Guide to payment instructions

December 2025

HSBC UK

Contents

1. Introduction

HSBC UK operates a global payments network that allows payments to be sent to a large number of countries in the world and in numerous currencies.

The purpose of this document is to provide you with clear cut-off times in available currencies and information on common practices and straight-through processing.

1.1. Cut-off times and value dates overview
The times indicated in this document represent the latest times that payment instructions must be received by us, in order to process the transactions by the indicated value date. **These times apply to both outgoing payments ordered by our HSBC UK customers and incoming payments that required an FX conversion in favour of our HSBC UK customers (in the UK)**.

Our cut-off times don't necessarily reflect the cut-off times adopted by the receiving bank(s). The value date assigned to funds paid to the beneficiary depends on cut-off times, rules and market practice of the country where the account resides.

Cut-off times listed throughout the document refer to payments that are settled using one of the following payment networks:

- HSBC UK network (HBUKGB4B)
- CHAPS (UK GBP Real-Time Gross Settlement system)
- Same day value date payment system for Euro payments in the European Economic Area[1]
- SWIFT (Global same day value date payment system for cross-border payments)[1]
- Bacs
- Faster Payments Service
- SEPA Credit Transfers
- Paper Payments

Cut-off times depend on the country of destination, the currency of the payment or a combination of both these elements. References in this document to "same day", "next day" etc, mean working days unless otherwise noted. A "working day" is Monday to Friday but excluding public holidays.

1.2. Non-Straight Through Payments (non-STP)
To benefit from reduced repair costs and faster processing, you should try to format your payment to achieve Straight Through Processing (STP).

If a payment is incorrectly formatted, we'll use reasonable efforts to repair the transaction and process it. All times stated are UK times. The cut-off time for processing payments that require repair (non-STP), or for manual payments, is one hour earlier than the STP cut-off time.

If payments are received after the stated times, we'll use reasonable efforts to process such payments in accordance with the requested value date. However, if we can't do this, the payment will be processed with the next available value date. Payments with insufficient cleared funds available on the remitting (sending) account are considered non-STP.

1.3. Other cut-off time considerations
We undertake additional security checks, for instance sanction screenings in adherence to applicable laws, regulations and internal HSBC policies.

Please consider an earlier cut-off time of at least 30 minutes when submitting payment files through HSBC UK's e-channels[2]. Additional checks and validations may apply to these payments which could result in longer processing times.

When a foreign exchange deal is required, the cut-off time applied to the transaction is the earliest between the currencies involved based on the jurisdiction of the converted currency.

We encourage payments to be submitted as far in advance of the cut-off time as possible. This allows additional time to meet the value date requested should any repair work be required.

[1] Please note, some payments can receive a next day value date due to in-country rules.
[2] HSBCnet File Upload, HSBC Connect, SWIFTNet FIN and FileAct, ERP Link and other regional/local channels.

2. HSBC UK network

2.1. Payments in all currencies to beneficiaries with accounts held at HSBC UK
The following section details the cut-off times for payments where both the remitter's and beneficiary's accounts are based within HSBC UK's network.

Please note, the times below apply to payments between accounts held at HSBC UK Bank plc, BIC HBUKGB4BXXX. Payments where either the remitter's or beneficiary's account is held in HSBC Bank plc, BIC MIDLGB22XXX, are considered as made between different banking entities and standard cut-off times will apply.

Transaction type	Currency	Cut-off time for Straight Through Payments (STP) (STP are payments processed without manual intervention)	Cut-off time for non-Straight Through Payments (non-STP) (Non-STP are payments that require system or manual repair to be applied)
Payments to the HSBC UK's network	GBP	6:00pm	5:00pm
	EUR	4:30pm	3:30pm
	Other Currencies	4:30pm[3]	3.30pm[3]
Inter-account Transfers Applicable only when: • Transfer is between accounts held at the same HSBC Group and registered under the same HSBCnet profile • Accounts are denominated in the same currency (no FX involved)	GBP USD	5:45pm[4]	N/A
	Other Currencies	4:30pm[4]	N/A

Same day value applies to the above transaction types.

In cases where the credit account is owned by a financial institution, for instance when the funds are in favour of a customer of a financial institution that holds an account with HSBC UK, HSBC UK is not responsible for the value date applied to the final beneficiary by that financial institution.

Please consider an earlier cut-off time of at least 30 minutes when submitting payment files through HSBC UK's e-channels[5]. Additional checks and validations may apply to these payments which could result in longer processing times.

[3] Subject to the cut-off time for the specific currency.

[4] Inter-Account Transfers instructed via HSBCnet and/or Connect must meet this cut-off to be applied on same day.

[5] HSBCnet File Upload, HSBC Connect, SWIFTNet FIN and FileAct, ERP Link and other regional/local channels.

3. CHAPS

3.1. Sterling payments to other banks in the UK
The following section details the cut-off times for payments in GBP to a non-HSBC UK account based in the UK:

Transaction type	Cut-off time for STP payments	Cut-off time for non-STP payments
CHAPS payments	5:10pm[6]	4:10pm

Same day value applies to CHAPS payments.

Please note, the above cut-off times apply to CHAPS participant's financial institutions, whether on the remitting or the beneficiary side. Some participants may adopt an earlier cut-off time to meet same day value, this is out of our control and that of the final beneficiary bank. If in doubt you should check with your counterparty.

3.2. Sterling payments outside the UK
The following section details the cut-off times for payments in GBP to accounts based outside the UK:

Transaction type	Cut-off time for STP payments	Cut-off time for non-STP payments
GBP Priority Payments	3.30pm	2:30pm

Please consider an earlier cut-off time of at least 30 minutes when submitting payment files through HSBC UK's e-channels[7]. Additional checks and validations may apply to these payments which could result in longer processing times.

[6] We'll continue to process payments in favour of CHAPS participants after 17:10, but can't guarantee the beneficiary will receive that day value. You should only send same day value payments after this time with the agreement of the CHAPS participant concerned. Please note, your payments are subject to you having sufficient settlement balances on your account.

[7] HSBCnet File Upload, HSBC Connect, SWIFTNet FIN and FileAct, ERP Link and other regional/local channels.

4. Euro Payments

4.1. Payments in EUR within and outside the EEA
The following section details the cut-off times for payments in EUR to accounts based within the EEA[8] and outside of the EEA:

Transaction type	Cut-off time for STP payments	Cut-off time for non-STP payments
EUR payments	3.30pm	2:30pm

Same day value applies to above payments.

All sterling and euro payments will be processed on the value date, irrespective of the date on which the instruction is delivered.

Please consider an earlier cut-off time of at least 30 minutes when submitting payment files through HSBC UK's e-channels[9]. Additional checks and validations may apply to these payments which could result in longer processing times.

As HSBC UK is no longer a direct member of Euro clearings, all incoming and outgoing payments in Euro currency are processed via our agent bank HSBC Continental Europe.

[8] Member states of the European Economic Area (EEA) are all EU member states plus Iceland, Liechtenstein and Norway. Switzerland, although not part of the EEA, is considered in scope for the purpose of this document.

[9] HSBCnet File Upload, HSBC Connect, SWIFTNet FIN and FileAct, ERP Link and other regional/local channels.

5. International Payments

5.1. Payments in other currencies
The value date quoted on payment instructions received by HSBC UK is interpreted as the value date on which funds are to be available at the beneficiary account and doesn't necessarily reflect the cut-off time adopted by the receiving bank.

The value date assigned to funds paid to the beneficiary depends on cut-off times, rules and market practice of the country where the account resides.

Where HSBC UK purchases foreign currency on your behalf, in exchange for sterling, we'll debit your sterling account on the day the payment is transmitted, using the HSBC exchange rate. Where payments are debited from a foreign currency account, the value date applied for interest purposes is dictated by the cut-off time of the currency.

For instance, a payment instruction in Euro received within the cut-off time, is debited on same day as the value date. A payment in Hong Kong Dollars, which carries a cut-off of 6:30pm for next day value, may be debited on day minus one (D-1), i.e. previous working day, from the remitter account.

If there's a local national bank holiday then this may lead to your payment being processed a day later than usual. For example a JPY payment sent "today" for value D+1 will be credited on D+2, if D or D+1 is a bank holiday in Japan.

Please consider an earlier cut-off time of at least 30 minutes when submitting payment files through HSBC UK's e-channels[10]. Additional checks and validations may apply to these payments which could result in longer processing times.

5.2. Funding
Please note, for same day value cut-off times set at or before 9:00am the remitting account requires either funding or a sufficient facility in place in order to prevent delays.

[10] HSBCnet File Upload, HSBC Connect, SWIFTNet FIN and FileAct, ERP Link and other regional/local channels.

5.3. Schedule of cut-off times for other currencies [12]

Country	Country Code	Value Date	Cut-off time for STP Payments	Cut-off time for non-STP Payments
Albania	ALL	Next Working Day	4:30pm	3.30pm
Algeria [11]	DZD	Next Working Day	11:00am	10:00am
Australia	AUD	Next Working Day	4:55pm	3:55pm
Bahrain	BHD	Next Working Day	5:00pm	4:00pm
Bangladesh [11]	BDT	Next Working Day	1:00pm	12:00pm
Botswana	BWP	Next Working Day	2:00pm	1:00pm
Canada	CAD	Same Day Value	4:50pm	3:50pm
China	CNY (Offshore) [14 15]	Same Day Value	6:30am	4:00pm [12] (D-1) [13]
	CNY (Onshore) [16 15]	Same Day Value	6.30am	4:00pm [12] (D-1) [13]
Czech Republic	CZK	Same Day Value	10:30am	9.30am
Denmark	DKK	Same Day Value	1:30pm	12:30pm
Egypt [11]	EGP	Next Working Day	11:00am	10:00am
Eswatini (Ex Swaziland)	SZL	Next Working Day	4:30pm	3.30pm
Fiji	FJD	Two Working Days	4:00pm	3:00pm
Ghana	GHS	Next Working Day	4:00pm	3:00pm
Hong Kong	HKD	Same Day Value	6:30am	4:00pm [12] (D-1) [13]
Hungary	HUF	Same Day Value	12:30pm	11:30am
India [14]	INR	Next Working Day	2:00pm	1:00pm
Israel	ILS	Same Day Value	8:30am	4:00pm [12] (D-1) [13]
Japan	JPY	Next Working Day	5:40pm	4:40pm
Jordan	JOD	Next Working Day	9.30am	8:30am
Kazakhstan	KZT	Next Working Day	3:00pm	2:00pm
Kenya	KES	Next Working Day	5:00pm	4:00pm
Kuwait	KWD	Next Working Day	5:00pm	4:00pm
Macau	MOP	Next Working Day	2:00pm	1:00pm
Mauritius	MUR	Next Working Day	5:00pm	4:00pm
Mexico	MXN	Same Day Value	3:30pm	2:30pm
Morocco	MAD	Two Working Days	4:30 pm	3:30 pm
Namibia	NAD	Next Working Day	1:00pm	12:00pm
New Zealand	NZD	Next Working Day	4:55pm	3:55pm
Norway	NOK	Same Day Value	1:00pm	12:00pm
Oman	OMR	Same Day Value	6:30am	5:30am
Pakistan [17]	PKR	Next Working Day	6:30am	4:00pm [18](D-2) [19]
Peru	PEN	Next Working Day	3:00pm	2:00pm
Philippines [20]	PHP	Next Working Day	2:00pm	1:00pm
Poland	PLN	Same Day Value	12:30pm	11:30am
Qatar	QAR	Same Day Value	6:30am	5:30am
Romania	RON	Same Day Value	8:30am	4:00pm [18] (D-1) [19]
Saudi Arabia	SAR	Next Working Day	5:00pm	4:00pm
Serbia	RSD	Same Day Value	6:30am	4:00pm [12] (D-1) [13]
Singapore	SGD	Next Working Day	4:55pm	3:55pm
South Africa	ZAR	Same Day Value	11:00am	10:00am

Country	Country Code	Value Date	Cut-off time for STP Payments	Cut-off time for non-STP Payments
Sri Lanka [17]	LKR	Next Working Day	5:00pm	4:00pm
Sweden	SEK	Same Day Value	1:30pm	12:30pm
Switzerland	CHF	Same Day Value	12:40pm	11:40am
Thailand	THB	Next Working Day	2:00pm	1:00pm
Tunisia [17]	TND	Next Working Day	9:00am	8:00am
Turkey	TRY	Same Day Value	11:30am	10:30am
U.S.A.	USD	Same Day Value	6:00pm	5:00pm
Uganda	UGX	Next Working Day	2:00pm	1:00pm
United Arab Emirates	AED	Same Day Value	6:30am	5:30am
Zambia	ZMW	Next Working Day	2:00pm	1:00pm

Please consider an earlier cut-off time of at least 30 minutes when submitting payment files through HSBC UK's e-channels [21]. Additional checks and validations may apply to these payments which could result in longer processing times.

[11] Currency subject to restrictions: a) cannot be converted offshore; b) accounts denominated in the currency cannot be held offshore.

[12] Please note, these cut-off times are subject to payment instructions being submitted on, and with a value date of, an official working day for that currency. Specific markets may have local or provincial holidays which can affect settlement. Some markets whose calendar is dependent on the lunar calendar, such as the Middle East, may confirm bank holidays at short notice. HSBC UK is not liable for local market practices. Clients wishing to transact in a particular currency should make themselves aware of the bank holiday calendar and local market practices in order to avoid any potential delay of the payment.

[13] D-1, previous working day, in order to achieve the stated value date.

[14] Accounts denominated in the currency cannot be held offshore.

[15] To comply with local exchange controls, only outgoing payments are permitted from PHP accounts. Incoming payments from onshore are not allowed.

[16] Onshore payments are in favour of beneficiary banks within mainland China. These payments are processed via our Shanghai Affiliate.

[17] Currency subject to restrictions: a) cannot be converted offshore; b) accounts denominated in the currency cannot be held offshore.

[18] Please note, these cut-off times are subject to payment instructions being submitted on, and with a value date of, an official working day for that currency. Specific markets may have local or provincial holidays which can affect settlement. Some markets whose calendar is dependent on the lunar calendar, such as the Middle East, may confirm bank holidays at short notice. HSBC UK is not liable for local market practices. Clients wishing to transact in a particular currency should make themselves aware of the bank holiday calendar and local market practices in order to avoid any potential delay of the payment.

[19] D-1, previous working day, in order to achieve the stated value date.

[20] To comply with local exchange controls, only outgoing payments are permitted from PHP accounts. Incoming payments from onshore are not allowed.

[21] HSBCnet File Upload, HSBC Connect, SWIFTNet FIN and FileAct, ERP Link and other regional/local channels.

6. Bacs

6.1. Bacs sterling payments to other banks in the UK
The following section details the cut-off times for submitting payments and collections via Bacs into accounts based in the UK. Below times are for Day 1 – Input Day, to ensure settlement occurs on Day 3 – Value Day.

This means the Bacs submission must be made **two working days** before the payment is due to be made (Value Day). The Bacs cycle doesn't include non-working days.

HSBCnet

Transaction type	Cut-off time for STP payments
Bacs Credits – Onscreen input, file upload using instruction level or without SUN in the file	4:00pm
Bacs Credits – File upload using file level with SUN in the file	8:00pm
Bacs Direct Debits – Onscreen input	4:00pm
Bacs Direct Debits – File upload	8:00pm

Direct Submission

Transaction type	Cut-off time for STP payments
Bacs Credits/Debits – File upload to Payment Services Website	10:30pm

Business Internet Banking

Transaction type	Cut-off time for STP payments
Bacs Credits – Onscreen input	6:45pm

7. Faster Payments (FPS)

7.1. FPS sterling payments to other banks in the UK

Faster Payments is a 24 hours a day, 7 days a week service, of Near-Real-Time (NRT) payments within the UK. All payments are processed when they're received and credits are applied to the beneficiary within 2 hours maximum, with a value date of the date the payment was sent. Payments submitted between 11:45pm and 12:00am will always be dated the following day due to the End of Day (EOD) accounting process, e.g. a payment submitted at 11:50pm on 28 May, will be dated as being submitted on 29 May, both for the debit applied to the remitting customer's account and the credit applied to beneficiary's account.

Forward dated faster payments will debit the account at 12:30am on the value date specified and credit the beneficiary within 2 hours maximum e.g. a payment submitted on 27 May for value 6 June, will be processed on 6 June at 12:30am, both for the debit applied to the remitting customer's account and the credit applied to beneficiary's account.

This applies even if the payment is submitted on a non-working day.

8. SEPA

8.1. SEPA Credit Transfers (SCT)

For both screen input via HSBCnet and SEPA Credit Transfer (SCT) File Upload (XML submissions) via HSBCnet, HSBC Connect and SWIFTnet FileAct the cut-off times are:

- Before 1:00pm transactions are processed the same day and will settle same day (D+0).
- Later submissions (after 1:00pm) are processed on best-efforts basis or next day settlement (D+1).

For screen input via SEPA Credit Transfer (SCT) via Kinetic and Business Internet Banking the cut-times are:

- Before 1:30pm transactions are processed the same day and will settle same day (D+0).
- Later submissions (after 1:30pm) are processed on best-efforts basis or next day settlement (D+1).

For more information, please visit hsbcnet.com/sepa.

9. Cheques

9.1. Domestic cheques

Sterling cheques operate to UK Image Clearing System (ICS) timescales.

Day 0	Day 1
Cheque received at bank	Full and final value before 11:59pm

The introduction of ICS in 2018 means next working day settlement has replaced the legacy 2-4-6 cheque clearing cycle across the industry.

10. Priority Payment cancellation and amendment

10.1. Payment amendments and cancellations
We accept payment amendments and cancellations if they're received through an authenticated channel. This includes SWIFT MT199/299 messages, written or fax instructions signed in accordance with your bank mandate (where we hold an appropriate indemnity) or secure messages submitted through HSBCnet. Please note, changes via the telephone, even if authenticated through PIN/passwords, aren't accepted.

If you're unable to submit an authenticated message, we'll only accept an amendment if it's submitted to the branch or Relationship Manager who originally processed your payment. The branch or Relationship Manager must be able to verify the submitter and have sight of the original instruction. If verification can't be made or it's not satisfactory, then a validation call back can be made to an authorised signatory using a known number held on our bank records. Once the call recipient has successfully passed our telephone verification questions and confirmed the amendment, this will be treated as an authenticated instruction.

Limits can be agreed with your bank representative.

We'll use reasonable efforts to handle any amendment and cancellation request as soon as possible, to minimise any inconvenience.

Please note, we don't accept amendments to payment instructions that materially alter the original payment instruction. Should a material alteration be required to a payment you should request a cancellation and raise a fresh payment instruction. If the payment has already been released by us and it's with the beneficiary bank or their agent, we may be able to recall the payment instruction on your behalf. Additional charges and Foreign Exchange rates differences may apply.

Each payment is processed in accordance with the cut-off times stated in this brochure. For the avoidance of doubt, this document is subject to any account or other product terms and conditions you have with HSBC UK, such terms and conditions take precedence.

11. Standard Settlement Instructions

11.1. Cash transactions and commercial payments to and from accounts of HSBC UK Bank plc (BIC: HBUKGB4B)

Please note: from **1 January 2026**, Bulgaria joins the Euro zone. This means the local currency, Bulgarian Lev (BGN), is demised and therefore, removed from Business Internet Banking on 5 December 2025 and HSBCnet on 13 December 2025. You can still make payments to Bulgaria in their new adopted currency, EUR, or any other convertible currency (e.g. GBP) from 1 January 2026.

Country	Currency Code	Correspondent Bank Name	BIC	IBAN/Account Number
Albania	ALL	HSBC Bank plc, London	MIDLGB22	400515 88000497
Algeria [22]	DZD	HSBC Bank plc, London	HSBCCDZAL	400515 88000666
Australia	AUD	Hongkong Bk Of Australia Ltd, Sydney	HKBAAU2S	011271814041
Bahrain	BHD	HSBC Bank Middle East, Manama	BBMEBHBX	001-681816-001
Bangladesh [22]	BDT	HSBC Bank plc, Dhaka	HSBCBDDH	001-014059-097
Botswana	BWP	HSBC Bank plc, London	MIDLGB22	400515 88000615
Canada	CAD	Royal Bank of Canada, Toronto	ROYCCAT2	09591-1000231
China (Offshore)	CNY CNH	Hongkong S'hai Bkg Corp, Hong Kong	HSBCHKHHHKH	741022636209
Czech Republic	CZK	HSBC France, Prague	MIDLCZPP	000000-19538061048150
Denmark	DKK	Danske Bank, Copenhagen	DABADKKK	3996090833
Egypt [22]	EGP	HSBC Bank Egypt SAE, Cairo [22]	EBBKEGCX [22]	001 027 168 001 [22]
Eswatini (Ex Swaziland)	SZL	Standard Bank Eswatini Limited, Mbabane	SBICSZMX	9110004861097
Euro Payments	EUR	HSBC France, Paris	CCFRFRPP	FR7630056000100010000487696
Fiji	FJD	HSBC Bank plc, London	MIDLGB22	400515 88000513
Ghana	GHS	HSBC Bank plc, London	MIDLGB22	400515 88000403
Hong Kong	HKD	Hongkong S'hai Bkg Corp, Hongkong	HSBCHKHHHKH	741022636001
Hungary	HUF	Ing Bank Rt, Budapest	INGBHUHB	HU42137000160777855100000000
India [23]	INR	Hongkong S'hai Bkg Corp, Mumbai	HSBCINBB	006 272314 001
Israel	ILS	Bank Leumi Le Israel Bm, Tel Aviv	LUMIILITBSC	IL070108000000022030934
Japan	JPY	Hongkong S'hai Bkg, Corp, Tokyo	HSBCJPJT	009 053984 026
Jordan	JOD	HSBC Bank plc, London	MIDLGB22	400515 88000489
Kazakhstan	KZT	HSBC Bank plc, London	MIDLGB22	400515 88000336
Kenya	KES	HSBC Bank plc, London	MIDLGB22	400515 88000446
Kuwait	KWD	National Bank Of Kuwait, Kuwait City	NBOKKWKW	2018805996
Macau	MOP	HSBC Bank plc, London	MIDLGB22	400515 88000556
Mauritius	MUR	HSBC Bank plc, London	MIDLGB22	400515 88000580
Mexico	MXN	HSBC Mexico, S.A.	BIMEMXMM	4068672682
Morocco	MAD	Citibank Maghreb SA, Morocco	CITIMAMCTRD	0400800006
Namibia	NAD	Standard Bk Namibia, Namibia	SBNMNANX	60004719777
New Zealand	NZD	Hongkong S'hai Bkg Corp, Auckland	HSBCNZ2A	040 039 80261
Norway	NOK	Dnb Nor Bank, Oslo	DNBANOKK	7001 02 49676
Oman	OMR	HSBC Bank Middle East Ltd	HBMEOMRXXXX	OM560100000010000933001
Pakistan [22]	PKR	Standard Chartered Bank Limited, Karachi	SCBLPKKX	15-9611570-01
Peru	PEN	HSBC Bank plc, London	MIDLGB22	400515 88000454
Philippines [24]	PHP	HSBC Bank plc, London	MIDLGB22	400515 88000395
Poland	PLN	Ing Bank Slaski Sa, Warsaw	INGBPLPW	PL04 1050 0086 1000 009031412209
Qatar	QAR	HSBC Bank Middle East, Doha	BBMEQAQX	048 001036 146
Romania	RON	Ing Bank, Bucharest	INGBROBU	RO24 INGB 5001 0085 26408910

Country	Currency Code	Correspondent Bank Name	BIC	IBAN/Account Number
Saudi Arabia	SAR	The Saudi British Bank, Riyadh	SABBSARI	013 806583 021
Serbia	RSD	HSBC Bank plc, London	MIDLGB22	400515 88000521
Singapore	SGD	Hongkong S'hai Bkg Corp, Singapore	HSBCSGSG	052 497849 001
South Africa	ZAR	Nedbank, Sandton	NEDSZAJJ	1986 253 511
Sri Lanka [22]	LKR	Hongkong S’hai Bkg Corp, Colombo	HSBCLKLX	006-140792-001
Sweden	SEK	Svenska Handelsbanken, Stockholm	HANDSESS	40312259
Switzerland	CHF	UBS, Zurich	UBSWCHZH80A	CH450023023004448205M
Thailand	THB	Hongkong S'hai Bkg Corp, Bangkok	HSBCTHBK	002 230290 001
Tunisia [22]	TND	Arab Banking Corporation	ABCOTNTT001	28000030745200000295
Turkey	TRY	HSBC Bank As, Istanbul	HSBCTRIX	TR31 00123 00001 35844 7900001
USA	USD	HSBC Bank USA, New York	MRMDUS33	000269867 ABA 021001088
Uganda	UGX	HSBC Bank plc, London	MIDLGB22	400515 88000607
United Arab Emirates	AED	HSBC Bk Middle East, Dubai	BBMEAEAD	036 826378 437
Zambia	ZMW	HSBC Bank plc, London	MIDLGB22	400515 88000658

[22] Currency subject to restrictions: a) cannot be converted offshore; b) accounts denominated in the currency are not permitted offshore.

[23] Accounts denominated in the currency are not permitted offshore.

[24] Outgoing payments only. Local exchange controls do not allow incoming payments from onshore.

12. Glossary

- **Bacs:** A scheme for the electronic processing of financial transactions within the United Kingdom and the Channel Islands and the Isle of Man. Direct debits and credits are made using the Bacs system. Payments take three working days; they're entered into the system on the first day (input day), processed on the second day (processing day), and settled on the third day (value day). This means that the Bacs submission must be made two working days before the payment is due to be made. The Bacs cycle doesn't include non-working days.
- **Beneficiary:** The intended final recipient of the payment.
- **CHAPS:** Is a British company established in London in 1984, which offers same-day sterling fund transfers (Real Time Gross Settlement). CHAPS is used by 20 direct participants including the Bank of England and over 4500 indirect participants.
- **Faster Payments:** A 24 hours a day, 7 days a week service of Near-Real-Time (NRT) payments within the UK. Due to the NRT nature of the payment system, there's no cut-off time for payments submitted.
- **Foreign exchange transaction:** If a foreign exchange deal and conversion is required, the cut-off time that applies to the transactions is that of the earliest of the currencies involved.
- **Formatting:** High Value Payments should be completed as detailed in our SWIFT Message Formatting Guide, which is available upon request. If a payment is incorrectly formatted, we'll repair the payment and process using reasonable efforts.
- **High Value Payment (also known as Priority Payment):** A High Value Payment is an electronic transaction, delivered over the SWIFT network, and is used to clear funds on an urgent same-day basis, except where the currency is a next day currency. **Domestic High Value Payments** or those received from an EEA country can be received or made over local Real-Time Gross Settlement systems like CHAPS (for Sterling) and Euro1/TARGET2 (for Euro). For payments received from a non-EEA country, this includes all cross border electronic foreign currency payments received.
- **IBAN:** The International Bank Account Number (IBAN) is an international standard for identifying bank accounts across national borders.
- **Late payments:** Payments received after the stated cut-off time are processed on a reasonable efforts basis to achieve the requested value date; should we be unable to meet the value date, the payment will be processed with the next available value date.
- **Non-STP:** When a payment fails automated Straight-Through Processing and manual operator effort is required to make the payment.
- **STP:** Straight Through Process enables the entire payment transaction to be automated electronically without the need for re-keying or manual intervention, subject to legal and regulatory restrictions.
- **SUN:** The Service User Number is a unique six digit number allocated to organisations authorised to use the Bacs service.
- **Repairs:** Payments which require manual or semi-automated intervention to correct formatting, input errors or incomplete instructions. In all cases, the cut-off time for us to process payments that require repair is one hour ahead of the STP cut-off time. Payments requiring manual intervention are processed on a reasonable efforts basis. The times quoted are also subject to you having sufficient settlement balances on your accounts.
- **RTGS:** Real-Time Gross Settlement systems are specialist funds transfer systems where transfer of money or securities takes place from one bank to another on a "real time" and on "gross" basis. Settlement in "real time" means payment transaction isn't subjected to any waiting period. Once processed, payments are final and irrevocable. For example CHAPS, Target2.
- **Value Date:** Date on which an account holder can use the funds from a payment received in favour of them. For accounts that accrue interest this is the date interest would be accrued from or to pay an overdraft.

13. Frequently Asked Questions

Q. Why does HSBC UK have cut-off times?
We maintain commercial Nostro accounts in every country to enable us to offer banking and financial services propositions to our client and customer base.

Each account must be funded by close of business to a minimum balance to maximise market opportunities against credit and debit interest rates. The cut off-time serves as a finite time by which funds must be received by us to secure good value whilst also providing sufficient lead time to enable our currency position to be calculated, reviewed and funded.

Q. How does HSBC UK set their times?
For sterling and euro this is determined by the local clearing systems. For GBP these are CHAPS and Bacs and for Euro they are Euro1, TARGET2 and STEP2. Each scheme is run by a body that sets the times all banks will need to adhere to. Some banks may offer slightly different times for Europe due time zone differences or processing procedures.

For all foreign currencies, generally speaking, the cut-offs are set by the trading desks, whose decisions are based on access to liquidity in specific markets. Once the trading desk has sourced the necessary funds in the market the balance sheet management team will need sufficient time to close our position. This then allows the cash management team to fund those positions and work back to a cut-off time that we can offer to our customers.

Q. Why are some currencies next day value?
This is to do with time zones and, in some cases, liquidity requirements. For instance, we offer same day value for a number of currencies that are geographically west of the UK, e.g. US Dollars and Canadian Dollars. It's more difficult to do this with currencies of countries to the east as their trading day tends to close before HSBC UK, as a UK bank, and can't get access to the market, so we can only offer next day value.

Q. Why do other banks have earlier or later cut-off times for different currencies?
HSBC UK is not alone in offering a day plus one (D+1) cut-off times due to the time zone differences mentioned above. Other banks may have a bigger network or access to liquidity in other currencies, that allows them to offer later cut-off times than we can. However, we offer later deadlines in some currencies in comparison to other banks for the same reason

Q. HSBC has a global presence so what's the need for cut-off times?
HSBC UK runs its own balance sheet which means each position needs to be funded separately, and that means we need our own cut-off times.

Q. What about book transfers?
For payments where the HSBC UK balance sheet remains unchanged, and therefore the funding remains unchanged, we can offer later cut-off times as long as the item meets STP. An example of this is if you are sending 10,000 HUF from your HSBC UK account to a vendor who also banks with HSBC UK and has a HUF account with us. From a cut-off perspective, there is no change in HSBC UK's overall position so we have later cut-off times. This would not work where there was FX involved e.g. 10,000 HUF to a GBP account.

Q. If a payment is sent early and it falls to repair, why does it take until the cut-off time to be repaired and not earlier?
As a bank we need to staff our queues to handle any payments that fall to repair. We do this via cut-off times and give priority to the nearest cut-off. For example if you submit a US Dollar payment at 9:00am and it falls to repair, we will prioritise other currencies that have earlier cut-off times. This way we can guarantee later times overall.

Q. Why does a non-US dollar payment have a later value date when there is a public holiday in the US?
Most currency pairs cross with the US Dollar. For example an FX trade to cover a payment from a euro account being sent in JPY would look like this:

Debit EUR account
Send payment in JPY

Bank Buy EURs
Bank Sells USD

Bank Buys USD
Bank Sell JPY

For this reason, if the US is on holiday and their market is closed, there's no market available to achieve same day value. Therefore the next available value date must be derived.

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