

HSBC UK Bank Plc Global Markets MiFID II Ex-ante Costs and Charges Disclosures

Introduction

Throughout this document references to “we”, “our” and “us” are references to HSBC UK Bank Plc. References to “you” and “your” are references to the client.

What is the purpose of this document?

Under the Markets in Financial Instruments Directive II (MiFID II), HSBC UK 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 UK representative.

Principal transactions

For most of our Global Markets 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.

- Global Foreign Exchange – Indicative maximum costs and charges

Agency transactions and other information

In transactions where HSBC UK Global Markets acts in an agency capacity, fee agreements would typically be agreed at the initiation of the trading relationship. These agreements would specify the fees/commissions charged for each transaction type by market and flow type (e.g. voice or electronic). If there are any significant changes to the rates, you would receive an updated copy of the agreement. 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 UK representative.

Other regulatory obligations may also affect how we price our products and transactions. In particular, our Global Markets Best Execution Client Disclosure Statement and related asset class annexes (available [here](#)) describe how we apply best execution to transactions with our clients.

Global Foreign Exchange – Indicative maximum costs and charges

Foreign Exchange

The below table represents the indicative maximum costs and charges for vanilla FX transactions (for FX Options these will be transactions composed of a single leg only), with a tenor of less than 2 years.

Unless otherwise agreed, when HSBC UK 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 UK 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 UK’s balance sheet. For an indication of the costs and charges on more structured FX transactions, please contact your Relationship Manager or salesperson.

FX Instruments	Indicative Maximum Costs and Charges
Forwards	2%
Swaps	2%

Note that FX Spot and FX transactions for payments purposes are out of scope.

Illustrative example

As an example, if you buy a 1 year 10,000 EUR/CHF Forward, the costs and charges you will incur will typically be below 2%, so below EUR 200.

Maximum level of costs	$= \frac{10,000}{100} \times 2$	EUR 200
As a percentage of the notional	$= \frac{200}{10,000} \times 100$	2%