

Advance Payment Guarantee

Guarantee No. :APG/2024/001

Date of Issue :2024-06-22

Beneficiary :XYZ Corporation
123 Example Street
Metropolis 45678

Applicant :ABC Contractors Ltd.
789 Construction Ave
New City 12345

Guarantor :Global Bank Ltd.
Guarantee Division
Bank Road 99
Financial City

Guarantee Amount :USD 100,000 (One Hundred Thousand US Dollars)

Expiry Date :2025-01-15

Underlying Contract :Contract No. CT2024-XYZ between ABC Contractors Ltd. & XYZ Corporation dated 2024-06-01

Guarantee Text

We, Global Bank Ltd., hereby irrevocably and unconditionally undertake to pay to XYZ Corporation, upon their first written demand, any sum or sums not exceeding in total the aggregate amount of USD 100,000 (One Hundred Thousand US Dollars), in the event that ABC Contractors Ltd. fails to fulfil their obligations in respect of the advance payment made under the above-referenced contract.

This guarantee shall be valid from the date of issue until and including 2025-01-15, and any claims must be submitted to us on or before said date.

Our liability under this guarantee is limited to the payment of money only and shall be reduced pro rata in accordance with repayments of the advance payment certified by the beneficiary.

This guarantee is governed by and shall be construed in accordance with the laws of [Jurisdiction].

For and on behalf of Global Bank Ltd.

Authorized Signatory

Date: _____

For and on behalf of ABC Contractors Ltd.

Authorized Signatory

Date: _____

Important Notes:

- This is a sample document and should be reviewed by legal counsel before use.
- The guarantee amount and expiry must align with the underlying contract terms.
- The guarantee is demand-based and payments are made upon first demand without any proof or justification.
- Repayments and expiration conditions should be clearly defined to avoid misunderstandings.
- Beneficiaries must submit their claims before the expiry date.

