

# SUBCONTRACTOR VALUE ADDED TAX DECLARATION AND AGREEMENT

This Subcontractor Value Added Tax Declaration and Agreement (the "Agreement") is entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the "Effective Date"), by and between:

**Contractor:** \_\_\_\_\_

Address: \_\_\_\_\_

VAT Registration Number: \_\_\_\_\_

**Subcontractor:** \_\_\_\_\_

Address: \_\_\_\_\_

VAT Registration Number: \_\_\_\_\_

## RECITALS

**WHEREAS**, the Contractor and the Subcontractor have entered into a principal agreement for the provision of certain services and/or goods (the "Main Contract"); and

**WHEREAS**, the parties are required to comply with the relevant Value Added Tax ("VAT") laws and regulations applicable in the jurisdiction of \_\_\_\_\_; and

**WHEREAS**, the Contractor requires formal declaration and assurances from the Subcontractor regarding its VAT status and compliance;

**NOW, THEREFORE**, the parties agree as follows:

### 1. VAT DECLARATION

The Subcontractor hereby represents, warrants, and declares that:

1.1. It is currently registered for VAT purposes under the laws of \_\_\_\_\_, and that the VAT registration number provided above is valid, active, and correct.

1.2. It will immediately notify the Contractor in writing, but in no event later than \_\_\_\_\_ business days, if its VAT registration is cancelled, suspended, changed, or if there is any change in its VAT status.

1.3. All invoices submitted to the Contractor shall be valid tax invoices conforming to the legislative requirements of the relevant tax authority.

### 2. INDEMNITY AND LIABILITY

2.1. The Subcontractor agrees to indemnify, defend, and hold harmless the Contractor from and against any and all claims, liabilities, losses, damages, fines, penalties, interest, and expenses (including reasonable legal fees) arising out of or in connection with any breach of the declarations, warranties, or obligations set forth in this Agreement.

2.2. In the event that the tax authority disallows any input tax deduction claimed by the Contractor due to the Subcontractor's failure to provide a valid VAT invoice or due to the invalidity of the Subcontractor's VAT registration, the Subcontractor shall, upon demand, immediately refund to the Contractor any VAT amount paid by the Contractor in respect of such invoice, plus any applicable penalties or interest imposed by the tax authority.

### 3. AUDIT AND COOPERATION

3.1. The Subcontractor agrees to cooperate fully with the Contractor and any relevant tax authority in the event of an audit, inquiry, or dispute relating to VAT compliance under this Agreement or the Main Contract.

3.2. The Subcontractor shall provide all relevant tax invoices, registration certificates, and supporting documentation within \_\_\_\_\_ days of a written request by the Contractor.

**4. GOVERNING LAW**

This Agreement shall be governed by, interpreted, and construed in accordance with the laws of \_\_\_\_\_, without regard to its conflict of law principles.

**IN WITNESS WHEREOF**, the parties hereto have executed this Subcontractor Value Added Tax Declaration and Agreement as of the Effective Date.

**For the Contractor:**

**For the Subcontractor:**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_