

ICC Uniform Rules for Demand Guarantees (URDG 758)

Article 1

Application Of URDG

a) The Uniform Rules for Demand Guarantees ("URDG") apply to any demand guarantee or counter-guarantee that expressly indicates it is subject to them. They are binding on all parties to the demand guarantee or counter-guarantee except so far as the demand guarantee or counter-guarantee modifies or excludes them.

b) Where, at the request of the counter-guarantor, a demand guarantee is issued subject to the URDG, the counter-guarantee shall also be subject to the URDG, unless the counter-guarantee excludes the URDG. However, a demand guarantee does not become subject to the URDG merely because the counter-guarantee is subject to the URDG.

c) Where, at the request or with the agreement of the instructing party, a demand guarantee or counter-guarantee is issued subject to the URDG, the instructing party is deemed to have accepted the rights and obligations expressly ascribed to it in these rules.

d) Where a demand guarantee or counter-guarantee is issued on or after 1 July 2010 states that it is subject to the URDG without stating whether the 1992 version or the 2010 revision is to apply or indicating the publication number, the demand guarantee or counter-guarantee shall be subject to the URDG 2010 revision.

Article 2

Definitions

In these rules:

Advising party means the party that advises the guarantee at the request of the guarantor;

Applicant means the party indicated in the guarantee as having its obligation under the underlying relationship supported by the guarantee. The applicant may or may not be the instructing party;

Application means the request for the issue of the guarantee;

Authenticated, when applied to an electronic document, means that the party to whom that document is presented is able to verify the apparent identity of the sender and whether the data received have remained complete and unaltered;

Beneficiary means the party in whose favour a guarantee is issued;

Business day means a day on which the place of business where an act of a kind subject to these rules is to be performed is regularly open for the performance of such an act;

Charges mean any commissions, fees, costs or expenses due to any party acting under a guarantee governed by these rules;

Complying demand means a demand that meets the requirements of a complying presentation;

Complying presentation under a guarantee means a presentation that is in accordance with, first, the terms and conditions of that guarantee, second, these rules so far as consistent with those terms and conditions and, third, in the absence of a relevant provision in the guarantee or these rules, international standard demand guarantee practice;

2

Counter-guarantee means any signed undertaking, however named or described, that is given by the counter-guarantor to another party to procure the issue by that other party of a guarantee or another counter-guarantee, and that provides for payment upon the presentation of a complying demand under the counter-guarantee issued in favour of that party;

Counter-guarantor means the party issuing a counter-guarantee, whether in favour of a guarantor or another counter-guarantor, and includes a party acting for its own account;

Demand means a signed document by the beneficiary demanding payment under a guarantee;

Demand guarantee or **guarantee** means any signed undertaking, however named or described, providing for payment on presentation of a complying demand;

Document means a signed or unsigned record of information, in paper or in electronic form, that is capable of being reproduced in tangible form by the person to whom it is presented. In these rules, a document includes a demand and a supporting statement;

Expiry means the expiry date or the expiry event or, if both are specified, the earlier of the two;

Expiry date means the date specified in the guarantee on or before which a presentation may be made;

Expiry event means an event which under the terms of the guarantee results in its expiry, whether immediately or within a specified time after the event occurs, for which purpose the event is deemed to occur only:

- a) when a document specified in the guarantee as indicating the occurrence of the event is presented to the guarantor, or
- b) if no such document is specified in the guarantee, when the occurrence of the event becomes determinable from the guarantor's own records.

Guarantee, see **demand guarantee**;

Guarantor means the party issuing a guarantee, and includes a party acting for its own account;

Guarantor's own records means records of the guarantor showing amounts credited to or debited from accounts held with the guarantor, provided the record of those credits or debits enables the guarantor to identify⁷ the guarantee to which they relate;

Instructing party means the party, other than the counter-guarantor, who gives instructions to issue a guarantee or counter-guarantee and is responsible for indemnifying the guarantor or, in the case of a counter-guarantee, the counter-guarantor. The instructing party may or may not be the applicant;

Presentation means the delivery of a document under a guarantee to the guarantor or the document so delivered. It includes a presentation other than for a demand, for example, a presentation for the purpose of triggering the expiry of the guarantee or a variation of its amount;

Presenter means a person who makes a presentation as or on behalf of the beneficiary or the applicant, as the case may be;

Signed, when applied to a document, a guarantee or a counter-guarantee, means that an original of the same is signed by or on behalf of its issuer, whether by an electronic signature that can be authenticated by the party to whom that document, guarantee or counter-guarantee is presented or by handwriting, facsimile signature, perforated signature, stamp, symbol or other mechanical method;

Supporting statement means the statement referred to in either article 15 (a) or article 15 (b);

Underlying relationship means the contract, tender conditions or other relationship between the applicant and the beneficiary on which the guarantee is based.

Article 3 **Interpretation**

In these rules:

- a) Branches of a guarantor in different countries are considered to be separate entities.

- b) Except where the context otherwise requires, a guarantee includes a counter-guarantee and any amendment to either, a guarantor includes a counter-guarantor, and a beneficiary includes the party in whose favour a counter-guarantee is issued. c) Any requirement for presentation of one or more originals or copies of an electronic document is satisfied by the presentation of one electronic document.

- d) When used with a date or dates to determine the start, end or duration of any period, the terms:
 - i. "from", "to", "until", "till" and "between", include;
and
 - ii "before" and "after"
exclude, the date or dates mentioned.

- e) The term "within", when used in connection with a period after a given date or event, excludes that date or the date of that event but includes the last date of that period.

- f) Terms such as "first class", "well-known", "qualified", "independent", "official", "competent" or "local" when used to describe the issuer of a document allow any issuer except the beneficiary or the applicant to issue that document.

4

Article 4 **Issue and effectiveness**

- a) A guarantee is issued when it leaves the control of the guarantor.
- b) A guarantee is irrevocable on issue even if it does not state this.
- c) The beneficiary may present a demand from the time of issue of the guarantee or such later time or event as the guarantee provides.

Article 5 **independence of guarantee and counter-guarantee**

- a) A guarantee is by its nature independent of the underlying relationship and the application, and the guarantor is in no way concerned with or bound by such relationship. A reference in the guarantee to the underlying relationship for the purpose of identifying it does not change the independent nature of the guarantee. The undertaking of a guarantor to pay under the

guarantee is not subject to claims or defences arising from any relationship other than a relationship between the guarantor and the beneficiary.

b) A counter-guarantee is by its nature independent of the guarantee, the underlying relationship, the application and any other counter-guarantee to which it relates, and the counter-guarantor is in no way concerned with or bound by such relationship. A reference in the counter-guarantee to the underlying relationship for the purpose of identifying it does not change the independent nature of the counter-guarantee. The undertaking of a counter-guarantor to pay under the counter-guarantee is not subject to claims or defences arising from any relationship other than a relationship between the counter-guarantor and the guarantor or other counter-guarantor to whom the counter-guarantee is issued.

Article 6

Documents v. goods, services or performance

Guarantors deal with documents and not with goods, services or performance to which the documents may relate.

Article 7

Non-documentary conditions

A guarantee should not contain a condition other than a date or the lapse of a period without specifying a document to indicate compliance with that condition. If the guarantee does not specify any such document and the fulfillment of the condition cannot be determined from the guarantor's own records or from an index specified in the guarantee, then the guarantor will deem such condition as not stated and will disregard it except for the purpose of determining whether data that may appear in a document specified in and presented under the guarantee do not conflict with data in the guarantee.

Article 8

Content of instructions and guarantees

All instructions for the issue of guarantees and guarantees themselves should be clear and precise and should avoid excessive detail.

It is recommended that all guarantees specify:

- a. The applicant;
- b. The beneficiary;
- c. The guarantor;
- d. A reference number or other information identifying the underlying relationship;
- e. A reference number or other information identifying the issued guarantee or, in the case of a counter-guarantee, the issued counter-guarantee;

- f. The amount or maximum amount payable and the currency in which it is payable;
- g. The expiry of the guarantee;
- h. Any terms for demanding payment;
- i. Whether a demand or other document shall be presented in paper and/or electronic form;
- j. The language of any document specified in the guarantee; and
- k. The party liable for the payment of any charges.

Article 9

Application not taken up

Where, at the time of receipt of the application, the guarantor is not prepared or is unable to issue the guarantee, the guarantor should without delay so inform the party that gave the guarantor its instructions.

Article 10

Advising of guarantee or amendment

a. A guarantee may be advised to a beneficiary through an advising party. By advising a guarantee, whether directly or by utilizing the services of another party ("second advising party"), the advising party signifies to the beneficiary and, if applicable, to the second advising party, that it has satisfied itself as to the apparent authenticity of the guarantee and that the advice accurately reflects the terms and conditions of the guarantee as received by the advising party.

b. By advising a guarantee, the second advising party signifies to the beneficiary that it has satisfied itself as to the apparent authenticity of the advice it has received and that the advice accurately reflects the terms and conditions of the guarantee as received by the second advising party.

c. An advising party or a second advising party advises a guarantee without any additional representation or any undertaking whatsoever to the beneficiary.

d. If a party is requested to advise a guarantee or an amendment but is not prepared or is unable to do so, it should without delay so inform the party from whom it received that guarantee, amendment or advice.

e. If a party is requested to advise a guarantee, and agrees to do so, but cannot satisfy itself as to the apparent authenticity of that guarantee or advice, it shall without delay so inform the party from which the instructions appear to have been received. If the advising party or second advising party elects nonetheless to advise that guarantee, it shall inform the beneficiary or second advising party that it has not been able to satisfy itself as to the apparent authenticity of the guarantee or advice.

f. A guarantor using the services of an advising party or a second advising party, as well as an advising party using the services of a second advising party, to advise a guarantee should whenever possible use the same party to advise any amendment to that guarantee.

Article 11
Amendments

a. Where, at the time of receipt of instructions for the issue of an amendment to the guarantee, the guarantor for whatever reason is not prepared or is unable to issue that amendment, the guarantor shall without delay so inform the party that gave the guarantor its instructions.

b. An amendment made without the beneficiary's agreement is not binding on the beneficiary. Nevertheless the guarantor is irrevocably bound by an amendment from the time it issues the amendment, unless and until the beneficiary rejects that amendment.

c. Except where made in accordance with the terms of the guarantee, the beneficiary may reject an amendment of the guarantee at any time until it notifies its acceptance of the amendment or makes a presentation that complies only with the guarantee as amended.

d. An advising party shall without delay inform the party from which it has received the amendment of the beneficiary's notification of acceptance or rejection of that amendment.

e. Partial acceptance of an amendment is not allowed and will be deemed to be notification of rejection of the amendment.

f. A provision in an amendment to the effect that the amendment shall take effect unless rejected within a certain time shall be disregarded

Article 12
Extent of guarantor's liability under guarantee

A guarantor is liable to the beneficiary only in accordance with, first, the terms and conditions of the guarantee and, second, these rules so far as consistent with those terms and conditions, up to the guarantee amount.

Article 13
Variation of amount of guarantee

A guarantee may provide for the reduction or the increase of its amount on specified dates or on the occurrence of a specified event which under the terms of the guarantee results in the variation of its amount, and for this purpose the event is deemed to have occurred only:

- a. when a document specified in the guarantee as indicating the occurrence of the event is presented to the guarantor, or
- b. if no such document is specified in the guarantee, when the occurrence of the event becoming determinable from the guarantor's own records or from an index specified in the guarantee.

Article 14
Presentation

- a. A presentation shall be made to the guarantor:
 - i. at the place of issue, or such other place as is specified in the guarantee, and
 - ii. on or before expiry.
- b. A presentation has to be complete unless it indicates that it is to be completed later. In that case, it shall be completed on or before expiry.
- c. Where the guarantee indicates that a presentation is to be made in electronic form, the guarantee should specify the format, the system for the data delivery and the electronic address for that presentation. If the guarantee does not so specify, a document may be presented in any electronic format that allows it to be authenticated or in paper form. An electronic document that cannot be authenticated is deemed not to have been presented.
- d. Where the guarantee indicates that a presentation is to be made in paper form through a particular mode of delivery but does not expressly exclude the use of another mode, the use of another mode by the presenter shall be effective if the presentation is received at the place and by the time indicated in paragraph (a) of this article.
- e. Where the guarantee does not indicate whether a presentation is to be made in electronic or paper form, any presentation shall be made in paper form.
- f. Each presentation shall identify the guarantee under which it is made, such as by stating the guarantor's reference number for the guarantee. If it does not, the time for examination indicated in article 20 shall start on the date of identification. Nothing in this paragraph shall result in an extension of the guarantee or limit the requirement in article 15 (a) or (b) for any separately presented documents also to identify the demand to which they relate.

g. Except where the guarantee otherwise provides, documents issued by or on behalf of the applicant or the beneficiary, including any demand or supporting statement, shall be in the language of the guarantee. Documents issued by any other person may be in any language.

Article 15

Requirements for demand

a. A demand under the guarantee shall be supported by such other documents as the guarantee specifies, and in any event by a statement by the beneficiary, indicating in what respect the applicant is in breach of its obligations under the underlying relationship. This statement may be in the demand or in a separate signed document accompanying or identifying the demand.

b. A demand under the counter-guarantee shall in any event be supported by a statement, by the party to whom the counter-guarantee was issued, indicating that such party has received a complying demand under the guarantee or counter-guarantee issued by that party. This statement may be in the demand or in a separate signed document accompanying or identifying the demand.

c. The requirement for a supporting statement in paragraph (a) or (b) of this article applies except to the extent the guarantee or counter-guarantee expressly excludes this requirement. Exclusion terms such as "The supporting statement under article 15 [(a)] [(b)] is excluded" satisfy the requirement of this paragraph

d. Neither the demand nor the supporting statement may be dated before the date when the beneficiary is entitled to present a demand. Any other document may be dated before that date. Neither the demand, nor the supporting statement, nor any other document may be dated later than the date of its presentation.

Article 16

Information about demand

The guarantor shall without delay inform the instructing party or, where applicable, the counter-guarantor of any demand under the guarantee and of any request, as an alternative, to extend the expiry of the guarantee. The counter-guarantor shall without delay inform the instructing party of any demand under the counter-guarantee and of any request, as an alternative, to extend the expiry of the counter-guarantee.

Article 17

Partial demand and multiple demands; amount of demands

a. A demand may be made for less than the full amount available ("partial demand").

b. More than one demand ("multiple demands") may be made.

c. The expression "multiple demands prohibited" or a similar expression means that only one demand covering all or part of the amount available may be made.

d. Where the guarantee provides that only one demand may be made, and that demand is rejected, another demand can be made on or before expiry of the guarantee.

e. A demand is a non-complying demand if:

i. it is for more than the amount available under the guarantee, or

ii. any supporting statement or other documents required by the guarantee indicate amounts that in total are less than the amount demanded. Conversely, any supporting statement or other document indicating an amount that is more than the amount demanded does not make the demand a non-complying demand.

Article 18

Separateness of each demand

a. Making a demand that is not a complying demand or withdrawing a demand does not waive or otherwise prejudice the right to make another timely demand, whether or not the guarantee prohibits partial or multiple demands.

b. Payment of a demand that is not a complying demand does not waive the requirement for other demands to be complying demands.

Article 19

Examination

a. The guarantor shall determine, on the basis of a presentation alone, whether it appears on its face to be a complying presentation.

b. Data in a document required by the guarantee shall be examined in context with that document, the guarantee and these rules. Data need not be identical to, but shall not conflict with, data in that document, any other required document or the guarantee.

c. If the guarantee requires presentation of a document without stipulating whether it needs to be signed, by whom it is to be issued or signed, or its data content, then:

i. the guarantor will accept the document as presented if its content appears to fulfill the function of the document required by the guarantee and otherwise complies with article 19 (b), and

ii. if the document is signed, any signature will be accepted and no indication of name or position of the signatory is necessary.

d. If a document that is not required by the guarantee or referred to in these rules is presented, it will be disregarded and may be returned to the presenter.

e. The guarantor need not re-calculate a beneficiary's calculations under a formula stated or referenced in a guarantee.

f. The guarantor shall consider a requirement for a document to be legalized, visaed, certified or similar as satisfied by any signature, mark, stamp or label on the document which appears to satisfy that requirement.

Article 20

Time for examination of demand; payment

a. If a presentation of a demand does not indicate that it is to be completed later, the guarantor shall, within five business days following the day of presentation, examine that demand and determine if it is a complying demand. This period is not shortened or otherwise affected by the expiry of the guarantee on or after the date of presentation. However, if the presentation indicates that it is to be completed later, it need not be examined until it is completed.

b. When the guarantor determines that a demand is complying, it shall pay.

c. Payment is to be made at the branch or office of the guarantor or counter-guarantor that issued the guarantee or counter-guarantee or such other place as may be indicated in the guarantee or counter-guarantee ("place for payment").

Article 21

Currency of payment

a. The guarantor shall pay a complying demand in the currency specified in the guarantee.

b. If, on any date on which a payment is to be made under the guarantee:

i. the guarantor is unable to make payment in the currency specified in the guarantee due to an impediment beyond its control; or

ii. it is illegal under the law of the place for payment to make payment in the specified currency,

The guarantor shall make payment in the currency of the place for payment even if the guarantee indicates that payment can only be made in the currency specified in the guarantee. The instructing party or, in the case of a counter-guarantee, the counter-guarantor, shall be bound by a payment made in such currency. The guarantor or counter-guarantor, may elect to

be reimbursed either in the currency in which payment was made or in the currency specified in the guarantee or, as the case may be, the counter-guarantee.

c. Payment or reimbursement in the currency of the place for payment under paragraph (b) is to be made according to the applicable rate of exchange prevailing there when payment or reimbursement is due. However, if the guarantor has not paid at the time when payment is due, the beneficiary may require payment according to the applicable rate of exchange prevailing either when payment was due or at the time of actual payment.

Article 22

Transmission of copies of complying demand

The guarantor shall without delay transmit a copy of the complying demand and of any related documents to the instructing party or, where applicable, to the counter-guarantor for transmission to the instructing party. However, neither the counter-guarantor nor the instructing party, as the case may be, may withhold payment or reimbursement pending such transmission.

Article 23

Extend or pay

a. Where a complying demand includes, as an alternative, a request to extend the expiry, the guarantor may suspend payment for a period not exceeding 30 calendar days following its receipt of the demand.

b. Where, following such suspension, the guarantor makes a complying demand under the counter-guarantee that includes, as an alternative, a request to extend the expiry, the counter-guarantor may suspend payment for a period not exceeding four calendar days less than the period during which payment of the demand under the guarantee was suspended.

c. The guarantor shall without delay inform the instructing party or, in the case of a counterguarantee, the counter-guarantor, of the period of suspension of payment under the guarantee. The counter-guarantor shall then inform the instructing party of such suspension and of any suspension of payment under the counter-guarantee. Complying with this article satisfies the information duty under article 16.d.

d. The demand for payment is deemed to be withdrawn if the period of extension requested in the demand or otherwise agreed by the party making that demand is granted within the time provided under paragraph (a) or (b) of this article. If no such period of extension is granted, the complying demand shall be paid without the need to present any further demand.

e. The guarantor or counter-guarantor may refuse to grant any extension even if instructed to do so and shall then pay.

f. The guarantor or counter-guarantor shall without delay inform the party from whom it has received its instructions of its decision to extend under paragraph (d) or to pay.

g. The guarantor and the counter-guarantor assume no liability for any payment suspended in accordance with this article.

Article 24

Non-complying demand, waiver and notice

a. When the guarantor determines that a demand under the guarantee is not a complying demand, it may reject that demand or, in its sole judgement, approach the instructing party, or in the case of a counter-guarantee, the counter-guarantor, for a waiver of the discrepancies.

b. When the counter-guarantor determines that a demand under the counter-guarantee is not a complying demand, it may reject that demand or, in its sole judgement, approach the instructing party for a waiver of the discrepancies.

c. Nothing in paragraphs (a) or (b) of this article shall extend the period mentioned in article 20 or dispense with the requirements of article 16. Obtaining the waiver of the counter-guarantor or of the instructing party does not oblige the guarantor or the counter-guarantor to waive any discrepancy.

d. When the guarantor rejects a demand, it shall give a single notice to that effect to the presenter of the demand. The notice shall state:

- i. that the guarantor is rejecting the demand, and
- ii. each discrepancy for which the guarantor rejects the demand.

e. The notice required by paragraph (d) of this article shall be sent without delay but not later than the close of the fifth business day following the day of presentation.

f. A guarantor failing to act in accordance with paragraphs (d) or (e) of this article shall be precluded from claiming that the demand and any related documents do not constitute a complying demand.

The guarantor may at any time, after providing the notice required in paragraph (d) of this article, return any documents presented in paper form to the presenter and dispose of the electronic records in any manner that it considers appropriate without incurring any responsibility.

h. For the purpose of paragraphs (d), (f) and (g) of this article, guarantor includes counter guarantor.

Article 25

Reduction and termination

a. The amount payable under the guarantee shall be reduced by any amount:

- i. paid under the guarantee,
- ii. resulting from the application of article 13, or
- iii. indicated in the beneficiary's signed partial release from liability under the guarantee.

b. Whether or not the guarantee document is returned to the guarantor, the guarantee shall terminate:

- i. on expiry,
- ii. when no amount remains payable under it, or
- iii. on presentation to the guarantor of the beneficiary's signed release from liability under the guarantee.

c. If the guarantee or the counter-guarantee states neither an expiry date nor expiry event, the guarantee shall terminate after the lapse of three years from the date of issue and the counter-guarantee shall terminate 30 calendar days after the guarantee terminates.

d. If the expiry date of a guarantee falls on a day that is not a business day at the place for presentation of the demand, the expiry date is extended to the first following business day at that place.

e. Where, to the knowledge of the guarantor, the guarantee terminates as a result of any of the reasons indicated in paragraph (b) above, but other than because of the advent of the expiry date, the guarantor shall without delay so inform the instructing party or, where applicable, the counter-guarantor and, in that case, the counter-guarantor shall so inform the instructing party.

Article 26

Force majeure

a. In this article, "force majeure" means acts of God, riots, civil commotions, insurrections, wars, acts of terrorism or any causes beyond the control of the guarantor or counter-guarantor that interrupt its business as it relates to acts of a kind subject to these rules.

b. Should the guarantee expire at a time when presentation or payment under that guarantee is prevented by force majeure: i. each of the guarantee and any counter-guarantee shall be

extended for a period of 30 calendar days from the date on which it would otherwise have expired, and the guarantor shall as soon as practicable inform the instructing party or, in the case of a counter-guarantee, the counter-guarantor of the force majeure and the extension, and the counter-guarantor shall so inform the instructing party;

ii. the running of the time for examination under article 20 of a presentation made but not yet examined before the force majeure shall be suspended until the resumption of the guarantor's business; and

iii. a complying demand under the guarantee presented before the force majeure but not paid because of the force majeure shall be paid when the force majeure ceases even if that guarantee has expired, and in this situation the guarantor shall be entitled to present a demand under the counter-guarantee within 30 calendar days after cessation of the force majeure even if the counter-guarantee has expired.

c. Should the counter-guarantee expire at a time when presentation or payment under that counter-guarantee is prevented by force majeure:

i. the counter-guarantee shall be extended for a period of 30 calendar days from the date on which the counter-guarantor informs the guarantor of the cessation of the force majeure. The counter-guarantor shall then inform the instructing party of the force majeure and the extension;

ii. the running of the time for examination under article 20 of a presentation made but not yet examined before the force majeure shall be suspended until the resumption of the counter-guarantor's business; and

iii. a complying demand under the counter-guarantee presented before the force majeure but not paid because of the force majeure shall be paid when the force majeure ceases even if the counter-guarantee has expired.

d. The instructing party shall be bound by any extension, suspension or payment under this article.

e. The guarantor and the counter-guarantor assume no further liability for the consequences of the force majeure.

Article 27

Disclaimer on effectiveness of documents

The guarantor assumes no liability or responsibility for:

a. The form, sufficiency, accuracy, genuineness, falsification, or legal effect of any signature or document presented to it;

- b. The general or particular statements made in, or superimposed on, any document presented to it;
- c. The description, quantity, weight, quality, condition, packing, delivery, value or existence of the goods, services or other performance or data represented by or referred to in any document presented to it; or
- d. The good faith, acts, omissions, solvency, performance or standing of any person issuing or referred to in any other capacity in any document presented to it.

Article 28

Disclaimer on transmission and translation

- a. The guarantor assumes no liability or responsibility for the consequences of delay, loss in transit, mutilation or other errors arising in the transmission of any document, if that document is transmitted or sent according to the requirements stated in the guarantee, or when the guarantor may have taken the initiative in the choice of the delivery service in the absence of instructions to that effect.
- b. The guarantor assumes no liability or responsibility for errors in translation or interpretation of technical terms and may transmit all or any part of the guarantee text without translating it.

16

Article 29

Disclaimer for acts of another party

A guarantor using the services of another party for the purpose of giving effect to the instructions of an instructing party or counter-guarantor does so for the account and at the risk of that instructing party or counter-guarantor.

Article 30

Limits on exemption from liability

Articles 27 to 29 shall not exempt a guarantor from liability or responsibility for its failure to act in good faith.

Article 31

Indemnity for foreign laws and usages

The instructing party or, in the case of a counter-guarantee, the counter-guarantor, shall indemnify the guarantor against all obligations and responsibilities imposed by foreign laws and usages, including where those foreign laws and usages impose terms into the guarantee or the

counter-guarantee that override its specified terms. The instructing party shall indemnify the counter-guarantor that has indemnified the guarantor under this article.

Article 32

Liability for charges

- a. A party instructing another party to perform services under these rules is liable to pay that party's charges for carrying out its instructions.
- b. If a guarantee states that charges are for the account of the beneficiary and those charges cannot be collected, the instructing party is liable to pay those charges. If a counter-guarantee states that charges relating to the guarantee are for the account of the beneficiary and those charges cannot be collected, the counter-guarantor remains liable to the guarantor, and the instructing party to the counter-guarantor, to pay those charges.
- c. Neither the guarantor nor any advising party should stipulate that the guarantee; or any advice or amendment of it, is conditional upon the receipt by the guarantor or any advising party of its charges.

Article 33

Transfer of guarantee and assignment of proceeds

- a. A guarantee is transferable only if it specifically states it is "transferable", in which case it may be transferred more than once for the full amount available at the time of transfer. A counter-guarantee is not transferable.
- b. Even if the guarantee specifically states that it is transferable, the guarantor is not obliged to give effect to a request to transfer that guarantee after its issue except to the extent and in the manner expressly consented to by the guarantor.
- c. A transferable guarantee means a guarantee that may be made available by the guarantor to a new beneficiary ("transferee") at the request of the existing beneficiary ("transferor").
- d. The following provisions apply to the transfer of a guarantee:
 - i. a transferred guarantee shall include all amendments to which the transferor and guarantor have agreed as of the date of transfer; and
 - ii. a guarantee can only be transferred where, in addition to the conditions stated in paragraphs (a), (b) and (d)(i) of this article, the transferor has provided a signed statement to the guarantor that the transferee has acquired the transferor's rights and obligations in the underlying relationship.

e. Unless otherwise agreed at the time of transfer, the transferor shall pay all charges incurred for the transfer.

f. Under a transferred guarantee, a demand and any supporting statement shall be signed by the transferee. Unless the guarantee provides otherwise, the name and the signature of the transferee may be used in place of the name and the signature of the transferor in any other document.

g. Whether or not the guarantee states that it is transferable, and subject to the provisions of the applicable law:

i. the beneficiary may assign any proceeds to which it may be or may become entitled under the guarantee; ii. however, the guarantor shall not be obliged to pay an assignee of these proceeds unless the guarantor has agreed to do so.

Article 34

Governing law

a. Unless otherwise provided in the guarantee, its governing law shall be that of the location of the guarantor's branch or office that issued the guarantee.

b. Unless otherwise provided in the counter-guarantee, its governing law shall be that of the location of the counter-guarantor's branch or office that issued the counter-guarantee.

Article 35

Jurisdiction

a. Unless otherwise provided in the guarantee, any dispute between the guarantor and the beneficiary relating to the guarantee shall be settled exclusively by the competent court of the country of the location of the guarantor's branch or office that issued the guarantee.

b. Unless otherwise provided in the counter-guarantee, any dispute between the counter-guarantor and the guarantor relating to the counter-guarantee shall be settled exclusively by the competent court of the country of the location of the counter-guarantor's branch or office that issued the counter-guarantee.