

# SUBCONTRACTOR DOUBLE TAXATION INDEMNIFICATION AGREEMENT

This Subcontractor Double Taxation Indemnification Agreement (the "Agreement") is entered into as of \_\_\_\_\_, 20\_\_\_\_ (the "Effective Date"), by and between:

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

and

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

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

## RECITALS

**WHEREAS**, the Contractor and the Subcontractor have entered into a subcontract agreement dated \_\_\_\_\_, 20\_\_\_\_ (the "Subcontract Agreement") for the provision of certain services; and

**WHEREAS**, the services provided by the Subcontractor may involve cross-border elements, potentially exposing the transaction, the Contractor, or the Subcontractor to tax liabilities in multiple jurisdictions; and

**WHEREAS**, the Parties intend to allocate the risk of any double taxation, withholding taxes, penalties, interest, or additional assessments that may arise from the performance of services under the Subcontract Agreement.

**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:

## 1. TAX REPRESENTATION AND WARRANTIES

1.1. The Subcontractor represents and warrants that it is a tax resident of \_\_\_\_\_ and is fully compliant with all tax laws, regulations, and filing requirements of such jurisdiction.

1.2. The Subcontractor represents and warrants that it maintains no permanent establishment or fixed base in the jurisdiction of \_\_\_\_\_ that would subject the payments made under the Subcontract Agreement to taxation in that jurisdiction, except as otherwise disclosed in writing to the Contractor.

1.3. The Subcontractor shall immediately notify the Contractor in writing of any change in its tax residency status or any event that may affect its tax liabilities or the tax treatment of payments under the Subcontract Agreement.

## 2. DOUBLE TAXATION AND WITHHOLDING TAX

2.1. All payments made by the Contractor to the Subcontractor under the Subcontract Agreement shall be made free and clear of, and without deduction or withholding for, any taxes, duties, assessments, or governmental charges of any nature, unless such withholding or deduction is required by law.

2.2. If the Contractor is required by any applicable law or tax authority to deduct or withhold any tax from any payment to the Subcontractor, the Contractor shall make such deduction or withholding and pay the full amount deducted or withheld to the relevant tax authority in accordance with applicable law.

2.3. In the event that double taxation is imposed, or if any tax authority asserts a claim for withholding tax, income tax, or other taxes on the payments made to the Subcontractor, the Subcontractor shall bear the ultimate responsibility for such tax liabilities, subject to the indemnification provisions herein.

## 3. INDEMNIFICATION

3.1. The Subcontractor hereby agrees to indemnify, defend, and hold harmless the Contractor, its affiliates, officers, directors, employees, and agents from and against any and all claims, liabilities, losses, damages, costs, and expenses (including, without limitation, reasonable attorneys' fees, tax advisor fees, penalties, and interest) arising out of or in connection with:

- (a) Any double taxation assessed against the Contractor in connection with the payments made to the Subcontractor;
- (b) Any failure by the Subcontractor to comply with its tax obligations in any applicable jurisdiction;
- (c) Any withholding tax assessments, audits, or claims by any tax authority arising from or relating to the services performed under the Subcontract Agreement; and
- (d) Any inaccuracy or breach of the representations and warranties set forth in Section 1 of this Agreement.

#### 4. COOPERATION AND DOCUMENTATION

4.1. The Subcontractor shall, at its own expense, promptly provide the Contractor with all such certificates, documentation, forms, or information as may be reasonably requested by the Contractor or required by any tax authority to obtain relief from double taxation, secure reduced withholding tax rates under any applicable tax treaty, or defend against any tax audit or assessment.

4.2. Both Parties agree to cooperate in good faith to minimize the incidence of double taxation or withholding taxes, including by restructuring the payment terms or service delivery methods, provided such modifications do not materially prejudice either Party.

#### 5. GOVERNING LAW AND DISPUTE RESOLUTION

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

5.2. Any dispute, controversy, or claim arising out of or relating to this Agreement, including its formation or breach, shall be resolved in accordance with the dispute resolution procedures set forth in the Subcontract Agreement.

#### 6. MISCELLANEOUS

6.1. **Entire Agreement:** This Agreement constitutes the entire agreement between the Parties regarding the subject matter hereof and supersedes all prior or contemporaneous discussions, agreements, or understandings, whether written or oral.

6.2. **Severability:** If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the remaining provisions shall continue in full force and effect.

6.3. **Amendment:** No amendment or modification of this Agreement shall be valid or binding unless made in writing and signed by authorized representatives of both Parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Subcontractor Double Taxation Indemnification Agreement as of the Effective Date.

**CONTRACTOR:**

By: \_\_\_\_\_

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

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

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

**SUBCONTRACTOR:**

By: \_\_\_\_\_

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

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

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