**TO BE PROVIDED ON BANK LETTER HEADED PAPER (if issued in letter format)**

**Addressed to [Crown Agents Limited]**

**ADVANCE PAYMENT GUARANTEE**

WHEREAS [name and address of contractor] ("the Contractor") has undertaken in accordance with the terms of the contract reference [enter CA ref] dated [enter date] (“the Contract”) to supply [insert details of goods] and provide associated services.

AND WHEREAS the Contract requires the Contractor to provide [Crown Agents Limited] ("Crown Agents") with a bank guarantee issued by a bank acceptable to Crown Agents as security for the advance payment to be paid under the Contract in the sum of [amount of guarantee figures and words] (“the Advance Payment”).

In consideration of Crown Agents making the Advance Payment to the Contractor under the Contract, we [name and address of bank], hereby unconditionally and irrevocably undertake to pay Crown Agents without objection on our part, any amount or amounts not exceeding in aggregate [amount of guarantee figures and words] upon Crown Agents’ first written demand including a statement that:

1. the Contractor is in breach of its obligation(s) under the Contract, because it has failed to repay the advance or has used the advance for a purpose other than towards performance under the contract or;
2. Crown Agents is entitled to terminate the Contract.

We confirm that no waiver, suspension, change or addition to or other modification of the terms of the Contract shall in any way release us from any liability under this guarantee, and we hereby waive any requirement to be given notice of any such waiver, suspension, change, addition, or modification.

This guarantee shall expire on [date to be inserted], *say two months after contract delivery date* or one month after receipt by Crown Agents of the documents required under the Contract, evidencing completion of the Contractor’s delivery obligations under the Contract whichever is the earlier.

*Contractor to delete following clause if there will only be one consignment*

The maximum amount of this guarantee will be reduced by [state percentage] % of the total value of each part-shipment one month following the date of such part-shipment as evidenced by and against presentation to Crown Agents, by the Contractor of *[Contractor to note that Crown Agents will specify contractual documents to be presented for reduction purposes]*

All charges relating to this guarantee (inside and outside country of issuance) shall be borne by the applicant under this guarantee

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

Duly authorised on behalf of the Bank