

Date: [Insert Date]

To:

[Employer/Beneficiary Name]

[Address]

[City, Country]

Subject: Kafalah Letter of Guarantee for Retention Money

Dear Sir/Madam,

In accordance with the terms of the Contract dated [Insert Date] (hereinafter called "the Contract") between [Insert Contractor Name] (hereinafter called "the Contractor") and [Insert Employer Name] (hereinafter called "the Employer") for the project [Insert Project Name], the Contractor is required to provide a bank guarantee to cover the release of retention money.

We, [Insert Name of Bank/Financial Institution], having our registered office at [Insert Bank Address], (hereinafter called "the Guarantor"), hereby irrevocably and unconditionally undertake to pay the Employer an amount not exceeding **[Insert Amount in Figures] ([Insert Amount in Words])** upon receipt by us of your first demand in writing stating that the Contractor is in breach of their obligations under the Contract.

We further agree that no change or addition to or other modification of the terms of the Contract or of the Works to be performed thereunder shall in any way release us from any liability under this guarantee.

This guarantee shall remain valid and in full effect from the date of the release of the retention money to the Contractor until [Insert Expiry Date or Event, e.g., Issuance of the Final Completion Certificate].

Any demand for payment under this guarantee must be received by us at this office on or before the aforementioned expiry date.

Yours faithfully,

For and on behalf of [Insert Name of Bank]

[Authorized Signature]

[Name and Title]

[Bank Seal/Stamp]