

Request for Retention Money Guarantee

Subject: Request for Retention Money Bank Guarantee

Dear [Bank Manager's Name],

I am pleased to inform you that [Company Name] has successfully completed [Percentage]% of our contract with [Client Name] for [Project Description]. As per the contract terms, the client retains [Percentage]% of each payment as retention money until the defect liability period expires.

To improve our cash flow position, the contract allows us to substitute the cash retention with a bank guarantee. Therefore, we request your bank to issue a retention money guarantee for [Amount], which represents the total retention amount held by the client.

The guarantee should remain valid until [Date], covering the defect liability period of [Duration] from the date of project completion. It should be issued in favor of [Beneficiary Name and Complete Address] and be payable on demand in case of any defects or incomplete work during the specified period.

Our relationship with your bank spans [Duration], during which we have maintained account number [Account Number] with satisfactory conduct. We have never defaulted on any obligations and have successfully completed [Number] similar projects.

Supporting documents attached include: completion certificate, contract copy showing retention clause, statement of account with the client, and company financial statements.

We request your prompt processing of this application as it will release significant working capital for our ongoing operations. Please advise on the margin requirements, guarantee charges, and expected processing time.

Thank you for your continued banking support.

Yours sincerely,

[Your Name]

[Your Designation]

[Company Name]

[Contact Information]

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