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## Goods & Services Tax Educational Series

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> Scope of Principal and Agent Relationship in the context of Del-Credere Agent (Part I)

## Who is Del-Credere Agent (DCA)?

commercial In trade parlance, a DCA is a selling who agent engaged by principal to assist in supply of goods services or contacting potential buyers on behalf of the principal.

factor The that differentiates DCA from other agents is that the DCA guarantees the payment to the supplier.

In such scenarios where the buver fails make to payment to the principal by the due date, makes the payment to the principal on behalf of the buyer (effectively providing an insurance against default by the buyer), and for this reason commission paid to the DCA may be relatively higher than that paid to a normal agent.

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