Escrow Services Term Sheet

Banks Instruments Limited | Hong Kong | Draft Template - Not for Execution

Regulatory capacity: any regulated activity described in this template must be performed only under the verified licence or exemption [INSERT], or by the named licensed third-party provider [INSERT]. Any security amount is contractual transaction security under definitive documents and is not a bank deposit or customer deposit with Banks Instruments Limited.

Purpose

This term sheet describes a proposed escrow arrangement for [TRANSACTION]. Escrow services will be provided only by the separately appointed [NAMED ESCROW AGENT LICENCE REGULATOR AND JURISDICTION]. Banks Instruments Limited may coordinate the introduction under [VERIFIED LICENCE OR EXEMPTION] but does not receive, safeguard or hold escrow funds.

- Depositor: [INSERT]
- Counterparty: [INSERT]
- Escrow agent: [LEGAL NAME LICENCE ADDRESS]
- Escrow bank and account title: [INSERT]
- Currency and amount: [INSERT]
- Underlying agreement: [INSERT]
- Long stop date: [INSERT]

Deposit conditions

The escrow agent will accept funds only from the approved account after completion of due diligence and execution of definitive escrow instructions. A deposit is not deemed received until cleared and irrevocably available. The depositor shall provide payment evidence and the escrow agent may return funds that cannot be verified or lawfully accepted.

Release conditions

Funds may be released only upon the following objective evidence:

1. [EXECUTED TRANSACTION DOCUMENT];
2. [AUTHENTICATED BANK MESSAGE OR DELIVERY CONFIRMATION];
3. [RECEIVING BANK OR CUSTODIAN CONFIRMATION];
4. [INVOICE OR CLOSING STATEMENT]; and
5. written confirmation that all specified compliance conditions remain satisfied.

If a release condition requires judgment rather than a document or system event, the definitive agreement must state who makes that determination and what evidence is sufficient.

Return conditions

Funds will be returned to the verified originating account if the release conditions are not met by the long stop date, unless the parties jointly extend the date or the escrow agent is legally required to hold the funds. Returns are subject to cleared availability, bank charges, lawful deductions and any court order or dispute process.

Disputed instructions

The escrow agent shall not choose between conflicting claims unless the definitive agreement grants clear authority. It may hold the disputed amount, release an undisputed portion, request joint instructions or seek directions from a court or arbitrator. Reasonable costs of resolving a dispute may be charged as permitted by the definitive agreement.

Fees and interest

- Escrow fee: [INSERT]
- Bank and correspondent charges: [INSERT]
- Legal and compliance costs: [INSERT]
- Interest treatment: [NO INTEREST OR SPECIFIED ALLOCATION]

No undisclosed beneficiary or commission may be paid from escrow.

Compliance and confidentiality

Each party shall supply KYC, beneficial ownership, source of funds and transaction evidence requested by the escrow agent. The agent may suspend, reject or report activity when required by law or professional obligations. Confidential information may be shared with banks, advisers, auditors, insurers and authorities on a need to know basis.

Status and governing law

This term sheet is an outline and does not establish an escrow account or fiduciary relationship. The definitive escrow agreement controls. Governing law will be Hong Kong law unless mandatory rules applicable to the escrow agent or account require otherwise.

Accepted for preparation of definitive documents:

Depositor: [NAME SIGNATURE DATE]

Counterparty: [NAME SIGNATURE DATE]

Escrow agent: [NAME SIGNATURE DATE]

Banks Instruments Limited: [NAME SIGNATURE DATE]