

SUBCONTRACTOR AGREEMENT FOR VALUE ADDED TAX (VAT) COMPLIANCE

This Subcontractor Agreement for VAT Compliance (the "Agreement") is entered into this _____ day of _____, 20_____, by and between:

Contractor: _____
Address: _____
VAT Registration Number: _____

and

Subcontractor: _____
Address: _____
VAT Registration Number: _____

1. PURPOSE & SCOPE

The Subcontractor provides services and/or goods to the Contractor under a principal services agreement. This Agreement is executed to ensure strict compliance with applicable Value Added Tax (VAT) laws, regulations, and reporting requirements in force within the jurisdiction of _____.

2. REPRESENTATIONS AND WARRANTIES OF THE SUBCONTRACTOR

The Subcontractor represents, warrants, and covenants to the Contractor that:

1. It is, and shall remain for the duration of its engagement, duly registered for VAT with the relevant tax authority, namely _____.
2. It shall provide a valid copy of its VAT Registration Certificate to the Contractor prior to the commencement of any work or submission of any invoice.
3. If its VAT registration status changes, is suspended, or is canceled at any time, it shall immediately notify the Contractor in writing within _____ business days.

3. INVOICING AND DOCUMENTATION REQUIREMENTS

1. The Subcontractor shall issue valid tax invoices for all taxable supplies made to the Contractor in strict accordance with the local VAT legislation.
2. Each invoice must clearly state:
 - The words "Tax Invoice" in a prominent place;
 - The name, address, and VAT registration number of the Subcontractor;
 - The name, address, and VAT registration number of the Contractor;
 - An invoice sequential number and the date of issue;
 - A description of the goods or services supplied;
 - The total value of the supply excluding VAT, the VAT rate applied, the total VAT amount charged, and the gross total payable.
3. The Contractor reserves the right to withhold payment of the VAT portion of any invoice that does not

fully comply with the aforementioned invoicing requirements until a corrected compliant tax invoice is provided.

4. REPORTING AND PAYMENT OF VAT

1. The Subcontractor assumes sole responsibility for declaring and paying all VAT collected from the Contractor to the appropriate tax authorities in a timely manner.
2. Upon request, the Subcontractor shall provide reasonable evidence of its VAT filing and payment compliance to the Contractor, including but not limited to VAT return acknowledgments or tax clearance certificates.

5. INDEMNIFICATION

The Subcontractor agrees to indemnify, defend, and hold harmless the Contractor from and against any and all claims, losses, liabilities, fines, penalties, interest, and legal costs arising out of or in connection with the Subcontractor's failure to comply with its VAT registration, reporting, filing, or payment obligations, or due to the issuance of non-compliant tax invoices.

6. TERM AND TERMINATION

This Agreement shall remain in effect concurrently with the principal services agreement. Any material breach of this Agreement by the Subcontractor shall constitute a material breach of the principal services agreement, giving the Contractor the right to terminate the relationship immediately without penalty.

7. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by and construed in accordance with the laws of _____ . Any disputes arising hereunder shall be subject to the exclusive jurisdiction of the courts of _____ .

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

For the Contractor:

For the Subcontractor:

Authorized Signature

Authorized Signature

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____