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Cash Instalment Plan Terms & Conditions

1. The Cash Instalment Plan (“CIP”) is made available by The Hongkong and Shanghai Banking Corporation Limited (the “Bank” or “HSBC”) to the credit card holders of the Bank excluding corporate credit cards (the “Cardholder/s”) and can be withdrawn or amended at any time by the Bank, at the sole discretion of the Bank.
2. The CIP facility allows the Cardholder to avail a cash advance facility on his/her HSBC credit card (“Card”), excluding corporate cards, up to a maximum of 60% of the Card limit subject to the available balance of the Card.
3. The installments would be debited to the Card of the Cardholder in equal monthly installments. The Monthly instalment would consist part of the principle amount and so advanced and a part of the handling fee amount. The handling fee will be charged on a reducing balance method. An Example of the method the CIP instalments would be billed to the Cardholder is shown below.

CIP principle amount LKR 100,000/-

Handling Fee LKR 9750/-

Tenure 12 Months

Month	CIP Monthly Instalment (LKR)	CIP Monthly Handling fee	CIP Monthly Principle	Outstanding Balance
1	7684.67	1461.16	9145.83	92315.33
2	7796.96	1348.87	9145.83	84518.37
3	7910.88	1234.95	9145.83	76607.49
4	8026.47	1119.36	9145.83	68581.02
5	8143.75	1002.08	9145.83	60437.27
6	8262.74	883.09	9145.83	52174.53
7	8383.48	762.35	9145.83	43791.05
8	8505.97	639.86	9145.83	35285.08
9	8630.26	515.57	9145.83	26654.82
10	8756.36	389.47	9145.83	17898.46
11	8884.30	261.53	9145.83	9014.16
12	9014.16	131.70	9145.83	0.00

4. The CIP amount will be provided in the form of a Sri Lankan Rupee HSBC Cashiers Order (the Cashier Order) or transferred to an HSBC account in favor of the Cardholder by debiting the Card.
5. The CIP proceeds cannot be used to settle off your existing Card outstanding balance.
6. The minimum payment shall consist of a combination of the monthly installment and 4% of the outstanding balance due. The Cardholder acknowledges that the payments made by him/her to his/her Card will be applied in accordance with the payment hierarchy in the Credit Card Terms and Conditions. (Cardholder Agreement)
7. The credit limit on the Card account will be reduced to the extent of the principal amount of the CIP and handling fee availed and will be released as and when the monthly installments are billed and paid for in the subsequent months.

PUBLIC

8. The CIP monthly instalment will be billed to the Cardholder on the immediate next statement date following Bank's approval of the Cardholder's CIP application even if the Cardholder has yet to receive the CIP amount or the CIP amount has not been utilized by the Cardholder.

9. If the Cardholder defaults on payment of any of the installments, HSBC reserves the right to foreclose the CIP outstanding and debit the entire outstanding amount.

10. Payments made in excess of the Card outstanding will not automatically be adjusted against unbilled installments and will not result in prepayment of the CIP facility.

11. In case the Cardholder wishes to settle the CIP facility before the due period, the Cardholder should inform HSBC in writing of his/her intention to close the CIP facility on the Card account. In such an event a 4% early settlement fee shall be applicable from the remaining capital outstanding of the CIP.

12. If the Cardholder closes his Card before all applicable installments are posted to the Card account, the outstanding CIP amount will be debited to the Card account as one consolidated amount.

13. Cardholders should not hold HSBC responsible for or liable for, any actions, claims, demands, losses, damages, costs, charges, and expenses that a Cardholder may suffer, sustain or incur by availing the CIP facility.

14. The terms and conditions of this offer shall be in addition to and not in derogation of the terms and conditions contained in the Cardholder Agreement. This offer is by way of a special facility for Cardholders and nothing contained herein shall prejudice or affect the terms and conditions of the Cardholder Agreement.

15. The decision of the Bank, on all matters relating to this offer including but not limited to disputes, is final and binding on all Cardholders of this offer.

16. By participating in this offer, the Cardholder agrees to be bound by these terms and conditions and the decisions of the Bank.

How HSBC's Cash Instalment Plan (CIP) works

CIP RS 100,000/-	Amount	Tenure (in months)		
		6 Months	12 Months	24 Months
Total Handling Fee	6%*	11.5%*	19.5%*	
	Rs 6,000/-	Rs 11,500/-	Rs 19,500/-	
Monthly Instalment	Rs 17,667/-	Rs 9,292/-	Rs 4,979/-	
Annual Effective Rate (AER)	22.29%	22.65%	19.24%	

* Rates are subject to Change