



ZEDRA

Paying Agent services



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Paying Agent services provide efficient and secure payment solutions, reducing risk and ensuring impartiality for all parties involved

When utilising Escrow or Paying Agent solutions for transactions — whether M&A, real estate or other funds related transactions — it is sensible to appoint an independent professional service provider who can operate without conflict.



What is a Paying Agent?

Paying Agents will act as exchange agents — verifying parties, collecting and validating payment instructions, securely receiving funds that have been verified, and swiftly making onward payments.

In an M&A transaction, ideally, a buyer engages a Paying Agent for all payments at closing so that the Paying Agent will then have full oversight of all payments related to the transaction.



Should you have a separate Escrow Agent and Paying Agent?

Sometimes, parties to a transaction elect to have an Escrow Agent act as a separate Paying Agent solely with respect to escrow release payments. This is less efficient than having a single integrated Escrow and Paying Agent service, as multiple parties need to ensure that all information provided at closing can be shared across all parties.

Working with a provider that has integrated capabilities will save you time and give you the confidence that your deals will be executed with precision, freeing you up to focus on even more strategic objectives.

The escrow process involves a multi-party relationship. Having to re-verify and re-collect various important pieces of information can delay payments at closing.

ZEDRA can serve as both an Escrow Agent and a Paying Agent and acts as a trusted third-party to a transaction whilst streamlining the arrangement.

What about using my lawyer?

Due to changes driven by the Solicitors Regulation Authority (SRA), we are seeing an increasing number of enquiries to provide Paying Agent services in transactions where, historically, these services would have been handled by the solicitor.

For example, lawyers are increasingly looking for an external, independent provider — authorised and regulated by the FCA — to support payment handling in transactions where they are not acting for all parties. You can read more about the SRA changes in our article [here](#).

What sort of transactions can ZEDRA help with?

We can support transactions with multiple payments to UK and non-UK accounts in multiple currencies.

Our Paying Agent services are used in the context of fund transactions, employee benefit trusts, real estate transactions, and mergers and acquisitions, amongst others.

We have significant experience working with large law firms, private equity houses, real estate developers, high net worth individuals and banks.

Many of these are international transactions where the UK legal framework provides tried and tested security.



Do you have examples of where you have acted as Paying Agent recently?

We have experience supporting global parties and transactions with multiple payments to UK and non-UK accounts in GBP, Euro and US \$.

We use banks operating in the UK with Tier 1 capital adequacy providing peace of mind and security.



Examples of recent Paying Agent transactions supported by ZEDRA include:

- | An acquisition and capitalisation with nine Private Equity Funds investing CHF 1.3 billion and payments made to two Luxembourg investment funds.
- | Eight investment funds acquiring a minority stake in a global Pharma Solutions company. The transaction value was £800 million and funds paid to the sell side paying agent and the 30+ advisors to the deal.
- | Company sale proceeds of £130 million paid to its 100 shareholders comprising mostly individuals, a corporate entity and beneficiaries of an Employee Benefit Trust.
- | Part sale of a Special Purpose Vehicles (SPV) requiring payments amounting to 200 million to over 200 shareholders. The shareholders were predominantly EU based individuals with some larger payments to EU and UK corporates.

How ZEDRA can help

Using ZEDRA as your Paying Agent means you have a trusted FCA-authorized third-party to the transaction, accepting the funds and making the payments on behalf of the client as instructed.

ZEDRA is an independent Paying Agent authorised and regulated in the UK by the FCA as an Authorised Payment Institution allowing unlimited transaction values and providing timely, efficient solutions reducing risk and offering peace of mind to clients.

We have precedent documents available or our in-house legal team can work with you to produce a bespoke agreement that best matches the requirements of the transaction.

Learn more about our Escrow and Paying Agent services [here](#) or contact [Sue Wakefield](mailto:Sue.Wakefield@zedra.com) to find out more about how we can help you with Escrow and Paying Agent solutions securely, seamlessly, and successfully.

Sue Wakefield
Director, Head of Business Development
Manchester

Sue.Wakefield@zedra.com



Escrow services are provided by Zedra Trust Company (UK) Limited authorised and regulated by the Financial Conduct Authority, including for the provision of payment services as an Authorised Payment Institution.



The content of this document is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

This document must be read in conjunction with our Legal and Regulatory notice at www.zedra.com