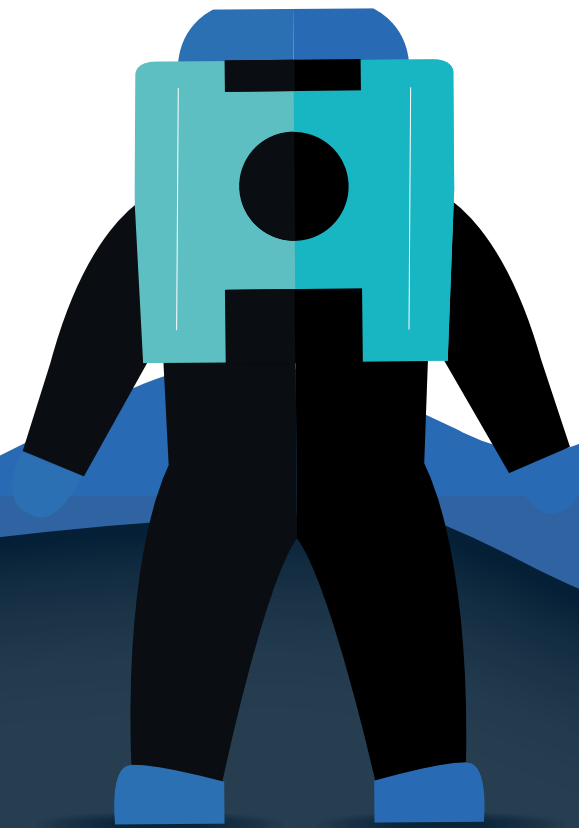
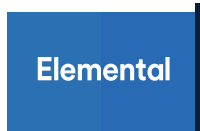
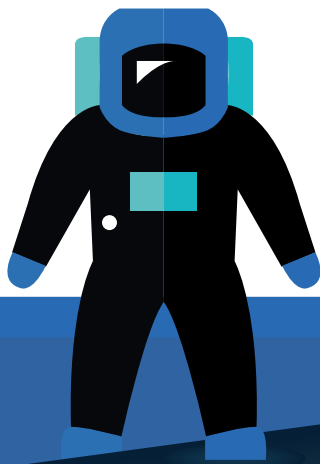


# ESCAPE THE ORDINARY

Escrow solutions for Law Firms



**Elemental**

Protect your clients;  
reduce your risk

# Complying with SRA guidance is critical when holding client money.

**But it's easy to breach the rules when facilitating a transaction for your client.**

Many law firms don't have an independent third party to hold funds on their clients' behalf, or even think to look for one. A Third Party Managed Account, like Elemental's, means the funds are not covered by the Client Account Rules and can also add real value to your client.

# Here's what the SRA says:

As a law firm bound by the SRA Accounts Rules, you must ensure that you avoid using your firm's own client account as a banking facility.

The SRA has issued a warning notice raising its concerns that law firms should not be used to provide banking facilities to clients or third parties.

There must be a proper connection between the underlying legal transaction or advice and the payments that a firm makes or receives. Often it is questionable as to whether such a proper connection exists.

**Instructing Elemental solves this problem.**



You must not provide banking facilities through a client account. Payments into, and transfers or withdrawals from, a client account must be in respect of instructions relating to an underlying transaction (and the funds arising therefrom) or to a service forming part of your normal regulated activities."

**Rule 14.5 of the SRA Accounts Rules 2011**

# Elemental can help

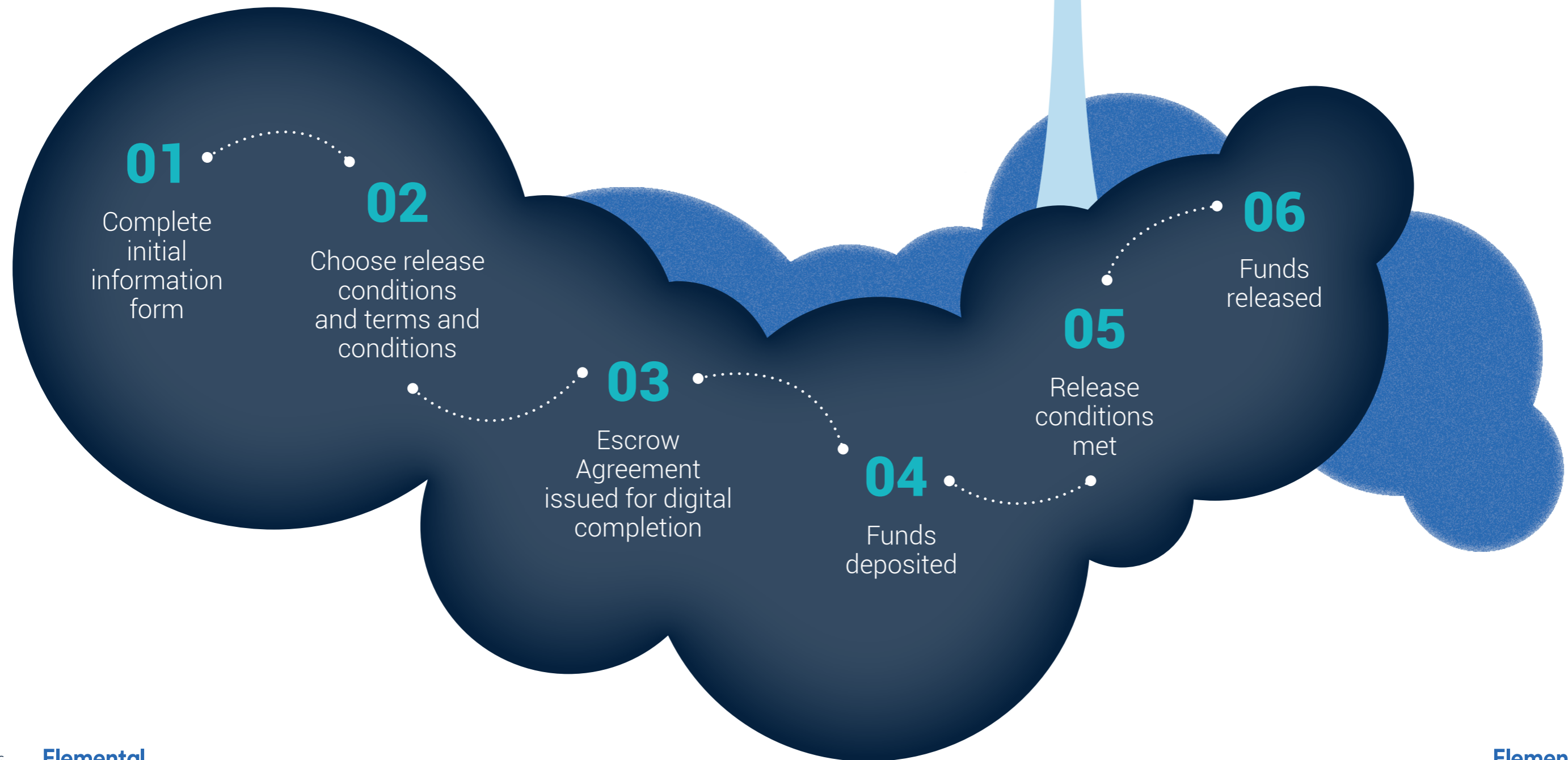
**Elemental is regulated by the Financial Conduct Authority as an Authorised Payment Institution under the Payment Services Regulations 2017. By placing your client's funds in our Third Party Managed Account, you are operating within the boundaries of the SRA's guidance and can be assured that their money is safe.**

As lawyers ourselves, we understand your needs and can react appropriately to different transactions and requirements that can occur in any deal. We'll develop a relationship with you to ensure that you're comfortable using our services for all of your client transactions that require funds to be held by an independent third party.

You can, therefore, hand over responsibility for the administration of the funds and payments knowing that Elemental is FCA regulated and staffed by lawyers and focus on delivering your clients goals.

# How it works

We use a clear and simple-to-complete initial information form that provides flexibility to choose the release conditions that suit your client and the requirements of the transaction.



The contractual documentation is executed using innovative electronic signature software to remove the need to scan wet ink signatures. There's no need to follow up with hardcopies either.

Following completion of the escrow agreement, we provide the escrow account details to enable the funds to be deposited as efficiently as possible. This can happen instantaneously using the Faster Payments system (subject to the restrictions of the payer's bank). When the release conditions are met, simply contact Elemental and the funds will be released once our internal checks have been completed.

# Nothing so simply structured ever felt so bespoke

## **Quick and easy to set up**

We have standardised escrow agreements that can be used in their entirety or as a starting point.

## **Flexible solution**

The service can be adapted to suit the individual needs of yourselves and your clients. You can draft your own bespoke release conditions for each transaction or rely on our standard terms. We will provide a variety of dispute resolution options and can act to resolve disputes.

## **Digital completion**

Our electronic signature software ensures that each transaction can be completed swiftly and without recourse to hardcopy paper documentation.

## **Partnership**

Elemental aims to develop a relationship with your firm to enable you to use our escrow service for all of your client transactions that require funds to be held by an independent third party.

# How we've helped:

## **Corporate / M&A**

We hold assets to cover unforeseen costs or damages protected by a warranty or indemnity.

## **Performance Escrow or Project Accounts**

We hold assets pending completion of certain deliverables by a supplier. Such an arrangement is often used in construction contracts, which tend to have a long delivery and rectification period.

## **Fundraising Accounts**

Our service is utilised in commercial fundraising, where investors deposit the funds with us, as a trusted third party, to be held until the investment has reached a specified threshold. At this point all investor funds are released for the use of the investment.







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