

# REQUEST FOR INFORMATION

## DESCRIPTION:

**VAT EXPORT INCENTIVE SCHEME ADMINISTRATION**

**DATE ISSUED: 15 March 2021**

**CLOSING DATE: 07 April 2021 at 11H00**

## TENDER BOX:

GROUND FLOOR, LINTON HOUSE

BROOKLYN BRIDGE

570 FEHRSEN STREET

BROOKLYN

PRETORIA



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## 1. INTRODUCTION

The South African Revenue Service (SARS) is uniquely placed to contribute to government's plan of action to address socio-economic growth and development, poverty alleviation and job creation. Through the vital role of providing the revenue to fund the full spectrum of initiatives, plans, programmes and strategies of national and provincial government departments, SARS plays a crucial enabling role for government delivery.

## 2. OVERVIEW OF SARS

### Our Mandate

In terms of the South African Revenue Service Act, 1997 (Act No. 34 of 1997), SARS is mandated to:

- Collect all revenues due;
- Ensure optimal compliance with Tax and Customs legislation; and
- Provide a Customs service that optimises revenue collection, protect our borders and facilitate legitimate trade.

### Our Vision

A smart, modern SARS with unquestionable integrity, trusted and admired.

### Our Mission

To ensure that the Tax and Customs revenues due to the state are collected when it becomes due by building a high level of taxpayer compliance, facilitating legitimate trade and building public confidence in SARS through a strong service ethos, and professional integrity.

### Our Strategic Objectives

- Provide Clarity and Certainty for taxpayers and traders of their obligations;
- Make it easy for taxpayers and traders to comply with their obligations;
- Detect taxpayers and traders who do not comply, and make non-compliance hard and costly;
- Develop a high performing, diverse, agile, engaged and evolved workforce;
- Increase and expand the use of data within a comprehensive knowledge management framework to ensure integrity, derive insight and improve outcomes;
- Modernize our systems to provide digital and streamlined online services;
- Demonstrate effective resource stewardship to ensure efficiency and effectiveness in delivering quality

outcomes and performance excellence;

- Work with and through stakeholders to improve the tax ecosystem; and
- Build public trust and confidence in the tax administration system.

### **Our Values**

- Uncompromising regard for Taxpayer Confidentiality;
- Unquestionable Integrity, Professionalism and fairness;
- Exemplary Public Service; and
- Incontestable insights from Data & Evidence.

### **Our Core Outcomes**

- Increased Customs and Excise Compliance;
- Increased Tax Compliance;
- Increased ease and fairness of doing business with SARS;
- Increased cost effectiveness and internal efficiencies; and
- Increased public trust and credibility.

## **3. BACKGROUND**

Provision is made in South African legislation for a Value Added Tax (VAT) Export Incentive Scheme. Accordingly, a vendor to a qualifying purchaser supplies movable goods and the qualifying purchaser is responsible for exporting the goods from South Africa. The vendor is obliged to levy tax at the standard rate on the supply to the qualifying purchaser.

The qualifying purchaser is subsequently entitled to a refund of tax subject to certain limitations and conditions. Provision is also made for the appointment of an administrator for VAT refunds to administer the refunding of VAT. All claims are submitted by qualifying purchasers to the administrator for VAT refunds, who in turn submits it to a central SARS office for assessment, resulting in either approval and payment, or rejection and non-payment.

## **4. PURPOSE OF THIS REQUEST FOR INFORMATION (RFI)**

The purpose of this Request for Information (RFI) is to solicit information from service providers regarding the VAT Export Incentive Scheme administration. This is to acquire and understand what are the systems and processes available to effectively administer the VAT Export Incentive Scheme.

This RFI may result in a two-stage process:

- The first stage shall entail the issuing of a Request for Information (RFI) to solicit information from prospective Service Providers; and
- The second stage shall entail issuing of a Request for Proposal (RFP) with detailed technical specifications through an open tender process.

This RFI does not constitute an offer to do business with SARS, but merely serves a request for information.

## **5. LEGISLATIVE METHODOLOGY OF THE RFI**

### **5.1. PROCUREMENT LEGISLATION**

SARS has a detailed evaluation methodology premised on Treasury Regulation 16A3, promulgated under Section 76 of the Public Finance Management Act, 1999 (Act No. 1 of 1999); the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000); the Preferential Procurement Policy Regulations, 2017, issued under the Preferential Procurement Policy Framework Act and the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003).

### **5.2. TECHNICAL LEGISLATION AND/OR STANDARDS**

The relevant legislation and/or standards applicable to this service are as follows:

- General Notice No. 2761 of 1998 VAT Export Incentive Scheme;
- Part 1 of the Value Added Tax (VAT) Export Regulation No. R. 316, Government Gazette No. 37580;
- Value Added Tax Act No 89 of 1991: Sections 1, 7(1), 10(12), 11(1), 20, 44(9) and 68;
- Customs and Excise Act, 1964 (Act No. 91 of 1964): Sections 6, 15 and 38(3);
- Customs and Excise Rules: 120A; and
- South African Reserve Bank foreign exchange regulations.

## **6. BRIEFING SESSION**

There will be no briefing session for this RFI. All queries can be sent to SARS' nominated official in writing, Mr Andre Taljaard (Procurement Tender Office) via email at [tenderoffice@sars.gov.za](mailto:tenderoffice@sars.gov.za) and cc [rfi-professionalservices@sars.gov.za](mailto:rfi-professionalservices@sars.gov.za).

## 7. TIMELINE OF THE RFI PROCESS

The project timeframes of this RFI are set out below:

**Table 7A**

Activity	Date Due
Advertisement of RFI in the eTender website	15 March 2021
Distribution of RFI documents on SARS website	15 March 2021
Questions relating to the RFI from Service Provider(s)	15 Mar - 01 Apr 2021
RFI Closing Date	07 April 2021 at 11H00

All times and dates in this RFI are South African Standard Time. Any time or date in this RFI is subject to change at SARS' sole discretion. The establishment of a time or date in this RFI does not create an obligation on the part of SARS to take any action, or create any right in any way for any Service Provider to demand that any action be taken on the date established. The Service Providers accept that, if SARS extends the deadline (the closing date) for RFI submissions for any reason, the requirements of this RFI will otherwise apply equally to the extended deadline.

## 8. SERVICE PROVIDERS RESPONSES/ RFI SUBMISSIONS

Service Providers are required to submit their responses to the information required in this paragraph 8.

Service Providers are hereby advised that SARS is not committed to take any course of action as a result of its issuance of this RFI and/or its receipt of submissions in response to it.

### 8.1. PRODUCT AND SERVICES

Provide information on the following:

#### 8.1.1. Company Profile

Please provide an overview of your company profile including but not limited to:

- Which services are you rendering regarding Tax refund nationally or internationally?
- How many offices do you have and where are the offices located?
- How many employees per location do you have?
- Contact details of the key contact person / Accounts Manager.

### 8.1.2. Relevant Legislation

- What is your understanding of Part 1 of the Value Added Tax (VAT) Export Regulation No. R. 316, Government Gazette No. 37580.
- What are the constraints identified in the above-mentioned Export Regulation pertaining to the implementation of your recommended solution to administer the VAT Export Incentive Scheme (“VEIS”)?

### 8.1.3. Technology/ Systems

- What type of digital technology would you recommend should be implemented for the administration of the VEIS front office and refund processes?
- Who is the Intellectual Property owner or licensee of the recommended system?
- To what extent is interface possible with SARS' or other software operating systems?
- What functions/transactions are performed by the system?
- What are the relevant workflows of each function?
- What are the system constraints and dependencies?
- To what extent is the system fully automated to be able to process, validate and scan refund claims?
- Which part/s of the system is not automated?
- To what extent can the system generate management reports and other customised reports?
- What reports can the system not generate?
- To what extent can the system support workflow functions, for example approvals at various levels or different stages of the workflow, rework etc?
- To what extent does the system support linking of users to other roles. for example managers, senior managers etc. for the purpose of seamless routing of cases for approval or re-routing cases in the case of rework, rejection etc?
- To what extent does the system support e-mail or other digital notifications, for example to notify users of items awaiting their action?
- To what extent does the system support any templates that may need to be completed by the user as an artefact of the case or letters that may need to be generated from the system and sent to clients?
- To what extent does the system support attaching of supporting documents received from clients?
- To what extent does the system provide a full audit trail, and the capability to capture case notes etc?
- To what extent can the system integrate with MS outlook or SAP structures for easier profile and access management?
- To what extent does the system support various case allocation models, for example FIFO, track and assign case or case allocation based on risk scoring?
- To what extent does the system support profiles for different types and levels of users as well as the ability to link users to specific regional areas based on SARS' regional set-up?

- To what extent does the system support previewing and printing of letters or templates as well as the ability to pre-populate information on electronic templates, letters or allow for direct capturing by the user using a front-end interface into such letters or templates?

#### 8.1.4. Risks

- What are the risks with regard to VEIS and what control measures can be put in place in order to mitigate the risk(s)?
- What are the risk engines used to identify any risk that may be associated with the Tax refund?
- What are the control measures in place to validate exported goods?
- What measures can be put in place to detect any potential fraudulent claims or refunds?

#### 8.2. VALUE ADDED SERVICES

Do you have any other value added services accompanying the recommended solution?

#### 9. INSTRUCTIONS TO SERVICE PROVIDER(S)

- RFI submissions must be properly packaged and deposited in the tender box on or before the closing date and time at the SARS Tender Office situated at:  
Linton House - Ground Floor  
Brooklyn Bridge  
570 Fehrsen Street  
Brooklyn  
Pretoria
- RFI documents may also be posted to the Tender Office - SARS Procurement Department, Linton House, Brooklyn Bridge, 570 Fehrsen Street, Brooklyn, Pretoria, 0181.
- The Service Provider(s) are required to submit one (1) file and one (1) USB with the content of the file by the closing date and time.
- Each file and USB must be marked correctly for ease of reference during the evaluation process.

**Table 9A**

FILE (REQUEST FOR INFORMATION)
<ul style="list-style-type: none"> <li>• Exhibit 1 – Product and services Information</li> <li>• Exhibit 2 – Value Added Services Information</li> </ul>



## **10. SPECIAL CONDITIONS OF THIS RFI**

### **10.1 Preparation Costs**

The Service Provider will bear all its costs in preparing, submitting and presenting any response to this RFI and all other costs incurred by it throughout the RFI process. Furthermore, no statement in this RFI will be construed as placing SARS, its employees or agents under any obligation whatsoever, including in respect of costs, expenses or losses incurred by the Service Provider in the preparation of their response to this RFI.

### **10.2 Limitation of Liability**

A Service Provider participates in this RFI process entirely at its own risk and cost. SARS shall not be liable to compensate a Service Provider on any grounds whatsoever for any costs incurred or any damages suffered as a result of the Service Provider's participation in this RFI process.

### **10.3 Confidentiality**

Except as may be required by operation of law, by a court or by a regulatory authority having appropriate jurisdiction, no information contained in or relating to this RFI or a Service Provider's response will be disclosed by any Service Provider or other person not officially involved with SARS' examination and evaluation of a RFI.

### **10.4 No binding Agreement**

It must be clearly understood that no business will be awarded to any Service Provider based on this Request for Information. The South African Revenue Service further reserves the right to contact individual Service Providers to obtain further information should this be deemed necessary.

### **10.5 Disclaimers**

Service Providers which respond to this RFI are hereby advised that SARS is not committed to any course of action as a result of its issuance of this RFI and/or its receipt of submissions in response to it. In particular, please note that SARS reserves the right, in its sole and full discretion, to:

- 10.5.1 Utilise any information provided to it in response to this RFI to draft the scope of requirements for inclusion in a subsequent RFP;
- 10.5.2 Take no further action whatsoever, if it so decides, after receipt of the information from prospective Service Providers in terms of this RFI; and
- 10.5.3 Invite the prospective service providers to participate in the subsequent RFP process.



## 11. ABBREVIATIONS

- VEIS – VAT EXPORT INCENTIVE SCHEME
- VRA – VAT REFUND ADMINISTRATOR
- FIFO – FIRST-IN-FIRST-OUT
- RFI – REQUEST FOR INFORMATION
- RFP – REQUEST FOR PROPOSAL