



# Notes Regard the Foreign Exchange Rates to be Applied

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### 1. Foreign Exchange Rates

There are 2 types of foreign exchange (FX) rates offered by the Bank. Depending on the currency, time of day, and other factors, either a real-time exchange rate or the Board Rate will be offered:

a) **Board Rate** – is determined by the Bank based on interbank foreign exchange market rates at around 10:00 AM each business day. Generally, the Board Rate is effective from the time of announcement until 3:00 PM of the same day and is calculated by taking the Board Mid-rate and adding a foreign exchange commission. For details on foreign exchange commissions, please refer to section 2 below.

- In principle, the Board Rate is applied to small transactions that qualify for Tier 1 rates.
- If there are significant movements in the foreign exchange markets during the day, the Bank reserves the right to change the Board Rate without prior notice.

b) **Real-time Rates** – are offered to customers based on real-time interbank foreign exchange market rates. A foreign exchange commission (details in section 2 below) will be added and included in the rate. Given that foreign exchange rates will fluctuate in real time, you will be given a short period of time – typically 10–15 seconds – to decide whether to accept the rate or not.

- In principle, the real-time rates are applied to transactions for Tier 2 and Tier 3 transaction amounts. For details, please refer to section 2 below.

PUBLIC

HSBC 香港上海銀行

The Hongkong and Shanghai Banking Corporation Limited  
Incorporated in the Hong Kong SAR with limited liability

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There is also a spread between the base rate and the buying or selling rate of a foreign currency exchange transaction. The range of the spread for a typical Japanese yen / US dollar transaction is 0.03 – 0.10 yen. However, in times of large market volatility, low transaction volume (i.e. low liquidity), or other abnormal market conditions, this spread may increase further. This represents normal practice in the interbank foreign exchange markets and while this spread is not a fee that the Bank charges, it is a cost to be borne by customers.

## 2. Foreign Exchange Commissions

Tier		Rate	Commission
Transaction amount	Tier 1	Board Rate	Tier 1 foreign exchange fee
	Tier 2 & 3	Real-time Rates	Tier 2 / Tier 3 foreign exchange fee

In cases of Tier 1 amount transactions after valid time of Board Rate, the real-time rate will be applied in principle.

For details on pricing, please click [here](#).

## 3. Risks of Foreign Currency Transactions

- When converting a foreign currency into another foreign currency, the foreign currency will be converted to JPY at TTB rate first and then to the other foreign currency at TTS rate and such TTB rate and TTS rate include respective foreign exchange fees.
- For transactions involving Multi Currency Savings and foreign currency time deposits, please ensure to confirm the risks associated with foreign currency deposits. Click [here](#) for further details.