

Advance Payment Guarantee No. \_\_\_\_\_

We have been informed that you, \_\_\_\_\_, hereinafter called the BUYER, [have concluded the contract No. \_\_\_\_\_ of \_\_\_\_\_, hereinafter called the CONTRACT, with]<sup>1</sup> \_\_\_\_\_, hereinafter called the SELLER, according to which the SELLER / \_\_\_\_\_<sup>2</sup> will deliver to the BUYER / \_\_\_\_\_<sup>3</sup>

\_\_\_\_\_ (goods as described in contract / order) \_\_\_\_\_,

hereinafter called the GOODS,

in the total value of \_\_\_\_\_.

As agreed, the BUYER shall make an advance payment to the SELLER in the amount of \_\_\_\_ % of the total value i.e. \_\_\_\_\_, hereinafter called ADVANCE PAYMENT, against receipt of a bank guarantee in the same amount in favour of the BUYER.

In consideration of the aforesaid, we, COMMERZBANK Aktiengesellschaft, \_\_\_\_\_, hereby issue the guarantee on behalf of the SELLER towards the BUYER in the maximum amount of

\_\_\_\_\_ (in words: \_\_\_\_\_)

[plus interest on the maximum amount at the rate of \_\_\_\_ % p.a., calculated from the date of receipt of the ADVANCE PAYMENT by us<sup>4</sup> /our branch office \_\_\_\_\_<sup>4</sup> in favour of the SELLER up to the date of refund of the ADVANCE PAYMENT under this guarantee]<sup>5</sup>

and undertake irrevocably

without consideration of any objections and defences of the SELLER or third parties irrespective of the validity and legal effect of the CONTRACT<sup>6</sup> and waiving any objections arising therefrom

<sup>1</sup> If reference to an "order" instead of a "contract" is requested, replace the text between [...] as follows: "have given the order no. \_\_\_\_\_, dd. \_\_\_\_\_, hereinafter called the ORDER, to"

<sup>2</sup> Name of supplier if not identical with SELLER

<sup>3</sup> Name of consignee of the goods if not identical with BUYER

<sup>4</sup> Delete as applicable

<sup>5</sup> Paragraph optional, only if requested by the principal of the guarantee

<sup>6</sup> In accordance with preamble, replace CONTRACT by ORDER

to refund to the BUYER any amount claimed from us by the BUYER up to the maximum amount of this guarantee [plus the interest guaranteed hereunder]<sup>4</sup> upon receipt of the BUYER's first demand in writing, in which the BUYER simultaneously confirms that the SELLER<sup>2</sup> has not delivered the GOODS and has failed to comply with its obligation to repay the ADVANCE PAYMENT [plus agreed interest]<sup>4</sup>.

[For reasons of identification, each claim under this guarantee shall be transmitted to us via the bank of the BUYER which shall confirm that the BUYER's demand for payment is signed by the BUYER in a legally binding manner.]<sup>5</sup>

[It is a condition for claims and payment to be made under this guarantee that the ADVANCE PAYMENT has been received by us<sup>4</sup> / our \_\_\_\_\_ Branch<sup>4</sup> in the full amount and without reserve in favour of the account no. \_\_\_\_\_ of the SELLER.]<sup>5</sup>

[Upon credit of the ADVANCE PAYMENT to an account other than the mentioned account, claims for payment under this guarantee will not be honoured.]<sup>5</sup>

[The obligation under this guarantee shall be reduced by \_\_\_ % <sup>7</sup> of the value of each delivery, to be evidenced to us by providing copies of the commercial invoice(s) for the GOODS referring to the CONTRACT<sup>6</sup> as well as copies of the \_\_\_\_\_<sup>8</sup> \_\_\_\_\_.]<sup>5</sup>

The obligation under this guarantee shall expire [as soon as the original of this guarantee has been returned to us by the BUYER or a third party for discharge, but it expires in any case at the latest]<sup>9</sup> on \_\_\_\_\_. Any claim for payment complying with the above conditions must be received by us within the validity period of this guarantee.

[The rights under this guarantee shall only be assignable with our prior consent.]<sup>5</sup>

[This guarantee shall be governed by the law of the Federal Republic of Germany. Exclusive place of jurisdiction shall be \_\_\_\_\_<sup>10</sup> \_\_\_\_\_.]<sup>5</sup>

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<sup>7</sup> Unless otherwise agreed, X% corresponding to the proportion of the advance payment to the total value.

<sup>8</sup> Name of Transport documents according to agreed means of transport or generally "transport documents"

<sup>9</sup> [...] not applicable in case of electronic transmission of the guarantee

<sup>10</sup> Location of the branch/entity issuing the guarantee