

GENERAL INFORMATION

Payment upon fulfilling the conditions

The payment of escrow deposit is made upon fulfilling the conditions fixed in the Escrow Agreement.

With an escrow deposit, the buyer and seller manage the risk that one of them fulfils the conditions, but the other does not. In order to manage risks, the buyer's funds is deposited with the Escrow Agent, which will pay the amount to the seller according to previously agreed conditions.

Escrow deposits are used for purchase and sales transactions, the object of which is movable or immovable property, claims, securities. This deposit guarantees that if a seller has fulfilled their obligations (e.g. has handed over a thing to the buyer) and certified it, the Escrow Agent will pay the funds from the deposit to the seller.

Tripartite deposit contract or Escrow Agreement

The seller, buyer and the Escrow Agent conclude a deposit contract (Escrow Agreement), which describes the transaction's nature, amount, payment conditions, deadlines, etc. As to the deposit, including its payment, the Escrow Agent proceeds only from the deposit contract (Escrow Agreement).

The deposit contact (Escrow Agreement) specifies the time during which the buyer transfers money to the Escrow Agent and the transferred amount and who pays the Escrow Agent service charges and to what extent.

The deposit is a term deposit, i.e. the seller must submit to the Escrow Agent documents proving the fulfilment of the conditions specified in the deposit contract (Escrow Agreement) by the agreed date. Then the Escrow Agent will pay the respective amount to the buyer.

If the documents complying with the deposit contract conditions have not been submitted to the Escrow Agent by the agreed deadline, the deposit is terminated and the money on the deposit is transferred back to the buyer. The conditions of the deposit contract (Escrow Agreement) allow partial payments.

Course of transaction

1. Clients, as a buyer and seller, submits an applications for opening an escrow deposit accounts with Escrow Agent based on conditions of their Contract for Purchase and Sale. Seller opens account online based on invitation code from Escrow Agent created by Buyer.
2. The Escrow Agent prepares a Escrow Agreement pursuant to the client's instructions, which is signed by the buyer, the seller and the Escrow Agent.
3. The buyer transfers the amount specified in the Escrow Agreement (based also on Contract for Purchase and Sale) to the Seller (Article 4) or to the Escrow Agent (Article 5).
4. **Method first:** The Buyer deposits the Payment directly to the Seller's account by issuing special revocable electronic automatic letter of credit to the Seller's account with Escrow Agent, keeping the password for opening the letter of credit. Essentially, this is not a standard bank letter of credit, but wire transfer of funds with their blocking on the beneficiary's account, which resembles the functions of a revocable letter of credit. If the seller fulfills the terms of the purchase and sale agreement, then the Buyer sends to the Seller a password to open a letter of credit. The seller opens a letter of credit using a password and begins to use the received payment. If the Seller does not fulfill the terms of the sale and purchase agreement, the Escrow Agent returns the payment to the Buyer. In the event of disputes between the Buyer and the Seller, the Escrow Agent acts as an arbiter and resolving them.
5. **Method second:** After the transaction, the seller submits the documents specified in the Contract for Purchase and Sale to the Escrow Agent and both parties seller and buyer submit copies (scans) of Contract for

Purchase and Sale. If these documents are in conformity with the deposit contract (Escrow Agreement) terms, the Escrow Agent will make a payment to the seller.

We provide free support for the Escrow settlement to all our clients, we help in carrying out transactions if difficulties or misunderstandings arise.

