

Escrow Accounts

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Novalnet

WhitePaper on Novalnet's Escrow Accounts

Content

INTRODUCTION

**HOW DO ESCROW ACCOUNTS
WORK**

**NOVALNET ESCROW ACCOUNTS
FOR ONLINE SALES**

ABOUT NOVALNET AG

NOVALNET TAXATION BENEFITS

BENEFITS

Introduction

Escrow Accounts hold the transaction amounts on behalf of the payment service providers to combat the problem of insolvency and to regulate the cash flow while the payment is being processed.

Escrow accounts can otherwise be called pass-through bank accounts, where funds from customers and merchants go through. The parties involved in the transaction can keep track of the payment at every step. The sender's and receiver's fund is transmitted securely against risks, chargebacks and fraud. The sender or receiver can easily withdraw funds from an escrow account once the financial obligations are met.

The escrow account holds the customer's funds until the merchant ships the products or services. When customers care about the products they ordered, and merchants care about the payment, escrow accounts safeguard their trust.

This whitepaper elaborates escrow accounts and their uses.

A Z Glossary

Insolvency - a state of being bankrupted

Chargebacks - reversal of funds to customer who made a transaction

Ba-Fin - The Federal Financial Supervisory Authority that controls all banks and financial institutions in Germany.

How Do Escrow Accounts Work



Novalnet's escrow accounts agree to trade between customers and merchants by receiving, holding and releasing funds.



The customer makes a purchase, where Novalnet receives the payment.



Novalnet processes the amount to the Escrow account, where the amount is held.



The escrow account holds the payment until both parties approve.



Merchant verifies the payment and dispatches the products or services.



Customer receives the products.



Escrow account releases the payment to the merchant.

Escrow accounts pay a major role in collecting funds from the customer, releasing the same to the merchant and refunding the funds to the user, in case of disagreements between both parties.

Novalnet Escrow Accounts for Online Sales

In the digital era, escrow accounts protect customers and merchants from non-payments and scams. Therefore, escrow accounts are highly recommended when high-value transactions are involved. Due to the high-security concepts of escrow services, online businesses boomed and incurred trust among people.

International business grows widely, and traders do not hesitate to transact online via escrow accounts. Hassle-free settlements are made to merchants within the defined period, reducing the complexity of the trading process for B2B and B2C platforms.

As a full-service payment provider, Novalnet adheres to PCI compliance in all the transacting countries. Novalnet has a committed core team to take care of merchant settlements. In addition, Novalnet keeps the customers and merchants on the transaction statuses.

Emerging startups might find it critical to invest in escrow accounts. Novalnet esteems its merchants by creating escrow accounts for their affiliates and partners.

There is nothing more a business can need when a Ba-Fin accredited payment service provider handles your payout securely and keep your funds from insolvencies.



About Novalnet AG

Founded in 2007, Novalnet is a pioneer in all-in-one payment services. Our strength remains in the unrelenting pursuit for perfection, innovation and acceleration, supported by the best people in the industry. This constant drive to innovate and scale keeps our global payment solutions ahead of the game and gives you the business edge. Our belief in exceeding the best of expectations have made us one of the most popular payment service providers in Europe.

Thank You

Accept 200+ payment methods in 150+ currencies globally in a highly secure, state-of-the-art environment supported by AI-powered risk management for SMEs & large enterprises. Novalnet hosts multiple value-added features & services including recurring payments, debt collection, automated marketplace.



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