

ACCEPTABLE FORMAT FOR ADVANCE PAYMENT GUARANTEE

Advance payment securities issued in the format given below is acceptable:

_____ [Name and address of Agency, and Address of Issuing Branch or Office] _____

Beneficiary: _____ [Name and Address of Employer]

Date: _____

ADVANCE PAYMENT GUARANTEE No.: _____

We have been informed that _____ [name of Contractor/supplier] (hereinafter called "the Contractor") has entered into Contract No. _____ [reference number of the contract] dated _____ with you, for the _____ (insert "construction" or "supply") of _____ [name of contract and brief description] (hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, an advance payment in the sum _____ [amount in figures] (_____) [amount in words] is to be made against an advance payment guarantee.

At the request of the Contractor, we _____ [name of issuing agency] hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of _____ [amount in figures] (_____) [amount in words]¹ upon receipt by us of your first demand in writing accompanied by a written statement stating that the Contractor is in breach of its obligation under the Contract.

The maximum amount of this guarantee shall be progressively reduced by the amount of the advance payment repaid by the Contractor.

This guarantee shall expire, *Insert the date, 28 days beyond the expected expiration date of the Contract*

Consequently, any demand for payment under this guarantee must be received by us at this office on or before that date.

[signature(s)]

¹ The Guarantor shall insert an amount representing the amount of the advance payment and denominated either in the currency(ies) of the advance payment as specified in the