

## Retention Bonds 2024

The following bonds have been agreed between the JCT and the British Bankers' Association<sup>[1]</sup>:

- for use with SBC 2024
- for use with SBSub & SBSub/D 2024
- for use with DB 2024
- for use with DBSub 2024
- for use with TCC 2024
- for use with TCCSub 2024
- for use with CM/TC 2024
- for use with MCWC 2024

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[1] The British Bankers' Association has been merged into UK Finance.

# Retention Bond

(Agreed between the JCT and the British Bankers' Association<sup>[1]</sup>)

BOND dated the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

issued by \_\_\_\_\_

of \_\_\_\_\_

\_\_\_\_\_ ('the Surety')

in favour of \_\_\_\_\_

of \_\_\_\_\_

\_\_\_\_\_ ('the Employer')

**1** By a contract ('the Contract') between the Employer and

\_\_\_\_\_

of \_\_\_\_\_

\_\_\_\_\_ ('the Contractor')  
the Employer has agreed that it will not exercise its right under the Contract to deduct Retention from amounts included in Interim Certificates provided the Contractor has taken out this Bond in favour of the Employer.

**2** The Surety is hereby bound to the Employer in the maximum aggregate sum of

\_\_\_\_\_ (figures and words)  
until the Surety is notified by the Employer in writing of the date of issue of the next Interim Certificate after practical completion when the maximum aggregate sum shall be reduced by 50 per cent.

**3** The Employer shall, on a demand which complies with the requirements in clause 4 below, be entitled to receive from the Surety the sum therein demanded.

**4** Any demand by the Employer under clause 3 above shall:

4.1 be in writing addressed to the Surety at its office at

\_\_\_\_\_  
refer to this Bond, and with the signature(s) therein authenticated by the Employer's bankers; and

4.2 state the amount of the Retention that would have been held by the Employer at the date of the demand had Retention been deductible; and

4.3 state the amount demanded, which shall not exceed the amount stated pursuant to clause 4.2 above, and identify for which one or more of the following such amount is demanded:

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[1] The British Bankers' Association has been merged into UK Finance.

- 4.3.1 the costs actually incurred by the Employer by reason of the failure of the Contractor to comply with the instructions of the Architect/Contract Administrator under the Contract; and be accompanied by a statement by the Architect/Contract Administrator which confirms that this failure by the Contractor has occurred;
- 4.3.2 the insurance premiums paid by the Employer pursuant to the Contract because the Contractor has not taken out and/or not maintained any insurance of the building works which it was required under the Contract to take out and/or maintain;
- 4.3.3 liquidated and ascertained damages which under the Contract the Contractor is due to pay or allow to the Employer; and be accompanied by a copy of the certificate of the Architect/Contract Administrator which under the Contract it is required to issue and which certifies that the Contractor has failed to complete the works by the contractual Completion Date;
- 4.3.4 any expenses or any direct loss and/or damage caused to the Employer as a result of the termination of the Contractor's employment by the Employer;
- 4.3.5 any costs, other than the amounts referred to in clauses 4.3.1 to 4.3.4 above, which the Employer has actually incurred and which, under the Contract, it is entitled to deduct from monies otherwise due or to become due to the Contractor; and identify its entitlement;

and

- 4.4 incorporate a certification that the Contractor has been given 14 days' written notice of its liability for the amount demanded hereunder by the Employer and that the Contractor has not discharged that liability; and that a copy of this notice has at the same time been sent to the Surety at its office at

---

Such demand as above shall, for the purposes of this Bond but not further or otherwise, be conclusive evidence (and admissible as such) that the amount demanded is properly due and payable to the Employer by the Contractor.

- 5 If the Contract is to be assigned or otherwise transferred with the benefit of this Bond, the Employer shall be entitled to assign or transfer this Bond only with the prior written consent of the Surety, such consent not to be unreasonably delayed or withheld.
- 6 The Surety, in the absence of a prior written demand made, shall be released from its liability under this Bond upon the earliest occurrence of either:
  - 6.1 the date of issue under the Contract of the Certificate of Making Good as confirmed by the Employer to the Surety; or
  - 6.2 satisfaction of a demand(s) up to the maximum aggregate under the Bond; or
  - 6.3 \_\_\_\_\_ (insert calendar date).
- 7 Any demand made hereunder must be received by the Surety accompanied by the documents as required by clause 4 above on or before the earliest occurrence as stated above, when this Bond will terminate and become of no further effect whatsoever.
- 8 Notwithstanding any other provisions of this Bond nothing in this Bond confers or is intended to confer any right to enforce any of its terms on any person which is not a party to it.
- 9 This Bond shall be governed and construed in accordance with the laws of England and Wales.

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**IN WITNESS** whereof this Deed of Guarantee has been duly executed and delivered on the date below:

Signed as a Deed by: \_\_\_\_\_

as the Attorney and on behalf of the Surety: \_\_\_\_\_

In the presence of:

\_\_\_\_\_  
*witness' signature*

\_\_\_\_\_  
*witness's name*

\_\_\_\_\_  
*witness's address*

Date: \_\_\_\_\_

# Retention Bond

(Agreed between the JCT and the British Bankers' Association<sup>[1]</sup>)

BOND dated the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

issued by \_\_\_\_\_

of \_\_\_\_\_

\_\_\_\_\_ ('the Surety')

in favour of \_\_\_\_\_

of \_\_\_\_\_

\_\_\_\_\_ ('the Contractor')

**1** By a sub-contract ('the Sub-Contract') between the Contractor and

\_\_\_\_\_

of \_\_\_\_\_

\_\_\_\_\_ ('the Sub-Contract')  
the Contractor has agreed that it will not exercise its right under the Sub-Contract to deduct Retention from amounts included in interim payments provided the Sub-Contractor has taken out this Bond in favour of the Contractor.

**2** The Surety is hereby bound to the Contractor in the maximum aggregate sum of

\_\_\_\_\_ (figures and words)  
until the Surety is notified by the Contractor in writing of the date of issue of the next interim payment after practical completion of the Sub-Contract Works when the maximum aggregate sum shall be reduced by 50 per cent.

**3** The Contractor shall, on a demand which complies with the requirements in clause 4 below, be entitled to receive from the Surety the sum therein demanded.

**4** Any demand by the Contractor under clause 3 above shall:

4.1 be in writing addressed to the Surety at its office at

\_\_\_\_\_  
refer to this Bond, and with the signature(s) therein authenticated by the Contractor's bankers; and

4.2 state the amount of the Retention that would have been held by the Contractor at the date of the demand had Retention been deductible; and

4.3 state the amount demanded, which shall not exceed the amount stated pursuant to clause 4.2 above, and identify for which one or more of the following such amount is demanded:

---

[1] The British Bankers' Association has been merged into UK Finance.

- 4.3.1 the costs actually incurred by the Contractor by reason of the failure of the Sub-Contractor to comply with the directions of the Contractor under the Sub-Contract;
- 4.3.2 any expenses or any direct loss and/or damage caused to the Contractor as a result of the termination of the Sub-Contractor's employment by the Contractor;
- 4.3.3 any costs, other than the amounts referred to in clauses 4.3.1 and 4.3.2 above, which the Contractor has actually incurred and which, under the Sub-Contract, it is entitled to deduct from monies otherwise due or to become due to the Sub-Contractor; and identify its entitlement;

and

- 4.4 incorporate a certification that the Sub-Contractor has been given 14 days' written notice of its liability for the amount demanded hereunder by the Contractor and that the Sub-Contractor has not discharged that liability; and that a copy of this notice has at the same time been sent to the Surety at its office at

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Such demand as above shall, for the purposes of this Bond but not further or otherwise, be conclusive evidence (and admissible as such) that the amount demanded is properly due and payable to the Contractor by the Sub-Contractor.

- 5 If the Sub-Contract is to be assigned or otherwise transferred with the benefit of this Bond, the Contractor shall be entitled to assign or transfer this Bond only with the prior written consent of the Surety, such consent not to be unreasonably delayed or withheld.
- 6 The Surety, in the absence of a prior written demand made, shall be released from its liability under this Bond upon the earliest occurrence of either:
  - 6.1 the date of issue under the Main Contract of the Certificate of Making Good as confirmed by the Contractor to the Surety; or
  - 6.2 satisfaction of a demand(s) up to the maximum aggregate under the Bond; or
  - 6.3 \_\_\_\_\_ (insert calendar date).
- 7 Any demand made hereunder must be received by the Surety accompanied by the documents as required by clause 4 above on or before the earliest occurrence as stated above, when this Bond will terminate and become of no further effect whatsoever.
- 8 Notwithstanding any other provisions of this Bond nothing in this Bond confers or is intended to confer any right to enforce any of its terms on any person which is not a party to it.
- 9 This Bond shall be governed and construed in accordance with the laws of England and Wales.

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**IN WITNESS** whereof this Deed of Guarantee has been duly executed and delivered on the date below:

Signed as a Deed by: \_\_\_\_\_

as the Attorney and on behalf of the Surety: \_\_\_\_\_

In the presence of:

\_\_\_\_\_  
*witness' signature*

\_\_\_\_\_  
*witness's name*

\_\_\_\_\_  
*witness's address*

Date: \_\_\_\_\_

# Retention Bond

(Agreed between the JCT and the British Bankers' Association<sup>[1]</sup>)

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issued by \_\_\_\_\_

of \_\_\_\_\_

\_\_\_\_\_ ('the Surety')

in favour of \_\_\_\_\_

of \_\_\_\_\_

\_\_\_\_\_ ('the Employer')

**1** By a contract ('the Contract') between the Employer and

\_\_\_\_\_

of \_\_\_\_\_

\_\_\_\_\_ ('the Contractor')  
the Employer has agreed that it will not exercise its right under the Contract to deduct Retention from amounts included in Interim Payments provided the Contractor has taken out this Bond in favour of the Employer.

**2** The Surety is hereby bound to the Employer in the maximum aggregate sum of

\_\_\_\_\_ (figures and words)  
until the Surety is notified by the Employer in writing of the date of issue of the next Interim Payment after practical completion when the maximum aggregate sum shall be reduced by 50 per cent.

**3** The Employer shall, on a demand which complies with the requirements in clause 4 below, be entitled to receive from the Surety the sum therein demanded.

**4** Any demand by the Employer under clause 3 above shall:

4.1 be in writing addressed to the Surety at its office at

\_\_\_\_\_  
refer to this Bond, and with the signature(s) therein authenticated by the Employer's bankers; and

4.2 state the amount of the Retention that would have been held by the Employer at the date of the demand had Retention been deductible; and

4.3 state the amount demanded, which shall not exceed the amount stated pursuant to clause 4.2 above, and identify for which one or more of the following such amount is demanded:

4.3.1 the costs actually incurred by the Employer by reason of the failure of the Contractor to comply with the instructions of the Employer under the Contract;

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- 4.3.2 the insurance premiums paid by the Employer pursuant to the Contract because the Contractor has not taken out and/or not maintained any insurance of the building works which it was required under the Contract to take out and/or maintain;
- 4.3.3 liquidated and ascertained damages which under the Contract the Contractor is due to pay or allow to the Employer; and be accompanied by a copy of the notice of the Employer which under the Contract it is required to issue and which states that the Contractor has failed to complete the works by the contractual Completion Date;
- 4.3.4 any expenses or any direct loss and/or damage caused to the Employer as a result of the termination of the Contractor's employment by the Employer;
- 4.3.5 any costs, other than the amounts referred to in clauses 4.3.1 to 4.3.4 above, which the Employer has actually incurred and which, under the Contract, it is entitled to deduct from monies otherwise due or to become due to the Contractor; and identify its entitlement;

and

- 4.4 incorporate a statement that the Contractor has been given 14 days' written notice of its liability for the amount demanded hereunder by the Employer and that the Contractor has not discharged that liability; and that a copy of this notice has at the same time been sent to the Surety at its office at

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Such demand as above shall, for the purposes of this Bond but not further or otherwise, be conclusive evidence (and admissible as such) that the amount demanded is properly due and payable to the Employer by the Contractor.

- 5 If the Contract is to be assigned or otherwise transferred with the benefit of this Bond, the Employer shall be entitled to assign or transfer this Bond only with the prior written consent of the Surety, such consent not to be unreasonably delayed or withheld.
- 6 The Surety, in the absence of a prior written demand made, shall be released from its liability under this Bond upon the earliest occurrence of either:
  - 6.1 the date of issue under the Contract of the Notice of Completion of Making Good as confirmed by the Employer to the Surety; or
  - 6.2 satisfaction of a demand(s) up to the maximum aggregate under the Bond; or
  - 6.3 \_\_\_\_\_ (insert calendar date).
- 7 Any demand made hereunder must be received by the Surety accompanied by the documents as required by clause 4 above on or before the earliest occurrence as stated above, when this Bond will terminate and become of no further effect whatsoever.
- 8 Notwithstanding any other provisions of this Bond nothing in this Bond confers or is intended to confer any right to enforce any of its terms on any person which is not a party to it.
- 9 This Bond shall be governed and construed in accordance with the laws of England and Wales.

---

**IN WITNESS** whereof this Deed of Guarantee has been duly executed and delivered on the date below:

Signed as a Deed by: \_\_\_\_\_

as the Attorney and on behalf of the Surety: \_\_\_\_\_

In the presence of:

\_\_\_\_\_  
*witness' signature*

\_\_\_\_\_  
*witness's name*

\_\_\_\_\_  
*witness's address*

Date: \_\_\_\_\_

# Retention Bond

(Agreed between the JCT and the British Bankers' Association<sup>[1]</sup>)

BOND dated the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

issued by \_\_\_\_\_

of \_\_\_\_\_

\_\_\_\_\_ ('the Surety')

in favour of \_\_\_\_\_

of \_\_\_\_\_

\_\_\_\_\_ ('the Contractor')

**1** By a sub-contract ('the Sub-Contract') between the Contractor and

\_\_\_\_\_

of \_\_\_\_\_

\_\_\_\_\_ ('the Sub-Contractor')  
the Contractor has agreed that it will not exercise its right under the Sub-Contract to deduct Retention from amounts included in interim payments provided the Sub-Contractor has taken out this Bond in favour of the Contractor.

**2** The Surety is hereby bound to the Contractor in the maximum aggregate sum of

\_\_\_\_\_ (figures and words)  
until the Surety is notified by the Contractor in writing of the date of issue of the next interim payment after practical completion of the Sub-Contract Works when the maximum aggregate sum shall be reduced by 50 per cent.

**3** The Contractor shall, on a demand which complies with the requirements in clause 4 below, be entitled to receive from the Surety the sum therein demanded.

**4** Any demand by the Contractor under clause 3 above shall:

4.1 be in writing addressed to the Surety at its office at

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refer to this Bond, and with the signature(s) therein authenticated by the Contractor's bankers; and

4.2 state the amount of the Retention that would have been held by the Contractor at the date of the demand had Retention been deductible; and

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- 4.3.2 any expenses or any direct loss and/or damage caused to the Contractor as a result of the termination of the Sub-Contractor's employment by the Contractor;
- 4.3.3 any costs, other than the amounts referred to in clauses 4.3.1 and 4.3.2 above, which the Contractor has actually incurred and which, under the Sub-Contract, it is entitled to deduct from monies otherwise due or to become due to the Sub-Contractor; and identify its entitlement;

and

- 4.4 incorporate a certification that the Sub-Contractor has been given 14 days' written notice of its liability for the amount demanded hereunder by the Contractor and that the Sub-Contractor has not discharged that liability; and that a copy of this notice has at the same time been sent to the Surety at its office at

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Such demand as above shall, for the purposes of this Bond but not further or otherwise, be conclusive evidence (and admissible as such) that the amount demanded is properly due and payable to the Contractor by the Sub-Contractor.

- 5 If the Sub-Contract is to be assigned or otherwise transferred with the benefit of this Bond, the Contractor shall be entitled to assign or transfer this Bond only with the prior written consent of the Surety, such consent not to be unreasonably delayed or withheld.
- 6 The Surety, in the absence of a prior written demand made, shall be released from its liability under this Bond upon the earliest occurrence of either:
  - 6.1 the date of issue under the Main Contract of the Notice of Completion of Making Good as confirmed by the Contractor to the Surety; or
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- 7 Any demand made hereunder must be received by the Surety accompanied by the documents as required by clause 4 above on or before the earliest occurrence as stated above, when this Bond will terminate and become of no further effect whatsoever.
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Signed as a Deed by: \_\_\_\_\_

as the Attorney and on behalf of the Surety: \_\_\_\_\_

In the presence of:

\_\_\_\_\_  
*witness' signature*

\_\_\_\_\_  
*witness's name*

\_\_\_\_\_  
*witness's address*

Date: \_\_\_\_\_

# Retention Bond

(Agreed between the JCT and the British Bankers' Association<sup>[1]</sup>)

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**1** By a contract ('the Contract') between the Employer and

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of \_\_\_\_\_

\_\_\_\_\_ ('the Contractor')  
the Employer has agreed that it will not exercise its right under the Contract to deduct Retention from amounts included in Interim Payments provided the Contractor has taken out this Bond in favour of the Employer.

**2** The Surety is hereby bound to the Employer in the maximum aggregate sum of

\_\_\_\_\_ (figures and words)  
until the Surety is notified by the Employer in writing of the date of issue of the next Interim Payment after practical completion when the maximum aggregate sum shall be reduced by 50 per cent.

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4.3 state the amount demanded, which shall not exceed the amount stated pursuant to clause 4.2 above, and identify for which one or more of the following such amount is demanded:

4.3.1 the costs actually incurred by the Employer by reason of the failure of the Contractor to comply with the instructions of the Employer under the Contract;

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- 4.3.2 the insurance premiums paid by the Employer pursuant to the Contract because the Contractor has not taken out and/or not maintained any insurance of the building works which it was required under the Contract to take out and/or maintain;
- 4.3.3 liquidated and ascertained damages which under the Contract the Contractor is due to pay or allow to the Employer; and be accompanied by a copy of the notice of the Employer which under the Contract it is required to issue and which states that the Contractor has failed to complete the works by the contractual Completion Date;
- 4.3.4 any expenses or any direct loss and/or damage caused to the Employer as a result of the termination of the Contractor's employment by the Employer;
- 4.3.5 any costs, other than the amounts referred to in clauses 4.3.1 to 4.3.4 above, which the Employer has actually incurred and which, under the Contract, it is entitled to deduct from monies otherwise due or to become due to the Contractor; and identify its entitlement;

and

- 4.4 incorporate a statement that the Contractor has been given 14 days' written notice of its liability for the amount demanded hereunder by the Employer and that the Contractor has not discharged that liability; and that a copy of this notice has at the same time been sent to the Surety at its office at

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Such demand as above shall, for the purposes of this Bond but not further or otherwise, be conclusive evidence (and admissible as such) that the amount demanded is properly due and payable to the Employer by the Contractor.

- 5 If the Contract is to be assigned or otherwise transferred with the benefit of this Bond, the Employer shall be entitled to assign or transfer this Bond only with the prior written consent of the Surety, such consent not to be unreasonably delayed or withheld.
- 6 The Surety, in the absence of a prior written demand made, shall be released from its liability under this Bond upon the earliest occurrence of either:
  - 6.1 the date of issue under the Contract of the Notice of Completion of Making Good as confirmed by the Employer to the Surety; or
  - 6.2 satisfaction of a demand(s) up to the maximum aggregate under the Bond; or
  - 6.3 \_\_\_\_\_ (insert calendar date).
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- 8 Notwithstanding any other provisions of this Bond nothing in this Bond confers or is intended to confer any right to enforce any of its terms on any person which is not a party to it.
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Signed as a Deed by: \_\_\_\_\_

as the Attorney and on behalf of the Surety: \_\_\_\_\_

In the presence of:

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*witness' signature*

\_\_\_\_\_  
*witness's name*

\_\_\_\_\_  
*witness's address*

Date: \_\_\_\_\_

# Retention Bond

(Agreed between the JCT and the British Bankers' Association<sup>[1]</sup>)

BOND dated the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

issued by \_\_\_\_\_

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**1** By a sub-contract ('the Sub-Contract') between the Contractor and

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of \_\_\_\_\_

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the Contractor has agreed that it will not exercise its right under the Sub-Contract to deduct Retention from amounts included in interim payments provided the Sub-Contractor has taken out this Bond in favour of the Contractor.

**2** The Surety is hereby bound to the Contractor in the maximum aggregate sum of

\_\_\_\_\_ (figures and words)  
until the Surety is notified by the Contractor in writing of the date of issue of the next interim payment after practical completion of the Sub-Contract Works when the maximum aggregate sum shall be reduced by 50 per cent.

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- 4.3.2 any expenses or any direct loss and/or damage caused to the Contractor as a result of the termination of the Sub-Contractor's employment by the Contractor;
- 4.3.3 any costs, other than the amounts referred to in clauses 4.3.1 and 4.3.2 above, which the Contractor has actually incurred and which, under the Sub-Contract, it is entitled to deduct from monies otherwise due or to become due to the Sub-Contractor; and identify its entitlement;

and

- 4.4 incorporate a certification that the Sub-Contractor has been given 14 days' written notice of its liability for the amount demanded hereunder by the Contractor and that the Sub-Contractor has not discharged that liability; and that a copy of this notice has at the same time been sent to the Surety at its office at

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  - 6.1 the date of issue under the Main Contract of the Notice of Completion of Making Good as confirmed by the Contractor to the Surety; or
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  - 6.3 \_\_\_\_\_ (insert calendar date).
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- 9 This Bond shall be governed and construed in accordance with the laws of England and Wales.

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**IN WITNESS** whereof this Deed of Guarantee has been duly executed and delivered on the date below:

Signed as a Deed by: \_\_\_\_\_

as the Attorney and on behalf of the Surety: \_\_\_\_\_

In the presence of:

\_\_\_\_\_  
*witness' signature*

\_\_\_\_\_  
*witness's name*

\_\_\_\_\_  
*witness's address*

Date: \_\_\_\_\_

# Retention Bond

(Agreed between the JCT and the British Bankers' Association<sup>[1]</sup>)

BOND dated the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

issued by \_\_\_\_\_

of \_\_\_\_\_

\_\_\_\_\_ ('the Surety')

in favour of \_\_\_\_\_

of \_\_\_\_\_

\_\_\_\_\_ ('the Employer')

**1** By a contract ('the Trade Contract') between the Employer and

\_\_\_\_\_

of \_\_\_\_\_

\_\_\_\_\_ ('the Trade Contractor')  
the Employer has agreed that it will not exercise its right under the Trade Contract to deduct Retention from amounts included in Interim Certificates provided the Trade Contractor has taken out this Bond in favour of the Employer.

**2** The Surety is hereby bound to the Employer in the maximum aggregate sum of

\_\_\_\_\_ (figures and words)  
until the Surety is notified by the Employer in writing of the date of issue of the next Interim Certificate after practical completion of the Works when the maximum aggregate sum shall be reduced by 50 per cent.

**3** The Employer shall, on a demand which complies with the requirements in clause 4 below, be entitled to receive from the Surety the sum therein demanded.

**4** Any demand by the Employer under clause 3 above shall:

4.1 be in writing addressed to the Surety at its office at

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refer to this Bond, and with the signature(s) therein authenticated by the Employer's bankers; and

4.2 state the amount of the Retention that would have been held by the Employer at the date of the demand had Retention been deductible; and

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---

[1] The British Bankers' Association has been merged into UK Finance.

- 4.3.1 the costs actually incurred by the Employer by reason of the failure of the Trade Contractor to comply with the instructions of the Construction Manager under the Trade Contract; and be accompanied by a statement by the Construction Manager which confirms that this failure by the Trade Contractor has occurred;
- 4.3.2 damages which under the Trade Contract the Trade Contractor is due to pay or allow to the Employer because the Trade Contractor has failed to complete the works within the relevant Completion Period for the Works;
- 4.3.3 any expenses or any direct loss and/or damage caused to the Employer as a result of the termination of the Trade Contractor's employment by the Employer;
- 4.3.4 any costs, other than the amounts referred to in clauses 4.3.1 to 4.3.3 above, which the Employer has actually incurred and which, under the Trade Contract, it is entitled to deduct from monies otherwise due or to become due to the Trade Contractor; and identify its entitlement;

and

- 4.4 incorporate a certification that the Trade Contractor has been given 14 days' written notice of its liability for the amount demanded hereunder by the Employer and that the Trade Contractor has not discharged that liability; and that a copy of this notice has at the same time been sent to the Surety at its office at

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Such demand as above shall, for the purposes of this Bond but not further or otherwise, be conclusive evidence (and admissible as such) that the amount demanded is properly due and payable to the Employer by the Trade Contractor.

- 5 If the Trade Contract is to be assigned or otherwise transferred with the benefit of this Bond, the Employer shall be entitled to assign or transfer this Bond only with the prior written consent of the Surety, such consent not to be unreasonably delayed or withheld.
- 6 The Surety, in the absence of a prior written demand made, shall be released from its liability under this Bond upon the earliest occurrence of either:
  - 6.1 the date of issue under the Trade Contract of the Certificate of Making Good as confirmed by the Employer to the Surety; or
  - 6.2 satisfaction of a demand(s) up to the maximum aggregate under the Bond; or
  - 6.3 \_\_\_\_\_ (insert calendar date).
- 7 Any demand made hereunder must be received by the Surety accompanied by the documents as required by clause 4 above on or before the earliest occurrence as stated above, when this Bond will terminate and become of no further effect whatsoever.
- 8 Notwithstanding any other provisions of this Bond nothing in this Bond confers or is intended to confer any right to enforce any of its terms on any person which is not a party to it.
- 9 This Bond shall be governed and construed in accordance with the laws of England and Wales.

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**IN WITNESS** whereof this Deed of Guarantee has been duly executed and delivered on the date below:

Signed as a Deed by: \_\_\_\_\_

as the Attorney and on behalf of the Surety: \_\_\_\_\_

In the presence of:

\_\_\_\_\_  
*witness' signature*

\_\_\_\_\_  
*witness's name*

\_\_\_\_\_  
*witness's address*

Date: \_\_\_\_\_

# Retention Bond

(Agreed between the JCT and the British Bankers' Association<sup>[1]</sup>)

BOND dated the \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

issued by \_\_\_\_\_

of \_\_\_\_\_

\_\_\_\_\_ ('the Surety')

in favour of \_\_\_\_\_

of \_\_\_\_\_

\_\_\_\_\_ ('the Management Contractor')

**1** By a works contract ('the Works Contract') between the Management Contractor and

\_\_\_\_\_

of \_\_\_\_\_

\_\_\_\_\_ ('the Works Contractor')  
the Management Contractor has agreed that it will not exercise its right under the Works Contract to deduct Works Contractor's Retention from amounts included in interim payments provided the Works Contractor has taken out this Bond in favour of the Management Contractor.

**2** The Surety is hereby bound to the Management Contractor in the maximum aggregate sum of

\_\_\_\_\_ (figures and words)  
until the Surety is notified by the Management Contractor in writing of the date of issue of the next interim payment after practical completion of the Works when the maximum aggregate sum shall be reduced by 50 per cent.

**3** The Management Contractor shall, on a demand which complies with the requirements in clause 4 below, be entitled to receive from the Surety the sum therein demanded.

**4** Any demand by the Management Contractor under clause 3 above shall:

4.1 be in writing addressed to the Surety at its office at

\_\_\_\_\_  
refer to this Bond, and with the signature(s) therein authenticated by the Management Contractor's bankers; and

4.2 state the amount of the Works Contractor's Retention that would have been held by the Management Contractor at the date of the demand had Works Contractor's Retention been deductible; and

4.3 state the amount demanded, which shall not exceed the amount stated pursuant to clause 4.2 above, and identify for which one or more of the following such amount is demanded:

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[1] The British Bankers' Association has been merged into UK Finance.

- 4.3.1 the costs actually incurred by the Management Contractor by reason of the failure of the Works Contractor to comply with the directions of the Management Contractor under the Works Contract;
- 4.3.2 any expenses or any direct loss and/or damage caused to the Management Contractor as a result of the termination of the Works Contractor's employment by the Management Contractor;
- 4.3.3 any costs, other than the amounts referred to in clauses 4.3.1 and 4.3.2 above, which the Management Contractor has actually incurred and which, under the Works Contract, it is entitled to deduct from monies otherwise due or to become due to the Works Contractor; and identify its entitlement;

and

- 4.4 incorporate a certification that the Works Contractor has been given 14 days' written notice of its liability for the amount demanded hereunder by the Management Contractor and that the Works Contractor has not discharged that liability; and that a copy of this notice has at the same time been sent to the Surety at its office at

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Such demand as above shall, for the purposes of this Bond but not further or otherwise, be conclusive evidence (and admissible as such) that the amount demanded is properly due and payable to the Management Contractor by the Works Contractor.

- 5 If the Works Contract is to be assigned or otherwise transferred with the benefit of this Bond, the Management Contractor shall be entitled to assign or transfer this Bond only with the prior written consent of the Surety, such consent not to be unreasonably delayed or withheld.
- 6 The Surety, in the absence of a prior written demand made, shall be released from its liability under this Bond upon the earliest occurrence of either:
  - 6.1 the date of issue under the Management Contract of the Notice of Completion of Making Good as confirmed by the Management Contractor to the Surety; or
  - 6.2 satisfaction of a demand(s) up to the maximum aggregate under the Bond; or
  - 6.3 \_\_\_\_\_ (insert calendar date).
- 7 Any demand made hereunder must be received by the Surety accompanied by the documents as required by clause 4 above on or before the earliest occurrence as stated above, when this Bond will terminate and become of no further effect whatsoever.
- 8 Notwithstanding any other provisions of this Bond nothing in this Bond confers or is intended to confer any right to enforce any of its terms on any person which is not a party to it.
- 9 This Bond shall be governed and construed in accordance with the laws of England and Wales.

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**IN WITNESS** whereof this Deed of Guarantee has been duly executed and delivered on the date below:

Signed as a Deed by: \_\_\_\_\_

as the Attorney and on behalf of the Surety: \_\_\_\_\_

In the presence of:

\_\_\_\_\_  
*witness' signature*

\_\_\_\_\_  
*witness's name*

\_\_\_\_\_  
*witness's address*

Date: \_\_\_\_\_