

FAQs on HSBC's Deferment and Conversion Packages for SME Commercial Banking and non-SME Corporate customers

(in line with Bank Negara Malaysia's FAQs on Deferment Package and Conversion Package)

1	<p>What is deferment of loan / financing payments?</p>	<p>Deferment is a temporary suspension of loan / financing payment obligations (principal and interest / profit) for a limited period of time. During this period, borrowers / customers with loan / financing that meet the conditions do not need to make any payment, and no late payment charges will be imposed. Borrowers / customers will need to honour the deferred payments in the future. Loan / financing payments resume after the deferment period or penalties will be imposed.</p> <p>Interest / profit will continue to be added (accrue) on loan / financing payments that are deferred and borrowers / customers will need to honour the deferred payments in the future. Loan / financing payments resume after the deferment period. For Industrial Hire Purchase-i financing, please refer to Q.10 below.</p>
2	<p>What is the period of deferment?</p>	<p>The period of deferment is 6 months for outstanding loans / financing as at 1 April 2020.</p>
3	<p>What is the objective of the deferment?</p>	<p>HSBC aims to provide customers with relief during these unprecedented times.</p>
4	<p>Am I eligible?</p>	<p>Small and Medium Enterprise (SME) customers are eligible and will be automatically enrolled if loans / financing (except credit card balances) are:</p> <ul style="list-style-type: none"> <input type="checkbox"/> not in arrears exceeding 90 days as at 1 April 2020; and <input type="checkbox"/> denominated in Malaysian Ringgit <p>SMEs can choose to opt out, by contacting their dedicated Relationship Manager.</p> <p>Non-SME Corporate customers can be considered for loan / financing payment deferment and requests will be considered on a case-by-case basis. Non-SME Corporate customers can register their interest by completing this simple form.</p>
5	<p>Am I an SME Corporate customer?</p>	<p>HSBC uses the Bank Negara guided definition of Small and Medium Enterprises (SMEs) per the Guideline for New SME</p>

		<p>Definition issued by SME Corporation Malaysia in October 2013, which can be found here:</p> <p>http://www.smecorp.gov.my/index.php/en/policies/2020-02-11-08-01-24/sme-definition</p> <p>We will reach out to all customers that we have identified as SMEs directly to notify them of their automatic deferment.</p> <p>If we have not contacted you and you believe yourself to be a SME based on the definition provided in the link immediately above, please contact your dedicated Relationship Manager, who will review.</p>
6	<p>Can deferment be for a period longer than 6 months?</p>	<p>Deferment is only for a period of 6 months. Please contact your dedicated Relationship Manager should you require a further deferment period.</p>
7	<p>If deferment applies, will my CCRIS records be adversely affected?</p>	<p>CCRIS records will not be affected during the deferment period and your status will remain as per the status as at 31 March 2020 throughout the deferment period.</p> <p>For SMEs who opt out, CCRIS records will be updated as normal and any arrears that you may have would be reflected in CCRIS as per usual (i.e. from the date the arrear first occurred). As such, you are advised to ensure you make timely and full payment of your loan / financing (which includes payment for the amount that was deferred prior to opting out and any arrears that you may have before the deferment period) and settle any outstanding deferred amounts within 30 days from the date the Bank receives written notification of your opt out decision, in order to ensure that there would be no impact to your CCRIS records. Your dedicated relationship manager will confirm the specific payment date and outstanding deferred amounts with you.</p>
8	<p>My loan / financing is in default; can I qualify? Can loans / financing under a rescheduling and restructuring (R&R) program be eligible for the deferment package?</p>	<p>Loans / financing accounts that are already more than 90 days in arrears, will not qualify for the deferment.</p> <p>However, loans / financing under R&R program are eligible for the deferment subject to meeting the criteria, which are:</p> <ul style="list-style-type: none"> <input type="checkbox"/> not in arrears exceeding 90 days as at 1 April 2020; and <input type="checkbox"/> denominated in Malaysian Ringgit. <p>Please contact your dedicated Relationship Manager.</p>

9	Will I be charged additional interest / profit on the instalment amount that is deferred by 6 months during the period?	HSBC will not compound interest / profit during the period of deferment for SME customers.
10	What about Industrial Hire Purchase-i financing? Am I impacted by the recent announcement by BNM dated 30 April 2020?	<p>For SME customers with Industrial Hire Purchase-i facilities, the Bank has provided an automatic deferment of the facilities from 1 April to 30 September and has extended the facility tenure by 6 months.</p> <p>After this date, you are required to resume the same monthly instalment that was paid prior to deferment.</p> <p>If you have previously notified your decision to be excluded from the deferment, please continue to pay your instalments in accordance with your existing payment schedule.</p> <p>For non-SME Corporates the request for deferment will be considered on a case-by-case basis.</p>
11	What happens to my loan / financing payments after the deferment period? How does being in the deferment package affect my interest / profit payments after the 6-month period? Is there an increase in monthly payments, or longer tenure?	<p>HSBC will not compound interest / profit during the period of deferment for SME customers.</p> <p>For SME customers who have loan / financing facilities outstanding as at 01 April 2020, loan / financing tenures / maturity will automatically be extended by 6 months (if you did not opt out for this deferment). SME customers can choose not to extend this. Please contact your relationship manager should you wish to maintain the original tenure. In addition, your monthly instalment may increase to accommodate the interest/profit that will continue to be added (accrued) on loan/financing payments that are deferred. Please refer below on additional information on the treatment of your loans post the deferment period.</p> <p>As such, you should carefully assess whether you need the temporary financial relief and whether you can afford to continue to make your regular payments before deciding whether to opt out from this deferment.</p> <p>HSBC will contact borrowers / customers on repayment / payment options that take into account the repayment / payment ability of the borrower / customer.</p>

12	If a corporate is granted a loan or financing payment deferment package, would it still be able to get new financing from FIs?	<p>New financing will be subject to HSBC's internal credit policies and assessments.</p> <p>Please contact your dedicated Relationship Manager.</p>
13	As a corporate, what would be the criteria to request deferment?	<p>Non-SME Corporate customers can be considered for loan / financing payment deferment and requests will be considered on a case-by-case basis. Non-SME Corporate customers can register their interest by completing this simple form or contacting their dedicated relationship manager.</p>
14	I want to continue with my loan / financing payments. How do I opt-out of the automatic deferment package?	<p>SMEs can choose to opt out, by contacting their dedicated Relationship Manager.</p> <p>You must continue to make timely and full payment of your loan / financing (which includes payment for the amount that was deferred prior to opting out and any arrears that you may have before the deferment period) and settle any outstanding deferred amounts within 30 days from the date the Bank receives written notification of your opt out decision. Your dedicated relationship manager will confirm the specific payment date and outstanding deferred amounts with you.</p> <p>Do note that failure to make timely repayment to settle any outstanding amount due (including arrears) post your decision to opt out will have an impact on your CCRIS record.</p>
15	Will HSBC automatically suspend the payment requirement if I do not respond to their notification?	<p>For SME customers, yes.</p> <p>If SME customers do not wish to suspend payments during the deferment period, please contact your dedicated Relationship Manager.</p>
16	Should I defer loan / financing payments?	<p>Customers should arrive at this decision independently based on their circumstances.</p> <p>Borrowers / customers are strongly advised to consider carefully the options and should continue paying their loan / financing obligations if they can afford it.</p>
17	Are Business Credit Cards included?	<p>No. Business Credit Cards are not included.</p>

18	<p>If I am an SME customer who wishes to opt out midway through the deferment period, can I? Is this the same for non-SME Corporate customers who successfully opted in as well?</p>	<p>Yes. You should contact your dedicated Relationship Manager, who will review options with you.</p> <p>You must continue to make timely and full payment of your loan / financing (which includes payment for the amount that was deferred prior to opting out and any arrears that you may have before the deferment period) and settle any outstanding deferred amounts within 30 days from the date the Bank receives written notification of your opt out decision. Your dedicated relationship manager will confirm the specific payment date and outstanding deferred amounts with you</p> <p>Do note that failure to make timely repayment to settle any outstanding amount due (including arrears) post your decision to opt out will have an impact on your CCRIS record.</p>
19	<p>I have a number of loans / financing, does deferment have to apply for all?</p>	<p>For SME customers, deferment will automatically apply for all loans / financing, but if you wish to exclude some, please contact your dedicated Relationship Manager, who will discuss your options.</p> <p>For non-SME Corporate customers, loans / financing will be reviewed on a case-by-case basis and options will be agreed for successful requests.</p>
20	<p>I have a loan / financing under an auto-debit arrangement. Will the bank stop debiting my bank account for 6 months?</p>	<p>Yes. However, if you wish to opt out of the deferment and continue paying your loans / financing via your existing auto-debit arrangement please contact your dedicated Relationship Manager.</p>
21	<p>What about my standing instructions with HSBC for HSBC loan / financing payments, will these be suspended during the deferment period?</p>	<p>For standing instructions with HSBC for HSBC loan / financing payments, these will be suspended during the deferment period.</p> <p>For Standing Instructions with other Financial Institutions, please contact them directly to arrange the suspension. Please be reminded that you are to maintain or reinstate the standing instructions with the other bank before the end of the applicable deferment period, to ensure payment to the loan/financing is not interrupted after the deferment period.</p>
22	<p>What about my Trade Loans / Trade Financing facilities?</p>	<p>For SME customers, all MYR denominated trade loans / financings that are outstanding as at 1 April 2020, will be deferred until 1 October 2020. The deferred principal and interest / profit due will become payable on 01 October 2020.</p> <p>However, Receivables Finance facilities are not included in the deferment as it is a self-liquidating financing which is paid from the receipt of sales proceeds from your buyers.</p>

23	Are overdraft / Cashline-i facilities included?	Yes. For overdraft / Cashline-i facilities, the deferment applies to the balances in excess of the approved limit.
24	My loan / financing has already been restructured and rescheduled (R&R). Am I still eligible?	Yes, if you are an eligible customer in line with Question 4 above.
25	I have difficulty meeting my financial obligations post the end of deferment, what can I do?	Please contact your Relationship Manager to discuss alternative solutions that may be available for you.

We are constantly updating our FAQs. Please check back here as we provide more answers to the questions that you might have. Thank you.

Treatment of loans / financing post the Deferment Period for SME Customers who did not opt out from the Deferment.

No.	Item	Terms and Conditions
1.	Conventional Term Loan / Business Premises Financing	<p>(a) The tenor of your Term Loan/ Business Premises Financing will be extended automatically for an additional period of 6 months from your existing/remaining tenor.</p> <p>(b) Accrued interest during the Deferment Period will be capitalized and shall bear interest at the interest rate mentioned in the FOL until its full settlement.</p> <p>(c) You shall resume your monthly instalment payment in the month of October. Your November instalment would be adjusted to accommodate the capitalization and/or any rate change (for loans that are on Base Lending Rates).</p> <p>Do contact your Relationship Manager should you wish to discuss alternate arrangements.</p>
2.	Commodity Murabahah Financing-i	<p>(a) The tenor of your Commodity Murabahah Financing-i will be extended automatically for an additional period of 6 months from your existing/remaining tenor.</p> <p>(b) A new account (with the outstanding tenor of the original financing account) will be open for the payment of accrued profit during the Deferment Period. There would be no additional profit incurred on this account.</p>

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		<p>(c) You shall resume your monthly instalment payment on your original financing account in the month of October. The instalment for your new account for the payment of the deferred accrued profit would start in November. Thereafter, the monthly instalment which obliged for payment is comprise of two (2) accounts i) original financing account ii) new account created for the collection of accrued profit during Deferment Period.</p> <p>Do contact your Relationship Manager should you wish to discuss alternate arrangements.</p>
3.	Business Premises Smart-i	<p>(a) The tenor of your Business Premises Smart-i will be extended automatically for an additional period of 6 months from your existing/remaining tenor.</p> <p>(b) You shall resume your monthly payment in the month of October where your monthly payments will be allocated to clear the accrued profit during the Deferment Period. Once the accrued profit during Deferment Period is cleared, your monthly payments will revert to paying the outstanding principal amount and monthly profit. As the balance principal is not reduced during the months when the monthly payments are used to pay the accrued profit in full, this will result in a higher balance principal to be paid in the last month of your financing tenure.</p> <p>(c) For financing on Base Financing Rates, your November monthly payment would be adjusted to accommodate rate changes that took place during the Deferment Period.</p> <p>Do contact your Relationship Manager should you wish to discuss alternate arrangements.</p>
4.	Industrial Hire Purchase-i	<p>(a) The tenor of your Industrial Hire Purchase-i will be extended automatically for an additional period of 6 months from your existing/remaining tenor.</p> <p>(b) There would be no accrual of profit during the duration of the Deferment Period.</p> <p>(c) You shall resume your hire rental payment on your financing account in the month of October where the hire rental would be the same as prior to the Deferment Period. However, as we are enhancing our system during the same time to provide you with a better customer experience, you will expect to have a new account number for your Industrial Hire Purchase-i facility (ies). Additional communication will be given to you by the Bank prior to resuming your payment post the deferment period.</p> <p>Do contact your Relationship Manager should you wish to discuss alternate arrangements.</p>

No.	Item	Terms and Conditions
5.	Overdraft / Amanah Cash Line-i	<p>(a) Accrued interest / profit (and any other applicable interest / fee) during the Deferment Period will be added to the outstanding balances and would be payable in the month of October.</p> <p>Do contact your Relationship Manager should you wish to discuss alternate arrangements.</p>
6.	Revolving Loan / Revolving Financing -i	<p>(a) Accrued interest / profit during the Deferment Period will be payable in the month of October.</p> <p>(b) All other payment obligations are to be resumed from October 2020 in accordance with the terms of the Facility Letter Offer.</p> <p>Do contact your Relationship Manager should you wish to discuss alternate arrangements.</p>
7.	Trade Loan / Financing facility	<p>(a) All deferred amount will become due and payable on 01 October 2020 and shall be paid in such manner as per your existing payment instructions in accordance to the Facilities Documents.</p> <p>Do contact your Relationship Manager should you wish to discuss alternate arrangements.</p>