Explanatory Notes on using the General Government Purchasing Conditions 2026 (ARIV 2026)

These Explanatory Notes are in the public domain, but are not part of the Contract. The content of these Explanatory Notes can help resolve any doubts about the meaning or interpretation of the ARIV 2026.

1. General introduction

1.1 Purpose of the ARIV

The General Government Purchasing Conditions (ARIV) were first adopted by an order of the Prime Minister of 1 September 1993. Since then they have been amended on a number of occasions. The ARIV contain general terms and conditions for purchase and supply contracts between the State of the Netherlands (all government ministries and agencies/organisations that fall under their authority) and suppliers. In these Explanatory Notes, the ARIV 2026 are referred to as the ARIV.

1.2 Changes in the 2026 version compared with the 2018 version

A number of provisions from the ARIV 2018 have been reworded or deleted in the ARIV 2026 to better reflect current practice within central government. Changes have also been made to the wording of the articles and the Explanatory Notes to make them easier to read. In addition, the ARIV 2026 have been brought into line where possible with the wording of the ARBIT 2022 and the ARVODI 2025.

The main changes are summarised below.

The title of the article on ‘Method of notification’ has been changed to ‘Status of notifications, undertakings or agreements’. The content of the article has also been amended, since agreements and suchlike are in practice usually made by email. See also the notes on article 7 of the ARIV.

The scope of the article on ‘Processing of data’ has been broadened. It now concerns not only personal data but also other data that is provided and/or used in the context of a contract.

The structure and system of the articles on invoicing and payment have been harmonised with the ARVODI and the ARBIT; invoicing and payment are now addressed in two separate articles, while the subject of ‘invoice audits’ has been added to the article on payment.

- Because of the introduction of e-invoicing across central government, the article on ‘Invoicing’ now provides that e-invoicing is the standard invoicing method and that the start of the payment period is not triggered as long as the e-invoice does not meet the applicable requirements.

- For the sake of clarification, the article on 'Payment and invoice audits' now provides that the payment period of 30 calendar days begins the day after receipt of the invoice in question, provided that both the Product and the invoice comply with the provisions of the Contract.

The article on 'Liability' no longer contains a graduated scale. Liability is now limited to a maximum of four times the contract value per event and six times the contract value for each year or part of a year that the Contract has been in force, up to a maximum of €3,000,000 per event and €5,000,000 for each year or part of a year in which the Contract has been in force. This is clearer and better reflects current practice.

In the article on 'Insurance', the Supplier's obligation to present a certified copy of the policies and proof of the payment of premiums has been removed.

1.3 Use of the ARIV

The ARIV are intended for the purchase of items of movable property. Movable property means tangible objects that can move or be moved. The ARIV are not intended for:

- IT contracts (including the supply of (standard) software), in which case the General Government Terms and Conditions for IT Contracts (ARBIT) and related model contracts must be used;
- Any form of service provision, in which case the General Government Terms and Conditions for Public Service Contracts (ARVODI) must be used.

<u>*RECOMMENDATION:*</u> *In the event of doubt as to whether the ARIV are suitable for a certain contract, for example in the case of a mixed contract, it is advisable to contact the legal department.*

<u>Using the ARIV with a model contract</u>
The ARIV set out the minimum terms and conditions under which central government enters into contracts for the purchase of products. There are models for different kinds of contract with concepts, themes and optional provisions that have been carefully harmonised with each other and that form an inseparable whole in combination with the ARIV. The use of the ARIV combined with the relevant model contract is therefore strongly recommended.

As the ARIV apply only if this is explicitly agreed by the Parties, the model contracts always include an article stating that the ARIV are part of the Contract.

<u>Inclusion in request for tenders</u>
The ARIV, as well as the related model contracts, are available on the central government intranet. As a rule, the ARIV and a draft contract are sent together with the request for tenders (both in the case of a public tendering procedure and a limited bidding procedure). The draft contract is a model contract to which the user has made additions reflecting the specific characteristics of the work to be contracted. To help the user do this, the model contracts include input fields, optional provisions and schedules.

1.4 Deviating from the ARIV

It is possible in exceptional cases to deviate from the ARIV or parts thereof if the contract makes such deviations necessary. Any deviations should be based on the options indicated in these Explanatory Notes and in the accompanying model contracts.

<u>RECOMMENDATION:</u> It is advisable to contact the legal department in the event of deviations from the ARIV.

1.5 Suggestions/questions

It remains important to keep the ARIV up to date and, where necessary, to adjust them to take account of new insights on the part of users. Suggestions or questions can be submitted to the secretariat of the Corporate Legal Advisory Committee (CBA) (contact details on Rijksportaal) which falls under the Directorate-General for Digitalisation and the Public Sector (DGDOO) of the Ministry of the Interior and Kingdom Relations.

2. Notes on individual articles

A number of articles are explained below. No explanations are included for articles that speak for themselves.

Article 1 Definitions

Article 1 defines a number of terms. Terms in the ARIV that are capitalised have the meaning described in article 1. These terms have the same meaning when they are capitalised in these Explanatory Notes and in the model contracts.

A 'Schedule' is an annexe to the Contract that forms part of it. The ARIV do not require that all pages of the Schedules must be initialled. If the Purchaser is worried that confusion may arise about which documents are intended to be Schedules, it can include a provision in the Contract to the effect that Schedules must be initialled.

It follows from the definition of 'Staff' that the term refers not only to persons employed by the Parties but also to persons, including legal persons, hired or used for the performance of the Contract. Both employees and persons, including legal persons, who are hired or used are included.

The definition of 'Working Day' refers to the General Extension of Time Limits Act. The official public holidays under the General Extension of Time Limits Act are: New Year's Day, Christian Easter Monday and Whit Monday, Christmas Day and Boxing Day, Ascension Day, the day on which the King's birthday is celebrated and the fifth of May. Where the term 'calendar day' (without initial capitals) is used in the Terms and Conditions, it means every day (Monday to Sunday inclusive, including official public holidays).

Article 2 Application

Only the ARIV and not the Supplier's terms and conditions apply to Contracts for the supply of products. This is why the model contracts explicitly exclude the applicability of other general terms

and conditions. If the Contract is laid down in a different way (in the form of a contract letter for example) it is important to state clearly that the ARIV apply and that other general terms and conditions (the Supplier's) are explicitly rejected. A copy of the ARIV must also be sent together with the request for tenders and with the contract letter.
NB: The Corporate Legal Advisory Committee (CBA) advises against using contract letters and recommends using model contracts.

Article 3 Delivery

The general rule is that the Product is to be delivered by the Supplier at the agreed delivery location and that the Supplier bears all costs and risks associated with transporting the Product to the delivery location. That includes – where applicable – fulfilling customs formalities and paying associated costs and taxes (such as VAT) and other import duties. In the terminology of the International Chamber of Commerce, this is referred to as 'Delivered Duty Paid' or DDP.

If certain costs are not included in the purchase price and the Purchaser will be charged separately for them, this must be explicitly provided for in the Contract. The same applies if the Supplier is unable to arrange for the Product to be transported. In that case the Supplier will probably want to deliver 'Ex Works' ('EXW'). This means that the Purchaser pays all of the costs of collecting the Product from the Supplier's business premises. In that case, all risks of damage to or theft of the Product during transport are borne by the Purchaser. It is therefore necessary to exercise restraint as regards agreeing to EXW delivery.

<u>RECOMMENDATION:</u> *It is advisable to ask the legal department for advice if alternative agreements on delivery are being considered.*

Each delivery date is a vital deadline. This means that the Supplier will immediately be in default upon failing to deliver by that deadline. There is no need for the Purchaser to send notice of default in that case.

Article 4 Guarantee

The first paragraph provides that the Supplier guarantees that the Product complies with the Contract. This means that the Product must be of good quality and must meet all statutory requirements and customary sectoral rules about quality, safety, health and the environment.

Under the law, the Product does not comply with the Contract if the Product does not have the characteristics the Purchaser is entitled to expect on the basis of the Contract. The type of Product and the Supplier's communications on this subject also play a role in this respect.

The article does not mention a guarantee period. If the Parties wish to agree a guarantee period, this can be provided for in the Contract. The model contracts contain an optional provision on this subject.

Failure to fulfil a guarantee immediately gives rise to an imputable failure (a breach of contract). The Supplier is also obliged to compensate the damage incurred as a consequence of failure to fulfil the guarantee.

In the case of a large and complex supply of goods, the Purchaser may, on the basis of article 4.3 of the ARIV, demand that Supplier provide a bank guarantee as security for the proper functioning of the Product. In many cases it will not be necessary to ask for a bank guarantee; the model contracts therefore offer the option of excluding the applicability of article 4.3.

Article 5 Inspection

The Purchaser may, if it so wishes, inspect (or arrange for inspection of) the Product at the Supplier's premises prior to Delivery. This is most likely to arise in the case of large and complex supplies of goods. If the Purchaser rejects the Product it must notify the Supplier accordingly in writing or by email and the Supplier must then, within the agreed delivery period, offer another Product that does comply with the agreed requirements. The Inspection of the Product will only relate to visible defects (see article 1.5 of the ARIV) and will give both Parties greater reassurance regarding the quality of the Product. The fact that no visible defects are found does not mean that the Product is free of defects. The Supplier's guarantee obligation continues to apply.

Article 6 Contacts

The Parties designate contacts who will maintain day-to-day contact concerning the performance of the Contract. In this context the contacts can make further practical agreements on matters relating to the performance of the Contract, but they may not amend the Contract as such. This means that the contacts cannot make agreements on amending fees, the term of the Contract, the delivery date(s), liability and suchlike. Changes of this kind can only be agreed by the persons who are authorised to sign the Contract.

Article 7 Status of notifications, undertakings or agreements

The minutes of meetings or other documents drawn up after the Contract has been concluded often contain agreements that supplement or deviate from the agreements made in the Contract. Agreements of this kind that supplement or deviate from the Contract are valid only if they are made in writing or by email by persons authorised to do so or are subsequently confirmed by those persons. 'Email' is understood to mean electronic communication:

a. that can be consulted by the addressee,
b. of which the authenticity is sufficiently safeguarded, and
c. that enables the identity of the person giving the notification to be determined with sufficient certainty.

In the case of agreements, it must also be possible to determine the moment when the agreement was made with sufficient certainty.

Bear in mind that the required level of reliability will not be the same for every notification or agreement. For example, a higher degree of reliability may be expected of an email containing an undertaking that only the highest-ranking official is authorised to give than an email making an appointment to meet in person.

<u>Interim notifications and agreements</u>
If the Purchaser wishes to set particular reliability requirements for the giving and making of specific notifications and agreements, it can do so in the Contract. With regard to electronic communication, the Parties can make agreements about communication security, addressing emails, sending delivery receipts and read receipts, and using certain forms of electronic signatures. If, for example, the Purchaser attaches importance to a high degree of reliability with regard to the identity of the sender, then the use of a qualified electronic signature may be prescribed.

Requirement (c): identity
If a Contract has been signed using a wet signature, the identity of the contracting Parties can be established with a substantial degree of certainty. If a Contract is concluded electronically, the same result can be achieved by using a qualified electronic signature. Whether a qualified electronic signature can be used and, if so, on what conditions, differs from one organisation to the next. It is recommended that any questions on this matter be put to one's own IT department.

If the Parties use other forms of electronic signature such as the simple or advanced electronic signature it should be noted that they are less reliable. The legal department should be consulted in the event of questions about which form of electronic signature to use.

Article 8 Confidentiality

In the context of the Contract, information may be provided that must not be made public. This article therefore imposes a duty of confidentiality on both Parties. A duty of confidentiality may also be laid down in a written confidentiality declaration signed by the relevant Party.

An agreement on confidentiality between the Parties is not absolute. Notwithstanding such an agreement, a Party may nevertheless be required to disclose certain information, for example on the basis of statute or a court ruling. Examples of statutes that can override a duty of confidentiality are the Open Government Act, the General Data Protection Regulation and the Constitution.

The Parties must also require their Staff to observe the duty of confidentiality. It follows from article 6:76 of the Civil Code that the Parties are responsible for the observance of these duties by their Staff. In order to prevent misunderstandings, it is advisable for the Parties to clearly indicate which type of information is definitely to be regarded as confidential.

Paragraph 5
The Contract may include a provision to the effect that breach of the duty of confidentiality incurs a penalty. This provides an additional incentive for the Supplier to observe the duty of confidentiality.

Article 9 Processing of data

Paragraph 1
Unlike the other paragraphs of this article, paragraph 1 is not only about personal data, but about all data provided by the Purchaser and all data generated on the Purchaser's instructions.

Paragraph 2
This provision gives the Parties a contractual basis for holding each other to account for compliance with statutory obligations and the data controller's written instructions (which are usually set down in a separate data processing agreement).

Paragraph 3
If, in performing the Contract for the Purchaser, the Supplier processes personal data, the General Data Protection Regulation requires this to be regulated in a data processing agreement. Usually the data processing agreement will be signed at the same time as the Contract. If the need to conclude a data processing agreement only arises during the term of the Contract, the Parties can invoke paragraph 3 against one another.

If the Supplier, in the performance of the Contract, processes personal data, but does not do so in the capacity of a processor, there is no 'processor-controller' relationship. In that case there will be no need for a data processing agreement, but agreements can be made about the protection of the personal data that is to be exchanged.

Paragraph 4
The processing of personal data can give rise to the imposition of administrative sanctions by the supervisory authority or the bringing of civil claims by third parties. Although these legal procedures are generally directed at one of the Parties, it can also be in the other Party's interest to put forward a defence. Paragraph 4 obliges each of the Parties in such a situation to involve the other Party in a timely manner in putting forward a defence.

Article 10 Prices

As a general rule, the price for the Product includes all costs, up to and including Delivery. This prevents the Purchaser from being confronted with additional costs at a later stage and is aligned with articles 3.1 and 3.2 of the ARIV (see the explanatory notes on them).

Article 11 Invoicing

With a view to the efficient processing of payments, the general rule is that invoices must be submitted electronically. Information for suppliers on how to submit their invoices is provided in the 'Information leaflet e-invoicing the Dutch central government'. If, in an exceptional case, e-invoicing is not possible or desirable, alternative invoicing arrangements can be agreed in the Contract.

Article 12 Payment and invoice audits

Paragraph 1
Central government considers it important that suppliers are paid as soon as possible, and in any event within 30 calendar days of receipt of the invoice at the latest. The payment term of 30 calendar days is a statutory time limit (see article 6:119b, paragraph 5 of the Civil Code) and is also laid down in central government-wide policy. A different payment term can only be agreed in exceptional cases.

The Supplier is only entitled to be paid once an invoice that meets the requirements has been received. If the invoice does not meet the applicable requirements, the Purchaser must request a new invoice as soon as possible. The payment term then begins when the correct invoice is received. The same applies in instances where the Purchaser determines that the Product does not comply with the Contract. The Purchaser must inform the Supplier of this and if necessary suspend payment. Only once the Supplier has delivered the Product that complies with the Contract will the Supplier be entitled to payment.

Paragraph 2
Statutory commercial interest will be payable by the Purchaser on amounts that are not paid on time. The interest due is calculated from the day after the end of the payment term using the interest rate for commercial transactions.

If the Purchaser does not pay on time, it will also be liable to pay compensation (see article 6:96 of the Civil Code). This relates to collection charges. The Supplier must demand payment of the statutory interest and the compensation by submitting a separate invoice for this purpose to the Purchaser.

Paragraph 3
The Purchaser can have an accountant check an invoice. This check should as a rule be carried out confidentially. In this context, the accountant must be supplied only with the data that is needed to carry out the verification.

Paragraph 6
If the Purchaser pays, that does not mean that the Purchaser cannot subsequently invoke the guarantee, since defects in the Product may also become evident after payment.

Paragraph 7
In all cases the Purchaser may offset invoice amounts against amounts that the Supplier is obliged to pay the Purchaser. This remains the case even after the Supplier transfers (assigns) the right to receive payment to a third party.

Article 13 Advance

Paragraph 1
Generally, no payments will be made to the Supplier before it has delivered the Product. This is reasonable in view of the fact that companies that do business with central government are exposed to little if any credit risk. However, special circumstances may warrant the payment of an advance. For example, if the Supplier is demonstrably required to make substantial investments before Delivery. In that case the Purchaser has to try to gauge the risk that the Supplier will not fulfil or only partly fulfil its contractual obligations.

The payment of advances is governed by the Central Government Financial Management Order. In some cases it is necessary to obtain security for the repayment of an advance. In such cases article 13, paragraph 4 of the Order makes it possible to attach further conditions to granting an advance, for instance by requiring the provision of security in the form of a bank guarantee. This is a form that is drawn up by a bank at the request and for the account of the Supplier by which the bank, on certain conditions, guarantees to pay a certain maximum amount if a claim is made by the Purchaser under the guarantee.

It can be reasonable in other cases to request a bank guarantee if there is a relatively long period between the payment of an invoice amount by the Purchaser and the delivery of the Product by the Supplier. If for example the Supplier goes bankrupt or fails to deliver after the advance has been paid, the Purchaser can invoke the guarantee. The bank will then repay the advance to the Purchaser and subsequently recover (or attempt to recover) it from the Supplier.

In most cases the bank will require that the Supplier’s bank account be blocked for an amount equal to the guarantee. The Supplier cannot access the blocked amount. In addition, the issuance of a bank guarantee can give rise to considerable costs for the Supplier. The Purchaser must take this into account when deciding whether to request a bank guarantee.

A bank guarantee is not required if a Contract is being concluded with another public body, as there is very little risk of such a Supplier being declared bankrupt before delivery of the Product.

Paragraph 2
A copy of the bank guarantee must be attached to the Contract as a Schedule. The original of the guarantee is deemed to constitute a security and must be returned after the expiry of the guarantee period. It is therefore important to keep a bank guarantee carefully once it has been issued.

Article 14 Defect or non-conformity

Paragraph 1
If the Purchaser discovers a defect or non-conformity, it must notify the Supplier within 30 days. This provision is aligned with the Civil Code. The Purchaser may then ask the Supplier to supply another Product that complies with the Contract or to repair the Product. If the Supplier does not do so, the Purchaser may opt to invoke one of the options in paragraph 2.

Paragraph 2
If the Supplier does not provide a replacement or carry out repairs, the Purchaser has a number of options:
- The Purchaser can have the Product repaired or replaced by a third party; or
- The Purchaser can send the Product back to the Supplier and cancel the Contract. In that case the Supplier must repay the amount already paid by the Purchaser.

Paragraph 3
This paragraph provides that the Purchaser's rights arising from the law remain applicable. These include the right to compensation.

Article 15 Liability

Paragraph 2
By law, Parties' liability for damage they cause is in principle unlimited. In the ARIV it has been decided to limit Parties' liability. Consequently, liability for damage is now limited to four times the contract value per event up to a maximum of €3,000,000 per event and six times the contract value for each year or part of a year that the Contract has been in force, up to a maximum of €5,000,000 for each year or part of a year in which the Contract has been in force. The contract value means the agreed contract value including any changes made during the term of the Contract.
NB: In the case of a framework agreement, that Framework Agreement must include a provision stipulating the maximum liability (see the Model Framework Agreement).

No distinction is made between different types of damage (for example, direct and indirect damage), as this distinction is not made in legislation either. Moreover, central government does not wish to limit liability any further. This would mean central government would itself have to bear an even greater share of the damage caused and meet the cost from public funds. This would not be a desirable situation.

Besides a limit on liability per event from which damage arises, a limit is also included on liability per contractual year. If several events giving rise to damage occur in a single contractual year, liability in that year is limited to the amount in question. The same maximum amount applies in the following contractual year. If the term of a Contract is less than a year, the maximum in question applies to the entire term. In other words, the maximum is not prorated. If one or more years have passed since the entry into force of the Contract and the final contract period is shorter than a year, the maximum in question applies for the entire final period. Here too, therefore, the maximum is not prorated. It is also important to note that an event does not mean an event as referred to in the Supplier's insurance policy conditions.

In exceptional cases there may be reason to make different agreements on liability. An optional provision is included in the model contracts for this purpose. Whether the liability rules set out in article 15 are appropriate in a particular instance must be assessed on a case-by-case basis. This must in any case involve taking into account the potential extent of the damage if the Supplier does not fulfil its obligations and how likely it is that this situation will arise during the term of the Contract (once or several times).

RECOMMENDATION: It is advisable to ask the legal department for advice if alternative agreements on liability are being considered.

Paragraph 3

This article includes three (customary) exceptions to the limitation of liability.
The exception under (b) relates not only to intent or gross negligence on the part of the management of a Party's business but also intent or gross negligence on the part of Staff. That is important because the Contract is usually performed by the Staff and not the managers.
The exception under (c) relates to damage resulting from an infringement of legislation on the protection of personal data. The protection of natural persons during the processing of personal data is a fundamental right. Violation of this fundamental right can lead to serious damage for natural persons.

Rapid technological developments and globalisation have brought new challenges for the protection of personal data. There has been an increase in the degree to which personal data is collected and shared. A more robust protection regime was therefore introduced in 2018 by means of the EU General Data Protection Regulation (GDPR).

The more robust protection of personal data has also resulted in an increase in the financial risks entailed by processing personal data, not only because the supervisory authority can impose far higher penalties, but also on account of the increased costs of reimbursing, preventing and limiting damage that can be suffered by data subjects.

The attribution of liability for privacy infringements in the ARIV is modelled on the way liability is attributed in the GDPR. This can be summed up as 'the polluter pays'. A data controller is liable unless the processor has not complied with the obligations of the GDPR or the Data Protection Directive for Police and Criminal Justice specifically addressed to processors or where the processor has acted outside or contrary to lawful instructions of the controller (the instructions usually being laid down in a data processing agreement).

If processors' liability were to be subject to an upper limit, this would compromise the effectiveness, proportionality and deterrent effect of penalties imposed for the unlawful processing of personal data envisaged by the GDPR. This is why this article provides that the limitation of liability ceases to apply in cases of damage due to privacy infringements.

Finally, for the sake of clarity, the article explicitly provides that damage includes fines imposed by the supervisory authority.

Article 16 Force majeure

Paragraph 2
Paragraph 2 lists circumstances in which a Party cannot invoke force majeure because they are circumstances for which that Party bears more of the risk. In those cases the Party will therefore still have to fulfil its obligations. In the case of Staff illness, for example, the Party must hire replacement Staff so that it can meet its obligations.

Paragraph 3
It should be noted that this paragraph repeats a rule laid down in article 6:78 of the Civil Code.

Article 17 Cancellation

Paragraph 1
Under article 6:265 of the Civil Code, a failure by a party to discharge one of its obligations entitles the other party to cancel the contract either in full or in part, unless the failure, in view of its special nature or limited significance, does not warrant cancellation and the attendant consequences. Article 17.1 of the ARIV follows the wording of the article in the Civil Code.

The Party that wishes to cancel the Contract must be able to demonstrate a failure on the part of the other Party to discharge its obligations as laid down in the Contract. This failure must be sufficiently serious; not all failures warrant cancellation.

It is possible for the Contract to be cancelled in part. Part of the Contract can then still be performed by the Supplier. Sometimes, however, mutual confidence is impaired to such an extent that even partial cancellation is no longer a realistic option.

Paragraph 2
If a Party invokes force majeure this may give the other Party reason to cancel the Contract. Cancellation is only possible once a period of 15 Working Days has elapsed. The period of 15 Working Days begins on the date on which the circumstance giving rise to force majeure arose.

Paragraph 3
The ARIV set out a number of circumstances in which the Contract can be cancelled, such as the bankruptcy of the Supplier. Suspension of payments, or a provisional suspension of payments, is mainly intended to give businesses the opportunity to make a fresh start and avoid bankruptcy. This can be taken into account if consideration is being given to cancelling the Contract.

Because the Contract will usually be the result of a public procurement procedure (European or otherwise), an addition has been made to the article to the effect that the Purchaser can cancel the Contract if grounds for exclusion are found to apply to the Supplier. These are the mandatory grounds for exclusion laid down in section 2.86 of the Public Procurement Act 2012, but also the optional grounds for exclusion laid down in section 2.87 of the Public Procurement Act 2012,[1] if the Purchaser has declared them applicable in the tender documents. It can also occur that the Supplier no longer satisfies the selection criteria or minimum requirements set during the procurement procedure. This depends in part on the details of the procurement procedure that was followed. This is why no consequences are attached to this in the provisions of the ARIV. In cases

[1] Or sections 2.76 and 2.77 of the Public Procurement (Defence and Security) Act (ADV).

where there is cause to do so, specific provisions can be included for this purpose in the Contract that is sent with the tender documents.

RECOMMENDATION: It is advisable to contact the legal department in cases where cancellation is being considered.

Article 19 Documentation

The Documentation is drawn up by the Supplier and the Purchaser has no influence over this. That is why paragraph 3 includes an indemnification clause to cover cases where a third party submits a claim to the Purchaser in connection with the Documentation. This could for example be a claim concerning a breach of that third party's copyright.

Article 20 Assignment of rights and obligations under the Contract

Since Parties will want to know whom they can call to account under the Contract, this article provides that rights and obligations arising from the Contract may not be assigned to third parties without prior written consent. If no consent is given, an assignment of rights or obligations has no effect and the Parties remain bound by the Contract.

Paragraph 2 provides that consent is not needed for the establishment of limited rights, such as the right of pledge. The Supplier is therefore permitted to pledge current and future receivables to a bank or other credit institution.

Article 21 Insurance

It is important for the Purchaser that the Supplier is insured in case there is an event giving rise to damage. The Supplier can demonstrate this by providing a written statement from the insurer from which it is apparent that the Supplier has taken out insurance and has paid the premiums.

There is no requirement to take out specific types of insurance since needs will vary according to the industry in question. What matters for the Purchaser is that the Supplier has taken out adequate and customary insurance cover in accordance with generally accepted standards.

Article 22 Bribery and conflicts of interest

Fighting corruption and preventing conflict of interest are a high priority for central government. It is for this reason that this article makes it possible for the Contract to be cancelled in the event of a conflict of interest or certain conduct that is referred to in the Criminal Code.

Article 25 Publicity

This article does not apply to situations where a Supplier wishes to provide the contract as a reference in a procurement procedure; it is therefore permitted to do so.