

STANDARD SUBCONTRACTOR TAX RETENTION AND WITHHOLDING DEED

This Deed is made on the _____ day of _____, 20____

PARTIES

Contractor:

ABN/Reg No:

Address:

Subcontractor:

ABN/Reg No:

Address:

RECITALS

- A. The Contractor and the Subcontractor have entered into, or intend to enter into, an agreement for the provision of works or services (the "Subcontract Agreement") dated _____.
- B. Under applicable tax legislation, the Contractor has certain obligations to withhold tax from payments made to the Subcontractor under specified conditions, or the parties have agreed to a voluntary withholding and retention structure to ensure compliance with tax laws.
- C. The parties have agreed to execute this Deed to formalize the terms, conditions, and mechanisms governing the retention and withholding of such tax obligations.

OPERATIVE PROVISIONS

1. Definitions & Interpretation

- a. **"Retained Funds"** means any monies withheld from payments due to the Subcontractor pursuant to this Deed and held for the purpose of satisfying withholding tax liabilities.
- b. **"Taxing Authority"** means the relevant government or statutory body responsible for the administration and collection of taxes within the jurisdiction of _____.
- c. **"Withholding Obligation"** means any requirement under applicable law, or voluntary agreement under this Deed, to withhold a portion of a payment to secure or pay potential tax liabilities of the Subcontractor.

2. Withholding and Retention Mechanism

- a. The Contractor is authorized and required to withhold _____% from each progress payment or invoice amount payable to the Subcontractor under the Subcontract Agreement.
- b. All Retained Funds shall be held by the Contractor in a separate ledger or account and shall be dealt with strictly in accordance with this Deed and applicable statutory requirements.
- c. The Contractor shall provide the Subcontractor with written statement of all amounts withheld within _____ days of the end of each calendar month.

3. Payment to Taxing Authority

- a. The Contractor will remit the Retained Funds to the Taxing Authority in accordance with the timelines and procedures prescribed by applicable legislation.

- b. Upon remittance, the Contractor shall promptly provide the Subcontractor with official receipts or payment confirmations issued by the Taxing Authority as evidence of the payment of the withheld taxes.

4. Release of Retained Funds

- a. If any portion of the Retained Funds is determined by a final assessment of the Taxing Authority or by mutual agreement of the parties not to be payable as tax, the Contractor shall release such excess funds to the Subcontractor within_____ business days of receiving satisfactory evidence of the same.
- b. The Subcontractor must provide a valid tax clearance certificate or written confirmation from the Taxing Authority prior to the final release of any remaining Retained Funds held by the Contractor under this Deed.

5. Indemnity and Warranties

- a. The Subcontractor warrants that all tax registration numbers, documentation, and status declarations provided to the Contractor are true, accurate, and complete.
- b. The Subcontractor indemnifies and holds harmless the Contractor against any claims, penalties, interest, costs, or losses arising from any incorrect tax declaration made by the Subcontractor, or any failure by the Subcontractor to fulfill its primary tax obligations.

6. Governing Law

This Deed is governed by, and is to be construed in accordance with, the laws of_____, and the parties submit to the non-exclusive jurisdiction of the courts of that place.

EXECUTED AS A DEED

Signed, Sealed, and Delivered for and on behalf of the Contractor:

Authorized Representative Signature

Name (Printed)

Position / Title

Date

Signed, Sealed, and Delivered for and on behalf of the Subcontractor:

Authorized Representative Signature

Name (Printed)

Position / Title

Date

In the presence of (Witness):

Witness Signature

Witness Name (Printed)

In the presence of (Witness):

Witness Signature

Witness Name (Printed)