

TSS

## Y(UK) 1 – Project Bank Account

Defined terms

Y1.1

- (1) Joining Deed is an agreement under which the Supplier joins the Trust Deed and is in the document which the Subcontract Data states it is in.
- (2) Named Suppliers are *named suppliers* and other Suppliers who have signed the Joining Deed.
- (3) Project Bank Account is the account used to receive payments from the *Client* and the *Contractor* and to make payments to the *Contractor*, the *Subcontractor* and Named Suppliers.
- (4) A Supplier is a person or organisation who has a contract to
  - provide part of the *subcontract service*,
  - provide a service necessary to Provide the Subcontract Service or
  - supply Plant and Materials for the *subcontract service*.
- (5) Trust Deed is an agreement which contains provisions for administering the Project Bank Account and is in the document which the Subcontract Data states it is in.

Named Suppliers

Y1.2 The *Subcontractor* includes in its contracts with Named Suppliers the arrangements in the contract for the operation of the Project Bank Account and Trust Deed. The *Subcontractor* informs Named Suppliers it appoints, the details of the Project Bank Account and the arrangements for payment of amounts due under their contracts.

Y1.3 The *Subcontractor* submits proposals for adding a Supplier to the Named Suppliers to the *Contractor* for acceptance. A submission includes the Suppliers as stated in the Subcontract Scope and other Suppliers requested by the *Subcontractor*. A reason for not accepting a submission is that the addition of a Supplier does not comply with the Subcontract Scope. The *Client*, the *Contractor*, the *Subcontractor* and the Supplier sign the Joining Deed after acceptance.

Payments

Y1.4 Until the Project Bank Account is established, payment is made by the *Contractor* to the *Subcontractor*.

Y1.5 The *Subcontractor* shows in the application for payment the amounts due to Named Suppliers in accordance with their contracts. The *Subcontractor* notifies the *Contractor* if the amount due to any Named Supplier changes from that in the payment application and provides reasons for the change.

Y1.6 The *Contractor* notifies the *Subcontractor* of the amounts to be paid from the Project Bank Account to the *Subcontractor* and Named Suppliers.

Y1.7 The *Subcontractor* and Named Suppliers receive payment from the Project Bank Account of the amounts notified by the *Contractor*.

Y1.8 A payment which is due from the *Subcontractor* to the *Contractor* is not made through the Project Bank Account.

Effect of Payment

Y1.9 Payments made from the Project Bank Account are treated as payments from the *Contractor* to the *Subcontractor* in accordance with the contract or from the *Subcontractor* to Named Suppliers in accordance with their contracts as applicable. A delay in payment due to a failure of the *Subcontractor* to comply with the requirements of this clause is not treated as late payment under the contract.

#### Trust Deed

Y1.10 If the *Subcontractor* is identified as a Named Supplier in the Contract Data in the main contract, the *Client*, the *Contractor*, the *Subcontractor* and *named suppliers* sign the Trust Deed within two weeks of the Contract Date stated in the main contract.

#### Joining Deed

Y1.11 If the *Subcontractor* is added as a Named Supplier in the main contract after the Contract Date stated in the main contract, the *Client*, the *Contractor*, the *Subcontractor* and the *named suppliers* sign the Joining Deed before the first assessment date.

#### Termination

Y1.12 If the *Contractor* issues a termination certificate, no further payment is made into the Project Bank Account for work done by the *Subcontractor* or Named Suppliers.

**Contract Data**

Part one

If Option Y(UK)1 is used

The Trust Deed is in .....

The Joining Deed is in .....

Part two

If Option Y(UK)1 is used

*named suppliers* are.....