## **Contents**

	page
Foreward	v
Foreward to the 5 <sup>th</sup> Edition	vi
Preface	xix
Preface to the 5th Edition	xxiii
Table of Cases	xxvii
Table of Statutes	lxxxvii
Table of Statutory Instruments	xciii
Table of EC/EU Legislation	xcv
Chapter 1: Definitions and Characteristics	
Suretyship	para. 1-001
Rights of a surety	1-002
Contracts of suretyship	1-003
Contracts of guarantee	
Definition	1-004
Essential characteristics	1-005
Guarantees and insurance	1-008
Types of guarantee	1-009
Contracts of indemnity	
Definition	1-012
Essential characteristics	1-013
"Principal debtor" clauses	1–014
Performance Bonds	1-015
Chapter 2: Contractual Requirements	
Introduction	2-001
Offer and acceptance	2-002
Revocation by the surety	2-003
Revocation before acceptance	2-004
Unilateral and bilateral offers	2-005
When the offer becomes irrevocable	2-006
Prospective consumer credit agreements	2-007
Privity of contract	2-008
Consideration	2-009
Guarantee in the form of a promissory note	2-010
Guarantees of pre-existing liabilities	2-011
Nominal consideration	2-012
Supplies of goods, credits or services	2-013

Other means	2-014	Construction of agreements by a surety consenting to	
Unlawful consideration	2-016	variations to the principal contract	4-025
Evidence of consideration	2-020	Variations outside the purview of the original contract	4-026
Contracts under seal	2-021	variations outside the purview of the original contract	4 020
Chantan 2. Farmal D.		Chapter 5: Vitiating Elements in the Contract	
Chapter 3: Formal Requirements			
The Statute of Frauds 1677		Introduction	5-001
Introduction	3-001	Mistake	5-002
	3-002	Forms of mistake	5-003
Contracts to which s.4 applies Contract distinctions	3-003	Non est factum	5-004
	3006	Fraud or misrepresentation	5-005
Contracts outside the scope of s.4	3-007	Fraud or misrepresentation by the creditor	5-006
Variations must comply with s.4	3-017	Clauses protecting the creditor from allegations	
Collateral contracts	3-018	of misrepresentation	5-007
Contracts which fall partly within the Statute of Frauds	3-019	Fraud or misrepresentation by the surety	5-008
Achieving enforceability under s.4	3-020	Fraud or misrepresentation by the principal	5-009
Memorandum and agreement	3-021	Fraud and the commercial surety	5-012
Effect of non-compliance	3-028	Concealment and non-disclosure	5-015
The potential impact of EU law	3-029	Unusual features	5-016
Possible ways to circumvent s.4	3-030	Disclosure of fraud or dishonesty of the principal	5-017
Rectification and enforcement	3-033	Other unusual facts	5-018
Indorsers of bills of exchange	3-034	Disclosure obligations and specific types of contract	5-019
Other statutory requirements		Knowledge of the creditor	5-021
Consumer protection legislation	3-035	Effect of non-disclosure	5-022
The Unfair Contract Terms Act 1977	3-036	Is the obligation a continuing one?	5-023
The Unfair Terms in Consumer Contracts Regulations 1999	3-037	Disclosure to whom?	5-024
Charter 4 C		Express provisions requiring disclosure	5-025
Chapter 4: Construction		Disclosure and the duty of confidentiality	5-026
Television of the second of th		Exemption clauses and non-disclosure	5-027
Introduction	4-001	Unconscionable transactions	5-028
Principles of construction		Duress	5-029
General approach	4-002	Undue influence	5-030
Construction in accordance with proper law	4-004	Notice	5-034
Construction ut res magis valeat quam pereat	4-005	What steps should the creditor take?	5-038
Admissibility of oral and extrinsic evidence	4-006	The independent solicitor	5-042
The name and form of the document	4-007	Limits on the protection of the <i>Etridge</i> principle	5-045
Recitals and side notes	4-008	The effect of an <i>Etridge</i> defence on subsequent transactions	- 19 [1-1
The consideration clause as an aid to interpretation	4-010	with the same lender	5-046
Joint and several liability	4-011	Setting aside on terms	5-047
Limitation to liability of the parties named	4-012	Unconscionable bargains	5-048
The principle of co-extensiveness	4-014	Ultra vires and illegal transactions	5-049
Different forms of contract	4-015	Guarantees prohibited by statute	5-050
Retrospective and prospective guarantees	4-016	Guarantees made to effect an unlawful purpose	5-051
Specific and continuing guarantees	4-017	Guarantees which offend against public policy	5-052
Limited guarantees	4-018	Guarantees which are not or cannot be performed in a	
Guarantees limited in amount	4-020	lawful manner	5-053
Conditional guarantees	4-022		

## Chapter 6: The Liability of the Surety

Chapter 6: The Liability of the Surety		Evidence of liability	
		Conclusive evidence clauses	7-032
The nature of the surety's liability		Proof without conclusive evidence clauses	7-035
Secondary nature	6-001	Set-off and counterclaim	7-036
The co-extensiveness principle	6-002	Miscellaneous considerations	
Extent of the surety's liability: the provisions of the contract	0-002	Preserving assets for judgment	7-037
of guarantee		Counter-securities	7-038
Limitations upon liability	C 002	Claims against an insolvent surety	7-039
Limitations on the amount of principal debt	6-003	Claims against the surety when the principal	,
Limitations on the amount of principal deof	6-006		7-040
	6-008	is insolvent	7-041
Limitations in respect of the type of principal transaction	6-009	Claims against the estate of a deceased surety	7-042
Designation of the parties	6-012	Claims by the estate of a deceased creditor	1-042
The effect of the terms of the principal contract	6-014		
Extension of the surety's liability by estoppel	6-017	Chapter 8: Revocation of Contracts of Suretyship	
Extent of the surety's liability: defects in the principal obligation			0.001
General principles	6-018	Introduction	8-001
Principal obligations which are illegal	6-019	Revocation by the surety	
Principal obligations which are void	6-020	Revocation by express notice	8-002
Principal obligations which are voidable	6-024	Revocation in the absence of contractual provision	8-003
Principal obligations which are unenforceable	6-026	The effect of revocation	8-006
Provisions preserving liability where the principal contract		Form of notice	8-008
is defective	6-028	Liability during notice period	8-009
Extent of the surety's liability: breach of the principal contract by		Revocation by co-surety	8-010
the creditor or principal		Revocation by death or insanity	
Breach of the principal contract by the creditor	6-029	Death or insanity of the surety	8-011
Breach of the principal contract by the principal	6-030	Death or insanity of a co-surety	8-012
1 Processor of the Processor	0.030	Death or insanity of the creditor or principal	8-013
Chapter 7: Enforcement of Contracts of Suretyship		Revocation of contracts of indemnity	8-014
, and a second of surely surp		To vocation of contrasts of management	
Introduction	7001	Chapter 9: Discharge of the Surety	
When can the creditor sue the surety?			
Default of the principal	7-002	Discharge of surety by discharge of the principal	9-001
Demands for payment	7-004	Discharge by payment or performance	9-002
The creditor may pursue the surety first	7–009	Discharge by appropriation	9-005
Preservation of rights against third parties	7-010	Discharge arising from set-of	9-009
Time of suit is not of the essence	7–011	Discharge by agreement or by release	9-010
Limitation of actions	7–011	Discharge of surety by breach of contract by creditor	9-017
Nature of the claim against the surety	7–012	Discharge of surety by breach of contract by principal	9-019
Where should the creditor sue the surety?	7-016	Discharge by operation of law	9-021
Jurisdiction of arbitration clauses	7.010	Discharge by alteration of the principal contract	
No choice of forum	7-019	Material alteration of documents	9-022
Parties to the proceedings	7-022		9-023
Joint obligors		Material variation of the terms	9-026
	7–026	Exceptions to the rule	9-029
Trustees and other representatives	7–029	Agreement by creditor to give time to the principal	
Who may sue on the guarantee?	7-030	Agreement by creditor to give time to surety	9-035
Assignees	7-031	Laches of creditor	9-036
		Change in position of parties	9-037

12-004

12-009

12-013

12-014

12-015

12-016

12-018

12-020

12-021

Introduction

Carnets

Export credit guarantees

The powers of the ECGD

Other ECGD facilities

Types of goods

Facilities available from ECGD

Facilities offered by the ECGD

Obtaining cover from ECGD

15 - 001

15-002

15-003

15 - 006

15-008

15-011

15-012

15 - 013

15-014

After payment by the surety

The amount of contribution

Action for contribution

The right of the surety to securities

Enforcement to the right of contribution

Defences to claims for lack of contribution

Defences based on the conduct of the creditor

Interest

Costs

When the right to contribution does not arise

How the ATA carnet system works

Security for the release of maritime vessels

The cost of security or counter-security

Indemnities given to or by cargo receivers

Performance bond or true guarantee?

The commercial role of performance bonds

Securing the performance of unenforceable obligations

The ICC Uniform Rules for Demand Guarantees 2010

Safeguards against wrongful demands or fraud

Duty to account for the proceeds of the bond

The protection of sureties for consumer agreements

Sanctions for non-compliance with formal requirements

Repayment when there has been no breach

Chapter 17: Consumer Credit Transactions

Injunction against the beneficiary

P&I Club guarantees and bail bonds

Cases analogous to arrest

Form of Club guarantees

Chapter 16: Performance Bonds

The nature of performance bonds

The advantage of performance bonds

Obtaining immediate payment

The provision of performance bonds

The construction of performance bonds

Liability without proof of breach

Stating the basis of the claim

Construction projects

Freeing of other assets

International sales

Comparative cost

Proper law

Implied terms

Injunctive relief

Interest

Introduction

Protected sureties

**Formalities** 

(ICC Publication No.7458)

Freezing injunctions

Standby letters of credit

Demand

Indemnities for port agents

Obtaining a carnet

15-015

15-016

15-019

15-022

15-023

15-024

15-025

15-026

16-001

16-002

16-003

16-004

16-005

16-006

16-007

16-008

16-011

16-012

16-013

16-014

16-015

16-016

16-017

16-018

16-019

16-020

16-025

16-029

16-033

16-035

16-036

16-037

17-001

17-002

17-003

17-004

17-005

Introduction

Index

Variations of the lease	18-002
Effect of termination of the lease	18-003
Effect of assignment of the lease	18-004
Effect of transfer of the freehold reversion	18-005
Rent reviews	18-006
Relief against forfeiture	18-007
The Landlord and the Tenant (Covenants) Act 1995	18-008
Substitution clauses	18-009
Effect of disclaimer of the lease	18-010
Effect of disclaimer	18-011
Disclaimer on insolvency of the original tenant	18-012
Covenants by the surety to take on a new lease from the	
date of the disclaimer	18-013
Disclaimer on insolvency of a sub-tenant or assignee of the lease	18-014
Effect of disclaimer by the Crown	18-015
Voluntary arrangements	18-016
Rights of the surety after payment	18-017
Precedent 1: Standard Form Bank Guarantee par	a P1-001
Precedent 2: Notice of Revocation	P2-001
Precedent 3: Deed of Release of Surety from Bank Guarantee	P3-001
Precedent 4: Letter of Comfort	P4-001
Precedent 5: On Demand Unconditional Performance Bond	P5-001
Precedent 6: Conditional Performance Bond	P6-001
Precedent 7: Counter-Indemnity to a Bank Issuing a Performance Bond	l P7-001
Precedent 8: P&I Club Letter of Undertaking	P8-001
Precedent 9: Guarantee of Dividends on Shares	P9-001
Precedent 10: Guarantee of Ascertained Debt	P10-001
Precedent 11: Agreement for the Release of a Surety	P11-001
Precedent 12: Bank Guarantee in Respect of Security for Costs	P12-001
Precedent 13: Indemnity for the Fidelity of an Employee	P13-001
Precedent 14: Rent Guarantee	P14-001
Appendix Legislation	page 779
L. J.	012

page 813