

**To:** [Beneficiary Name/Buyer]  
[Beneficiary Address]  
[City, Country]

**Date:** [Insert Date]

**Advance Payment Guarantee No:** [Insert Guarantee Number]

**Ref:** [Contract Name and Number]

We, [Bank/Financial Institution Name], having our registered office at [Bank Address], have been informed that [Applicant/Seller Name] (hereinafter called "the Applicant") has entered into Contract No. [Contract Number] dated [Date] with [Beneficiary Name] (hereinafter called "the Beneficiary") for the supply/execution of [Project/Product Name].

According to the terms of the Contract, an advance payment in the amount of [Currency and Amount in Figures] ([Amount in Words]) is to be made by the Beneficiary to the Applicant against a bank guarantee.

At the request of the Applicant, we, [Bank Name], hereby irrevocably and unconditionally undertake to pay the Beneficiary any sum or sums not exceeding in total an amount of [Currency and Amount] upon receipt by us of your first demand in writing, accompanied by a written statement stating that the Applicant is in breach of its obligations under the Contract because the Applicant has used the advance payment for purposes other than the costs of mobilization or performance in respect of the Contract.

It is a condition for any claim and payment under this guarantee to be made that the advance payment referenced above must have been received by the Applicant in their account number [Account Number] at [Bank Name].

The maximum amount of this guarantee shall be progressively reduced by the amount of the advance payment repaid by the Applicant as evidenced by interim payment certificates or invoices certified by the Beneficiary.

This guarantee shall expire on [Expiry Date] or upon our receipt of a copy of the final payment certificate, whichever is earlier. Any claim for payment under this guarantee must be received by us at this office on or before that date.

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

Yours faithfully,

[Authorized Signature of Bank]  
[Name and Title of Signatory]  
[Bank Stamp]