

Bank Guarantee: Favouree Fact Sheet

A Bank Guarantee offers certainty of payment for yourself, as a Favouree.

Once a Bank Guarantee is established, you may need to contact us for one of the following:

- **Change of Details** – amend the details of the Bank Guarantee (see below – prior client consent is required)
- **Submit a Claim** – request payment where an obligation has not been fulfilled
- **Cancellation** – where the Guarantee is no longer required.

Below are the key details and steps required to amend, claim or cancel a Bank Guarantee.

Change of Details – Amend the details of the Bank Guarantee



How can I change the details of the Bank Guarantee?

Please contact your client directly to discuss and have them notify us of the change/s in detail. The Bank is unable to make any change/s unless the client contacts us directly. In addition, you must provide a completed **Bank Guarantee Amendment Form** or a Letter of Amendment if your Bank Guarantee is in an electronic format.

Note: The client does not need to contact us directly if you are exercising your expiry date extension clause or reducing your Bank Guarantee amount without the issuance of a new Bank Guarantee.



How can I extend the expiry date?

You can exercise your extension option, no earlier than 3 months and no later than one month prior to expiry, by providing the following documentation to the Bank:

- **Amendment Form**/Letter of Amendment

If your Bank Guarantee does not offer an extension, please contact your client directly to discuss establishing a new Bank Guarantee.



What's required in an Amendment Form?

The **Amendment Form**/letter should include the following mandatory details for the Bank to accept the request. If acceptable, your Bank Guarantee will be cancelled and replaced by a new Bank Guarantee.

✓ **Amendment Form/letter requirements:**

- State the company's name, address and contact details at the top/bottom of the letter. For individuals, full legal name, postal address and contact number
- Date in which letter was signed – no more than 3 months old from today's date
- Letter must be addressed to the Commonwealth Bank of Australia
- Customer name listed on the Bank Guarantee, including ABN/ACN
- Bank Guarantee number and value of the Bank Guarantee
- Favouree's name listed on the Bank Guarantee including, including ABN/ACN
- Favouree's signature, full legal name and position in company (signed by the Manager/ Director/ Partner if the Favouree is a business entity.
**Contract Officer/Procurement Officer/Treasury Officer is also accepted for Govt Agency/Local Council)
- Where the Favouree is an individual, a copy of their photo ID is required
- Requested change – The details of change/s being made
- State the old Bank Guarantee is to be cancelled (not applicable for requests to reduce the Bank Guarantee amount without the issuance of a new Bank Guarantee)





How can I make a claim on the Bank Guarantee?

You can make a claim by providing the following documentation to the Bank:

- **Bank Guarantee Claim Form** or Letter of Demand; **and**
- Original Bank Guarantee (Not applicable for Bank Guarantees issued Electronically).



What's required in the Claim Form?

The **Claim Form**/Letter of Demand should include the following mandatory details for the Bank to accept the request.

✓ **Claim Form/Letter requirements:**

- State the company's name, address and contact details. For individuals, full legal name, postal address and contact number is required
- Date in which letter was signed – no more than 3 months old from today's date
- Must be addressed to the Commonwealth Bank of Australia
- Customer's name listed on the Bank Guarantee, including ABN/ACN
- Bank Guarantee number and value of the Bank Guarantee
- Favouree's name listed on the Bank Guarantee, including ABN/ACN
- Favouree's signature, full legal name and position in company (signed by the Manager/Director/Partner if the Favouree is a business entity.
**Contract Officer/Procurement Officer/Treasury Officer is also accepted for Govt Agency/Local Council)
- Where the Favouree is an individual, a copy of their photo ID is required
- State you are demanding payment and specify the claim amount. If you are not claiming the full amount, please provide instructions for the remaining funds
 - No Further Claim – You must acknowledge the remaining funds will be returned to the client and the Bank Guarantee will be subsequently cancelled
 - Further Claim – A new Bank Guarantee will be created with the same terms but with a lesser amount. This will be exchanged for the old Bank Guarantee
- Bank account details where the payment will be credited to. Note: payment must be made in 1 transaction
CARE: For claims in excess of \$1,000,000, payment can only be made via a Bank Cheque in the Favouree's name or via an electronic transfer to a Commonwealth Bank of Australia account in the name of the Favouree.
 - Electronic Funds Transfer – Please provide:
 - I. Account Name
 - II. BSB
 - III. Account Number
 - Bank Cheque – Please provide:
 - I. Bank Cheque payable to
 - II. Commonwealth Bank of Australia Branch you'd like pick up the Bank Cheque from
 - III. Full Name and Contact Number of the authorised person picking up the Bank Cheque (If the person collecting the cheque is different to the signatory of the LOD)
- If the Original Bank Guarantee is lost/misplaced – The letter must state "the Bank Guarantee is lost/misplaced and if found, will be returned to the Bank and no further claims will be made on this Bank Guarantee as this is now considered null and void"



Note: The Bank reserves the right to confirm the authenticity of the written notification of the Favouree before making payment to the Favouree. This may include a verification call. In certain circumstances, the payment method may default to a Bank Cheque in the Favouree's name.





How do I cancel my Bank Guarantee?

One of the following needs to occur:

- You, or the client, return the original Bank Guarantee to the Bank (Not applicable for Bank Guarantees issued Electronically); **and/or***
- You provide a **Bank Guarantee Cancellation Form** or Letter of Cancellation
- The expiry date is reached – no further action is required by you or the client; or
- You are paid a claimed amount being the whole of the amount guaranteed or such lesser sum as required.

*Please refer to the clause on your Bank Guarantee to determine if both documents are required.



What's required in the Cancellation Form?

The **Cancellation Form**/letter should include the following mandatory details for the Bank to accept the request.

✓ **Cancellation Form/letter requirements:**

- State the company's name, address and contact details. For individuals, full legal name, postal address and contact number
- Date in which letter was signed – no more than 3 months old from today's date
- Must be addressed to the Commonwealth Bank of Australia
- Customer's name listed on the Bank Guarantee, including ABN/ACN
- Bank Guarantee number and value of the Bank Guarantee
- Favouree's name listed on the Bank Guarantee, including ABN/ACN
- Favouree's signature, full legal name and position in company (signed by the Manager/Director/Partner if the Favouree is a business entity.
**Contract Officer/Procurement Officer/Treasury Officer is also accepted for Govt Agency/Local Council)
- Where the Favouree is an individual, a copy of their photo ID is required
- State the Bank Guarantee is to be cancelled
- If the Original Bank Guarantee is lost/misplaced – The letter must state the "Bank Guarantee is lost/misplaced and if found, will be returned to the Bank and no further claims will be made on this Bank Guarantee as this is now considered null and void"



For you to know



Accepting a physical Bank Guarantee

You must ensure you are receiving the original Bank Guarantee issued by the Bank when accepting a physical Bank Guarantee from your client. If you don't receive the original, you might not be able to claim the Bank Guarantee or your client may be able to cancel the Bank Guarantee without your consent. You can also check your Bank Guarantee status e.g. if active or cancelled via the following options:

- Contacting our Business Banking Team on **13 19 98**; or
- Contacting your Relationship Manager



Bank Guarantee Amendment, Cancellation or Claim Form

To help initiate your amendment, cancellation or claim request, please visit the [CommBank Website](#) and complete our Bank Guarantee [Amendment](#), [Cancellation](#) or [Claim Form](#). You can also contact us directly and we'll email you a copy.



Where do I return my documents?

You can return your written notification (Form/Letter) and/or Bank Guarantee via the following options:

- Visiting your nearest Commonwealth Bank Branch
- Contacting our Business Banking Team on **13 19 98** or your customer's Relationship Manager

Note: The original Bank Guarantee must be returned in person. If your request requires both a written notification (letter/form) and original Bank Guarantee, please return the documents to your nearest Commonwealth Bank Branch.



Who is DocuSign?

If you have elected to receive an electronic Bank Guarantee, you will receive an email from DocuSign – our third party vendor and leading providers of electronic document delivery.



Power Of Attorney (POA)

If the Letter/form is executed under the Power Of Attorney (POA), the POA must be noted on the letter/form together with the details of the POA e.g. POA Document Number, Book Number and Date.

Please ensure a copy of the POA document is provided.



Multiple Favourees

If there are multiple Favourees on the Bank Guarantee, all parties must sign the letter/form or provide a separate letter/form with the listed above criteria.

- If a company: All directors must sign
- If an individual: All listed individuals must sign.



We're here to help!

Please contact our Business Banking Team on **13 19 98** for more information.



Things you should know

*This information is current as at 19 April 2021 and is for general information purposes only. It has been prepared without taking into account your objectives, financial or taxation situation or needs. You should consider the appropriateness of this information to your circumstances before acting on it and if necessary seek appropriate financial advice.

Credit provided by the Commonwealth Bank of Australia. These products are only available to approved business customers and for business purposes only. This offer cannot be used to refinance existing debt or purchase an asset. Applications for finance are subject to the Bank's eligibility and suitability criteria and normal credit approval processes. View our current [Terms and Conditions for Business Finance](#), [Financial Services Guide](#) and [Business Transaction Account Terms and Conditions](#) and consider them before making any decision about these products. For current interest rates, visit [Business banking rates and fees](#). Rates are subject to change. Fees, charges and Terms & Conditions apply. Terms and conditions issued by Commonwealth Bank of Australia ABN 48 123 123 124 for [CommBiz](#) and [NetBank](#) are available online, or can be requested at any of our branches or by phoning us on 13 1998. Terms and conditions should be considered before making any decision about these products.