

## **SUBCONTRACTOR GOODS AND SERVICES TAX (GST) COMPLIANCE AGREEMENT**

This Goods and Services Tax (GST) Compliance Agreement (the "Agreement") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the "Effective Date"),

### **BY AND BETWEEN:**

**The Contractor:** \_\_\_\_\_, having its principal place of business at \_\_\_\_\_ (hereinafter referred to as the "Contractor"),

**AND**

**The Subcontractor:** \_\_\_\_\_, having its principal place of business at \_\_\_\_\_ (hereinafter referred to as the "Subcontractor").

The Contractor and the Subcontractor may collectively be referred to as the "Parties" or individually as a "Party."

### **1. RECITALS**

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WHEREAS, the Contractor and the Subcontractor have entered into, or are about to enter into, a prime subcontract agreement for the provision of certain works, services, or goods (the "Main Agreement"); and

WHEREAS, under the applicable tax laws, the supply of such goods and services may be subject to Goods and Services Tax (GST); and

WHEREAS, the Contractor requires the Subcontractor to be fully compliant with all relevant GST legislation to ensure the proper flow and recovery of Input Tax Credits (ITC);

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:

### **2. GST REGISTRATION AND VERIFICATION**

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1. The Subcontractor warrants and represents that it is registered for GST purposes under the relevant jurisdiction's tax laws. The Subcontractor's GST Registration Number is: \_\_\_\_\_.
2. The Subcontractor shall provide a certified copy of its GST registration certificate to the Contractor immediately upon execution of this Agreement.
3. The Subcontractor agrees to maintain its active GST registration status throughout the duration of the Main Agreement and any extensions thereof.
4. In the event of any cancellation, suspension, or change to the Subcontractor's GST registration status, the Subcontractor shall notify the Contractor in writing within \_\_\_\_\_ hours of such occurrence.

### **3. TAX INVOICING AND DOCUMENTATION**

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1. The Subcontractor shall issue valid tax invoices, debit notes, and credit notes strictly in accordance with the prescribed format and time limits set out under the applicable GST laws.
2. Each tax invoice issued by the Subcontractor must display:
  - a. The Subcontractor's legal name, registered address, and GST registration number;

- b. The Contractor's legal name, address, and GST registration number:  
 \_\_\_\_\_;
- c. A unique consecutive invoice number;
- d. The description, quantity, and value of goods or services supplied; and
- e. The applicable rate and amount of GST listed as a separate line item

**4. GST RETURN FILING AND COMPLIANCE**

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1. The Subcontractor undertakes to accurately report all tax invoices issued to the Contractor in its respective GST returns and pay the corresponding GST liability to the appropriate government tax authority within the prescribed statutory timelines.
2. The Subcontractor shall ensure that the details of the transactions are uploaded correctly on the relevant tax portal to enable the Contractor to claim Input Tax Credit (ITC) without any delay or dispute.

**5. INDEMNIFICATION AND RECOVERY**

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1. If the Contractor is denied, deprived of, or suffers any delay in claiming or receiving Input Tax Credit (ITC) due to any default, omission, or non-compliance by the Subcontractor (including but not limited to failure to file returns, incorrect filing, failure to pay GST to the government, or invalid invoices), the Subcontractor shall be liable to compensate the Contractor for the equivalent amount of the lost or delayed ITC.
2. The Subcontractor shall indemnify and keep indemnified the Contractor against all interests, penalties, legal fees, and administrative costs levied upon or incurred by the Contractor arising directly out of the Subcontractor's GST non-compliance.
3. The Contractor reserves the right to withhold payments due to the Subcontractor under the Main Agreement or any other contract to recover the amount of any loss or damage suffered under this clause.

**6. TERM AND TERMINATION**

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This Agreement shall remain in full force and effect concurrently with the Main Agreement and shall survive until all tax liabilities, filings, and audits relating to the period of the Main Agreement have been fully resolved and concluded.

**7. GOVERNING LAW**

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This Agreement shall be governed by, interpreted, and construed in accordance with the laws of \_\_\_\_\_, without giving effect to any principles of conflict of laws.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the dates set forth below.

**For the Contractor:**

**For the Subcontractor:**

\_\_\_\_\_  
 Authorized Signature

\_\_\_\_\_  
 Authorized Signature

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

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

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

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

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

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

