

D.G.TEE ISSUANCE (D.GTEEISS -1).....

IMPORTANT NOTICE:

This checklist is to be applied in conjunction with sanction policies, local regulations and policies and procedures ofBANK A.Ş..

Where possible, all pertinent services and performances called for in the credit should require separate certification for each one.

These certificates should be called for in the list of documents required, and the G.tee terms should be clear as to the content and issuer of the certificate(s) in line with Art.7 of URDG 758.

- Ensure that the name and address of the beneficiary are stated (Note: Contact details, such as tel/fax no.s, attention party are also important for the quick advice of the gtee),
- If issued by mail, then ensure that sanction checks have been effected,
- Ensure that the party responsible for the advising bank's i.e. applicant or the beneficiary is clearly indicated,
- Ensure that the guarantee identifies the description of the goods/services/subject matter clearly and unequivocally,
- If the guarantee includes a interest payment clause ensure that business approval is in place,
- Ensure that the guarantee does not state that we undertake to pay in spite of court order's/injunctions or the words of similar effect,
- Ensure that the c.gtee includes "irrevocably undertake pay..." and "without the need to issue a protest or to obtain a court judgment or the consent of the applicant" clauses (Note: The

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second clause requirement applies when the g.tee is subject to Turkish law and/or URDG 758"

- If advance payment guarantee/retention bond, then ensure that the guarantee states that it shall take effect when the advance payment/retention money is received by the applicant at its acc.no with us identifying the guarantee to which it relates.
- If advance payment guarantee/retention bond **and the applicant requests that the guarantee amount be reduced on completion of any party of the work by them or that it wishes to be protected against unfair demands** then ensure that a documentary reduction clause appears, such as

"The amount of this guarantee shall automatically be reduced by the amount indicated in the copy of the invoice on receipt by us of copy of the invoice and transport document from the applicant without any notice to you which we shall accept as conclusive evidence that such shipment has been effected" or the like term.

Of course, if the guarantee does not cover shipment of goods, in place of invoice or transport document another document could be required to be presented. The above suggestions could also be applicable when it is a performance guarantee.

- If it is a payment guarantee **and the applicant requests that it wishes to be protected against unfair demands** then ensure that:
 - copy of invoice and copy of transport document are required to be presented along with the demand for payment and
 - the guarantee indicates the following or words of similar effect:
"The amount of this guarantee shall automatically be reduced by the amount paid by the applicant immediately"

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at the time when such payment is made from the applicant's account with us or when the copy of payment SWIFT message is presented to us where the applicant has made payment from its account with another party both identifying this guarantee to which it relates"

(Note: The applicant should be advised at the time of issuance of the guarantee that when the payment is being effected, it must include in its instruction the date, number of the guarantee and the name of the guarantor i.e.our bank")

- If an expiry date exists ensure that it includes a nullity statement i.e. "...become null and void if your complying demand has not been received by us by that date regardless of such date being banking day or not...." or the like term,
- If the g.tee is unlimited in time, then ensure that it does not state "This guarantee is valid until released by the beneficiary" in particular if it is subject to URDG758 since according to the recent ICC opinion it shall be disregarded and URDG - 3 year rule applies. Therefore it should be documentary and read "This guarantee is valid until we receive the beneficiary's statement releasing us from liability" or the like.
- "The para starting with "For the purpose of identification, your demand....." could be waived at the spesific request of applicants in particlar if its is being issued subject to URDG 758 under the auspices of sub-article 19 (c) and art.27.

D.G.TEE AMENDMENT ISSUANCE CHECKLIST (D.GTEEISS -2).....

- Ensure that any new insertions are stated clearly and unequivocally.

- Ensure that any changes to the fields in checklist **(C.GTEEISS -1)** are stated clearly and unequivocally.
- If the amendment decreases the guarantee amount or curtails the expiry date, then do not reduce the or curtail the guarantee amount or expiry date in the system until beneficiary's acceptance,

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