

# **SUBCONTRACTOR DOUBLE TAXATION INDEMNITY AGREEMENT**

This Subcontractor Double Taxation Indemnity Agreement (the "Agreement") is entered into on this\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between:

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

and

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

## **RECITALS**

WHEREAS, Contractor and Subcontractor have entered into a prime subcontract agreement or service agreement dated \_\_\_\_\_ (the "Main Agreement") for the provision of certain services; and

WHEREAS, the services provided by the Subcontractor may subject the payments made under the Main Agreement to taxation in multiple jurisdictions, creating a risk of double taxation, withholding tax liabilities, or extra-jurisdictional tax assessments; and

WHEREAS, the parties desire to allocate the risk of any such double taxation, tax assessments, interest, penalties, or withholding tax liabilities arising out of or in connection with the services provided by the Subcontractor.

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 STATUS AND REPRESENTATIONS**

1.1. The Subcontractor represents and warrants that its tax residency is in\_\_\_\_\_ and that it is fully compliant with all tax filing and payment obligations in its home jurisdiction and any jurisdiction where services are performed.

1.2. The Subcontractor represents and warrants that the services provided under the Main Agreement do not and will not constitute a permanent establishment of the Contractor or the Subcontractor in any jurisdiction other than those specifically disclosed in writing to the Contractor.

1.3. The Subcontractor shall provide to the Contractor, upon request, valid certificates of tax residency, withholding tax exemption certificates, or any other documentation necessary to secure treaty benefits or tax exemptions under any applicable Double Taxation Avoidance Agreement (DTAA).

## **2. INDEMNITY**

2.1. 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, expenses, interest, penalties, and assessments (including reasonable legal fees) arising out of or related to:

- (a) Any double taxation assessed on payments made to the Subcontractor under the Main Agreement;
- (b) Any failure by the Subcontractor to pay applicable taxes in any jurisdiction where services are rendered;
- (c) Any withholding tax liabilities, assessments, penalties, or interest imposed by any tax authority as a result of the Subcontractor's failure to maintain or provide proper tax documentation, certificates, or treaty filings.

### **3. COOPERATION AND MITIGATION**

- 3.1. In the event that any tax authority initiates an audit, inquiry, or assessment regarding payments made or services rendered under the Main Agreement, the parties shall promptly notify each other in writing.
- 3.2. The Subcontractor shall, at its own expense, fully cooperate with the Contractor and any relevant tax authorities to mitigate, challenge, or appeal any double taxation assessment or withholding tax dispute.
- 3.3. The Contractor reserves the right to withhold from any payments due to the Subcontractor such amounts as may be required by law to be withheld under the regulations of any applicable tax authority, unless the Subcontractor provides a valid, legally binding exemption certificate prior to the payment date.

### **4. TERM AND TERMINATION**

- 4.1. This Agreement shall commence on the date first written above and shall survive the termination, expiration, or completion of the Main Agreement for a period equal to the applicable statute of limitations for tax assessments in the relevant jurisdictions.

### **5. GOVERNING LAW AND JURISDICTION**

- 5.1. This Agreement shall be governed by, and construed in accordance with, the laws of \_\_\_\_\_, without regard to its conflict of law principles.
- 5.2. Any disputes arising out of or in connection with this Agreement shall be subject to the exclusive jurisdiction of the courts located in \_\_\_\_\_.

### **6. MISCELLANEOUS**

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

IN WITNESS WHEREOF, the parties hereto have executed this Subcontractor Double Taxation Indemnity Agreement as of the date first above written.

**CONTRACTOR:**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SUBCONTRACTOR:**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_