

## DEED OF VALUE ADDED TAX (VAT) COMPLIANCE

THIS DEED OF COMPLIANCE is made on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**BETWEEN:**

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**1. THE PRINCIPAL CONTRACTOR:**

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Registered

Address:

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

**2. THE SUBCONTRACTOR:**

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Registered

Address:

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

**BACKGROUND:**

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(A) The Principal Contractor and the Subcontractor have entered into an agreement dated \_\_\_\_\_ (the "Subcontract Agreement") for the provision of certain subcontracted services.

(B) Under the tax laws of the jurisdiction, the parties must comply with the prevailing Value Added Tax (VAT) regulations.

(C) The Subcontractor agrees to provide representations, warranties, and indemnities to the Principal Contractor to ensure absolute compliance with all applicable VAT statutes, laws, and administrative directives.

**OPERATIVE PROVISIONS:**

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**1. VAT STATUS AND REGISTRATION**

The Subcontractor warrants and represents to the Principal Contractor that:

- a. It is duly registered for VAT purposes in the jurisdiction where the services are performed, under the registration number specified above.
- b. It shall maintain its VAT registration in good standing throughout the duration of the Subcontract Agreement.
- c. It shall immediately, and in any event within \_\_\_\_\_ business days, notify the Principal Contractor in writing if its VAT registration status changes, is cancelled, or is subject to investigation by the relevant revenue authorities.

**2. INVOICING AND COMPLIANCE**

- a. The Subcontractor shall issue valid tax invoices for all taxable supplies made under the Subcontract Agreement. Each invoice must comply with all statutory requirements necessary to enable the Principal Contractor to claim input VAT recovery.

- b. The Subcontractor shall provide such supporting documentation as the Principal Contractor may reasonably request to verify the VAT treatment applied to any transactions under the Subcontract Agreement.
- c. If any invoice is determined to be non-compliant with VAT legislation, the Subcontractor shall immediately reissue a compliant tax invoice or credit note, as applicable.

### 3. WITHHOLDING AND PAYMENT DELAYS

The Principal Contractor reserves the right to withhold payment of the VAT portion of any invoice if the Subcontractor fails to provide a valid VAT invoice, or if the Principal Contractor has reasonable grounds to believe the Subcontractor is not in compliance with its VAT obligations, until such time as the non-compliance is fully remedied to the satisfaction of the Principal Contractor.

### 4. INDEMNITY

The Subcontractor hereby indemnifies and holds harmless the Principal Contractor from and against any and all losses, damages, liabilities, fines, penalties, interest, costs, and expenses (including legal and professional fees) arising out of or in connection with:

- a. Any breach of the warranties or obligations set forth in this Deed.
- b. The failure of the Subcontractor to submit accurate VAT returns or remit VAT collected to the relevant tax authority.
- c. The denial, rejection, or clawback of any input VAT deduction or credit claimed by the Principal Contractor as a result of any act, omission, or non-compliance by the Subcontractor.

### 5. GOVERNING LAW AND JURISDICTION

This Deed shall be governed by and construed in accordance with the laws of \_\_\_\_\_ . Any disputes arising out of or in connection with this Deed shall be subject to the exclusive jurisdiction of the courts of \_\_\_\_\_ .

**IN WITNESS WHEREOF** This Deed has been executed and delivered by the parties on the date first written above.

**EXECUTED AS A DEED BY  
THE PRINCIPAL CONTRACTOR:**

**EXECUTED AS A DEED BY  
THE SUBCONTRACTOR:**

\_\_\_\_\_  
Signature of Authorized Signatory

\_\_\_\_\_  
Signature of Authorized Signatory

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

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

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

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

In the presence of (Witness):

In the presence of (Witness):

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Signature of Witness

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

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