

## **FAQ**

### **1. Which application hotlines for “iSmart”Tax are available?**

You can apply “iSmart” Tax Loan through (852) 2836 8733. Our “iSmart” Tax Loan officers will handle your queries through the loan application hotlines during service hours from 9:00 am to 6:00 pm on Mondays to Fridays.

For enquiries on loan applications submitted online, please contact (852) 2836 8733.

### **2. How can I identify a call from the loan officer of the BOC “iSmart” Tax Loan?**

You should verify any phone calls, SMS messages, e-mails or website addresses purporting to be from BOCHK by calling BOCHK’s Customer Service Hotline at (852) 3988 2388 (you may also find BOCHK hotline numbers at the back of ATM/credit cards or on BOCHK website) or visit any of our branches for enquiry. Customers who may have disclosed their personal information to any suspicious person, should immediately contact BOCHK or directly contact the Hong Kong Police Force.

### **3. How can I verify a call from a BOC “iSmart” Tax Loan officer?**

For customers who wish to verify a call from BOCHK can call BOCHK customer service hotline (852) 3988 2388. “iSmart” Tax Loan officers will provide their full name, staff number and a return call phone number for customers to verify their identity. “iSmart” Tax Loan officers will not provide their staff related information (e.g. name card) for confirmation or enquiry through any instant messaging software (such as: WhatsApp / WeChat).

### **4. What is the maximum loan amount?**

The loan amount will be determined with reference to your affordability and actual needs. You should carefully consider as to whether you are able to afford the monthly repayment while putting aside sufficient funds to settle your daily expenses.

The maximum loan amount including tax loan and any additional loan and is up to 3 times of the tax bill, or 6 times of the monthly salary or HK\$2,000,000 (whichever is lower). The loan amount is subject to final approval on a case-by-case basis. For details, please call our Loan Application Hotline at (852) 2836 8733 or visit any of the branches of BOCHK.

### **5. What should I consider when I apply for “iSmart” Tax Loan besides the interest rates?**

When applying for a loan, you should consider your financial needs and conduct a preliminary comparison of the interest rates, administration fees, application procedures and the terms of the loans offered in the market.

**6. When processing a loan application, will BOCHK access a borrower's personal credit records held by the credit reference agencies?**

Under normal circumstances, BOCHK will request a credit report from the credit reference agency for credit assessment purposes. Customers who wish to acquire the relevant report may contact the TransUnion Limited directly at 2577 1816.

**7. Is it necessary to open an account with BOCHK before applying "iSmart" Tax loan?**

Customers who have not maintained an account with BOCHK can still apply for the loan services offered by us. Those who maintain an account with BOCHK can set up instructions to make repayment through autopay.

**8. What are the expenses incurred in a personal loan?**

The general fees and charges include:

- Default interest and handling fee - In case of default repayment, interest calculated at a fixed interest rate or the applicable interest rate on a daily basis and a handling fee will be charged on top of the outstanding amount in arrears.
- Handling fee for early repayment - applicable to customers of instalment loan who choose to make a request to settle the loan.

**9. Can I request to make early repayment of the total outstanding amount?**

To protect the interests of the borrower and the lender, you can choose to make early repayment. However, a handling fee will be charged. Therefore, you are advised to repay the loan as scheduled to avoid any additional expenses.

Please note that different loan products have an individual calculation of the apportionment of the interest and principal even though the monthly repayment amount is equal. The loan tenor, more interest will, in general, be included in earlier repayments, and less on principal. In other words, where a borrower has been making repayments as scheduled for some time, the amount of outstanding interest is likely to be small. If the borrower chooses to pay off the loan early at this moment, the loss may outweigh the gain as the amount saved may not be enough to cover the relevant charges for early repayment. You are suggested to make enquiries to BOCHK for the total settlement amount (including the loan outstanding amount, early settlement penalty and other incurred fee(s)) and unpaid interest. You are advised to make comparison and consider thoroughly before deciding whether to choose an early repayment.

**10. What is the monthly flat rate? How is this related to my monthly instalment?**

The monthly flat rate is an interest calculation method generally adopted by banks or

financial institutions in Hong Kong. The Total Interest Expenses incurred in the monthly instalment are calculated at the monthly flat rate as follows:

**Total Interest Expenses** = Loan Amount x Repayment Tenor x Monthly Flat Rate

**Monthly Instalment Amount** = (Loan Amount + Total Interest Expenses) / Repayment Tenor

#### **11. What is the annualised percentage rate (“APR”)?**

The annualised percentage rate (“APR”) is calculated according to the guidelines laid down in The Hong Kong Association of Banks. The loan interest expenses and other relevant charges should be included in the calculation of the APR to reflect the total expenses incurred by the loan.

Therefore, the APR is mostly used in comparing the total loan costs of different products offered based on various interest structures.

#### **12. What is the relationship between APR and the monthly flat rate?**

The conversion between the monthly flat rate and APR requires a complex formulae and financial calculation. The APR is subject to change in the monthly flat rate, repayment tenor and the administration fee(s). Under normal circumstance, the higher the monthly flat rate, the higher the APR.