

**ADVANCE PAYMENT
BANKER'S GUARANTEE**

Date: [date of issue]

_____ [name of beneficiary]

_____ [full registered address of beneficiary]

(hereinafter referred to as "the Employer")

OUR BANKER'S GUARANTEE NO. ____ FOR ____

In consideration of your agreeing to pay the sum of _____ (_____) [currency, amount in words and figures] (hereinafter called "the Advance Payment") to _____ (hereinafter called the "the Contractor") whereby the Contractor agrees to supply you with _____ [describe nature of Contract] pursuant to Contract Number _____ dated _____ (hereinafter called the "the Contract"), WE, DBS Bank Ltd, a company incorporated in Singapore and having its registered office at DBS Trade Services, DBS Asia Central, 12 Marina Boulevard #12-01, Marina Bay Financial Centre Tower 3, Singapore 018982, hereby irrevocably and unconditionally guarantee to pay you in accordance with Clause 1 hereunder.

MAXIMUM LIABILITY CLAUSE

1. Pursuant to the preceding paragraph WE undertake to pay you upon receipt of your first written demand, within 7 Business Days made by your authorised representative, the maximum aggregate principal sum of _____ (_____) [currency, amount in words and figures] (hereinafter called "the Guaranteed Sum"). "Business Day" means a day (other than a Saturday, Sunday or public holiday in Singapore) on which banks are generally open for business in Singapore.

**[if beneficiary requires to be paid interest, please quantify the interest payable by using the clause as follows "plus interest at the rate of _ _% per annum (calculated from the date of Seller's receipt of the Advance Payment to the date of payment herein)". Insert interest rate to apply only if this clause is required to be issued, otherwise leave it blank]*

OUR LIABILITY IS INDEPENDENT OF UNDERLYING RELATIONSHIP

2. We shall not be discharged or released from this Guarantee by any arrangement between yourself and the Contractor with or without our consent or by any alteration in the obligations undertaken by the Contractor or by any forbearance whether as to payment, time, performance or otherwise.

CHANGE IN CONSTITUTION CLAUSE

3. This Guarantee shall not be prejudiced or affected by any change in our constitution but shall continue in full force to bind the entity formed to carry on our business upon any such change in our constitution.

PROVISION FOR REDUCTION IN LIABILITY CLAUSE

4. Subject always to the maximum aggregate amount which you may claim being the Guaranteed Sum, a Certificate of Reduction may be issued to us from time to time to reduce the claimable amount (substantially in the form of Appendix 1, which forms an integral part of this Guarantee).

VALIDITY CLAUSE

5. This Guarantee shall become effective automatically only upon the receipt of the Advance Payment into the Contractor’s account maintained with DBS Bank Ltd, account number ____quoting this Guarantee no.(DBS will insert) within ___days from Date of Issue, and shall remain in full force until _____ [*expiry date*]*(hereinafter called “the Expiry Date”). After the Expiry Date and subject to your right to make a claim within the claim period, this Guarantee shall be null and void and our liabilities hereunder shall cease automatically, notwithstanding that the original of this Guarantee is not returned to us for cancellation.

CLAIM EXPIRY CLAUSE

6. All demand under this Guarantee shall be made by you by way of a notice in writing in paper form addressed to us and received by us at DBS Trade Services, DBS Asia Central, 12 Marina Boulevard #12-01, Marina Bay Financial Centre Tower 3, Singapore 018982 either by mail or by hand on or before _____ [*expiry date* or claim expiry date* being Expiry Date plus claim period*]

DOCUMENTARY REQUIREMENT

7. All demand under this Guarantee, must be presented in paper form accompanied by the following documents:-
(i) this Original Guarantee;
(ii) your signed statement certifying that the Contractor is in breach of its obligation under the Contract and state in which respect the Contractor is in breach.

Such demand and accompanying statement shall be final and conclusive between us of any and all amounts owing to you by the Contractor.

ASSIGNMENT CLAUSE

8. This Guarantee may be assigned with our prior written consent which shall not be unreasonably withheld.

GOVERNING RULES CLAUSE

9. Save as otherwise provided in this Guarantee, this Guarantee is issued subject to the Uniform Rules for Demand Guarantees (URDG 2010 REVISION, ICC Publication No 758.

GOVERNING LAWS AND JURISDICTION

10. This Guarantee shall be governed by and construed in accordance with the laws of the Republic of Singapore and all parties shall submit to the exclusive jurisdiction of the courts of the Republic of Singapore

Dated this ___ day of ____
Signed:_____

(Authorised signatories of the Bank)

APPENDIX 1

CERTIFICATE OF REDUCTION UNDER BANKER'S GUARANTEE
REFERENCE NUMBER _____

To: Issuing Bank
Address

In connection with the abovementioned Guarantee issued by you dated _____ with reference number : _____), we hereby request for and consent to the reduction of the said Guarantee by the amount of _____ (_____)

The revised Guaranteed Sum shall be _____.

Signatory of the Seller (Applicant)*

Name: _____
Designation: _____
Date : ____ day of _____ 20__

Signatory of the Buyer (Beneficiary)*

Name: _____
Designation: _____
Date: ____ day of _____ 20__
**Affix Company Stamp & Sign*

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| <ol style="list-style-type: none">1. All italic text is for use in preparing this form only and shall be deleted before issuance of the final guarantee2. #If beneficiary requires this guarantee issued by DBS to be sent to his bank for authentication and advise, please provide the Advising Bank (beneficiary's bank) SWIFT code for ease of identification and delivery3. In accordance with Association of Banks of Singapore By-Laws, all guarantees issued in favour of Singapore beneficiaries must have an expiry date and claim period not exceeding 90 days from the expiry date4. *Please enter all dates in the format of DAY/MONTH/YEAR eg. 08 AUGUST 2018 |
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