



## **HSBC Fusion (Retail Business Banking)**

### **Amended Terms of the Additional Deferment Programme 2 for HSBC Fusion (Retail Business Banking - Microenterprises or SMEs that have been affected by the COVID-19 pandemic) Customers (“Additional Deferment 2.2”)**

*This Terms and Conditions is first published on 23 November 2020 (version 1), updated on 10 June 2021 (version 2), updated on 21 June 2021 (version 3) and updated on 7 July 2021 (version 4), last updated on 15 July 2021 (version 5).*

1. Effective 7 July 2021, these terms apply to all applications for Additional Deferment 2.2 and are applicable to existing Retail Business Banking Loan customers (for customers with overdraft facility, only Retail Business Banking customers with balances in excess of the approved limit) fall within Category 1, Category 2 or Category 3 as defined below:

(i) Category 1

Microenterprises (as defined in the Guidelines on SME Definition issued by SME Corporation Malaysia). This includes business entities across all sectors with:

- Sales turnover of less than RM300,000; or
- Less than 5 full time employees;

**Or**

(ii) Category 2

Small and medium enterprises (SMEs) that have been affected by the COVID-19 pandemic.

- For the manufacturing sector, SMEs are defined as business entities with sales turnover of less than RM50 million; or less than 200 full-time employees.
- For the services and other sectors, SMEs are defined as business entities with sales turnover of less than RM20 million; or less than 75 full-time employees.

**Or**

(iii) Category 3

Existing Category 1 or Category 2 customers who are currently on any temporary financial relief or financial assistance programme with us;

**AND** meet the following requirements:

- (i) The Retail Business Banking customer's loan approved on or before 30 June 2021;
- (ii) The Retail Business Banking customer's loan is not in arrears for more than 90 days at the time it submits for Additional Deferment 2.2; and
- (iii) The Retail Business Banking customer is not under winding up proceedings.

2. Generally, for eligible Retail Business Banking Loan customers (as defined in Cl.1 above) who:

- (i) did not apply for any financial assistance or targeted repayment assistance with us previously; or
  - (ii) is now applying for additional deferment under Additional Deferment 2.2 after the expiry of their financial assistance or targeted repayment assistance with us,
- the Additional Deferment 2.2 will be for a period of six (6) months and will commence in the following month after we have approved your application.

3. On exceptional case basis, we may approve and you will be notified on:
  - (i) a longer deferment period (including extended deferment period); and/or
  - (ii) the commencement of the Additional Deferment 2.2 to begin in the same month as we received your application.
4. If you are currently on:
  - (i) a payment reduction programme with us and you apply for additional deferment under Additional Deferment 2.2, then the existing payment reduction programme with us will be cancelled prior to the Additional Deferment 2.2 taking effect; or
  - (ii) an additional deferment programme with us and you apply for additional deferment under Additional Deferment 2.2 before the expiry of your existing programme, once approved, your additional deferment period will be extended by 3 additional months beginning immediately after the expiry of your existing additional deferment programme.

The capitalization of accrued interest (if any) and extension of facility tenure pursuant to these existing programmes up to the date of its cancellation or expiration (as the case may be) will follow Clauses 7 and 8 below.

5. If you have any overdue amount in arrears, this will be capitalized and added to the outstanding balance of your facility at the commencement of the Additional Deferment 2.2.
6. During the period referred to in Clauses 2, 3 and 4 above ("**Additional Deferment 2.2 Period**"), you do not need to pay any monthly instalment (consisting of principal and/or interest) or overdraft total repayment instalment under your loan account(s). However, interest will continue to accrue on your outstanding balance. We will not compound any interest accrued during this Additional Deferment 2.2 Period and this accrued interest will not be considered as overdue interest. No late payment charges will be imposed during Additional Deferment 2.2 Period.
7. (a) For Retail Business Banking Loan customers (except Overdraft facility)
  - (i) At the end of the Additional Deferment 2.2 Period, all accrued interest will be capitalized and added to the outstanding balance of your facility.
  - (ii) If applicable and if you continue with Additional Deferment 2.2 immediately after your existing additional deferment programme with us expires, capitalization of accrued interest includes accrued interest pursuant to the said existing additional deferment programme.
  - (iii) If you are coming from a programme other than additional deferment and you apply for Additional Deferment 2.2, then all accrued interest under the said programme will be capitalized before Additional Deferment 2.2 takes effect.

(b) For Retail Business Banking customers with overdraft facility, the accrued interest during the Additional Deferment 2.2 Period and amount in excess (if any) (i.e. amount above the Overdraft limit on the last day of your Additional Deferment 2.2 Period) will be payable by you as a lump sum payment at the end of the Additional Deferment 2.2 Period.

8. Your facility tenure will be extended in tandem with the Additional Deferment 2.2 Period granted. This is in addition to any tenure extension pursuant to a previous deferment or any temporary financial programme or financial assistance programme you have participated in with us.
9. As a result of the Additional Deferment 2.2, your monthly instalment and overall payments will likely be higher.
10. We will notify you of your revised monthly instalments, or in the case of Retail Business Banking customers with overdraft total repayment instalment, to be paid after the end of the Additional Deferment 2.2 before the end of the Additional Deferment 2.2 Period.
11. You agree to provide supporting information and documents to verify your eligibility at any time upon our request. We reserve the right to terminate the Additional Deferment 2.2 immediately if at any time we found or have reasonable grounds to believe that you have made false, misleading and/or incomplete representation leading to the successful application of the Additional Deferment

2.2. The consequence of such termination may include reversing any or all benefits you enjoyed from the Additional Deferment 2.2. For example, the amount that would otherwise be due during the deferment period will become immediately due and payable in whole upon termination, and no tenure extension will apply.

12. We may change these terms and conditions including treatment of your monthly instalment if necessary to do so due to reasons such as changes in law or regulations, to cover increased costs of offering this programme, or changes to our business, technology, services and facilities we use. We do not know all the reasons why a change may be needed in the future, but if we do make the change(s) for any reasons, we will make sure that the change(s) are reasonable and promptly notified to you.
13. If you wish to withdraw from the Additional Deferment 2.2, you will need to resume your monthly instalment immediately after the cancellation. You are also required to pay the full amount due after you have withdrawn from the Additional Deferment 2.2, failing which the amount in arrears will incur late payment charges and there will be negative implications to your CCRIS record.
14. These terms and conditions for Additional Deferment 2.2 are in addition to:
  - (i) the terms and conditions of your Facility Offer Letter, Facility Agreement and your security documents; and
  - (ii) the Generic Terms & Conditions and the Specific Terms & Conditions for HSBC Fusion in our Universal Terms & Conditions available at <https://cdn.hsbc.com.my/content/dam/hsbc/my/docs/universal-bank/2021-april-terms-and-conditions.pdf>

In the event of inconsistency between these terms and conditions for Additional Deferment 2.2 and any of the above, these terms and conditions for Additional Deferment 2.2 shall prevail in so far as they apply to this Additional Deferment 2.2.

Please also refer to our [Frequently Asked Questions](#).



**HSBC Fusion (Retail Business Banking)  
Amended Terms of the Payment Reduction Programme 2 for HSBC Fusion (Retail Business Banking - Microenterprises or SMEs that have been affected by the COVID-19 pandemic) Customers (“Payment Reduction 2.2”)**

*This Terms and Conditions is first published on 23 November 2020 (version 1), updated on 10 June 2021 (version 2) and updated on 7 July 2021 (version 3), last updated on 15 July 2021 (version 4)*

1. Effective 7 July 2021, these terms apply to all applications for Payment Reduction 2.2 and are applicable to existing Retail Business Banking Loan customers fall within Category 1, Category 2 or Category 3 as defined below:

(i) Category 1

Microenterprises (as defined in the Guidelines on SME Definition issued by SME Corporation Malaysia). This includes business entities across all sectors with:

- Sales turnover of less than RM300,000; or
- Less than 5 full time employees;

**Or**

(ii) Category 2

Small and medium enterprises (SMEs) that have been affected by the COVID-19 pandemic.

- For the manufacturing sector, SMEs are defined as business entities with sales turnover of less than RM50 million; or less than 200 full-time employees.
- For the services and other sectors, SMEs are defined as business entities with sales turnover of less than RM20 million; or less than 75 full-time employees.

**Or**

(iii) Category 3

Existing Category 1 or Category 2 customers who are currently on any temporary financial relief or financial assistance programme with us.

**AND** meet the following requirements:

- (i) The Retail Business Banking customer’s loan approved on or before 30 June 2021;
- (ii) The Retail Business Banking customer’s loan is not in arrears for more than 90 days at the time it submits for Payment Reduction 2.2; and
- (iii) The Retail Business Banking customer is not under winding up proceedings.

2. If you are currently on:

- (i) an additional deferment programme with us and you apply for payment reduction under Payment Reduction 2.2, then the existing additional deferment programme with us will be cancelled prior to the Payment Reduction 2.2 taking effect; or

(ii) a payment reduction programme with us and you apply for payment reduction under Payment Reduction 2.2 before the expiry of your existing programme, once approved, your Payment Reduction 2.2 Period will begin after your existing payment reduction programme period ends,

the capitalization of accrued interest (if any) and extension of facility tenure pursuant to these existing programmes up to the date of its cancellation or expiration (as the case maybe) will follow Clauses 4, 5 and 6 below respectively.

3. If you have any overdue amount in arrears and/ or accrued interest pursuant to previous deferment, temporary financial relief programme or financial assistance programme with us, such overdue amount and/ or accrued interest amount will be capitalized and added to the principal balance of your facility at the commencement of Payment Reduction 2.2.
4. During the Payment Reduction 2.2 Period (as defined herein), you will pay a 50% reduction in monthly instalment (consisting of principal and interest) for a period of 6 months unless extended (which you will be notified) ("Payment Reduction 2.2 Period"), the amount of which will be made known to you upon your successful application. The difference in respect of the interest amount between the original monthly instalment and the revised monthly instalment will be accrued but will not be compounded. In addition, the accrued interest will not be considered as overdue interest. No late payment charges will be imposed during Payment Reduction 2.2 Period.
5. At the end of the Payment Reduction 2.2 Period, all accrued interest will be capitalized and added to the outstanding balance of your facility. If applicable and if you continue with Payment Reduction 2.2 immediately after your existing payment reduction programme with us expires, capitalization of accrued interest includes accrued interest pursuant to the said existing payment reduction programme. If you are coming from a programme other than payment reduction and you apply for Payment Reduction 2.2, then all accrued interest under the said programme will be capitalized before Payment Reduction 2.2 takes effect.
6. Your facility tenure will be extended by the same period as the Payment Reduction 2.2 Period. This is in addition to any tenure extension pursuant to a previous deferment, temporary financial relief programme or financial assistance that you may have participated in with us.
7. As a result of the Payment Reduction 2.2, your monthly instalment and overall payments will likely be higher.
8. You will continue to pay your full monthly instalment amount after the expiration of the Payment Reduction 2.2 Period. We will notify you at a later date of your revised monthly instalments to be paid after the Payment Reduction 2.2 Period.
9. You agree to provide supporting information and documents to verify your eligibility at any time upon our request. We reserve the right to terminate the Payment Reduction 2.2 immediately if at any time we found or have reasonable grounds to believe that you have made false, misleading and/or incomplete representation leading to the successful application of the Payment Reduction 2.2. The consequence of such termination may include reversing any or all benefits you enjoyed from the Payment Reduction 2.2. For example, the amount that would otherwise be due during the Payment Reduction 2.2 Period will become immediately due and payable in whole upon termination, and no tenure extension will apply.
10. We may change these terms and conditions including treatment of your monthly instalment if necessary to do so due to reasons such as changes in law or regulations, increased costs of offering this programme, or changes to our business, technology, services and facilities we use. We do not know all the reasons why a change may be needed in the future, but if we do make the change(s) for any reasons, we will make sure that the change(s) are reasonable and promptly notified to you.
11. If you wish to withdraw from the Payment Reduction 2.2, you will need to resume the monthly instalment immediately after the cancellation. You are also required to pay the full amount due after

you have withdrawn from Payment Reduction 2.2, failing which the amount in arrears will incur late payment charges and there will be negative implications to your CCRIS record.

12. These terms and conditions for Payment Reduction 2.2 are in addition to:

- (i) the terms and conditions of your Facility Offer Letter, Facility Agreement and your security documents; and
- (ii) the Generic Terms & Conditions and the Specific Terms & Conditions for HSBC Fusion in our Universal Terms & Conditions available at <https://cdn.hsbc.com.my/content/dam/hsbc/my/docs/universal-bank/2021-april-terms-and-conditions.pdf>

In the event of inconsistency between these terms and conditions for Payment Reduction 2.2 and any of the above, these terms and conditions for Payment Reduction 2.2 shall prevail in so far as they apply to this Payment Reduction 2.2.

Please also refer to our [Frequently Asked Questions](#).