**SERVICES AGREEMENT FOR THE PROVISION OF SHORT-TERM INSURANCE**

**BROKERAGE SERVICES**

Between

**SOUTH AFRICAN REVENUE SERVICE**

An organ of state established in terms of section 2 of the South African Revenue Service Act, 1997 (Act No. 34 of 1997)

(hereinafter referred to as “**SARS**”)

and

**(TO BE ADDED)**,a company incorporated in accordance with the laws of South Africa (Registration Number: **TO BE ADDED**)

(herein represented by its authorised representative who warrants

that s/he is duly authorised to do so)

(hereinafter referred to as “**the Service Provider**”)

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1. **INTRODUCTION**
   1. SARS invited proposals for the provision of short-term insurance brokerage services, through Request for Proposal No. 31/2022 (“RFP”) as more fully described therein.
   2. The Service Provider submitted a proposal in response to the RFP (“the Proposal”).
   3. SARS accepted the Proposal and appointed the Service Provider to provide the Services.
   4. The Service Provider has accepted the appointment, and the Parties herein record the terms and conditions of their agreement.
2. **DEFINITIONS AND INTERPRETATION**
   1. The headings to the clauses of this Agreement are for reference purposes only and will not govern or affect the interpretation of nor modify nor amplify the terms of this Agreement.
   2. Unless inconsistent with the context, the words and expressions have the following meanings and similar expressions will have corresponding meanings-
      1. **“Agreement”** means this Services Agreement, the RFP and all annexures hereto. Also included are all amendments, variations, and/or substitutions to the Agreement, which have been reduced to writing and signed by the Authorised Signatories;
      2. **“Amount at Risk”** means the maximum percentage of the Service Provider’s total monthly invoice, which may be at risk in respect of Service Credits due to SARS resulting from any Service Level Failures;
      3. **“Applicable Law”** means any of the following to the extent applicable to the Service Provider and where applicable, to SARS or the Services-
         1. Any original or subordinate legislation;
         2. The common law;
         3. Any binding court order, judgment or decree;
         4. Any applicable industry code of conduct, policy or standard enforceable by law; or
         5. Any direction, policy or order that is given by a Regulatory Authority;
      4. **“Authorised Signatory”** means a signatory authorised by SARS and the Service Provider respectively to sign the Agreement, any amendments and/or addenda hereto;
      5. **“Business Day”** means any day other than a Saturday, Sunday or public holiday in South Africa;
      6. **“Commencement Date”** is **(TO BE ADDED)**, notwithstanding the date of signature of this Agreement;
      7. **“Commercially Reasonable Efforts”** means taking such steps and performing in such a manner as a well-managed entity would where such entity was acting in a prudent and reasonable manner to achieve the particular result for its own benefit: Provided always that such steps are within reasonable control of the Party;
      8. **“Confidential Information”** means Personal Information defined as such in terms of POPIA; any proprietary or confidential information or data of any nature, tangible or intangible, oral or in writing, in any form or on any medium, whether received by direct communication or observation by the Receiving Party. It includes SARS Confidential Information and Taxpayer Information as defined in Chapter 6 of the Tax Administration Act, 2011 (Act No. 28 of 2011), as well as any information required to be kept confidential in terms of any other Applicable Law.

Information must be regarded as confidential if by its nature, content, or circumstances of disclosure of the information is, or ought reasonably to have been identified by a receiving party as such by reason of such information not being generally known to, or readily ascertainable by third parties generally. Such information includes-

1. information regarding personnel, independent contractors and suppliers of the Disclosing Party, processes, procedures, projections, manuals, forecasts and analyses, security or intellectual property owned by or licensed to the Disclosing Party;
2. information relating to the knowledge, know-how, expertise, trade secrets and activities of the Disclosing Party;
3. information relating to the Services and any aspect thereof; and
4. any information which a Party (without creating a presumption that only so designated information is confidential), acting reasonably, may designate in writing, at the time of disclosure to the Receiving Party, as being confidential information;
   * 1. **“Designated Representative”** means the SARS employee designated in terms of this Agreement, or his/her appointed delegate, as the person who will interface with the Service Provider on all matters relating to the general administration of this Agreement and who will manage the overall performance of the Service Provider over the contract term and to whom all SARS directed communication regarding this Agreement must be addressed;
     2. **“Key Account Manager”** means a member of the Key Personnel designated as such by the Service Provider, as contemplated in the RFP, responsible for the oversight and overall management of this Agreement on behalf of the Service Provider, who shall also act as a central point of contact between SARS and the Service Provider;
     3. **“Key Personnel”** means members of staff of the Service Provider and/or its agents who have been presented to SARS in the Proposal and assigned by the Service Provider to provide the Services to SARS, and on the strength of whose expertise the Service Provider warrants the ability to provide the Services;
     4. **“Losses”** means all losses, liabilities, costs, expenses, fines, penalties, damages and claims, and all related costs and expenses as determined in Law;
     5. **“Parties”** means SARS and the Service Provider and “party” as the context requires is a reference to any one of them;
     6. **“POPIA”** means the Protection of Personal Information Act, 2013 (Act No.4 of 2013);
     7. **“Regulatory Authority”** means any organ of state, government agency or institution, international body or organisation which has–
        1. jurisdiction over the Services or parts thereof; or
        2. administrative or oversight responsibility pertaining to any Applicable Law;
     8. **“RFP”** means SARS’ invitation to service providers to submit proposals for the provision of short-term insurance brokerage services dated 12 December 2022, with reference number RFP 31/2022, which is incorporated herein by reference;
     9. **“SARS”** means the South African Revenue Service, an organ of state established in terms of Section 2 of the South African Revenue Service Act, 1997 (Act No. 34 of 1997), with its principal address at 299 Bronkhorst Street, Nieuw Muckleneuk, Pretoria;
     10. **“Service Level”** means the minimum performance standard of compliance which must be met by the Service Provider when rendering the Services;
     11. **“Service Provider”** means **(TO BE ADDED)**, a company incorporated as such in accordance with the Laws of South Africa with registration number **(TO BE ADDED)** and with its principal place of businessat **(TO BE ADDED)**;
     12. **“Services”** means the provision of short-term insurance brokerage services and related services as contemplated in the RFP, including functions or responsibilities not specifically mentioned therein but which are reasonably and necessarily required for the proper and complete execution of the Services; and
     13. **“Termination Date”** is **(TO BE ADDED)**.
   1. Any reference in this Agreement to-
      1. A clause shall, subject to any contrary indication, be construed as a reference to a clause in this Agreement; and
      2. A person refers to any person, including juristic entities.
   2. Unless inconsistent with the context or save where the contrary is expressly indicated-
      1. if any provision in a definition is a substantive provision conferring rights or imposing obligations on any Party, notwithstanding that it appears only in the Definitions and Interpretation clause, effect shall be given to it as if it was a substantive provision of this Agreement; and
      2. when any number of days is prescribed in this Agreement, same shall be calculated exclusively of the first and inclusively of the last day unless the latter falls on a day which is not a Business Day, in which case the last day shall be the next Business Day.
   3. In the event that the day for performance of any obligation to be performed in terms of this Agreement should fall on a day which is not a Business Day, the relevant day for performance shall be the subsequent Business Day.
   4. Any reference in this Agreement to an enactment is to that enactment as at the signature date and as amended or re-enacted from time to time.
   5. Any reference in this Agreement to this Agreement or any other agreement or document shall be construed as a reference to this Agreement or, as the case may be, such other agreement or document as same may have been, or may from time to time be amended.
   6. No provision of this Agreement shall be construed to provide a benefit to any person who is not a party to this Agreement.
   7. References to day/s, month/s or year/s shall be construed as calendar day/s, month/s or year/s.
   8. Reference to a Party includes that Party’s successors-in-title and permitted assigns.
   9. Unless inconsistent with the context, an expression which denotes-
      1. Any one gender includes the other gender; and
      2. The singular includes the plural and *vice versa.*
   10. The termination of this Agreement will not affect the provisions which are intended to operate after any such termination or which of necessity must continue to have effect after such termination, notwithstanding that the clauses themselves may not expressly provide for this.
   11. This Agreement is fully binding on the executors, administrators, trustees, permitted assigns or liquidators of the Parties as fully and effectually as if they had signed this Agreement in the first instance and reference to any Party is deemed to include such Party’s estate, heirs, executors, administrators, trustees, permitted assigns or liquidators, as the case may be.
   12. Where figures are referred to in numerals and in words, and there is any conflict between the two, the words shall prevail.
   13. The provisions of this Agreement shall not be construed against or interpreted to the disadvantage of the Party responsible for the drafting or preparation of such provisions.
   14. In the event of a conflict between this Agreement and the provisions of the Short-Term Insurance Services Act, 1998 (Act No. 53 of 1998) and any subordinate legislation including Codes of Conduct, issued in terms thereof (Laws) the provisions of the Laws shall supersede those of this Agreement.

1. **DURATION**
   1. Subject to the provisions of **clause** **4.3** below, this Agreement commences on the Commencement Date and subsists until the Termination Date, unless terminated earlier in accordance with the terms of this Agreement.
2. **SERVICE PROVIDER’S OBLIGATIONS**

**Regulatory Compliance**

* 1. The Parties acknowledge that short-term insurance brokerage services are highly regulated and require compliance with Applicable Law in order to be efficiently and lawfully executed. The Service Provider therefore undertakes to, in rendering the Services, ensure that it complies with the requirements of this Agreement, Regulatory Authorities and Applicable Law. SARS therefore relies on the Service Provider to monitor and ensure its compliance with Applicable Law, and the requirements of Regulatory Authorities.
  2. The Service Provider must ensure that all parts of the Services that require certification and or licensing by Regulatory Authorities are duly certified and/or licensed as such.
  3. The appointment of the Service Provider and the subsistence of this Agreement is subject to the Service Provider’s continued registration as an Authorised Financial Services Provider in terms of Applicable Law. In the event the Service Provider ceases to be so registered, this Agreement shall immediately be terminated with no liability to SARS.

**Key Personnel**

* 1. The Service Provider must-
     1. ensure that the Key Account Manager contemplated in its Proposal is duly assigned as such, and assumes the attendant role and responsibilities for the duration of this Agreement;
     2. ensure that where required, the Key Personnel are properly registered, licensed or accredited with the appropriate Regulatory Authorities, and remain so registered for the duration of this Agreement;
     3. ensure that the Key Personnel or other personnel observe confidentiality and do not use any information obtained pursuant to this Agreement for any reason other than for reasons envisaged in this Agreement;
     4. ensure that the Key Personnel devote such time, attention and skill in executing the Services as may be reasonably required for the proper discharge of its duties under this Agreement;
     5. not change or replace the Key Personnel without the prior written consent of SARS and in this regard-
        1. The Service Provider may make a written request to SARS to replace its Key Personnel, where a member has become incapacitated and/or unable to perform his/her duties under this Agreement;
        2. The Service Provider’s request to SARS for the substitution of the Key Personnel shall include the reason for the request and a proposal to replace the Key Personnel with a person of equal or better qualification(s), skills and experience. Such proposal must include the *curriculum vitae* of the proposed substitute;
        3. SARS may only approve a substitute which has similar or better qualifications, skills and experience; and
        4. Should SARS, in its discretion reasonably consider any member of the Key Personnel to be incompetent or unsatisfactory, the Service Provider will have to replace at its own cost, the relevant Key Personnel with a person having equal or better qualifications, skills and experience in line with the timeframes then stipulated by SARS;

**General Obligations**

* 1. The Service Provider must-
     1. subject to Applicable Law, execute the Services, as contemplated in this Agreement;
     2. ensure that any representation or information provided to SARS in the course of rendering the Services is made or given in writing.
     3. charge fees for Services rendered to SARS in accordance with the SARS approved pricing;
     4. provide the Services in accordance with the highest professional standards and in the best interest of SARS;
     5. act impartially and ethically at all times, and in accordance with the code of ethics / conduct of its profession; and
     6. ensure that it adheres to written and reasonable requests or instructions by the Designated Representative, in so far as same are lawful and consistent with this Agreement.

* 1. The Service Provider must cooperate with and ensure a seamless transition of services between itself and its predecessor who provided SARS with short-term insurance brokerage services, and its successor, in order to maintain continuity and protect the interests of SARS as may be necessary. To this end, the Service Provider must implement the implementation plan set out in its Proposal, and may not vary therefrom without the prior written approval of the Designated Representative: Provided that the Designated Representative may only approve changes that do not alter the substance of the implementation plan submitted with the Proposal.
  2. The Service Provider must co-operate as may be requested by SARS, to enable SARS to, amongst other things, comply with an enquiry from a Regulatory Authority.
  3. For the duration of this Agreement and for a period of five (5) years after termination, and subject to Applicable Law, the Service Provider must maintain a record of the Services executed. The Service Provider must provide SARS and its auditors access at reasonable times, and subject to reasonable written notice, to information, records and documentation relating to the Services for the purpose of performing audits, examinations and inspections in order to verify the Service Provider’s compliance with the terms of this Agreement and/or to enable SARS to comply with the requirements of any Regulatory Authority. All costs incurred in performing audits under this clausewill be borne by SARS, unless audit findings reveal the Service Provider’s non-compliance with the terms of this Agreement and/or requirements of a Regulatory Authority or similar institution having jurisdiction over SARS and/or the Service Provider, in which event such costs will be borne by the Service Provider.

1. **SARS’ OBLIGATIONS**
   1. SARS must:
      1. in writing, on the Commencement Date, nominate a Designated Representative, and communicate the names and contact details of such person to the Service Provider. SARS may from time to time change the Designated Representative, in which event SARS must give the Service Provider at least 24 hours’ written notice of such change;
      2. provide the Service Provider with timeous management decisions and any necessary approvals or authorisations to enable the Service Provider to fulfil its obligations under this Agreement;
      3. make available to the Service Provider all relevant information and data at its disposal, which is reasonably required for the rendering of the Services; and
      4. monitor and review the Service Provider’s performance in terms of this Agreement. SARS however, reserves the right subject to Applicable Law, to appoint a third party to monitor and review the Service Provider’s performance in terms of this Agreement.
   2. Subject to the Key Personnel’s compliance with SARS’ access and security policies, provide the Key Personnel with access to the premises and facilities of SARS if necessary for the purposes of rendering the Services.
2. **PRICING AND INVOICING**
   1. The Service Provider must invoice SARS for Services rendered according to the annual brokerage fees in the pricing schedule accepted by SARS, attached hereto as **Annexure A**. In addition, SARS shall pay the Service Provider the total premium amount quoted by insurance underwriters and accepted by SARS in writing for a financial year.
   2. Subject to **clause 6.3** below, no other fee or cost will be covered by SARS apart from the pricing reflected in **Annexure A** and the aforementioned premium amount.
   3. In the event it becomes necessary for the Service Provider to, following the occurrence of an insured event, for the account of SARS, engage a third party supplier at a cost not herein covered, the Service Provider must first seek a written mandate from SARS to so engage the supplier and incur such costs. Provided that SARS reserves the right to request the Service Provider to source quotations from different suppliers to ensure that SARS secures the underlying service at the best available rate / cost.
   4. The annual brokerage fees will be divided into twelve (12) equal monthly payments per annum, and the Service Provider must invoice SARS monthly on the first (1st) of each month, for the duration of this Agreement. Each invoice must contain-
      1. the total fees payable by SARS; and
      2. any such details as may be reasonably requested by SARS from time to time.
   5. The Service Provider must verify that each invoice is complete and accurate, and that it conforms to the requirements of this clausebefore issuing the invoice to SARS. In addition, the Service Provider must attach the invoices of suppliers contemplated in **clause 6.3** above to an invoice the Service Provider submits to SARS for payment.
   6. The Service Provider must submit all invoices to the Designated Representative and where requested to do so by the Designated Representative, send copies to other SARS officials.
   7. Subject to **clause** **7.1** below, SARS shall pay undisputed amounts in an invoice owed to the Service Provider within thirty (30) days after SARS receives such invoice, if the invoice is accurate and meets the requirements of this Agreement.
   8. Should SARS query an item in an invoice, the Service Provider must, within two (2) days after a written request by SARS, provide SARS with any other documentation or information reasonably required by SARS in order to verify the accuracy of amounts indicated in an invoice.

* 1. SARS may withhold, deduct or set off from any monies due and owing to the Service Provider in terms of this Agreement, an amount equal to the amount of any outstanding claims that SARS may have against the Service Provider for damages, costs or any other indebtedness arising out of this Agreement: Provided that SARS will provide the Service Provider with written notice of its intention to offset, supported by reasonable detail of the actual damages, costs or indebtedness incurred and sought to be offset by SARS.
  2. A certificate of indebtedness signed by the Chief Financial Officer of SARS reflecting the amount due and payable under **clause 6.9** above shall be sufficient and conclusive proof of the contents and correctness thereof for the purposes of withholding, deduction or set off by SARS or for provisional sentence, summary judgment or any other proceedings against the Service Provider in a court of law and shall be valid as a liquid document for such purposes.

1. **DISPUTED CHARGES AND INVOICING ERRORS**
   1. SARS may withhold payment of fees that SARS disputes in good faith or, if the disputed fees have already been paid, SARS may withhold an equal amount from a subsequent payment, including disputes in respect of an error in an invoice or an amount paid. If SARS withholds any such amount-
      1. SARS shall promptly notify the Service Provider that it is disputing such amount, providing a reasonable explanation of the rationale therefore and the Parties shall promptly first address such dispute in accordance with this **clause 7**;
      2. If the dispute relates to (or equals in the case of disputed amounts that have already been paid) only a percentage of the invoiced amount, then SARS shall pay the undisputed amount in accordance with **clause 6.7** above; and
      3. If an invoice is identified as incorrect, then the Service Provider shall either issue a correct invoice if the amount has not yet been paid, or make a correction on the next invoice if the amount has been paid.
   2. Any dispute arising in terms of **clause 7.1** above and which remains unresolved for five (5) Business Days after it has arisen, shall be referred by either Party to SARS’ Senior Manager: Contract Management and the Service Provider’s Key Account Manager or their designees for resolution.

* 1. The SARS Senior Manager: Contract Management and the Service Provider’s Key Account Manager or their designees shall meet within five (5) Business Days of the referral of the dispute to resolve such dispute.
  2. In the event that the dispute remains unresolved after seven (7) days of its referral to the persons mentioned in **clause 7.3**, either Party shall be entitled to refer the dispute for resolution in accordance with the provisions of **clause 16** below: Provided that **clause 16.1** below will not apply to disputes contemplated in this **clause 7**.

1. **PRINCIPLES GOVERNING SERVICE LEVELS**
   1. **Service Levels List**

**Annexure B** lists Service Levels that will apply to the performance of the Services. The Service Provider shall comply with the prescribed Service Levels as of the Commencement Date.

* 1. **Monitoring, Measuring and Reporting**
     1. The Service Provider shall-
        1. be responsible for monitoring, measuring and reporting on the Service Provider’s compliance with the Service Levels;
        2. monitor its performance of the Services with respect to the Service Levels on a continuous basis and measure and provide SARS with a monthly report on such performance (the “**Monthly Performance Report**”);
        3. within six (6) Business Days after the end of each month deliver to SARS the Monthly Performance Report with respect to the Service Provider’s performance during such month;
        4. provide SARS with detailed supporting information for each Monthly Performance Report in soft-copy, as reasonably requested by SARS; and
        5. include the following information in each Monthly Performance Report with respect to any failure to achieve a Service Level during any given month (“**Service Level Failure**”)-
           1. the nature and date of the Service Level Failure;
           2. the cause of the Service Level Failure; and
           3. a summary of the steps the Service Provider has taken to resolve the Service Level Failure and reduce, to the extent reasonably possible, the likelihood that such Service Level Failure will be repeated.
     2. Any failure by the Service Provider to perform any of the obligations set forth in this **clause 8.2** during any given month will also be deemed to be a Service Level Failure.

* 1. **Rules Governing Service Credits**

* + 1. **General**

A Service Credit is a price adjustment in any given month to reflect the reduced level of service experienced by SARS from the Service Provider during such month.

* + 1. **Status of Service Credits** 
       1. Service Credits are not an estimate of the loss or damage that may be suffered by SARS as a result of the Service Level Failure.

* + - 1. A price adjustment by means of a Service Credit due to SARS is without prejudice to and shall not limit any right SARS may have to terminate this Agreement and/or seek damages or other non-monetary remedies at Law resulting from, or otherwise arising in respect of, such Service Level Failure and any resulting termination.
      2. Where a Service Level Failure relates to any issue other than compliance with a timeline, the Service Provider must, notwithstanding any Service Credit that may or may have been levied, still ensure, at its own cost, that it remedies the defective or insufficient performance in order to bring it in line with the provisions of this Agreement.
      3. Notwithstanding the provisions of **clauses 8.3.2.1** and **8.3.2.2** above, any claim for damages resulting from such Service Level Failure, in respect of which a Service Credit has already been effected, shall be reduced by the amount of that Service Credit.
    1. **Amount at Risk**
       1. The “Amount at Risk” with respect to Service Credits due by the Service Provider for Service Level Failures shall not exceed twenty per cent (20%) of the total amount invoiced to SARS in respect of such month,irrespective of the number of Service Level Failures.
       2. Subject to **clause 8.3.3.1**, the Service Provider shall credit the value of the percentage of the Amount at Risk (Service Credit), as indicated in **Annexure B**, in respect of each Service Level Failure to SARS.
    2. **Calculation of Service Credits**
       1. For each Service Level Failure the all-inclusive monthly amount payable to the Service Provider shall be reduced by the applicable Service Credits.
       2. If a single triggering event directly causes two (2) or more Service Level Failures in any month and but for such event, none of such Service Level Failures would have occurred, then SARS shall be entitled to receive only a single Service Credit for a single Service Level Failure (which SARS may select in its sole discretion).
       3. Service Credits arising in respect of the last month of the Agreement term shall be withheld out of the final payment due.
       4. Applicable Service Credits will be levied against the first monthly invoice following the month in which the Performance Failure occurred. SARS may, at its election and with prior notice to the Service Provider, cause the Service Credit to be set off against the Service Provider’s payment.
  1. **Excused Non-Performance**

* + 1. Where the Service Provider can establish to the reasonable satisfaction of SARS that-
       1. the cause of its failure to achieve a Service Level was a factor outside of the reasonable control of the Service Provider (i.e. a *force majeure* event);
       2. the Service Provider would have achieved such Service Level but for such factor; and
       3. the Service Provider is without fault in causing such factor,

then, no Service Credit shall be assessed against the Service Provider.

1. **MEETINGS** 
   1. The Key Account Manager and the Designated Representative shall hold meetings indicated in the RFP. The Parties may, in addition, meet at any reasonable time at the request of either Party.

* 1. The Service Provider shall be responsible for the correct recording of the meeting proceedings.

* 1. The Service Provider shall deliver the record of the meeting proceedings to SARS within two (2) Business Days after the date of the meeting or such shorter period as SARS may of necessity prescribe in writing, for SARS’ perusal and verification.

* 1. SARS shall have the right to comment on and amend the record. SARS’ comments and amendments shall be discussed and/or confirmed at the next meeting between the Parties.
  2. **Clauses 9.3** and **9.4** aboveare subject to **clause 27.12** below.
  3. Any information provided by the Service Provider in reports or meetings should be accurate, relevant and sufficiently detailed to provide assurance that the Services are on schedule.

1. **RELATIONSHIP BETWEEN THE PARTIES**
2. 1. The Service Provider is an independent contractor and under no circumstances will it be considered a partner, joint venture partner or employee of SARS in the execution of this Agreement.
   2. The Key Personnel engaged by the Service Provider will be the Service Provider’s employees, contractors or agents, and the entire management, direction and control of all such persons will be the responsibility of the Service Provider. The Service Provider is liable to SARS for the performance, malperformance, acts and/or omissions of any of the Key Personnel or other personnel involved in the execution of this Agreement.
3. **THIRD PARTY COOPERATION**
   1. As part of the Services, where appropriate and when requested by SARS to do so, the Service Provider shall provide full co-operation to any third party that might be contracted by SARS on the same or related engagement or for purposes contemplated in **clause 5.1.4** above, to the extent that the co-operation does not create a conflict of interests, breach of professional ethics or compromise the Service Provider’s intellectual property rights or interests.
   2. It is, however, agreed that the relationship between the Service Provider and any such third party will not constitute an alliance or partnership and that neither the Service Provider nor the third party will be required to perform quality checks on the work of the other party, except where the third party is appointed for purposes contemplated in **clause 5.1.4** above.
4. **SECURITY VETTING OF THE SERVICE PROVIDER’S PERSONNEL**
5. 1. SARS may, subject to Applicable Law, at any time during the subsistence of this Agreement and in terms of its prevailing Policies, Procedures and Practices, request that the Service Provider, at its own costs –
      1. send any or all of its Key Personnel for security vetting with a competent service provider and provide SARS with security clearance certificates; and
      2. provide a personal background screening report from a reputable screening agency on personal status such as but not limited to the following:

a) citizenship status report;

b) criminal activity report; and

c) credit worthiness report,

of any or all of the Key Personnel

* 1. SARS may also at its sole and absolute discretion perform a security check (vetting) or any personal background screening on any or all of the Key Personnel.
  2. Where SARS establishes the Key Personnel to be a security risk, SARS will inform the Service Provider accordingly and the Service Provider shall replace such Key Personnel with another one of equal or better qualification(s) and experience.

1. **CONFIDENTIALITY**
   1. Neither Party may, both during the term of this Agreement and after its expiration, disclose any Confidential Information to any third party without the prior written consent of the other.
   2. The Service Provider shall ensure that the Key Personnel individually take the SARS Oath / Declaration of Secrecy before commencing with execution of this Agreement and shall submit the original copies of such Oath / Declaration to the SARS Designated Representative.
   3. SARS reserves the right to continually monitor and verfiy that the Key Personnel have individually taken the SARS Oath / Declaration of Secrecy.
   4. The Service Provider must protect the interests of SARS and its Confidential Information by-
      1. making available such Confidential Information only to those of the Key Personnel who are actively involved in the execution of its obligations under this Agreement and then only on a “need to know” basis;
      2. putting in place information security practices and procedures reasonably acceptable to SARS to prevent unauthorised disclosure and taking all practical steps to impress upon the Key Personnel who need to be given access to Confidential Information, the secret and confidential nature thereof;
      3. not using any Confidential Information of SARS, or disclosing directly or indirectly any Confidential Information of SARS to third parties, whether during the subsistence of this Agreement or thereafter; and
      4. ensuring that all Confidential Information of SARS which has or will come into the possession of the Service Provider and the Key Personnel, will at all times remain the sole and absolute property of SARS.
   5. Where the Service Provider is served with a request, demand or court papers which seek the disclosure of Confidential Information of SARS, the Service Provider shall, without disclosing such Confidential Information, forthwith and no later than 24 hours from the time of receipt of such request, demand or court papers, transmit all such document(s) served on it to the SARS Designated Representative, whereupon SARS will respond as necessary.
   6. The Service Provider shall not remove from SARS’ premises any documents or material relating to the Services or SARS’ business without first obtaining the written consent of SARS.
   7. Upon SARS’ request, the Service Provider must promptly return all documents, material, information, or data relating to the Services to SARS.
   8. The Service Provider must ensure that any personal information that it may process pursuant to this Agreement is kept secure as contemplated in POPIA. The Service Provider must immediately notify SARS’ Designated Representative in writing at his/her provided contact email address, and the SARS Anti-Corruption Unit at the email address: [anti-corruption@sars.gov.za](mailto:anti-corruption@sars.gov.za), where the Service Provider or Key Personnel have reasonable grounds to believe or suspect that any Personal Information processed or held by the Service Provider pursuant to this Agreement has been unlawfully accessed or acquired by any person through unauthorised means.
   9. The Service Provider may not disclose / share any Confidential Information with any person, including its affiliates, outside the borders of South Africa, unless it obtains prior, written consent from SARS, which consent will, if granted (at the sole discretion of SARS), be subject to section 72 of POPIA. In this regard and in the event the written consent is obtained, the Service Provider fully indemnifies SARS and its employees against all and any third party damages, liability claims, Losses or the like occasioned by or as a result of i) the Service Provider exchanging, sharing or having exchanged or shared Confidential Information; ii) the Service Provider failing to comply with POPIA in its exchange / sharing of Confidential Information or iii) breach by the recipient of the information of POPIA or POPIA equivalent laws.
   10. The Service Provider fully indemnifies SARS and its employees against all and any third party damages, liability claims, Losses or the like which may be occasioned by or as a result of any failure by the Service Provider and/or the Key Personnel to comply with this **clause 13**.
   11. The provisions of this clause shall survive the termination or cancellation of this Agreement for any reason whatsoever.
2. **INTELLECTUAL PROPERTY**
3. 1. The Parties will each retain ownership of their pre-existing intellectual property rights.
   2. Subject to Applicable Law and pre-existing intellectual property rights of the Service Provider and/or any third party, all intellectual property rights to literary works created in the course of executing the Services shall vest exclusively in SARS.
   3. In the event of the Service Provider’s intellectual property being incorporated into any aspect of the Services being rendered in terms of this Agreement, the Service Provider hereby grants SARS a non-exclusive, royalty free license for the duration of this Agreement to use such intellectual property for its own purposes in connection with the Services.
   4. The Service Provider warrants to SARS that it holds the right, title and interest to the intellectual property it will be utilising to render the Services, alternatively it has procured the necessary rights from the relevant third party and indemnifies SARS against any claim of infringement, which any third party may make or bring against SARS as a result of this Agreement.
4. **BREACH**
   1. If a Party (the “Defaulting Party”) is in default or breach of any term of this Agreement and that Defaulting Party fails to remedy such default or breach within seven (7) Business Days after receipt of a written notice given by the other Party (the “Aggrieved Party”) calling upon the Defaulting Party to remedy such default or breach, then the Aggrieved Party may, without prejudice to any other rights which it may have in terms hereof or at law-
      1. claim specific performance;
      2. cancel this Agreement and claim damages from the Defaulting Party, such cancellation to be effective immediately on receipt by the Defaulting Party of a written notice to that effect; or
      3. claim any money due and payable in terms of this Agreement and claim damages from the Defaulting Party.

* 1. The remedies set out in this clause shall not be construed to be exhaustive of any other remedies available to the Parties.

1. **DISPUTE RESOLUTION**
2. 1. In the event of any dispute arising out of or in connection with this Agreement, the Parties shall try to resolve the dispute by negotiation. This entails that the one Party invites the other in writing to a meeting and attempts to resolve the dispute within seven (7) days from date of the written invitation.
   2. If the dispute has not been resolved by such negotiation as contemplated above, or in **clause 7**, the Parties shall submit the dispute to the Arbitration Foundation of Southern Africa (“AFSA”) administered mediation, failing which the dispute shall be determined as below.
   3. Save in respect of those provisions in this Agreement which provide for their own remedies which would be incompatible with arbitration, any dispute arising from, or in connection with this Agreement and not resolved as contemplated above will finally be resolved by arbitration in accordance with the Rules of AFSA or its successor, by an arbitrator or arbitrators appointed by AFSA.
   4. This clause is severable from the rest of the provisions of this Agreement so that it will operate and continue to operate notwithstanding any actual or alleged voidness, voidability, unenforceability, termination, cancellation, expiry or accepted repudiation of this Agreement.
   5. Subject to **clause 7.1** above, neither Party shall be entitled to withhold performance of any of their obligations in terms of this Agreement pending the settlement of, or decision in, any dispute arising between the Parties and each Party shall, in such circumstances, continue to comply with its obligations in terms of this Agreement: Provided that SARS shall not pay any invoice in respect of which there is a pending dispute.
   6. The provisions of this clause shall not preclude–
      1. any of the Parties from accessing and obtaining any interim relief on an urgent basis or other conservatory relief from a court of competent jurisdiction; and
      2. SARS from approaching a Regulatoty Authority for resolution of disputes on pertinent matters.
3. **TERMINATION**
   1. **Termination for cause by SARS**
      1. SARS may, by giving notice to the Service Provider, terminate this Agreement or the rendering of the Services in whole or in part, as of a date set out in the notice of termination, in the event that the Service Provider–
         1. breaches the confidentiality provisionsof this Agreement;
         2. breaches Applicable Law;
         3. is found guilty of an offence in terms of Applicable Law;
         4. commits an act of insolvency as defined in the Insolvency Act, 1936 (Act No. 24 of 1936) or is placed under provisional liquidation or under business rescue proceedings or is finally liquidated;
         5. commits an act of professional misconduct or professional or technical incompetence, which is substantial and serious; or
         6. commits or participates in any unlawful, dishonest or unethical act in executing its obligations under this Agreement.
   2. SARS shall have no liability to the Service Provider with respect to a termination under this clause.
4. **ADDRESSES**
5. 1. Each Party chooses the addresses set out below its name as its address to which all notices and other communications must be delivered for the purposes of this Agreement and its *domicilium citandi et executandi (“domicilium”)* at which all documents in legal proceedings in connection with this Agreement must be served.
   2. SARS’ physical address for ***service of notices and legal processes*** is-

Attention: Head - Corporate Legal Services

Lehae La SARS

299 Bronkhorst Street

Nieuw Muckleneuk

PRETORIA

* 1. The Service Provider’s physical address for ***service of notices and legal processes*** is-

Attention: **(TO BE ADDED)**

* 1. SARS’ email address for communications, and/or correspondences in connection with the execution of the Services is: **(TO BE ADDED)** and carbon copy **(TO BE ADDED)**.
  2. The Service Provider’s email address for communications, and/or correspondences in connection with the execution of the Services is: **(TO BE ADDED)**.
  3. Any notice or communication required or permitted to be given to a Party pursuant to the provisions of this Agreement shall be valid and effective only if in writing and sent to a Party’s chosen address of *domicilium*, provided that documents in legal proceedings in connection with this Agreement may only be served at a Party’s physical address.
  4. Any Party may by written notice to the other Party, change its chosen address to another address, provided that-

* + 1. the change shall become effective on the tenth (10th) Business Day after the receipt or deemed receipt of the notice by the addressee; and
    2. any change in a Party’s *domicilium* shall only be to an address in South Africa, which is not a post office box or a *poste restante.*
  1. The Parties record that whilst they may correspond via email for operational reasons, no formal notice required in terms of this Agreement, nor any amendment or variation to this Agreement may be given or concluded via email.

1. **WARRANTIES**
   1. The Service Provider hereby represents and warrants to SARS that-
      1. this Agreement has been duly authorised and executed by it and constitutes a legal, valid and binding set of obligations on it;
      2. it is acting as principal and not as an agent of an undisclosed principal;
      3. the execution of this Agreement does not constitute a violation of any statute, judgment, order, decree or regulation or rule of any court, competent authority or arbitrator or competent jurisdiction applicable or relating to the Service Provider, its assets or its business, or its memorandum of incorporation or any other documents or any binding obligation, contract or agreement to which it is a party or by which it or its assets are bound;
      4. it has the necessary capacity, skills and resources to render the Services to SARS in a diligent manner;
      5. it will provide the Services in a cost-effective and expedient manner, thereby ensuring that no unnecessary or extraordinary costs are incurred and passed on to SARS;
      6. it has the capacity to timeously deliver the Services;
      7. it shall not, in executing the Services, breach or infringe any intellectual property right of a third party;
      8. no factual circumstances exist that may materially affect its capacity to perform its obligations under this Agreement;
      9. it, along with the Key Personnel, shall at all times have, and comply with all legal requirements and with the terms and conditions of all necessary licenses, certificates, authorisations and consents required under the laws of the Republic of South Africa or under any other applicable jurisdiction for the delivery of the Services; and
      10. it, along with its Key Personnel are familiar with and will comply with Applicable Law.
   2. It is expressly agreed between the Parties that each warranty and representation given by the Service Provider in its Proposal and in this Agreement is material to this Agreement and induced SARS to conclude this Agreement.
   3. The provisions of this clause shall survive the termination of this Agreement.
2. **LIABILITY**
   1. The Service Provider shall be liable to SARS, where SARS has suffered any direct damages and/or Losses as a result of the Service Provider’s failure to observe its obligations in terms of this Agreement.
   2. The Service Provider shall further be liable to SARS for all indirect and consequential or special damages and/or Losses suffered by SARS as a result of gross negligence, wilful misconduct or breach by the Service Provider or the Key Personnel of confidentiality provisions in this Agreement, breach of Applicable Law, infringement of third party intellectual property rights or a criminal act committed by the Service Provider, the Key Personnel or any employee of the Service Provider.
3. **INDEMNITY BY THE SERVICE PROVIDER**
   1. The Service Provider hereby indemnifies, holds harmless and agrees to defend SARS and its officers, employees, agents, successors and assigns, against all claims or Losses arising from or in connection with, any of the following-
      1. Third party claims attributable to any breach of the provisions of this Agreement by the Service Provider;
      2. Third party claims attributable to theft, fraud or other unlawful activity or any negligent, wilful or fraudulent conduct by the Service Provider or the Key Personnel and claims attributable to errors and/or omissions;
      3. Third party claims arising from or related to the death or bodily injury of any agent, employee, customer, business invitee, business visitor or other person caused by the delictual conduct of the Service Provider or the Key Personnel; or
      4. Claims arising from damage to property owned or leased by SARS or belonging to a third party caused by the acts or omissions of the Service Provider or the Key Personnel.
4. **INSURANCE, GUARANTEES OR FIDELITY COVER**
5. 1. The Service Provider must, for the duration of this Agreement, comply with Applicable Law regarding insurance, guarantees or fidelity cover, and ensure it has the minimum coverage indicated in the RFP.

* 1. The Service Provider must, on the Commencement Date and as and when requested, provide SARS with evidence of cover as envisaged above.
  2. In the event of loss or damage or other event that requires notice or other action under the terms of any cover contemplated in this clause, the Service Provider shall be solely responsible to take such action. The Service Provider shall provide SARS with contemporaneous notice and with such other information as SARS may request regarding the event.

1. **FORCE MAJEURE**
2. 1. In the event of any circumstance arising or action taken beyond the reasonable control of a Party or the Parties hereto, such as but not limited to war, rebellion, riot, civil commotion, lockout, fire, accident, operation of law, Applicable Law, epidemic, pandemic or any other circumstance preventing the Parties or any of them from the performance of any obligation hereunder (any such event hereinafter called “*force majeure* event”) then the Party affected by such *force majeure* event shall, subject to **clauses 23.2** and **23.3** herein, be relieved of its obligations hereunder during the period that such *force majeure* subsists.
   2. Should a *force majeure* event arise, the affected Party shall within ten (10) days of the commencement of the event notify the other Party of the event, giving sufficient details thereof, including details of how the event has impacted the affected Party’s ability to perform in terms of the Agreement, as well as the estimated duration of the event or disturbing circumstances.
   3. The affected Party’s relief is only to the extent so prevented and to the extent that the affected Party is not the cause of the *force majeure* event. Such Party shall not be liable for any delay or failure in the performance of any obligations hereunder or loss or damage which the other Party may suffer due to or resulting from the *force majeure* event.
   4. The affected Party shall use Commercially Reasonable Efforts to remove the disturbance with the least possible delay so that its obligations can be fulfilled as soon as reasonably possible, in the manner provided for in this Agreement.
   5. SARS shall be entitled to use the services of other parties during *force majeure* events declared by the Service Provider.
3. **CONFLICT OF INTERESTS**
   1. The Service Provider must comply with Applicable Law in so far as issues related to conflict of interests are concerned.
   2. SARS may, on an *ad hoc* basis, request the Service Provider or any member of its Key Personnel to declare any interest they may have in a particular transaction.
4. **BROAD-BASED BLACK ECONOMIC EMPOWERMENT**
   1. The Service Provider must remain BEE compliant and maintain or improve upon the B-BBEE status level it had when the tender (RFP) was awarded.
5. **TAX COMPLIANCE**
   1. The Service Provider represents and warrants that, as of the Commencement Date, it is and will remain compliant for the duration of this Agreement with all Applicable Law relating to taxation in the Republic of South Africa.
6. **GENERAL**
7. 1. **Advertising and Marketing**

Except in so far as herein expressly provided, the Service Provider shall not make or issue any formal or informal announcement (with the exception of Stock Exchange announcements), advertisement or statement to the media in connection with this Agreement or otherwise disclose the existence of this Agreement or the subject matter thereof to any other person without the prior written consent of SARS.

* 1. **Assignment**

The Service Provider may not assign or transfer any obligation arising out of this Agreement.

* 1. **Authorised Signatories**

This Agreement shall not be valid unless signed by the Authorised Signatories.

* 1. **Cession**

Subject to Applicable Law, the Service Provider may not cede or in any other manner transfer any benefit or right arising from this Agreement, without the prior written consent of SARS.

* 1. **Costs**

Each Party shall bear its own costs in respect of the negotiation, preparation and finalisation of this Agreement.

* 1. **Counterparts**

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same Agreement as at the date of signature of the Party last signing one of the counterparts. The Parties undertake to take whatever steps may be necessary to ensure that each counterpart is duly signed by each of them without delay.

* 1. **Covenant of Good Faith**

Each Party agrees that, in its respective dealings with the other Party under or in connection with this Agreement, it shall act in good faith.

* 1. **Governing Law and Jurisdiction**
     1. This Agreement will be governed by and construed in accordance with the law of the Republic of South Africa and all disputes, actions and other matters relating thereto will be determined in accordance with such law.
     2. The Service Provider hereby consents to the jurisdiction of the High Court of the Republic of South Africa (Gauteng Division, Pretoria), in regard to all matters arising from this Agreement.
  2. **No Withholding of Consents**

Where agreement, approval, acceptance, consent, or similar action by either Party is required under this Agreement, such action shall not be unreasonably delayed or withheld. An approval, acceptance, consent or similar action by a Party under this Agreement shall not relieve the other Party from the responsibility of complying with the requirements of this Agreement, nor shall it be construed as a waiver of any rights under this Agreement.

* 1. **Severability**

If any clause or provision of this Agreement is found to be invalid, illegal or unenforceable in any way, such clause or provision shall be deemed to be separate and severable from the remaining provisions of this Agreement, and the validity and enforceability of such remaining provisions shall not be affected. If, however, any invalid term is capable of amendment to render it valid, the Parties agree to negotiate in good faith an amendment to remove the invalidity.

* 1. **Waiver**

### No change, waiver or discharge from the terms and conditions of this Agreement shall be valid unless in writing and signed by the Authorised Signatories, and any such change, waiver or discharge will be effective only in the specific instance and for the purpose given. No failure or delay on the part of either Party hereto in exercising any right, power, or privilege under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right, power, or privilege preclude any other or further exercise thereof, or the exercise of any other right, power, or privilege.

* 1. **Whole Agreement and Amendment**

This Agreement constitutes the whole of the Agreement between the Parties relating to the subject matter hereof and no amendment, alteration, addition, disclaimers, qualifications, variation or consensual cancellation will be of any force or effect unless reduced to writing and signed by the Authorised Signatories. Any document executed by the Parties purporting to amend, substitute or revoke this Agreement or any part hereof, shall be titled an “Addendum” to this Agreement.

**SIGNED AT PRETORIA FOR AND BEHALF OF SARS**

**As Authorised Signatories for the South African Revenue Service**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name:

Designation:

Date signed:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name:

Designation:

Date signed:

**FOR THE SERVICE PROVIDER**

Full Names : \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature : \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Capacity : \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date : \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Place : \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_