

Manuals and Instructions

Advance payment Guarantee Instruction

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SPECIMEN – ADVANCE PAYMENT GUARANTEE

We have been informed that you, **KOCH Solutions GmbH**, hereinafter called the **BUYER**, have given the order no. _____ (*Ordner number*), dated _____ (*date*), hereinafter called the **ORDER**, to _____ (*Suppliers name*), hereinafter called the **SELLER**, according to which the SELLER will deliver to the BUYER _____ (*Goods as described in order*), in the total value of _____. (*Order value*).

As agreed the BUYER shall make an advanced payment to the SELLER for the amount of ____% of the total value, i.e. _____ (*Exact Amount*), hereinafter called ADVANCE PAYMENT, against receipt of a bank guarantee in the same amount in favor of the BUYER.

In consideration of the aforesaid, we, Bank _____ (*Bank name*), hereby issue the guarantee on behalf of the SELLER towards the BUYER in the maximum amount of _____ (in words: _____) and undertake irrevocably without consideration of any objections and defenses of the SELLER or third parties and irrespective of the validity and legal effect of the ORDER and waiving any objections arising therefrom to refund to the BUYER any amount claimed from us by the BUYER up to the maximum amount of this guarantee upon receipt of the BUYER's first demand in writing, in which the BUYER simultaneously confirms that the SELLER has failed to repay the ADVANCE PAYMENT.

Your claim(s), if any, can be made by authenticated SWIFT message through your bankers to our SWIFT address (SWIFT code: _____) and said SWIFT message should confirm, for identification purpose, that the claim is duly signed. We will consider such an authenticated SWIFT message from your bankers as your original demand.

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.

Claims and rights resulting from this guarantee can only be assigned with our prior written consent.

This guarantee is subject to German law. This guarantee is subject to the jurisdiction of the German courts. Place of jurisdiction is _____ (*City*).