

This knowledge base normalizes, tags, and analyzes two provided contracts for payment timing risk. It is structured to support downstream embedding and retrieval in a vector database. Content is organized into:

- Canonical metadata per contract
- Extracted and labeled clauses
- Risk pattern tags with rationale
- Payment clock mapping (what starts the clock)
- Dependency gates and deferral mechanisms
- Invoicing preconditions and approval mechanics
- Dispute, withholding, setoff, and suspension posture
- EOM/approval-based timing and acceptance logic
- Suggested embeddings schema-compliant JSON chunks

This file is self-contained and designed for direct ingestion.

Contract A: Risky Contracts Demo Dataset – Delay of Closure/Payment (Composite “High-Risk” Dataset)

Note: This composite dataset enumerates multiple agreements commonly associated with payment delay risks. Each sub-agreement is modeled as a separate “doc” with chunked entries to maximize retrieval granularity.

A.1 Master Subscription Agreement (SaaS)

- doc_id: msa-saas-ndd-001
- title: Master Subscription Agreement (SaaS)
- parties: ["NimbusSoft Inc.", "Acme Retail LLC"]
- effective_date: 2024-11-10
- jurisdiction: Delaware, USA
- agreement_type: Master Subscription Agreement
- currency: USD

Key Terms

- Fees: Annual subscription 120,000; onboarding 20,000.
- Invoicing: Annual on Effective Date; onboarding at go-live.
- Payment Terms: Net 90 from later of (a) valid invoice receipt and (b) procurement registration completion.

- Acceptance: Payment contingent on Written Acceptance Certificate after 60-day Production Readiness Test; silence is not acceptance.
- Withholding: Customer may withhold all disputed amounts without interest.
- Dependencies: API/SSO within 15 days; delays extend PRT day-for-day and defer invoicing. No work without signed change order.

Risk Analysis

- Risk tags: ["acceptance-contingency","no-deemed-acceptance","long-terms","approval-based-clock","procurement-gate","withholding","dependency-driven-deferrals"]
- Payment clock: Starts Net 90 after latest of valid invoice and completion of procurement registration; acceptance precondition must be satisfied first.
- Deferrals: PRT can be extended day-for-day by customer delays, deferring acceptance and invoicing; procurement gate delays timing.
- Withholding: Broad—entire disputed amounts can be withheld without interest.
- Severity: High (multiple gates + long acceptance + no deemed acceptance + late clock start).

Representative Clauses

- Acceptance Contingency: "Payment contingent on Written Acceptance Certificate... silence is not acceptance."
- Net 90 Later-Of + Procurement Gate: "Net 90 from the later of... valid invoice... and procurement registration completion."
- Withholding: "Customer may withhold all disputed amounts... without interest."

Suggested Chunking

- Sections: Fees/Payment; Acceptance; Dependencies; Risk Flags.
-

A.2 Statement of Work (Marketing)

- doc_id: sow-mkt-ndd-002
- title: Statement of Work (Marketing)
- parties: ["SparkHive Agency","Northwind Traders"]
- effective_date: 2025-01-15
- jurisdiction: NY, USA
- agreement_type: SOW
- currency: USD

Key Terms

- Fixed fee 180,000 across M1/M2/M3.
- Acceptance: M1 30 business day review; payment only on written sign-off; silence ≠ acceptance. M2 unlimited revisions within 20 BD; each restarts acceptance. M3 payment contingent on Board approval.
- Invoicing: No partial invoicing. Net 60 from acceptance (not invoice).

Risk Analysis

- Risk tags: ["acceptance-contingency","no-deemed-acceptance","approval-based-clock","long-terms"]
- Payment clock: Net 60 starts after acceptance events; resets possible through unlimited revisions; Board approval gate for M3.
- Deferrals: No partial invoicing concentrates risk; long review windows; Board approval dependency.
- Severity: High (long acceptance windows, resets, board approval, clock starts post-acceptance, no partial invoicing).

Representative Clauses

- "Unlimited revisions within 20 business days; each restarts acceptance."
 - "Payment contingent on Client Board approval."
 - "Net 60 from acceptance (not invoice)."
-

A.3 Master Supply Agreement (Manufacturing)

- doc_id: msa-mfg-ndd-003
- parties: ["Oceanic Devices Ltd.,"Vertex Manufacturing Co."]
- effective_date: 2024-09-01
- jurisdiction: TX, USA
- agreement_type: Master Supply Agreement
- currency: USD

Key Terms

- MFN benchmarking; final price set up to 120 days after first delivery.
- Inspection: 45 days; payment only after acceptance; reject for any nonconformity.
- Payment: Pay-when-paid tied to end product revenue; broad setoff.

Risk Analysis

- Risk tags: ["inspection","pay-when-paid","setoff-broad","price-uncertainty"]

- Payment clock: After acceptance; acceptance can be delayed 45 days and broadened rejection rights. Pay-when-paid adds third-party dependency.
 - Severity: High (pay-when-paid, inspection-only payment, broad setoff, delayed price finalization).
-

A.4 Reseller Agreement (EU)

- doc_id: reseller-eu-ndd-004
- parties: ["Contoso Analytics GmbH","EuroTech Reseller BV"]
- effective_date: 2025-02-28
- jurisdiction: Germany/EU
- agreement_type: Reseller
- currency: EUR

Key Terms

- Payment due 30 days after end-customer acceptance and funding confirmation.
- Credit approval prerequisite; suspends shipment/invoicing.
- 90-day end-customer return window; payments held in escrow.

Risk Analysis

- Risk tags: ["third-party-dependencies","escrow","return-window","credit-approval"]
 - Payment clock: Starts after end-customer acceptance and funding; escrow holds until returns window ends.
 - Severity: High (multiple third-party gates + escrow and returns).
-

A.5 Enterprise License (Government)

- doc_id: ent-gov-ndd-005
- parties: ["Fabrikam Software","Dept. of Transport"]
- effective_date: 2024-12-05
- jurisdiction: Government procurement, USA
- agreement_type: Enterprise License
- currency: USD

Key Terms

- 30-day operational test; payment contingent on Form 347 Acceptance Notice; silence ≠ acceptance.
- Invoicing only after acceptance and appropriations availability.

- Payment: Net 60 from AP receipt; administrative defects restart clock.

Risk Analysis

- Risk tags: ["acceptance-contingency","no-deemed-acceptance","administrative-gates","appropriations","approval-based-clock"]
 - Deferrals: AP rejections restart; appropriations dependency is external.
 - Severity: High.
-

A.6 Consulting Agreement (T&M)

- doc_id: consulting-tm-ndd-006
- parties: ["Gamma Labs LLC","StartUp XYZ Inc."]
- effective_date: 2025-03-12
- jurisdiction: CA, USA
- agreement_type: Consulting T&M
- currency: USD

Key Terms

- Weekly invoices; Client may defer payment until Finance validation and PR issuance (up to 45 days).
- Net 45 from validation date (not invoice date).
- Any disputed line item defers entire invoice.

Risk Analysis

- Risk tags: ["approval-based-clock","administrative-gates","withholding"]
 - Severity: High (approval-based start; finance/PR gate; entire invoice deferral for partial dispute).
-

A.7 Data Processing Addendum

- doc_id: dpa-ndd-007
- parties: ["BetaCloud Inc.,"Orion Health"]
- effective_date: 2025-04-20
- jurisdiction: GDPR
- agreement_type: DPA
- currency: USD

Key Terms

- Fees suspended during any audit alleging material noncompliance.
- New subprocessors require approval; related fees not due until approval.
- Withholding up to 100% during suspected incident until certified RCA.

Risk Analysis

- Risk tags: ["audit-suspension","approval-dependency","withholding"]
 - Severity: High.
-

A.8 Construction Contract (Lump Sum)

- doc_id: construction-ls-ndd-008
- parties: ["Delta Builders","City of Riverton"]
- effective_date: 2024-10-02
- jurisdiction: State construction, USA
- agreement_type: Construction
- currency: USD

Key Terms

- Progress payments after inspector sign-off; scheduling may take 30 days; re-inspection restarts.
- 10% retainage until substantial completion and punch list closure; City defines "substantial completion."
- Pay-if-paid tied to State grant funds; expanded force majeure.

Risk Analysis

- Risk tags: ["inspector-delays","retainage","pay-if-paid","expanded-force-majeure"]
 - Severity: High (multiple deferrals + retainage + third-party funds).
-

A.9 Professional Services Order Form

- doc_id: psof-ndd-009
- parties: ["Omega Systems","Helios Energy"]
- effective_date: 2025-05-30
- jurisdiction: TX, USA
- agreement_type: Order Form
- currency: USD

Key Terms

- 20 BD test; any defect pauses test; acceptance requires writing.
- No invoice submission until vendor onboarding and insurance approval complete.
- Payment: Net 60 EOM from invoice approval date.

Risk Analysis

- Risk tags:
["acceptance-contingency","onboarding-gate","approval-based-clock","eom"]
 - Severity: High.
-

A.10 Maintenance & Support Agreement

- doc_id: msa-support-ndd-010
- parties: ["ZetaWare Ltd.,"BlueRiver Bank"]
- effective_date: 2024-08-01
- jurisdiction: NY, USA
- agreement_type: Maintenance & Support
- currency: USD

Key Terms

- 250,000 annual maintenance invoiced at period start.
- If customer declares freeze/compliance review, fees deferred until lifted.
- Net 90 from AP approval; AP approval 30–45 days; broad setoff.

Risk Analysis

- Risk tags: ["freeze-deferral","approval-based-clock","setoff-broad","long-terms"]
 - Severity: High.
-

A.11 Hardware Purchase Agreement

- doc_id: hpa-ndd-011
- parties: ["IronPeak Hardware","SunRay Data Centers"]
- effective_date: 2025-01-09
- jurisdiction: IL, USA
- agreement_type: Hardware Purchase
- currency: USD

Key Terms

- 30-day burn-in; payment only after burn-in acceptance.
- 45-day DOA/return; any RMA pauses payment obligations for entire shipment.
- Title and risk transfer on acceptance, not delivery.
- Net 60 from acceptance; no partial acceptance.

Risk Analysis

- Risk tags:
["acceptance-contingency","return-window","no-partial-acceptance","from-acceptance"]
 - Severity: High.
-

A.12 Managed Services Agreement (MSP)

- doc_id: msp-ndd-012
- parties: ["BlueOrbit Managed Ops","FinTrust Capital"]
- effective_date: 2024-11-21
- jurisdiction: MA, USA
- agreement_type: Managed Services
- currency: USD

Key Terms

- Monthly base + usage; quarterly true-up signed by Client before any monthly invoice approval.
- Service credits may be offset at Client's discretion.
- Net 60 from invoice approval; approval contingent on validated true-up and KPI dashboard.

Risk Analysis

- Risk tags: ["trueup-prerequisite","credit-setoff","approval-based-clock"]
 - Severity: High.
-

A.13 Licensing & Royalty Agreement

- doc_id: lra-ndd-013
- parties: ["NovaBio IP Holdings","Helix Therapeutics"]
- effective_date: 2024-06-06
- jurisdiction: UK
- agreement_type: Licensing & Royalty

- currency: GBP

Key Terms

- Royalties payable within 60 days after receipt of complete sales statements; audit rights if variances > 5%.
- Licensee may defer royalties pending audit or third-party payer clawbacks.

Risk Analysis

- Risk tags: ["reports-dependency","audit-deferral","third-party-dependencies"]
 - Severity: High.
-

A.14 Research Collaboration Agreement

- doc_id: rca-ndd-014
- parties: ["IvyTech University","Meditera Pharma"]
- effective_date: 2024-09-14
- jurisdiction: CA, USA
- agreement_type: Research Collaboration
- currency: USD

Key Terms

- Milestone payments contingent on IRB/Ethics approvals and publication review, each up to 45 days; silence ≠ approval.
- Data transfers require DUA approval before invoicing for related work.

Risk Analysis

- Risk tags: ["irb-ethics-approval","publication-review","dua-gate","sequential-45-day-windows"]
 - Severity: High.
-

A.15 Logistics & 3PL Agreement

- doc_id: logistics-3pl-ndd-015
- parties: ["SwiftHaul 3PL","Alpine Apparel Co."]
- effective_date: 2025-02-03
- jurisdiction: NJ, USA
- agreement_type: Logistics & 3PL
- currency: USD

Key Terms

- Payment contingent on POD for 100% consignments.
- Claims hold: any open claim over 1% of invoice value puts entire invoice on hold.
- International: payment only after customs clearance and duty reconciliation.

Risk Analysis

- Risk tags:
["pod-claims-hold","customs-dependency","third-party-dependencies","withholding"]
 - Severity: High.
-

A.16 Appendix Snippets: Canonical Clause Labels

- Acceptance Contingency
- Deemed Acceptance Absent
- Net 60/90 + Approval
- Procurement/Onboarding Gate
- Pay-When/If-Paid
- Inspection-Only Payment
- Withholding/Audit Suspension
- Setoff Broad
- Retainage
- Escrow/Return Window
- Reports/Statements Dependency
- True-Up Prerequisite
- POD/Claims Hold
- IRB/Ethics Approval

These map directly to the risk_tags vocabulary for consistent tagging.

Contract B: Master Services Agreement (Low-Risk Payment Terms)

- doc_id: msa-lowrisk-vec-001
- title: Master Services Agreement (Low-Risk Payment Terms)
- parties: ["Acme Industries Pvt. Ltd.,"Vector Labs Technologies LLP:"]
- effective_date: 2025-09-01

- jurisdiction: India
- agreement_type: Master Services Agreement
- currency: INR

Key Financial & Timing Mechanics

Invoicing

- Recurring subscriptions invoiced annually in advance unless otherwise specified.
- Project/milestone work invoiced at milestone completion per SOW.
- Each invoice includes contract/order reference, description, tax details, bank info.

Payment Due

- Net 30 from Customer's receipt of a valid and undisputed invoice.

Undisputed Portion Payable

- Disputes must be raised within 10 calendar days with reasons.
- Customer must pay undisputed portion by due date.

Late Fees

- 1.5% per month (or max permitted) on overdue undisputed amounts.

No Pay-When-Paid

- Customer's obligations are independent of third-party payments.

Acceptance and Approvals

- Acceptance review within 10 business days against objective criteria.
- Written, reasoned rejection required; otherwise deemed accepted next business day after the review window.
- Approvals due within 5 business days; absence constitutes approval solely for schedule and payment purposes.

Set-Off, Withholding, Suspension

- Limited set-off: only amounts finally adjudicated or mutually agreed; withholding capped at 10% of affected invoice.
- No broad withholding across unrelated/future invoices.
- Suspension: Provider may suspend for undisputed amounts overdue by 30 days, after notice and 10-day cure.

Dispute Resolution (Payments)

- Good faith discussions 10 BD → executive escalation 10 BD → arbitration.

- Only disputed portion may be withheld; undisputed amounts remain payable.

Change Orders

- Written change orders required; fee changes invoiceable next cycle, Net 30.

Force Majeure

- No excuse for payment on services already rendered/subscriptions provisioned.
- Administrative delays don't extend due dates unless agreed.

Invoicing Preconditions

- Limited to legal entity, tax/GST, contract reference, bank details; only SOW-listed supporting documents.
- Invoice deficiencies must be notified within 5 BD with specifics; cure resets review solely for corrected portion.

Credits & SLA

- Service credits apply as future credits; no fee withholding or compounding.

Retainage

- No retainage unless in Order Form; cap 5%, release \leq 10 BD after acceptance.

Termination; Effect on Payments

- Final invoices due Net 30 for services rendered/subscriptions provisioned up to termination.

Records & Audit

- Audit of T&M within 12 months; failure to produce records doesn't defer already-due undisputed invoices; tried-up by credit or supplemental invoice.

Order Form Example Highlights

- Subscription fee: INR 48,00,000 annually in advance.
- Implementation milestones with 10 BD acceptance reviews; invoice 50% per milestone upon acceptance criteria in Annex.
- Invoicing preconditions limited to Section 10 only.

Risk Analysis

- Risk posture: Low-risk by design.
- Protective mechanics:
 - Deemed acceptance after short (10 BD) review with required reasoned rejection.

- Payment clock tied to invoice receipt (Net 30), not approvals or EOM.
- Undisputed portion must be paid; disputes are time-bound and narrowly scoped.
- No pay-when/if-paid; limited setoff (capped to 10% and only adjudicated/agreed).
- Invoicing preconditions tightly constrained and do not allow open-ended deferrals.
- Force majeure carve-out preserves payment obligations for delivered services/subscriptions.
- Suspension remedy deters chronic nonpayment.
- Risk tags:
["deemed-acceptance","short-acceptance-window","net-30","from-receipt","no-pay-when-paid","limited-setoff","no-broad-withholding","limited-preconditions","undisputed-payable","no-eom","no-approval-clock"]
 - Note: Some tags extend Appendix C vocabulary to capture “low-risk” counter-patterns:
 - deemed-acceptance
 - short-acceptance-window
 - from-receipt
 - limited-preconditions
 - undisputed-payable
 - no-eom / no-approval-clock
 - limited-setoff / no-broad-withholding
 - no-pay-when-paid

Payment Clock Mapping

- Trigger: Receipt of valid invoice.
- Duration: Net 30.
- Acceptance: If applicable, deemed after 10 BD unless reasoned rejection; approvals default to approve for schedule/payment if silent after 5 BD.
- No approval/EOM-based delays; no procurement/onboarding gate baked in.

Representative Clauses (Labeled)

- Deemed Acceptance Present: “Customer... shall review within 10 business days... otherwise deemed accepted on the next business day...”
- Undisputed Portion Payable: “Customer shall pay the undisputed portion by the due date and provide written reasons within 10 calendar days...”

- No Pay-When-Paid: “Customer’s obligations are independent of payments by Customer’s client(s) or any third party.”
 - Limited Set-Off: “Customer may not set-off... except for amounts finally adjudicated... or mutually agreed... not to exceed 10%...”
 - Limited Preconditions: “Preconditions for invoice validity are limited to... legal entity, tax/GST, contract/order reference, and bank details... absence of any other document shall not defer...”
 - Force Majeure Carve-out: “Customer’s payment obligations... shall not be excused.”
-

Comparative Risk Summary

- Acceptance mechanics
 - High-risk set: frequent “silence ≠ acceptance”, long tests (20–60 BD), pauses/resets, external approvals (board, inspector, IRB), and no partial acceptance, all delaying invoice/clock.
 - Low-risk MSA: short 10 BD review, deemed acceptance, objective criteria, and silence deemed approval for schedule/payment.
- Payment clock anchor
 - High-risk set: approval/EOM/AP-receipt based; “later-of” constructs; gates like procurement/onboarding/true-up; third-party acceptance/funding; appropriations; customs/POD.
 - Low-risk MSA: Net 30 from receipt of valid invoice; no EOM or approval-based start.
- Withholding/setoff
 - High-risk: broad withholding including entire invoice for partial dispute; cross-agreement setoff; escrow; service credits setoff.
 - Low-risk: undisputed portion payable; limited setoff (adjudicated/agree only; cap 10%); credits as future credits only.
- Third-party dependencies
 - High-risk: pay-when/if-paid; end-customer acceptance/funding; government appropriations; customs/POD; return/escrow windows; audits/clawbacks.
 - Low-risk: explicitly disclaims pay-when/if-paid; no third-party dependencies for payment.
- Invoicing preconditions
 - High-risk: procurement, onboarding, insurance, approvals, validation, true-up, AP acceptance; administrative defects restart clocks.

- Low-risk: strictly limited operational preconditions; deficiencies must be promptly noticed; cure doesn't reset entire clock.
-

Embedding-Ready JSON Chunks (Suggested)

The following JSON objects align to Appendix B schema with slight extensions for low-risk tags. Store as separate chunks per logical section for optimal retrieval granularity.

1.

```
{
  "doc_id": "msa-saas-ndd-001",
  "title": "Master Subscription Agreement (SaaS)",
  "parties": ["NimbusSoft Inc.", "Acme Retail LLC"],
  "effective_date": "2024-11-10",
  "jurisdiction": "Delaware, USA",
  "agreement_type": "Master Subscription Agreement",
  "currency": "USD",
  "section": "Fees & Payment",
  "risk_tags": ["acceptance-contingency", "no-deemed-acceptance", "long-terms", "approval-based-clock", "procurement-gate", "withholding"],
  "payment_terms": ["net-90", "from-approval"],
  "source_file": "contract.pdf",
  "page": 1,
  "chunk_index": 0
}
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2.

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{
  "doc_id": "sow-mkt-ndd-002",
  "title": "Statement of Work (Marketing)",
  "parties": ["SparkHive Agency", "Northwind Traders"],
  "effective_date": "2025-01-15",
  "jurisdiction": "NY, USA",
  "agreement_type": "SOW",
  "currency": "USD",
  "section": "Milestones & Acceptance",
  "risk_tags": ["acceptance-contingency", "no-deemed-acceptance", "long-terms", "approval-ba
```

```
sed-clock"],  
"payment_terms":["net-60","from-acceptance"],  
"source_file":"contract.pdf",  
"page":2,  
"chunk_index":0  
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3.

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{  
"doc_id":"msa-mfg-ndd-003",  
"title":"Master Supply Agreement (Manufacturing)",  
"parties":["Oceanic Devices Ltd.,"Vertex Manufacturing Co."],  
"effective_date":"2024-09-01",  
"jurisdiction":"TX, USA",  
"agreement_type":"Master Supply Agreement",  
"currency":"USD",  
"section":"Inspection & Payment",  
"risk_tags":["inspection","pay-when-paid","setoff-broad"],  
"payment_terms":["from-inspection"],  
"source_file":"contract.pdf",  
"page":3,  
"chunk_index":0  
}
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4.

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{  
"doc_id":"msa-lowrisk-vec-001",  
"title":"Master Services Agreement (Low-Risk Payment Terms)",  
"parties":["Acme Industries Pvt. Ltd.,"Vector Labs Technologies LLP."],  
"effective_date":"2025-09-01",  
"jurisdiction":"India",  
"agreement_type":"Master Services Agreement",  
"currency":"INR",  
"section":"Invoicing & Payment",  
"risk_tags":["deemed-acceptance","short-acceptance-window","net-30","from-receipt","no-pay-when-paid","limited-setoff","no-broad-withholding","limited-preconditions","undisputed-payable","no-eom","no-approval-clock"],  
"payment_terms":["net-30","from-receipt"],  
"source_file":"contract.pdf",
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"page":1,  
"chunk_index":0  
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5.

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{  
"doc_id":"msa-lowrisk-vec-001",  
"title":"Master Services Agreement (Low-Risk Payment Terms)",  
"parties":["Acme Industries Pvt. Ltd.,"Vector Labs Technologies LLP."],  
"effective_date":"2025-09-01",  
"jurisdiction":"India",  
"agreement_type":"Master Services Agreement",  
"currency":"INR",  
"section":"Acceptance & Approvals",  
"risk_tags":["deemed-acceptance","short-acceptance-window","no-approval-clock"],  
"payment_terms":["from-receipt"],  
"source_file":"contract.pdf",  
"page":1,  
"chunk_index":1  
}
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6.

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{  
"doc_id":"msa-lowrisk-vec-001",  
"title":"Master Services Agreement (Low-Risk Payment Terms)",  
"parties":["Acme Industries Pvt. Ltd.,"Vector Labs Technologies LLP."],  
"effective_date":"2025-09-01",  
"jurisdiction":"India",  
"agreement_type":"Master Services Agreement",  
"currency":"INR",  
"section":"Setoff, Withholding, Suspension",  
"risk_tags":["limited-setoff","no-broad-withholding","undisputed-payable"],  
"payment_terms":["net-30","from-receipt"],  
"source_file":"contract.pdf",  
"page":1,  
"chunk_index":2  
}
```