

Commercial Contract

LETTER OF CONTINUITY



*Empowered lives.
Resilient nations.*



Small and Medium Enterprises Development Authority

Ministry of Industries & Production

Government of Pakistan

www.smeda.org.pk

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Letter of Continuity

Pro-Gole (Right to do Business)

Legal Services, B&SDS

LEGAL SERVICES, SMEDA

The Legal Services (LS) department is a part of Business & Sector Development Services Division of the Small Medium Enterprises Development Authority and plays a key role in providing an overall facilitation and support to the small businesses. The LS believes that information dissemination among the small businesses on the existing legal & regulatory environment and business to business and business to client contracting is of paramount importance and plays a pivotal role in their sustainable development.

In order to facilitate small businesses, the LS, under the Pro-GOLE (Right to do business) project, a joint SMEDA-UNDP initiative for supporting the small businesses, has developed user-friendly contract templates.

Pro-GOLE, (Right to do Business)

The UNDP has partnered with the Small and Medium Enterprises Development Authority to initiate and execute the Pillar 4 (Right to do business) component of the UNDP PRO-GOLE project which seeks to enhance the legal awareness and mobility of marginalized/ informal businesses. Under the project legal services outreach shall be extended to small businesses including home based enterprises, small shopkeepers, growers, women entrepreneurs, hawking vendors etc. In addition, small business shall be mobilized to access legal services.

The Need for Commercial Contracts Templates

In an increasingly complex and competitive industry, it is vital that suppliers and purchasers are fully protected against legal and commercial risks. To counter such risks, a viable solution; available as- of the shelf commercial contract templates- will provide the users with first class ready to use support. With obligations properly set out and liabilities accurately defined, the users will be in a far better position to look after their rights and interests and move forward from their marginalized positions to being active players of the economy. The Legal Service Providers can equally take benefit of these templates for their professional and business development.

Disclaimer

The information contained in this template is meant to facilitate businesses with respect to banking transactions. However, SMEDA, UNDP or any of their employees or representatives accept no responsibility and expressly disclaim any and all liabilities for any and all losses/shortfalls caused by or motivated by recommendations from the information contained within this document. Although SMEDA's ambition is to provide accurate and reliable information; yet, the document is not an alternative to expert legal advice and should ideally be used in conjunction with the same. Any person using this document and or benefiting from the information contained herein shall do so at his/her own risk and costs and be deemed to have accepted this disclaimer.

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LETTER OF CONTINUITY

[Insert Designation]
[Insert Bank's Name]
[Insert Branch's Name]
[Insert Address]

Subject: Continuity of Demand Promissory Note

Dear Sir,

I am enclosing with this Letter of Continuity a Demand Promissory Note for Rs. _____/- (Rupees _____) (hereinafter referred to as the "Promissory Note"), duly signed by me, to be deposited with you as a security to ensure the repayment of any finance facility(ies) currently outstanding in my name, and specifically for the repayment of the [name of facility] facility up to the extent of Rs. _____/- (Rupees _____) which I/we am/are availing, or may avail in future.

The Promissory Note is a continuing security to you for the repayment of the ultimate balance amount remaining unpaid in the finance facility account. Furthermore, I shall remain liable against the said Promissory Note notwithstanding the fact that owing to the payments made to you from time to time, my liability with respect to the finance facility account may, from time to time, be reduced or extinguish, or even that the balance in the said finance facility account may be at credit.

It is further undertaken that while the said finance facility is in the name of [name of the creditor] who shall solely be operating the account, we shall be liable to you, jointly and severally.

Sincerely,

Letter of Continuity

Pro-Gole (Right to do Business)

Legal Services, B&SDS

[Insert Name of Signatory]

[Insert Signatory's CNIC Number]

[Signature]