform your bank of changes
to your business operations
and structure**



Honey

If your business undergoes changes—such as restructuring, changing business nature, or expanding into new markets or customer bases—keep us informed to ensure your account remains secure.



Scenario 1:
A company director resigns but continues to sign company cheques.



Note:
Notify the bank and update your records promptly to avoid potential losses.



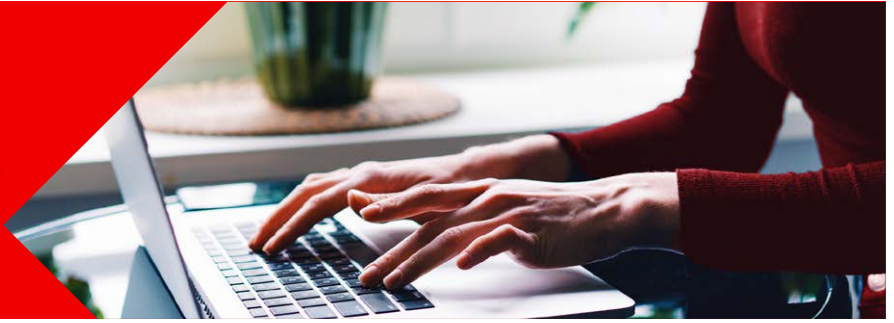
Scenario 2:
Your business expands from local to international markets, resulting in a significant increase in overseas remittances.



Note:
Proactively informing us of changes to your business allows us to provide you with more relevant services and better understand any shifts in your account activity, helping to prevent unnecessary service delays or limitations.



Stay account fit with smart habits



- Keep business and personal accounts separate, with no overlap or cross-usage.
- Keep proper documentation for every account transaction including business receipts and invoices.
- Transact with licensed banks or payment agents only.
- Verify counterparties for sanctions risks.
- Avoid using the company account to handle transactions on behalf of others.
- Proactively update the bank regarding changes in directors, shareholders, contact details or business operations.
- Regularly check emails and answer calls from the bank.



Want to put your business on the path to financial health?

Visit the HSBC website today at www.business.hsbc.com.hk/accountfit
for practical tips to help you manage your business account effectively.