[Your Company Letterhead]

Date: [Insert Date]

To: [Insert Factoring Company Name]
[Insert Factoring Company Address]

RE: INDEMNITY LETTER FOR FACTORING RECOURSE GUARANTEE

Dear Sirs,

In consideration of **[Insert Factoring Company Name]** (hereinafter referred to as "the Factor") agreeing to provide or continuing to provide factoring facilities and financial services to **[Insert Client Company Name]** (hereinafter referred to as "the Client"), the undersigned (hereinafter referred to as "the Indemnifier") hereby agrees to the following terms and conditions:

1. **Guarantee of Payment:** The Indemnifier irrevocably and unconditionally guarantees to the Factor the punctual payment of all accounts receivable purchased by the Factor from the Client which are subject to recourse. If any debtor fails to pay an invoice in full by the due date, the Indemnifier shall, upon written demand, immediately pay the Factor the outstanding balance.

2. **Indemnity:** The Indemnifier agrees to indemnify and hold the Factor harmless against all losses, costs, claims, damages, and expenses (including legal fees on a full indemnity basis) which the Factor may incur as a result of the Client's breach of the Factoring Agreement or the failure of any debtor to settle assigned invoices under recourse terms.

3. **Nature of Liability:** This indemnity shall be a continuing security and shall not be discharged by any intermediate payment or settlement of account. The liability of the Indemnifier shall be as a primary obligor and not merely as a surety.

4. **Waiver:** The Indemnifier waives any right to require the Factor to proceed against the Client or the debtor or to pursue any other remedy before claiming against the Indemnifier under this letter.

5. **Governing Law:** This Letter of Indemnity shall be governed by and construed in accordance with the laws of [Insert Jurisdiction/Country].

Yours faithfully,

For and on behalf of [Insert Indemnifier Name/Company]:

_____
(Signature)

Name: [Insert Name of Authorized Signatory]
Title: [Insert Title]

NRIC/Passport No: [Insert ID Number]
Company Stamp: [Optional]

Witnessed By:

_____
(Signature of Witness)
Name: [Insert Witness Name]
ID Number: [Insert Witness ID Number]