



# OFFSHORE ESCROW SERVICES

Partnering with business to drive economic activity in Africa



“STANDARD BANK HAS  
BEEN PROVIDING  
CORPORATE AND  
FIDUCIARY SERVICES FOR  
THE PAST 130 YEARS”



RISK MITIGATION



GOVERNANCE



SUCCESSION PLANNING

Through our teams in Mauritius and Jersey, we offer a powerful combination of two leading international financial centres that bring together the best of both jurisdictions. While Mauritius offers a local entry point to the African continent, Jersey provides world-class procedures, systems and technical capabilities as well as access to Europe’s financial markets. **Our highly skilled professionals deliver this expertise through a streamlined and integrated approach.**

As an integral part of the Standard Bank Group, Fiduciary Services International (FSI) is called upon by clients to support their cross-border activity. We leverage our offshore presence to facilitate African M&A activity by offering company set-up and escrow services. Working closely with our clients and their advisors, we set up international structures and arrangements to achieve risk mitigation, governance and succession planning.

# OUR ESCROW SERVICES INCLUDE



Working alongside clients, advisors and lawyers to finalise the escrow agreement



Liaising with Standard Bank's investment team in case escrow funds are required to be invested and managed



A streamlined due diligence process to provide the services according to strict deadlines



Opening of escrow account with Standard Bank in major currencies



Administering of the escrow arrangement including notification, monitoring and release

# WHEN TO MAKE USE OF AN ESCROW?



## CROSS BORDER TRANSACTIONS

Where funds need to be kept in escrow to cater for various circumstances including deposits or post-closing obligations



## NEUTRALITY

When parties wish for the escrow agent to be domiciled in a neutral jurisdiction



## FLEXIBILITY

When the transaction is carried out in hard currency which is best handled in a jurisdiction not subject to exchange control or liquidity constraints



## CONVENIENCE

When, as often is the case, the acquiring or disposing entity is domiciled offshore

# WHY USE OUR ESCROW SERVICES?



## NAVIGATING JURISDICTIONAL COMPLEXITY

Our core activity is to set up and maintain international structures making us the ideal service provider to navigate cross-border escrow arrangements



## EFFICIENCY

We have a well-honed and efficient process of conducting due diligence on escrow parties which very often include high risk drivers



## ONBOARDING TEAM

FSI has a dedicated onboarding team which handles all the administrative aspects of putting in place an escrow arrangement



## SEAMLESS PROCESS

Where the escrow account is opened with Standard Bank, the client benefits from the fact that the agent and bank both apply the same due-diligence threshold, making for a seamless process

## **/ CASE STUDIES: OUR ESCROW SERVICES IN ACTION**



During the disposal of the Nigerian subsidiary of a listed South African company, the initial deposit made by the purchaser was required to be placed in escrow to allow for conditions precedent to be met. The complexity arose from a PEP involvement which meant applying an enhanced due diligence threshold



With 9 sellers spanning across various jurisdictions, the challenge was around the volume of due diligence required on the various layers of corporates and individuals, some of whom resided in special risk countries. The escrow was part of an M&A transaction and represented funds to cover a possible additional consideration that would be linked to the performance of the target company following the consummation of the transaction



This M&A transaction involved a Gulf country's sovereign fund, whereby the escrow funds had to sit in a Sharia compliant product. We worked alongside Standard Bank's Sharia team in Johannesburg and the investment team in Jersey, who assisted in putting together the appropriate solution



## Our set up work includes:

- 1 Working with escrow parties legal teams for finalization of the escrow agreement
- 2 Liaising with escrow parties for collation of due diligence documentation (CDD)
- 3 Coordinating the signing of escrow agreement by all parties
- 4 Opening of the escrow account

**We charge a fee of £3,000 for the escrow set-up work excluding the collation and review of CDD (see below).**

Legislation in Jersey and Mauritius requires identification and verification of clients is undertaken with the depth of information required about a client depending on the risk rating of the client.

The higher the risk, the greater the detail required. Identification in this context comprises the collation of all required identity information, whereas verification refers to the documents required to evidence i.e. verify the clients identity.

We require a detailed structure chart on each escrow party going up to the beneficial owners including details of country of residence/jurisdiction of incorporation in order to populate the exact CDD requirement.

A minimum fee of £150 applies for carrying out CDD on each relevant individual and £350 on each relevant corporate entity.

# FEE STRUCTURE

## ONGOING RESPONSIBILITY FEE



Our set up work includes:

- 1 Acting as custodian of the escrow funds under the terms of the escrow agreement
- 2 Monitoring the terms of the escrow agreement
- 3 Releasing escrow amounts as per the terms of the escrow agreement
- 4 Attending to queries from escrow parties

The following deposit based responsibility fee will apply for as long as we are required to hold funds in escrow.

Amount	Minimum annual fee
Up to £3m	£10,000
Over £3m	Bespoke fee

# / PROCESS



## INITIAL CLIENT ENGAGEMENT



As a large global financial services institution, we provide access to a broad range of banking and investment products for both businesses and individuals

## PROPOSAL STAGE



Upon receipt of relevant information, a proposal is issued to the client within 24 hours

## ONBOARDING COMMITTEE APPROVAL



Within 48 hours of having received acceptance of fee proposal

## REVIEW OF ESCROW AGREEMENT



Within 24 hours of having received onboarding committee approval

## COLLATION OF KYC



KYC requirements to be shared with escrow parties 24 hours after onboarding committee approval

## SIGNING OF ESCROW AGREEMENT



Within 24 hours of KYC being cleared

## OPENING OF BANK ACCOUNT



Within 24 hours of escrow agreement being signed



Dedicated to meeting your needs with skill and attention to detail. If you would like to find out how our experienced teams can help you use international holding structures and strategies to take advantage of business and investment opportunities throughout Africa, please contact us.

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<https://international.standardbank.com/>

Wealth International



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YOU**

Standard Bank **IT CAN BE™**



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