

ADVANCE PAYMENT BOND SAMA SAMPLE

00/00/0000

M/S. (Beneficiary Name)

Since you have awarded our clients Messrs. (.....The Applicant name.....) (the “Contractor”) a contract (“the Contract”) for (.....project description.....) and since you have agreed to reimburse to the Contractor an advance payment. (“the Advance Payment”) up to (- - %) of the value of the Contract.

We, Banque Saudi Fransi, (“the Guarantor”) hereby irrevocably and unconditionally guarantee the payment to you of SAR. -----00 (Saudi Riyals - - - - - Only) representing the amount of the Advance Payment and accordingly covenant and agree as follows:

- a) The Guarantor shall forthwith on demand made by you in writing and notwithstanding any objection by the Contractor pay you such amount of amounts as you shall require not exceeding in aggregate the above mentioned amount of SAR. -----00 (Saudi Riyals ----- Only) by transfer to an account in you name at such bank in Saudi Arabia as you shall stipulate or in such other manner as shall be acceptable to you.
- b) Any payment made hereunder shall be made free and clear of, and without deduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any nature whatsoever and by whomsoever imposed.
- c) The covenants herein contained constitute unconditional and irrevocable direct primary obligations of the Guarantor. No alteration in the terms of the Contract and no modification or extension of the Contract or in the extent or nature of the work to be performed hereunder and no indulgence, allowance of time by you or other forbearance or concession or any other act or omission by you which but for this provision might exonerate or discharge the Guarantor shall in any way release the Guarantor from any liability hereunder.
- d) This guarantee shall remain valid and in full force and effect up to the end of the --- day of the month of ---- of the year ----- provided that it is a condition of this guarantee that, in the event you give the Guarantor on or prior to the said expiry date of this guarantee (or any subsequent extension of that expiry date in accordance with this proviso) signed written notification requesting an extension, the Guarantor will:
 1. automatically extend this guarantee for such period (not exceeding 365 days) from that expiry date or extension as you may specify in that notification, or
 2. pay the amount of the guarantee.
- e) The Guarantor represents and warrants that the amount of the guarantee herein contained does not exceed 20 per cent of the total paid up Capital and Reserves of the Guarantor.
- f) This guarantee is governed by and shall be construed in accordance with the laws and regulations of the Kingdom of Saudi Arabia.