

OUR REF: SBA Letter 2 New Agreement

DATE:

To whom it may concern,

Reference: Self Billing Agreements

BDW Trading Limited aims to pay all its contractors in a timely and accurate fashion. To support this and reduce the burden on contractors, we operate an automated process called "Self-Billing" that reduces paperwork, makes errors less likely and speeds up payments. This system will start the payment process for measured works automatically upon the Quantity Surveyor entering payment tick stages following completion of those works.

The automated Self-Billing payment process will also be used for all Variation payments. These, together with contra-charges, will be processed through the same Self-Billing payment process as measured works and require the submission of an Application for Payment by yourselves for the works completed.

Invoices are therefore not required and information provided at tender stage only needs to be entered once. Where works are VAT-applicable, our suppliers are only liable for that VAT at the payment stage rather than when raising the invoice, thus improving cash flow. The process should be quicker, simpler and more efficient.

The validating documentation that is required to facilitate this system is a Self-Billing Agreement which is enclosed for you to complete and return to us.

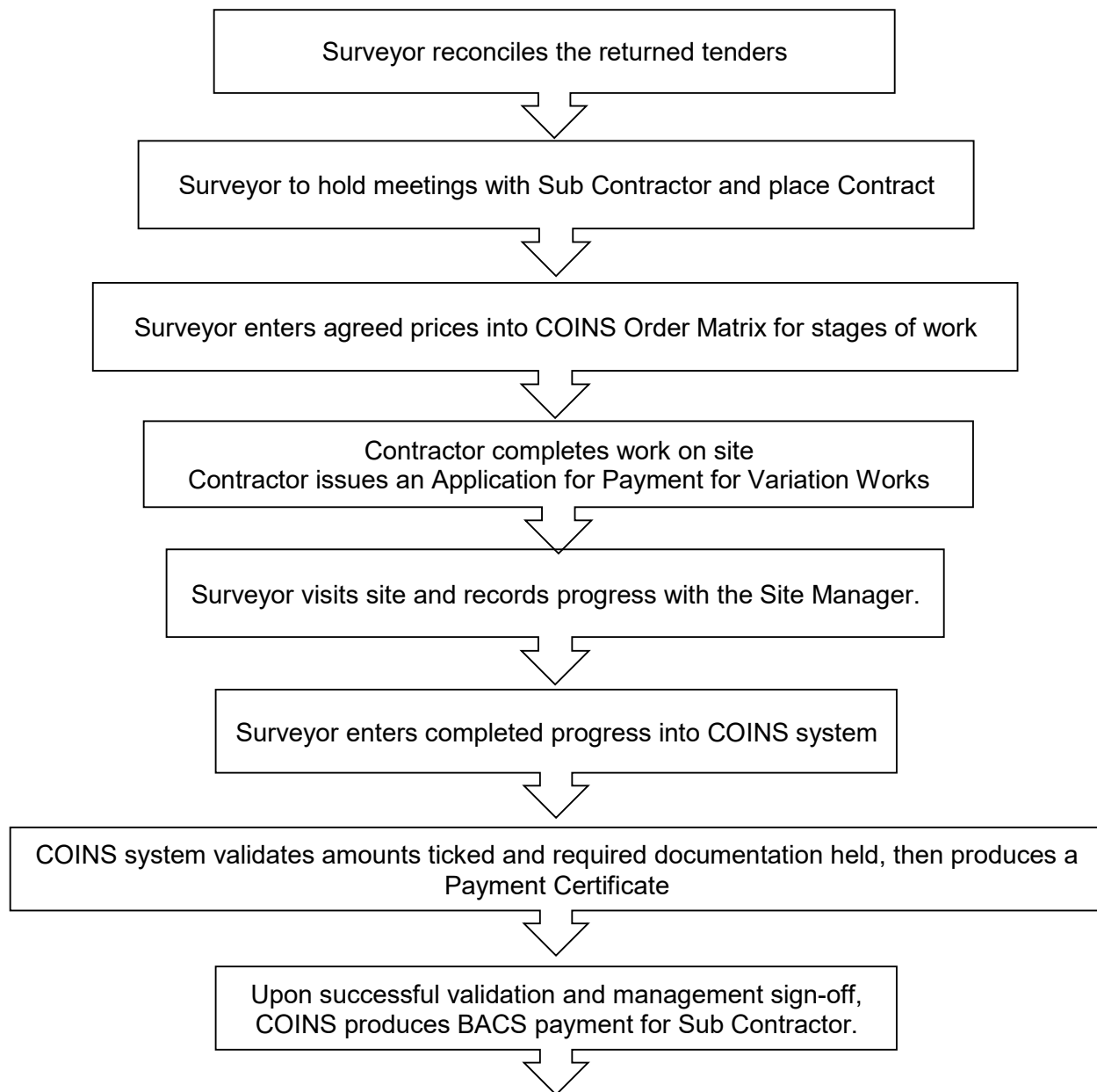
It is a requirement of HM Revenue & Customs that this agreement is reviewed annually. If there is no in-date agreement the Company's payment system (COINS) will hold all payments made by this Self-Billing method until a valid signed and dated agreement is in place.

If you work across multiple Barratt divisions, you will receive a number of requests to sign a Self-Billing Agreement. Please complete, sign and return each of them to the relevant division.

If we have notified you in accordance with the Housing Grants Construction Act any works which have been paid in error to you, the reversal of payment ticks will also be processed using the self-billing method.

Any invoices received for Variation Works will be returned to you for resubmission as an Application for Payment. Any invoices received for Standard Works will be returned, but should not be resubmitted because Standard Works will automatically be authorised for payment sign-off when ticked by the Quantity Surveyor upon completion of the works.

Outlined below is an example of the information process flow.



Further information regarding Self Billing agreements can be found in the HM Revenue & Customs Notice 700/62 Self Billing published 9 September 2014.

Please complete the missing information in the attached self-billing agreement (including your VAT registration number where you are registered for VAT) and return it to us by **[DATE]** (in order to ensure that self-billing payments can be made) at the following address:

[Enter Division Address]

If you have any queries or require any further information, please contact the undersigned.

Yours faithfully

Divisional Surveying Department
Barratt Homes [Enter Division Name]

Self-Billing Agreement

This agreement is entered into on the date of last signature stated at the end of it by and between, **ALL SECTIONS NEED TO BE COMPLETED:**

(1) Company (Self-Biller):	(2) Sub-Contractor (Self-Billee):
Name: BDW Trading Limited Trading as [Enter Division Number and Name]	Name:
Company Number: 03018173	Company Number (if applicable): _____
Address/Registered Office: Bardon House Cartwright Way Forest Business Park Bardon Hill Coalville Leicestershire LE67 1UF	Address/Registered Office:
Place of Registration (as applicable): England and Wales	Place of Registration (if applicable): _____
VAT Registration Number: 633 4818 36	VAT Registration Number: _____ Please Tick if NOT VAT Registered <input type="checkbox"/>

In consideration of the mutual promises set out in this Agreement, the parties named above agree to be bound by the following:

Part 1: Self-Biller Obligations

1. The Self-Biller (i.e. BDW Trading Limited) shall:
 - 1.1 issue self-billed invoices for Measured Works and Variation Works carried out following payment being made as detailed within the Self-Billed works order(s) until the end of this agreement;
 - 1.2 include on the self-billed invoice, the Sub-Contractor's name, address and VAT registration number, together with all the other details that would constitute a full VAT invoice.

- 1.3 create a new self-billing agreement if its VAT Registration number or corporate status changes;
- 1.4 inform the supplier if the issuing of self-billed invoices will be outsourced to a third party;
- 1.5 show the tax point on the self-billed invoice; and
- 1.6 clearly mark all self-billed invoices with the statement:

“THE VAT SHOWN ON THIS INVOICE IS YOUR OUTPUT TAX DUE TO HMRC”

Part 2: Self-Billee obligations

2. The Self-Billee shall:
 - 2.1 accept invoices raised by the Self-Biller on their behalf for works carried out as detailed within the **Self-Billed** works order(s) until the end of this agreement;
 - 2.2 not raise VAT invoices for works carried out as detailed within a Self-Billed works order; and
 - 2.3 inform the Self-Biller’s Surveying Department at the address below in writing if they:
 - 2.3.1 change their VAT registration number;
 - 2.3.2 cease to be VAT registered; and/or
 - 2.3.3 sell part or all their business.

Part 3: Term

3. This agreement is valid for 12 months from the date of last signature, set out below.

Part 4: General

4. This agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales. Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this agreement or its subject matter or formation.

Signed:

On Behalf of the Self-Biller	
Signature:	_____
Name:	_____
Date:	_____

On Behalf of the Self-Billee	
Signature:	_____
Name:	_____
Date:	_____