

**Retention-CBD Standard Guarantee Format -Auto Renewal(Open Ended)**

Date:

To

Xxxx (Name and Address of the Beneficiary)

Dear Sirs

Retention Guarantee No..... for AED.....

Purpose .....

We understand that you have entered a contract, reference number ..... (contract) with ..... (applicant name) (Contractor) for ..... (The project) and that under the contract, the Contractor shall be required to procure a retention guarantee issued by a bank for AED.... (IAE Dirhams ..... Only) representing of the payment to the Contractor in favor of you as security for probable defects which may arise at a later stage and due performance of the obligation undertaken by the contractor in respect of the above-mentioned contract.

In consideration of your releasing the payment, we, Commercial Bank of Dubai, with its address at PO box 2668, Dubai, United Arab Emirates hereinafter referred to as "The Bank" irrevocably guarantee payment to you upon receipt of any claim from you. All claims made under this guarantee should be submitted to us as follows:

- a) In writing, along with original Guarantee and amendments, if any
- b) Stating that the Contractor failed to carry out its obligation(s) to rectify the defect(s) and to perform or fulfil any of its obligations set forth in the Contract.
- c) Signatures verified by your bankers.
- d) At our Head Office, Trade Services Centre, Al Ittihad Street, PO Box 2668 Deira, Dubai UAE on or before the expiry date
- e) Our maximum liability under this Guarantee is limited to AED. \*\*\*\*\* (Amount in Words Only).
- f) In case of part payment, the value of this guarantee shall automatically be reduced by any interim payments effected by us.

This guarantee shall become effective upon receipt of AED ..... (UAE Dirhams..... Only) (Retention Money) to IBAN number ..... of the Contractor with us. This Guarantee is valid until .....(expiry date) and shall before expiry be automatically renewed till the original Guarantee is returned to us for cancellation or upon receipt of your no objection certificate to cancel it.

The guaranteed amount will be reduced progressively upon our receipt from the applicant a copy of each payment certificate issued or certified by you evidencing the amount of recovery, the Bank shall issue written amendment of the revised guaranteed amount, the Bank will accept the copy of

such payment certificate without verifying the authenticity of any such document and will progressively decrease the guaranteed amount. This guarantee is not transferable or assignable to any third party.

This Guarantee shall be a) governed by and construed with the federal laws of the United Arab Emirates and the courts of Dubai shall have exclusive jurisdiction to settle any dispute or claim that rises out of or in connection with this guarantee. B) subject to the Uniform Rules for Demand Guarantees (URDG), ICC Publication No. 758 as applicable.

Authorized Signature(s)

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