

28 March 2014

Mr Ian Narev
Managing Director and Chief Executive Officer
Commonwealth Bank Group
Ground Floor, Tower 1
201 Sussex Street
Sydney, NSW 2000

Dear Mr Narev

Redeeming Bank Guarantees

Members of the Queensland Law Society have reported issues recently when attempting to redeem bank guarantees, particularly for smaller sums.

It has been the experience of our members that the Bank seeks to take possession of the original bank guarantee and send it to Sydney for examination and determination of whether the Bank will advance payment.

Members have expressed concern at being requested to surrender the original bank guarantee and for it to be dispatched to another State. Bank guarantees are relied upon as a form of instrument which is generally payable unconditionally on demand to secure obligations. The imposition of delays and discretion with respect to fulfilment detracts from their suitability for this purpose.

We would be very pleased to know whether the experience of our members is in accordance with the policy of the Bank for redeeming bank guarantees in Queensland, so we can inform our members.

We look forward to hearing from you. If you require further information, please contact our Principal Policy Solicitor, Mr Matt Dunn, on [REDACTED]

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President