

## TSC

### Y(UK) 1 – Project Bank Account

#### Defined terms

##### Y1.1

- (1) Joining Deed is an agreement in the form set out in the contract under which the Supplier joins the Trust Deed.
- (2) Named Suppliers are *named suppliers* and other Suppliers who have signed the Joining Deed.
- (3) The Payment Schedule is a list of payments to be made to the *Contractor* and Named Suppliers from the Project Bank Account.
- (4) Project Bank Account is the account used to receive payments from the *Client* and the *Contractor* and to make payments to the *Contractor* and Named Suppliers.
- (5) Project Bank Account Tracker is a register of all payments made to and from the Project Bank Account and the date each payment was made and is in the form stated in the Scope.
- (6) A Supplier is a person or organisation who has a contract to
  - provide part of the *service*,
  - provide a service necessary to Provide the Service or
  - supply Plant and Materials for the *service*.
- (7) Trust Deed is an agreement in the form set out in the contract which contains provisions for administering the Project Bank Account.

#### Project Bank Account

- Y1.2 The *account holder* establishes the Project Bank Account with the *project bank* within eight weeks of the Contract Date.
- Y1.3 Unless stated otherwise in the Contract Data, the *Contractor* pays any charges made and is paid any interest paid by the *project bank*. The charges and interest by the *project bank* are not included in Defined Cost.
- Y1.4 If the *account holder* is the *Contractor*, it submits to the *Service Manager* for acceptance details of the banking arrangements for the Project Bank Account. A reason for not accepting the banking arrangements is that they do not provide for payments and inspections to be made in accordance with the contract. The *Contractor* provides to the *Service Manager* copies of communications with the *project bank* in connection with the Project Bank Account.

#### Named Suppliers

- Y1.5 The *Contractor* includes in its contracts with Named Suppliers the arrangements in the contract for the operation of the Project Bank Account and Trust Deed. The *Contractor* informs the Named Suppliers it appoints, the details of the Project Bank Account and the arrangements for payment of amounts due under their contracts.
- Y1.6 The *Contractor* submits proposals for adding a Supplier to the Named Suppliers to the *Service Manager* for acceptance. A submission includes the Suppliers stated in the Scope and other Suppliers requested by the *Contractor*. A reason for not accepting a submission is that the addition of a Supplier does not comply with the Scope. The *Client*, the *Contractor* and the Supplier sign the Joining Deed after acceptance.

## Payments

- Y1.7 Until the Project Bank Account is established, payment is made by the *Client* to the *Contractor*.
- Y1.8 The *Contractor* shows in the application for payment the amounts due to Named Suppliers in accordance with their contracts.
- Y1.9 Within the time set out in the banking arrangements to allow the *project bank* to make payment to the *Contractor* and Named Suppliers in accordance with the contract,
- the *Contractor* prepares the Payment Schedule, provides a copy to the *Service Manager* and provides the information in the Payment Schedule to the *project bank*,
  - the *Client* makes payment to the Project Bank Account of the amount which is due to be paid under the contract and
  - the *Contractor* makes payment to the Project Bank Account of any amount which the *Client* has informed the *Contractor* it intends to withhold from the certified amount and which is required to make payment to Named Suppliers.
- Y1.10 The *Contractor* notifies the *Service Manager* if the amount due to any Named Supplier stated in the Payment Schedule is different from that in the payment certificate and provides reasons for the change.
- Y1.11 If the *account holder* is the *Contractor*, it authorises payment in accordance with the Payment Schedule no later than one day before the final date for payment. Following payment, the *Client* checks the amounts paid to the Named Suppliers by inspecting the Project Bank Account.
- Y1.12 If the *account holder* is the Parties, they jointly authorise payment in accordance with the Payment Schedule no later than one day before the final date for payment.
- Y1.13 Following authorisation, the *Contractor* and Named Suppliers receive payment from the Project Bank Account of the sums set out in the Payment Schedule as soon as practicable after the Project Bank Account receives payment.
- Y1.14 The *Contractor* updates the Project Bank Account Tracker and submits it to the *Service Manager* within one week of any payment being made from the Project Bank Account.
- Y1.15 A payment which is due from the *Contractor* to the *Client* is not made through the Project Bank Account.

## Effect of Payment

- Y1.16 Payments made from the Project Bank Account are treated as payments from the *Client* to the *Contractor* in accordance with the contract. A delay in payment due to a failure of the *Contractor* to comply with the requirements of this clause is not treated as late payment under the contract.

## Trust Deed

Y1.17 The *Client*, the *Contractor* and *named suppliers* sign the Trust Deed within two weeks of the Contract Date.

Termination

Y1.18 If the *Service Manager* issues a termination certificate, no further payment is made into the Project Bank Account.

## Trust Deed

This agreement is made between the *Client*, the *Contractor* and the Named Suppliers.

Terms in this deed have the meanings given to them in the contract between . . . . .  
and . . . . . for . . . . . (the *service*).

### Background

The *Client* and the *Contractor* have entered into a contract for the *service*.

The Named Suppliers have entered into contracts with the *Contractor* or a Subcontractor in connection with the *service*.

A Project Bank Account will be established to make provision for payment to the *Contractor* and the Named Suppliers.

### Agreement

The parties to this deed agree that

- sums due to the *Contractor* and Named Suppliers and set out in the Payment Schedule are held in trust in the Project Bank Account for distribution to the *Contractor* and Named Suppliers in accordance with the banking arrangements applicable to the Project Bank Account,
- further Named Suppliers may be added as parties to this deed with the agreement of the *Client* and *Contractor*. The agreement of the *Client* and *Contractor* is treated as agreement by the Named Suppliers who are parties to this deed,
- this deed is subject to the law of the contract for the *service*,
- the benefits under this deed may not be assigned.

**Executed as a deed on** . . . . .

by

. . . . . (*Client*)

. . . . . (*Contractor*)

. . . . .

. . . . .

. . . . . (Named Suppliers)

. . . . .

## Joining Deed

This agreement is made between the *Client*, the *Contractor* and . . . . . (the Additional Supplier).

Terms in this deed have the meanings given to them in the contract between . . . . .  
.. and . . . . . for . . . . . (the *service*).

### Background

The *Client* and the *Contractor* have entered into a contract for the *service*.

The Named Suppliers have entered into contracts with the *Contractor* or a Subcontractor in connection with the *service*.

A Project Bank Account **has been/will be** (delete as applicable) established to make provision for payment to the *Contractor* and the Named Suppliers.

The *Client*, the *Contractor* and the Named Suppliers have entered into a deed as set out in Annex 1 (the Trust Deed) and have agreed that the Additional Supplier may join that deed.

### Agreement

The parties to this deed agree that

- the Additional Supplier becomes a party to the Trust Deed from the date set out below,
- this deed is subject to the law of the contract for the *service*,
- the benefits under this deed may not be assigned.

**Executed as a deed on** . . . . .

by

. . . . . (*Client*)

. . . . . (*Contractor*)

. . . . . (Additional Supplier)

**Contract Data**

Part one

If Option Y(UK)1 is used

The *Contractor* **is/is not** to pay any charges made and to be paid any interest paid by the *project bank* (Delete as applicable)

The *account holder* is **the Contractor/the Parties** (Delete as applicable)

Part two

If Option Y(UK)1 is used

The *project bank* is.....

*named suppliers* are.....