Form of Demand Guarantee under URDG 758

[*Guarantor Letterhead or SWIFT identifier code*]

To: [*Insert name and contract information of the Beneficiary*]

Date: [*Insert date of issue*]

- **Type of GUARANTEE:** [*Specify tender guarantee, advance payment guarantee, performance guarantee, payment guarantee, retention money guarantee, warranty guarantee, etc.*]

- **Guarantee No.** [*Insert guarantee reference number*]

- **The Guarantor:** [*insert name and address of place of issue, unless indicated in the letterhead*]

- **The Applicant:** [*Insert name and address*]

- **The Beneficiary:** [*Insert name and address*]

- **The Underlying Relationship:** The Applicant's obligation in respect of [*Insert reference number or other information identifying the contract, tender conditions or other relationship between the applicant and the beneficiary on which the guarantee is based*]

- **Guarantee amount and currency** [*insert in figures and words the maximum amount and the currency in which it is payable*]

- **Any document required in support of the demand for payment, apparent from the supporting statement that is explicitly required from text below** [*insert any additional documents required in support of the demand for payment. If the guarantee requires no documents and the supporting statement, keep this space empty or indicate "none"*]

- **Language of any required documents** [*Insert the language of any required document. Documents to be issued by the applicant or the beneficiary shell be in the language of the guarantee unless otherwise indicate herein*]

- **Form of presentation** [*Insert paper or electronic form. If paper, indicate mode of delivery. If electronic, indicate the format, the system of data delivery and the electronic address for presentation*]

- **Place of presentation** [*Guarantor to insert address of branch where a paper presentation is to be made or, in case of an electronic presentation, an electronic address such as the Guarantor's SWIFT address. If no place of presentation is indicated in this field, the Guarantor's place of issue indicated above shall be the Place of presentation*].

- **Expiry** [*insert expiry date or describe expiry event*]

- **The party liable for the payment of any charges** [*Insert the name of the party*]

As a Guarantor, we hereby irrevocable undertake to pay the Beneficiary any amount up to the Guarantee Amount upon presentation of Beneficiary's complying demand, in the form of presentation indicated above, supported by such other documents as may be listed above and in any event by the Beneficiary's statement, whether in the demand itself or in a separate signed document accompanying or identifying the demand, including in what respect the Applicant is in breach of its obligations under the Underlying Relationship.

For identification purposes, Beneficiary's demand and beneficiary's statement have to be presented through the intermediary bank which shall confirm the authenticity and validity of your Signatures or the same shall be accurately registered by a public Notary who shall confirm the authenticity and validity of your Signatures.

Any demand under this guarantee must be received by us on or before Expiry at the Place of presentation.

This guarantee is subject to the Uniform Rules for Demand Guarantees (URDG) 2010 revision, ICC Publication No. 758.

Signature(s)

Optional clauses:

- **Time as from which a demand can be presented if different from the date of issue:**

A demand under this guarantee may be presented as from [indicate date or event, e.g.:

- The crediting of [*insert currency and exact amount to be received as advance payment] to the applicant's account [indicate account number*] maintained with the guarantor, provided such remittance identifies the guarantee to which relates;

- The receipt by the guarantor of [*insert currency and exact amount to be received as advance payment*] for further credit to the applicant's account [*indicate account number*] maintained with the guarantor, provided such remittance identifies the guarantee to which it relates[*]; or

- The presentation to the guarantor of a statement stating [*the release of the tender guarantee*] [*the issue of a documentary credit fulfilling the following terms: indicate amount, issuing or confirming party and goods/services description*] or [*the entry into effect of the underlying contract*].

- **Variation of amount clause:**

    The Guarantee Amount will be **reduced** by [*insert percentage of Guarantee Amount or exact amount and currency*] upon [*chose one or more of the options bellow:*

    - Presentation to the Guarantor of the following document(s): [*insert list of documents*]

    - In the case of an index specified in the guarantee as triggering reduction [*insert index figure triggering the reduction in the Guarantee amount*]; or

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[*] This suggested operativeness / entry into effect clause, like the one in the bullet immediately preceding it, is frequently used in advance payment and retention money guarantees. In both cases, the clause ensures that the guarantee is not available for drawdown before the amount due by the beneficiary under the underlying contract is paid to the applicant. There are two ways to draft this clause. The first one, reflected in the first bullet, is to consider the guarantee operative only when the amount is effectively credited to the applicant's account. This leaves the beneficiary / payor with the risk of errors in credit transfers or third party attachments. Another way to drafting this type of clauses, reflected in the second bullet, considers the beneficiary's obligations as satisfied when the payment is received by the guarantor holding the applicant's account. Any delay in crediting that payment to the applicant's account is left to sort out between the applicant and the guarantor according to the bank-customer relationship agreement or rules law.

- (in the case of a payment guarantee): the remittance of [*insert exact amount and currency*] to the beneficiary's account [*indicate account number*] held with the guarantor, provided the record of such remittance enables the guarantor to identify the guarantee to which it relates (for example, by referring to the guarantee's reference number.]

▪ The Guarantee Amount will be **increased** by [*insert percentage or exact amount and currency*] upon [*chose one or more of the opinions bellow:*

- Presentation to the Guarantor of the following document(s): [*insert list of documents*];

- Presentation to the Guarantor of the Applicant's statement stating that the underlying contract was amended to increase the scope or value of the works and specifying the amount and currency of the new value; or

- In the case of an index specified in the guarantee as triggering increase [*insert index figure triggering increase in the Guarantee Amount*].]

- **Sample terms for article 15(a)'s supporting statement to be provided by the beneficiary:**

▪ In the case of a **tender guarantee**, the supporting statement could state:

The Applicant:

- has withdrawn its offer during the tender period, or

- while it was declared the successful bidder, the Applicant did not sign the contract corresponding to its offer and/or failed to provide the guarantee(s) requested in the call for tenders

▪ In the case of a **performance guarantee**, the supporting statement could state:

The Applicant is in breach of its obligations with respect to the underlying relationship because [*of late delivery*] [*the contract's performance was not completed by the due date*] [*there was a shortfall in the quantity of the goods supplied under the contract*] [*the delivered works are defective*] etc.

▪ In the case of a **payment guarantee**, the supporting statement could state:

The Applicant has not fulfilled its contractual payment obligations.

▪ Supporting statements required under other types of guarantees (advance payment, retention money, delivery, warrantee maintenance, etc.) are likewise expected to be general in their drafting without the need for the beneficiary to substantiate its claim or to provide meticulous technical detail of the breach absent an express requirement in the guarantee itself.