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| **ANNEXURE A: PERFORMANCE STANDARDS AND PENALTIES** | | | |  |
|  | **Service** | **Performance Standard** | **Non-Compliance** | **Penalty %** |
| **1.** | **VAT Export Incentive Scheme Education / Awareness** | 1.Create awareness and promote VAT Export Incentive Scheme to qualifying purchasers and travellers, this must be done through publishing relevant information on the company website, provide quarterly online webinars, hand-out brochures / banners to travellers.  2. Provide clarity to foreign qualifying purchasers about the South African VAT Export Incentive Scheme.  3 Ensure that, foreign qualifying purchasers are informed about the obligations and importance to comply with Part one (1) of the VAT Regulation  4 Make it easy for the Foreign qualifying purchaser / traders to comply with Part one (1) of the Value Added Tax (VAT) Export Regulation No. R. 316, Government Gazette No. 37580. | 1. Failure to create awareness and promote VEIS  (a)Service provider website  (b) Online webinars  (c ) Port of exits handout brochures and banners  2. Clarity not provided resulting to complaints submitted to SARS  3 & 4 See penalty under Point 1 above. | Per quarter   1. 0.5% 2. 0.5% 3. 0.5%   Per quarter  0.5% |
| **2.** | **Claims Management** | 1. SARS customs will provide primary inspection and the Service Provider will be required to provide secondary inspection of invoices and goods at the three (3) International Airports namely: (OR Tambo International Airport, Cape Town International Airport and King Shaka International Airport). 2. Receive all the VAT related claims from the qualifying claimants, Administer VAT Refund claims: Ensure that such claims are:    1. Accurate and valid,    2. Complete, and    3. Submitted timeously   2.1 Keeping a clear record of all the claims and claimants thereof.  2.2 Ensure the traveller financial information is correctly captured and validated.   1. Provide automation ability to capture and submit claims directly to SARS electronically in a secure electronic platform that can integrate with SARS document management systems and other prescribed related systems. 2. Ensure automated validation of claimant’s credentials, identity, and SA Vendor VAT registration numbers. 3. Provide Qualifying Purchaser with SARS Commissioner’s decision on the VAT refund claim application. 4. Pay the approved VAT amount, less commission to the claimant as per Part one (1) of the VAT Regulation No. R.316. | 1. Any claim/s submitted without proof of secondary inspection 2. ORTIA 3. CTIA 4. KSIA   2.Non-compliant claim/s   1. Claim/s with inaccurate or invalid information 2. Incomplete supporting documents 3. Service provider submitting claim late:   2.1 Claim not submitted, but listed for payment   * 1. See under 2 (a) above   3.Claims capturing, and submission not Automated  4.Claims Automation not synchronised with SARS system for an effective validation process of claimant’s details / identity and SA Vendor VAT registration  SARS Commissioners decision not communicated with the Qualifying purchaser, resulting in a complaint submitted to SARS: 1%  Incorrect amount (Over / under) paid over to the Qualifying purchaser | Per quarter  2%  2%  2%  0.5%  0.5%  0.5%  2.1 0.5%  3. 5%  4. 5%,  5.1%  6.1% |
| **3.** | **Document Management** | * + - 1. Provide all documentary evidence to SARS for audit purposes and record keeping.       2. Provide SARS with full details (and supporting documents) relating to all claimants on submission of VAT refund claims to SARS dedicated team. | 1. Documentary evidence not available 2. See under 2.1 above | Per quarter  1% |
| **4.** | **Risk Management** | 1. Perform VAT refund administration using a robust and reliable (auditable) system upon which the administration of the VAT refunds is based. 2. Implement risk-based analysis to detect potential unlawful / fraudulent claims; and 3. Implement controls to identify and prevent the payment of refunds relating to invalid claims i.e. fraudulent, duplicated, and/or non-compliant with legislative and policy requirements. | Implemented System / process that are not able to detect   1. Duplicate VAT refund claim 2. Fraudulent / unlawful claim 3. Non-compliant with any applicable legislative / policy requirements | Per quarter  4%  3%  3% |
| **5.** | **Reporting** | 1. The Service Provider should submit monthly, quarterly, and annual reports on processed claims and payments detailing/ showing VAT refund claims submitted to the SARS VAT Export Incentive Scheme (“VEIS”) team including but not limited to:   (a) The VAT refund amount due to Service Provider as per VAT refund claims submitted to SARS;   * 1. The Vat refund amount due to Service Provider for claims rejected after SARS verification of the claims;   2. Refund amounts paid to SARS, by the Service Provider due to rejections (ERS/LRA Clawback);   3. Payment made by SARS, to the Service Provider;   4. Payments made to the qualifying purchasers by the Service Provider;   5. Refunds that are not collected for three (3) months, claim number and value of electronic payments due to SARS;   6. Claim number and value of re-issued electronic payments;   7. Payments still not made to the qualifying purchasers.   8. Provide a report on blocked claimants due to possible fraudulent claims.   9. Where interest may accrue to the Service Provider on stale cards and EFT payments not claimed or utilised by the qualifying purchaser during the three (3) months, such interest should be paid to SARS on the fourth (4) month.   10. Provide an external audit report annually at the Service Provider’s cost. * Reporting capability on the claims processed and payments made; and * The solution should be extendable to other ports of entry as SARS may from time to time introduce new ports of entry or close some. | 1. Outstanding SARS payments per batch / claim 2. Rejected VAT refund amount per batch / claim 3. Rejected VAT amount per MOU batch / claim 4. Payments (not?) received from SARS, per country 5. Payments (not?) processed to the qualifying purchaser 6. Stale refunds not paid over to the QP / utilised per claim 7. Number and value of reissued payments not claimed (?) 8. Payments not paid over to Qualifying purchaser 9. Report on blocked claimants not provided 10. Quarterly accrued interest report not submitted 11. Annual external Audit report not submitted to SARS | Per Quarter   1. 0.5%   (a) 0.5%   1. 0.5%   (b) 0.5%   1. 0.5%   (c ) 0.5%  (d ) 0.5%  (e ) 0.5%  (f ) 0.5%  (g ) 0.5%  (h ) 0.5%  (I ) 0.5%  (j ) 0.5%  (k ) 5%   1. 0.5% 2. 0.5% 3. 0.5% 4. 0.5% 5. 0.5% 6. 0.5 |
| **6.** | **Location** | * + - 1. The Service Provider’s offices must be in the following Ports of Entries, but is not limited to:  OR Tambo International AirportCape Town International Airport; andKing Shaka International Airport.  * + - 1. The Service Provider will be required to have accessible remote offices within the proximity of the borders for all other designated Ports of exist to the following countries where qualifying purchasers will be able to submit VAT refund claims:  Zimbabwe;Mozambique;Botswana;Namibia;Lesotho; andSwaziland (eSwatini). | 1. Service provider is not present at the following Airports, but not limited to 2. ORTIA 3. CTIA 4. KSIA 5. Remote and easily accessible offices, not provided by the Service provider 6. Zimbabwe 7. Mozambique 8. Botswana 9. Namibia 10. Lesotho 11. Swaziland | Per quarter  2%  2%  2%  2%  2%  2%  2%  2%  2% |
| **7.** | **Turnaround Time** | The qualifying purchaser and the Service Provider must ensure that the VAT refund claims comply with the following turnaround times:Movable goods are exported within ninety (90) calendar days from the Tax Invoice date.VAT Refund claim documents are submitted to the Service Provider, within ninety (90) calendar days from the export date.Fully complete VAT Refund claim documents are submitted to SARS dedicated team, within thirty (30) calendar days from receipt of the Service Provider.Once VAT refund has been approved and paid by SARS dedicated team, the Service Provider to process payment to qualifying purchaser within thirty (30) calendar days. | 1. Claim submitted with export date of over 90days, from the tax of invoice: 0.5% 2. Claim received by Service provider and submitted to SARS with export date of over 90days, from the export date without valid reasons / exception 3. Complete documents submitted to SARS after 30 days, from the service provider receipt date 4. Service provider paid, the approved VAT amount less commission to the Qualifying Purchaser after 30 days from the date SARS paid the approved amount over to the service provider: 0.5% | Per Month  0.5%  0.5%  0.5%  0.5% |
| **8.** | **Training / Workshop** | The Service Provider must provide training or a workshop (virtual, face to face or hybrid) to the SARS dedicated team on its automated VAT refund system within two (2) weeks of the commencement of the contract and quarterly thereof / as and when necessary | No workshop / Training was not provided to SARS team   1. In week 3 2. In week 4 3. After 4 weeks | Per Month  2%  3%  5% |