ADVANCED PAYMENT GUARANTEE

This instruction section, as well as all footnotes, headers and any other instructions in this template, are only for the Business Unit’s guidance and should be deleted before it is sent to the Contractor for review and signature.

How to use this template:

1. This must be finalized using the official letterhead of the Issuing Bank.

2. Except for indicated fields, no changes may be made on this template.

3. This Guarantee shall be required if the Contractor requests advanced payment exceeds the amount of USD 30,000, or its equivalent if the price offer is not in USD, using the exchange rate stated in the Data Sheet. The Contractor’s Bank must issue the Guarantee using the contents of this template, which cannot be changed without the approval of the Legal Office, BMS.

***INSERT LETTERHEAD OF THE BANK***

*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Bank’s Name, and Address of Issuing Branch or Office]*

**Beneficiary:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[Name and Address of UNDP]*

**Date:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**ADVANCE PAYMENT GUARANTEE No.:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

We have been informed that *[name of Company]*(the “Contractor”) has entered into Contract No. *[reference number of the contract]*dated *[insert: date]* with the United Nations Development Programme (the “Beneficiary”) for the provision of *[insert description of the Contract]* (the “Contract”).

Furthermore, we understand that, according to the terms of the Contract, an advance payment in the sum of *[amount in words]* (*[amount in figures]*) is to be made by the Beneficiary to the Contractor against an advance payment guarantee. The Contractor has requested that we issue such guarantee.

Further to the foregoing, we *[name of Bank]* hereby irrevocably undertake to pay to you, the Beneficiary, or your accredited representative, any sum or sums not exceeding in total an aggregate amount of *[amount in words]* (*[amount in figures]*)[[1]](#footnote-1) (the “Guarantee”) upon receipt by us of your first demand in writing, accompanied by a written statement, stating that the Contractor is in breach of its obligation under the Contract to return the amounts of the Guarantee, because the Contractor has used the advance payment for purposes other than the purposes permitted under the Contract. Such statement shall be conclusive evidence of your entitlement to payment in the amount demanded, up to the amount of this Guarantee.

We further agree that no change or addition to or other modification of the terms of the Contract or of any of the Contract documents which may be made between the Beneficiary and the Contractor shall in any way release us from any liability under this Guarantee, and we hereby waive notice of any such change, addition, or modification.

This Guarantee shall remain valid and in full effect from the date of the advance payment under the Contract until the Beneficiary receives full repayment of the advance payment from the Contractor.

Subject to the paragraph below, this Guarantee is governed by the Uniform Rules for Demand Guarantees, ICC Publication No. 758. The supporting statement under Article 15(a) thereof is excluded.

Nothing herein or related hereto shall be deemed a waiver express or implied of the privileges and immunities of the United Nations, including its subsidiary organs nor shall it be interpreted or applied in a manner inconsistent with such privileges and immunities.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*[signature(s)]*

1. The Guarantor Bank shall insert an amount representing the amount of the advanced payment and denominated in the currency/ies of the advanced payment as specified in the Contract. [↑](#footnote-ref-1)