

JOINT VENTURE CONFIDENTIAL TAX DATA SECURITY AGREEMENT

This Joint Venture Confidential Tax Data Security Agreement (the "Agreement") is entered into and made effective as of _____, 20_____, by and between:

Party A: _____, a corporation organized under the laws of _____, with its principal place of business at _____;

and

Party B: _____, a corporation organized under the laws of _____, with its principal place of business at _____.

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

RECITALS

WHEREAS, the Parties have entered into a Joint Venture Agreement dated _____ to form and operate _____ (the "Joint Venture"); and

WHEREAS, in connection with the operation, tax compliance, filing obligations, and financial management of the Joint Venture, the Parties will share, exchange, access, and process highly sensitive tax data, financial records, and proprietary financial information; and

WHEREAS, the Parties desire to establish rigorous data security standards, access controls, and confidentiality obligations to protect such Tax Data in compliance with applicable laws, regulations, and industry standards.

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. DEFINITIONS

- A. **"Tax Data"** means any and all tax returns, filings, schedules, financial statements, transactional ledgers, payroll records, taxpayer identification numbers, withholding certificates, and any other financial or administrative data related to tax obligations, planning, or compliance shared between the Parties or generated by the Joint Venture.
- B. **"Authorized Representatives"** means employees, officers, directors, external legal counsel, or certified public accountants of a Party who have a demonstrable "need-to-know" such Tax Data for the sole purpose of executing the Joint Venture's business and tax compliance obligations.
- C. **"Security Incident"** means any unauthorized access, acquisition, alteration, disclosure, loss, or destruction of Tax Data.

2. USE AND RESTRICTIONS

The Receiving Party shall use the Tax Data strictly for the performance of tax compliance, administrative duties, and financial reporting of the Joint Venture, and for no other purpose. The Receiving Party shall not sell, license, lease, assign, or otherwise commercially exploit the Tax Data. Under no circumstances shall Tax Data be disclosed to any third party without the express prior written consent of the Disclosing Party, except as required by applicable tax authorities or governing law.

3. DATA SECURITY MEASURES

Each Party shall implement, maintain, and enforce a written information security program containing appropriate administrative, technical, and physical safeguards designed to secure the Tax Data. Such measures shall include, at a minimum:

- 1. Encryption of Tax Data both in transit and at rest using industry-standard encryption protocols.
- 2. Strict logical access controls, limiting access to Tax Data solely to Authorized Representatives.
- 3. Multi-factor authentication (MFA) for all remote access and access to administrative systems holding Tax Data.
- 4. Regular vulnerability scanning, system patching, and security assessments of infrastructure housing Tax Data.

5. Physical security measures to prevent unauthorized physical access to servers, workstations, and paper documents containing Tax Data.

4. SECURITY INCIDENTS AND BREACH NOTIFICATION

In the event of a confirmed or reasonably suspected Security Incident involving Tax Data, the compromised Party shall:

1. Notify the other Party in writing within _____ hours of discovery.
2. Promptly investigate the incident, mitigate the breach, and preserve all relevant forensic evidence.
3. Provide detailed information regarding the nature of the breach, the categories of Tax Data affected, and the corrective actions taken.
4. Cooperate fully with the other Party in any regulatory investigations, notifications to affected individuals, or legal proceedings.

5. AUDIT AND INSPECTION RIGHTS

Upon reasonable prior written notice of at least _____ business days, either Party (or its designated independent third-party auditor) shall have the right to audit the other Party's security measures, systems, policies, and procedures to verify compliance with this Agreement. Such audits shall be conducted during normal business hours and in a manner that minimizes disruption to operations.

6. TERM AND RETURN OF DATA

This Agreement shall remain in effect for the duration of the Joint Venture, or until terminated by mutual written agreement of the Parties. Upon termination of the Joint Venture, or upon written request by the Disclosing Party, the Receiving Party shall, at the option of the Disclosing Party, either return or permanently and securely delete all Tax Data in its possession, and certify such destruction in writing within _____ days.

7. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by, and construed in accordance with, the laws of the State of _____, without regard to its conflict of law principles. Any legal action or proceeding arising under this Agreement shall be brought exclusively in the courts located in _____.

8. MISCELLANEOUS

This Agreement constitutes the entire understanding between the Parties regarding the subject matter hereof and supersedes all prior discussions, agreements, or understandings. No amendment or modification to this Agreement shall be valid unless in writing and signed by authorized representatives of both Parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Venture Confidential Tax Data Security Agreement as of the date first written above.

PARTY A:

By:

Name: _____

Title: _____

Date: _____

PARTY B:

By:

Name: _____

Title: _____

Date: _____

