

# Bank Guarantee - Business

## Customer Fact Sheet



Bankwest, a division of Commonwealth Bank of Australia  
ABN 48 123 123 124 AFSL/Australian credit licence 234945

**!** **NOTE:** Bankwest has recently announced it will cease offering business products and services. In deciding whether to acquire this product, you should consider that in the future, Bankwest will offer, and look to transition customers of this product to CBA's products and services.

### Bank Guarantee - Business

#### 1 About the Bank Guarantee

A Bank Guarantee is an undertaking given in writing by the Bank to a third party, where the Bank agrees to pay a specified amount to that third party (the beneficiary) on demand.

The Bank Guarantee is provided by the Bank at the request of the customer who in turn indemnifies the Bank should the beneficiary demand payment under the Bank Guarantee.

The Bank does not have any involvement with the underlying contractual arrangement between the beneficiary and the customer.

Some common examples where a Bank Guarantee is used are:

- in building contracts where the guarantee is given in lieu of retention moneys (also known as performance bond)
- to secure progress payments for construction or large scale plant and equipment
- to secure payment of future accounts to a third party (eg. to Western Power, Water Authority etc)
- to secure a tenant's obligations to a landlord under a lease agreement

##### 1.1 Benefits of a Bank Guarantee

The Bank Guarantee is a flexible product which offers you a number of benefits:

- Competitively priced to assist growth in your business
- Provides an assurance that payment will be honoured on demand
- Allows you to use your capital for other purposes

#### 2 Facility Restrictions

- No minimum amount
- No maximum amount
- The Bank Guarantee is not transferable
- Cancellation of the Facility requires return of the Bank Guarantee to the Bank

#### 3 Features

If demand is made on the Bank under the Bank Guarantee by the beneficiary, you will be required to pay the Bank the amount demanded. The Bank may:

- require you to pay the amount immediately or within a time period acceptable to the Bank;
- require you to establish a loan facility with the Bank and make payments to repay the amount (which will be subject to the Bank's usual lending criteria and its approval);
- act on any security provided by you or on your behalf to satisfy the demand (e.g. call on a term deposit to repay the amount);
- take any other action it considers reasonable to recover the amount owing.

#### 4 Fees and Charges

##### 4.1 Establishment Fee

Notified on application

##### 4.2 Search Fees

Before providing a Bank Guarantee Facility in a business or company name, the Bank will require satisfactory evidence of the registration of the business or company name. If you are able to provide us with the appropriate documentation we will not charge you any Search Fees. However, if we need to conduct either a Business Name Registration or Company Search then you will be charged. These Search Fees are listed in our "Your Guide to Banking Fees" brochure.

##### 4.3 Government Charges

Government charges that may be applicable to this product will be outlined in the Business Offer Letter provided to you.

##### 4.4 Other Fees

Additional fees which may be incurred will be outlined in the Offer Letter provided to you during the application process. We can also discuss those fees with you at the time of loan application.

Other fees which the Bank charges for its services not specific to this loan but for which you may be charged are listed in our "Your Guide to Banking Fees" brochure.

##### 4.5 Issuance Fee

An Issuance fee will apply and will be set out in the Business Offer Letter. The Issuance Fee is subject to a minimum fee of \$50.00 per guarantee, per six months. On select products the fee is payable monthly, quarterly, semi annually or annually in advance with the first payment due on the date of issue of the bank guarantee.

#### 5 Variation in Product Details

The above benefits, features, rates, fees, charges and restrictions are subject to change from time to time.

If you have any questions about these benefits, features, rates, fees, charges or restrictions, or would like further details about any of our accounts and services, please contact your Business Relationship Manager or Bankwest Business Support Team on 13 7000, or visit [www.bankwest.com.au](http://www.bankwest.com.au).

#### 6 General

This product information sheet does not constitute an offer for the loan facility. Lending criteria apply. Terms and conditions are available on request. Bankwest is a division of Commonwealth Bank of Australia ABN 48 123 123 124 AFSL/Australian credit licence 234945.