

# JOINT VENTURE FINANCIAL AND TAX COOPERATION AGREEMENT

This Joint Venture Financial and Tax Cooperation Agreement (the "Agreement") is entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, by and between:

**Party A:** \_\_\_\_\_, a corporation organized and existing under the laws of \_\_\_\_\_, with its principal place of business at \_\_\_\_\_ (hereinafter referred to as "Party A").

**Party B:** \_\_\_\_\_, a corporation organized and existing under the laws of \_\_\_\_\_, with its principal place of business at \_\_\_\_\_ (hereinafter referred to as "Party B").

Party A and Party B are hereinafter collectively referred to as the "Parties" and individually as a "Party."

## RECITALS

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WHEREAS, the Parties have entered into a Joint Venture Agreement dated \_\_\_\_\_ (the "JV Agreement") to establish a joint venture entity named \_\_\_\_\_ (the "Joint Venture Company"); and

WHEREAS, the Parties desire to establish clear guidelines, standards, and responsibilities regarding the accounting practices, financial reporting, and tax cooperation of the Joint Venture Company;

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the Parties agree as follows:

## SECTION 1: ACCOUNTING STANDARDS AND FINANCIAL YEAR

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- Accounting Standards:** The Joint Venture Company shall maintain its books of accounts, records, and financial statements in accordance with \_\_\_\_\_ (e.g., IFRS / GAAP) consistently applied.
- Financial Year:** The financial year of the Joint Venture Company shall commence on the first day of \_\_\_\_\_ and end on the last day of \_\_\_\_\_ of each calendar year.
- Currency:** The functional and reporting currency of the Joint Venture Company shall be the \_\_\_\_\_.

## SECTION 2: BOOKKEEPING AND FINANCIAL REPORTING

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- Maintenance of Records:** The Joint Venture Company shall maintain accurate, complete, and up-to-date accounting books and financial records at its principal place of business.
- Reporting Schedule:** The Joint Venture Company shall prepare and deliver to each Party the following financial reports:
  - Monthly unaudited financial statements, within \_\_\_\_\_ days after the end of each calendar month.
  - Quarterly unaudited financial statements, within \_\_\_\_\_ days after the end of each fiscal quarter.
  - Annual audited financial statements, within \_\_\_\_\_ days after the end of each fiscal year.
- Access and Inspection:** Each Party, through its authorized representatives or external advisors, shall have the right to inspect, review, and copy the financial records, books, and receipts of the Joint Venture Company during normal business hours upon giving \_\_\_\_\_ days' written notice.

## SECTION 3: TAX COMPLIANCE AND COOPERATION

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- Tax Registration:** The Joint Venture Company shall timely register for all necessary federal, state, local, and international taxes as required under the applicable laws of \_\_\_\_\_.
- Tax Returns:** The Joint Venture Company shall prepare and file all required tax returns, forms, and declarations in a timely manner. Drafts of all material income tax returns shall be provided to both Parties for review at least \_\_\_\_\_ days prior to

the filing deadline.

3. **Cooperation:** The Parties agree to cooperate fully with each other and with the Joint Venture Company in connection with any tax audits, inquiries, disputes, or litigation involving the Joint Venture Company. Each Party shall provide any necessary information or documentation reasonably requested by the other Party or tax authorities.
4. **Transfer Pricing:** All transactions between the Joint Venture Company and either Party (or their affiliates) shall be conducted on an arm's-length basis and in compliance with applicable transfer pricing regulations.

#### SECTION 4: AUDIT AND AUDITOR APPOINTMENT

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1. **Appointment of Auditor:** The annual financial statements of the Joint Venture Company shall be audited by an independent certified public accounting firm of international repute, to be mutually agreed upon by the Parties. The initial auditor appointed shall be \_\_\_\_\_.
2. **Audit Costs:** All costs and expenses associated with the annual audit shall be borne entirely by the Joint Venture Company.

#### SECTION 5: DISTRIBUTION OF PROFITS AND CAPITAL

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1. **Dividend Policy:** Distributable profits shall be determined in accordance with applicable laws and the JV Agreement. Distributions shall be made to the Parties in proportion to their respective equity ownership stakes, which are:
  - Party A: \_\_\_\_\_ %
  - Party B: \_\_\_\_\_ %
2. **Withholding Taxes:** The Joint Venture Company shall withhold any taxes required by applicable law from payments or distributions made to the Parties and shall provide official tax receipts to the respective Parties.

#### SECTION 6: TERM AND TERMINATION

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1. **Term:** This Agreement shall enter into force on the date first written above and shall remain in effect for the duration of the Joint Venture Company, unless terminated earlier by mutual written agreement of the Parties.
2. **Survival:** The obligations under Section 3 (Tax Compliance and Cooperation) and Section 7 (Dispute Resolution) shall survive the termination of this Agreement or the dissolution of the Joint Venture Company.

#### SECTION 7: GOVERNING LAW AND DISPUTE RESOLUTION

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1. **Governing Law:** This Agreement shall be governed by, and construed in accordance with, the laws of \_\_\_\_\_, without regard to its conflict of law principles.
2. **Dispute Resolution:** Any dispute, controversy, or claim arising out of or relating to this Agreement, including its formation or validity, shall be resolved in accordance with the dispute resolution procedures set forth in the JV Agreement, specifically \_\_\_\_\_.

#### SECTION 8: MISCELLANEOUS

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1. **Amendments:** Any amendment or modification to this Agreement must be made in writing and signed by duly authorized representatives of both Parties.
2. **Entire Agreement:** This Agreement, together with the JV Agreement, constitutes the entire agreement between the Parties regarding financial and tax cooperation and supersedes all prior agreements or understandings, written or oral.

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Venture Financial and Tax Cooperation Agreement by their authorized officers as of the date first above written.

**For Party A:**

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

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

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

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

**For Party B:**

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

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

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

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