

## Brief notes on: Escrow

The Escrow agreement allows companies to calmly wait for the conclusion of a deal thanks to the fiduciary relationship established with an independent and impartial third party.

The agreement is a relationship between multiple parties which requires a principle relationship or a dispute of rights.

Escrow guarantees the resolution of the relationship or efficient execution of the decision regarding the dispute, this way, the main parties in the agreement can be confident in the impartiality of a third party who, upon the occurrence of predetermined conditions, will fulfill the obligations set out in the agreement.

The agreement therefore, has parts of a depositor of an asset, a beneficiary of the guarantee in which the asset is deposited and an Escrow agent custodian of the asset, who will deliver it to the beneficiary or return it to the depositor upon the occurrence of specific conditions laid out in the Escrow agreement.

The Escrow agreement, mainly used internationally, can consider multiple terms and conditions of custody of the asset deposited by the agent, but shall in any case include: the parties; the description of the relationship and any related obligations; the purpose of the guarantee; the obligations and rights of the agent; the description of the assets transferred by the depositor and instructions for their care; the terms of the effectiveness and duration of the Escrow relationship; the condition for the delivery of restitution of the assets; the revocation of the mandate given to the agent; acceptance by the agent; the law applicable to the relationship and the body responsible for resolving disputes.

The Escrow agreement therefore, is a valuable tool for businesses which have international dealings, in particular for contracts of high importance.

Studio Legale Associato, thanks to the ubiquity of their contracts in the field, can assist companies on such important issues.

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