

INDIRECT TAX INDEMNIFICATION AGREEMENT

(VAT and GST Indemnification)

This Indirect Tax Indemnification Agreement (the "Agreement") is entered into as of _____, by and between:

Party A:

Tax Registration / VAT ID: _____
(hereinafter referred to as the "Indemnitor")

Party B:

Tax Registration / VAT ID: _____
(hereinafter referred to as the "Indemnitee")

The Indemnitor and the Indemnitee may collectively be referred to as the "Parties" and individually as a "Party."

RECITALS

WHEREAS, the Parties have entered into certain commercial transactions pursuant to _____ dated _____ (the "Underlying Agreement"); and

WHEREAS, transactions under the Underlying Agreement may be subject to Value Added Tax (VAT), Goods and Services Tax (GST), or similar consumption and indirect taxes (collectively, "Indirect Taxes") in various jurisdictions; and

WHEREAS, the Parties wish to define and allocate their respective liabilities, responsibilities, and indemnification obligations regarding any such Indirect Taxes, including any potential reassessments, penalties, and interest.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. DEFINITIONS

"**Indirect Taxes**" shall mean any value added tax (VAT), goods and services tax (GST), sales tax, consumption tax, or any other similar tax imposed by any national, federal, state, regional, local, or municipal tax authority.

"**Tax Authority**" shall mean any government, state, or municipality, or any local, state, federal, or other fiscal, revenue, customs, or excise authority, body, or official competent to impose, administer, or collect Indirect Taxes.

2. REPRESENTATIONS AND WARRANTIES

2.1. The Indemnitor represents and warrants that all tax registration numbers, residency declarations, and business status representations provided to the Indemnitee are accurate, complete, and valid as of the date of this Agreement.

2.2. The Indemnitor shall immediately notify the Indemnitee in writing of any changes to its tax registration status, business structure, or residency that may affect the Indirect Tax treatment of the transactions between the Parties.

3. INDEMNIFICATION OBLIGATIONS

3.1. The Indemnitor hereby agrees to indemnify, defend, and hold harmless the Indemnitee, its affiliates, officers, directors, employees, and agents from and against any and all liabilities, losses, damages, costs, and expenses (including reasonable attorneys'

fees, expert fees, and court costs) arising out of or in connection with:

- (a) Any failure by the Indemnitor to pay, report, or remit any applicable Indirect Taxes to the appropriate Tax Authority;
- (b) Any assessment, reassessment, audit, or claim by any Tax Authority for Indirect Taxes, including related interest, fines, or penalties, resulting from any inaccurate or incomplete information, documentation, or tax status representation provided by the Indemnitor;
- (c) Any failure by the Indemnitor to provide valid tax invoices or other required documentation in a timely manner as prescribed by applicable law.

4. COOPERATION AND CLAIMS PROCEDURE

- 4.1. If the Indemnitee receives any notice, assessment, letter, or other communication from a Tax Authority regarding a potential Indirect Tax liability that is subject to indemnification under this Agreement, the Indemnitee shall promptly notify the Indemnitor in writing.
- 4.2. The Indemnitor shall have the right, at its own expense, to participate in or, to the extent permitted by applicable tax law, assume the defense of any tax audit, dispute, or litigation relating to such Indirect Tax liability, provided that the Indemnitor acknowledges its obligation to fully indemnify the Indemnitee under this Agreement.
- 4.3. The Parties shall cooperate in good faith, providing all necessary documents, certificates, invoices, and information reasonably requested to minimize, contest, or resolve any such Indirect Tax liability.

5. TERM AND SURVIVAL

This Agreement shall commence on the date first written above and shall remain in full force and effect until the expiration of the applicable statute of limitations for the assessment or reassessment of the relevant Indirect Taxes in all relevant jurisdictions, plus an additional period of _____ months.

6. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by, and construed in accordance with, the laws of _____, without regard to its conflict of laws principles. Any dispute arising out of or in connection with this Agreement shall be subject to the exclusive jurisdiction of the courts of _____.

7. MISCELLANEOUS

- 7.1. **Entire Agreement:** This Agreement constitutes the entire understanding between the Parties regarding indirect tax indemnification and supersedes any prior oral or written agreements on this subject matter.
- 7.2. **Amendments:** This Agreement may only be amended, modified, or supplemented by a written instrument executed by authorized representatives of both Parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Indirect Tax Indemnification Agreement as of the date first written above.

For the Indemnitor:

By: _____

Name: _____

Title: _____

Date: _____

For the Indemnitee:

By: _____

Name: _____

Title: _____

Date: _____