

Corporate Directed Trust

Through Corporate Directed Trust a wide range of Trust Funds are made available for your corporate requirements.

Custodianship/Safekeeping

This is a traditional service which the bank provides wherein the bank takes custody and safekeeps evidence of ownership of assets. These assets may be marketable securities, property titles, and the like. These are only released upon specific written instruction from the client.

Should the arrangement involve income-generating assets, the bank provides the required ministerial functions that are done on behalf of the client. These include:

- Collection of dividend and interest
- Subscription to stock rights
- Conversion of securities

This service is usually provided in conjunction with other trust and agency services. HSBC also offers local and foreign sub-custody services through HSBC Securities Services (HSS).

Mortgage Trust Indenture (MTI)

An MTI is often used as an ancillary arrangement to a borrowing obligation involving more than one lender.

- The trustee takes custody of the underlying securities in favor of the lenders, and ensures that the agreed security cover is in place at all times.
- The creditors receive from the trustee, a Mortgage Participation Certificate (MPC) evidencing their interest in the mortgage to the extent of their respective exposures.
- The trustee's authority under an MTI includes the right to accept and reject any collateral subject of the MTI. The trustee also has power to sell the property and pay the debt in the event of a default on the part of the debtor. It likewise has the authority to return the property to the borrower of the property when the debt has been repaid.

Escrow Agency

Under this arrangement, a sum of money or set of documents, such as deed or title, are held by the Bank in favor of the contracting parties until the conditions of the Escrow Agreement are met. For example, pending the completion of a real estate transaction, the Bank holds on to a sum of money corresponding to the purchase price of the property until registration of the title is transferred to the buyer.

Prior to its release to the seller, the escrow amount may be invested in short-term securities upon a written instruction of the parties.

HSBC has been appointed as Escrow Agents on a number of high profile real estate deals, company buy-outs and mergers, acquisition of aircraft and shipping vessels, and other major sale and purchase agreements.



Registrar and Paying Agency

The Corporate Trust Department provides registrar and paying services as well as other allied agency functions.

Registrar

As registrar, the bank maintains the register of bondholders for securities issued in registered form and administers transfers of ownership.

Paying Agent

The bank processes principal and coupon payments from the issuer to the investors. Other allied agency functions may likewise be provided depending on the requirements of the issuer.

HSBC currently provides registry and paying agency functions to top corporate clients in relation to the issuance of fixed and floating corporate notes that are traded both in and out of the Philippines. HSBC also offers stock transfer services through HSBC Securities Services (HSS).

Investment Management Accounts (IMA)

The Principal transfers and delivers to the Investment Manager a minimum of PHP1M which the latter shall manage, invest and reinvest, including all increments and additions thereto that may constitute income hereof, for the benefit of the Principal. Offered only on a nondiscretionary arrangement in PHP currency.

Trusteeship and other Corporate Trust Accounts

This service includes various special purpose trust and other fiduciary arrangements.

Customized Trust and Fiduciary Services

HSBC Manila may provide referral services to clients requiring highly specialized structured trust and fiduciary services in coordination with HSBC Institutional Fund Services and HSBC Asset Management in Hong Kong.

Disclaimer

For Escrow arrangement, only corporate counterparties shall be considered. Acceptance of arrangement contingent upon at least one counterparty having a current banking relationship with HSBC.

Contact Details

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