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**BANK GUARANTEES/STANDBY LETTERS OF CREDIT**

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# BANK GUARANTEES AND STANDBY LETTERS OF CREDIT (SBLC)

Bank Guarantees/Standby Letters of Credit (SBLC) are used to secure payment of a stated sum of money to a named party (the beneficiary) in the event of non-performance or default by a party in the relationship.

Payment will be made by ANZ on presentation of a compliant written demand for payment by the beneficiary. Bank Guarantees can be used as a substitute for cash deposits with counterparties, freeing up working capital and potentially securing better contract terms. There is no difference between a Guarantee and an SBLC in regards to their intended purpose however they may be governed by different rules and local laws.

## TYPES OF GUARANTEES/SBLC

There are two distinct types of Guarantees/SBLC:

### Performance

Underpin performance based, non-monetary obligations and payment under the Standby which are triggered in the event of non-performance of a future event. Examples of performance Guarantees include: Bid/ Tender Bond, Performance Bond, Advance Payment, Warranty or Maintenance Bond, Workcover Bond (Australia only), customs, and Insurance.

### Financial

Have two types of functions

- 1) Support facilities that are provided or
- 2) Used when protection is required from when a party (applicant) defaults on their financial commitments or obligations under a contract or agreement. Examples of Financial Guarantees include: Collateral Guarantee/SBLC, Financial Guarantee/SBLC, Rental Bond, Intra-Group Guarantee/SBLC and Utilities Bond.



## A DEDICATED GUARANTEES TEAM

- Guarantees/SBLCs are a core part of ANZ's Trade & Supply Chain offering
- We have a dedicated Guarantees Team (with more than 100 years collective experience), closely aligned with our Global network, who can assist with all requirements including reviewing Guarantee formats and issuing cross border
- We are experts in International Chamber of Commerce standards (ISP & URDG) and cross border business where we have operations to help you seamlessly issue into those markets
- We understand that Beneficiaries require specific instrument formats and we can help you navigate these requirements, whilst protecting your obligations
- Deep understanding of Sanctions and Anti Money Laundering best practice and ensuring compliance for all instruments issued
- Guarantees can be facilitated on ANZ Transactive (online portal) giving you access to records of all your instruments and limit exposure

**ANZ PROVIDES OVER 20,000 GUARANTEES EACH YEAR**

# ANZ TRANSACTIVE PROVIDES GLOBAL CONNECTIVITY FOR YOUR BUSINESS

At ANZ we are evolving how you can bank with us. As the future changes, so do we. From emails to a dedicated portal, from paper, to issuance of digital Guarantees.

ANZ Transactive is a global web based platform that enables you to create, issue, receive and track a wide range of Trade finance instruments online, providing visibility and control globally. You can learn more at [ANZ Trade Electronic Banking Solutions](#) site.

## KEY BENEFITS



Reduction in fraud exposure



Enhanced reporting capability



Reduced time to financing



Reduced inefficiencies

## FEATURES

ANZ Transactive allows you to issue Guarantees via the digital channel, providing you with clear visibility to all your Guarantee instruments online, track the status of Guarantees issued and/or received, view the audit history, as well as download Guarantee specific reports.

### New Guarantee

## ANZ TRANSACTIVE ACCESS

For ANZ Transactive access please contact your ANZ representative.

For more information, please refer to [ANZ Transactive – Getting Started](#) video, [Online resources and help](#) and [ANZ Digital Services Help](#).

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