

**HSBC France (Spółka Akcyjna)  
Oddział w Polsce  
Global Markets MiFID II Ex-ante  
Costs and Charges Disclosures**

## **Introduction**

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Throughout this document references to “we”, “our” and “us” are references to HSBC France (Spółka Akcyjna) Oddział w Polsce. References to “you” and “your” are references to the client.

## **What is the purpose of this document?**

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Under the Markets in Financial Instruments Directive II (MiFID II), HSBC is required to inform its clients of the costs and charges for the services offered and products traded on an ex-ante (i.e. pre-trade) basis.

This disclosure document has been prepared to provide you with ex-ante information on our costs and charges where we provide investment services and activities or ancillary services as defined under MiFID II. It forms part of our ongoing efforts to provide transparency to all our clients on our business practices.

Should you require additional information in relation to a particular transaction or service, please contact your HSBC representative.

## **Principal transactions**

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For most of our Global Markets Fixed Income and Global FX business, we trade on a principal basis. Here, the prices quoted to clients are all-in risk prices.

The following sections set out estimates of maximum costs and charges that would apply for principal transactions in different categories of financial instruments under normal market conditions. The actual costs and charges may vary depending upon the circumstances specific to each transaction.

- Rates OTC derivatives - Indicative maximum costs and charges (page 3)
- Fixed Income Bonds - Indicative maximum costs and charges (page 3)
- Global Foreign Exchange – Indicative maximum costs and charges (page 3)

## **Ancillary services and others**

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If the costs and charges for a particular transaction were to be different from stated, these would be agreed with you in advance of execution of that transaction.

In all transactions, if you wish to receive an indicative mid-market mark, please ask your HSBC representative.

Other regulatory obligations may also affect how we price our products and transactions. In particular, our Global Markets Best Execution Client Disclosure Statement (<https://www.about.hsbc.pl/pl-pl/hsbc-in-poland/directives-and-acts/mifid-2>) describe how we apply best execution to transactions with our clients.

## Rates OTC derivatives - Indicative maximum costs and charges

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### Rates OTC derivatives

- a. For Interest Rate Swaps and Swaptions
  - i. with tenor not longer than 5 years: 0.50 % (50 bp) of the nominal value of the Transaction;
  - ii. with longer tenors: 1% (100bp) of the nominal value of the Transaction;
- b. For Interest Rate Options
  - i. with tenor not longer than 5 years: 0.50 % (50 bp) of the nominal value of the Transaction;
  - ii. with longer tenors: 1.00 % (100 bp) of the nominal value of the Transaction.

The costs and charges set out represent normal market conditions.

## Fixed Income Bonds - Indicative maximum costs and charges

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### Fixed Income Bonds

<b>Government Bonds</b>	0.75%
<b>Corporate Bonds (and all other kind of bonds)</b>	1.00%

Please note:

- 1. Costs and Charges are expressed as a percentage of the notional.

The costs and charges set out represent normal market conditions.

## Global Foreign Exchange – Indicative maximum costs and charges

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### Foreign Exchange

The below stated figures represent the indicative maximum costs and charges for vanilla FX transactions.

Unless otherwise agreed, when HSBC transacts with its clients it does so at an “all-in” price, inclusive of any costs and charges applied to the price at which HSBC may be able to transact in the market.

The percentage values below are in relation to the notional value of the trade, where the notional falls within certain minimum and maximum sizes and apply under normal market conditions to business on HSBC’s European balance sheets. For an indication of the costs and charges on more structured FX transactions, please contact your GM Sales person.

- a/ For Forward Foreign Exchange Contracts (deliverable and non-deliverable)
  - i. with tenor not longer than 18 Months - 1.25% (125 bp) of the nominal value of the Transaction;
  - ii. with longer tenors – 2.00 % (200bp) of the nominal value of the Transaction;
- b. For Currency Options
  - i. with tenor not longer than 18 Months - 1.25% (125 bp) of the nominal value of the Transaction
  - ii. with longer tenors – 2.00 % (200bp) of the nominal value of the Transaction

Note that FX Spot are out of scope.

Please note:

1. The above only applies in respect of transactions executed under relevant Master Agreement governing entry into transaction on the Polish financial market ("Master Agreement"). In case no master agreement was signed, the bank may decide to charge the board rate which is published twice a day on our website (<http://www.business.hsbc.pl/en-gb/pl/generic/fx-rates>)
2. For products with maturity of less than one year, the costs are computed on a full year basis (unless it is explicitly stated otherwise)
3. The grids set out above are representative of costs and charges that would apply:
  - Under normal market conditions
  - For vanilla financial instruments
  - For all traded notionals
4. The grids set out above represent the applicable cost and charges shown as an upfront cost and a difference between Mid-Market-Mark and all-in price
5. Cost and charges for financial instruments such as swaps and other bespoke derivatives are not set out separately but can be understood as sum of the costs and charges of the underlying vanilla components as relevant