Paymaster and Commission Disbursement Agreement

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 and parties

This agreement is entered into by [CLIENT], the listed beneficiaries and [APPOINTED LICENSED PAYMASTER LEGAL NAME LICENCE AND JURISDICTION], with Banks Instruments Limited acting solely as transaction coordinator under [VERIFIED LICENCE OR EXEMPTION]. The purpose is to document the receipt, verification and distribution of lawful transaction funds under a written payment schedule.

The appointed paymaster must be a separately identified bank, law firm, trust company or other provider licensed or otherwise legally authorized for the proposed activity. The appointed paymaster contracts for and controls the client money service. Banks Instruments does not receive or hold client money.

Transaction and funds

- Underlying transaction: [INSERT]
- Expected payer and originating account: [INSERT]
- Currency and expected gross amount: [INSERT]
- Receiving account title and institution: [INSERT]
- Expected payment date or trigger: [INSERT]
- Supporting invoice or closing reference: [INSERT]

The paymaster may accept only cleared funds from the approved payer or another source accepted after due diligence. Cash, anonymous transfers and funds from undisclosed third parties are prohibited.

Conditions before disbursement

No distribution shall occur until the paymaster has:

1. received cleared and irrevocably available funds;
2. verified the underlying transaction and payment authority;

3. completed KYC, sanctions and bank account checks for each beneficiary;
4. received valid invoices and tax information where required;
5. resolved inconsistent instructions, liens, court orders or competing claims; and
6. confirmed the signed distribution schedule totals the available distributable amount.

Each beneficiary must also sign a beneficiary accession confirming the schedule, its verified account, compliance information, representations, reversal obligations and dispute forum. No beneficiary is eligible for payment until its accession has been accepted by the appointed paymaster.

Distribution schedule

Beneficiary legal name	Verified bank account	Basis	Amount or percentage	Invoice reference
[INSERT]	[INSERT]	[INSERT]	[INSERT]	[INSERT]

Bank charges, taxes, legal fees and the paymaster fee shall be deducted as stated in the schedule. Percentages are applied to [DEFINE GROSS OR NET BASE]. Rounding differences and rejected payments shall be handled according to written instructions signed by all materially affected parties.

Authority and irrevocability

The client authorizes the paymaster to make the distributions stated in the signed schedule after all conditions are met. The instruction becomes irrevocable upon receipt of cleared funds except where a payment would violate law, sanctions, a court order, the paymaster's professional obligations or the account agreement.

Reversal and clawback

Each beneficiary shall promptly return to the appointed paymaster any duplicate, mistaken, unauthorized, reversed, recalled, fraudulent or legally recoverable payment. The appointed paymaster may withhold or set off an equivalent amount from later distributions where lawful. These clawback obligations survive payment, termination and expiry. A beneficiary must cooperate with tracing, bank recall, court and regulatory processes and bears losses caused by its inaccurate instructions or breach.

Suspensions and disputes

The paymaster may suspend any payment affected by incomplete due diligence, suspected fraud, sanctions, conflicting instructions, a claim to funds or a bank rejection. The undisputed portion may be released if lawful and operationally practical. The paymaster may seek directions from a competent court or arbitrator and may deduct reasonable costs from the disputed amount where permitted.

Representations

Each beneficiary confirms that its payment is lawful, accurately invoiced and beneficially owned as disclosed. The client confirms that the funds are not proceeds of crime and that the schedule identifies every commission recipient. No party may redirect a payment to an unrelated account without renewed due diligence and written approval.

Records and confidentiality

The paymaster shall retain transaction and compliance records for the period required by applicable law and its professional rules. Information may be disclosed to banks, auditors, insurers, professional advisers and authorities with a lawful need to know.

Fees and liability

The paymaster fee is [INSERT] and is payable [INSERT]. Each party bears its own bank and tax charges unless the schedule states otherwise. The paymaster is not liable for delays caused by bank review, correspondent routing, sanctions screening, inaccurate account details or events beyond reasonable control.

Governing law and signatures

This agreement is governed by Hong Kong law, subject to any mandatory law governing the appointed paymaster and its account. Disputes shall be resolved by [CONFIRMED FORUM].

Client: [NAME TITLE SIGNATURE DATE]

Appointed paymaster: [NAME TITLE SIGNATURE DATE]

Banks Instruments Limited: [NAME TITLE SIGNATURE DATE]

Each beneficiary must sign the beneficiary accession attached to the distribution schedule before receiving funds.

Beneficiary accession

This accession forms part of the Paymaster and Commission Disbursement Agreement dated [INSERT]. By signing, the beneficiary becomes bound by the provisions that apply to a beneficiary, including compliance verification, payment instructions, representations, confidentiality, suspension, reversal and clawback, governing law and dispute resolution.

- Beneficiary legal name: [INSERT]
- Company or identity number: [INSERT]
- Registered or residential address: [INSERT]
- Authorized signatory and capacity: [INSERT]
- Payment basis and invoice reference: [INSERT]
- Amount or percentage: [INSERT]
- Verified account name and last four digits: [INSERT]

- Verification record or secure file reference: [INSERT]

The beneficiary confirms that the payment is lawfully due, the invoice and beneficial ownership disclosures are accurate, and the payment account is held in the beneficiary's own name unless the appointed paymaster has approved a documented exception after enhanced due diligence. The beneficiary authorizes the appointed paymaster to verify its identity, account and payment basis through secure channels.

The beneficiary agrees to return any duplicate, mistaken, unauthorized, reversed, recalled, fraudulent or legally recoverable payment promptly after written demand and permits lawful withholding or set off from later distributions. These obligations are owed directly to the appointed paymaster and survive payment, termination and expiry.

The accession is governed by the same governing law and dispute provision as the agreement, subject to mandatory law governing the appointed paymaster and its account.

Beneficiary

- Name and title: [INSERT]
- Signature: [INSERT]
- Date: [INSERT]

Accepted by the appointed paymaster

- Name and title: [INSERT]
- Signature: [INSERT]
- Date: [INSERT]