
LIABILITY FOR VAT

Valid from 1. 1. 2016

The Supplier undertakes to immediately inform the ŠKODA ELECTRIC a.s.:

- (i) that the Supplier's tax administrator has decided that, pursuant to § 106a of Act No. 235/2004 Coll., on Value Added Tax ("VAT Act"), the Supplier is an unreliable taxpayer, and/or
- (ii) is unable to pay or is clearly at risk of becoming unable to pay, and/or
- (iii) any other fact that should or could affect the timely and due payment of VAT.

The ŠKODA ELECTRIC a.s. is entitled to deduct VAT from the taxable supply directly to the Supplier's tax administrator, in relation to § 109 ad 109a of the VAT Act:

- (i) if any of the above circumstances arise and/or
- (ii) if the ŠKODA ELECTRIC a.s. suspects that VAT will not be paid by the Supplier and/or
- (iii) if the ŠKODA ELECTRIC a.s. suspects that the Supplier is shortening or attracting tax benefits and/or
- (iv) if the Supplier requests payment to a bank account which is not published pursuant to § 96 of the VAT Act.

In such a case the ŠKODA ELECTRIC a.s. must immediately inform the Supplier of this fact.

When VAT is paid to the tax administrator's account, the Supplier's claim against the ŠKODA ELECTRIC a.s. concerning the VAT sum is considered to have been settled, regardless of any further contractual provisions. The Supplier also undertakes to immediately inform the ŠKODA ELECTRIC a.s. in writing that the payment has been registered by his tax administrator.