

**BUSINESS REQUIREMENTS SPECIFICATION FOR THE PROCUREMENT OF THIRD
PARTY DATA AND RELATED SERVICES FROM A CREDIT BUREAU OR A SIMILAR
SERVICE PROVIDER**

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SARS RFP 20/2020

Business Requirements Specification (BRS) for the Procurement of Third Party Data and Related Services from a Credit Bureau or a Similar Service Provider

SARS RFP 20-2020 3-1 Annexure 1 SARS ICC External Third Party Technical Interface Specification forms part of the Business Requirement Specification (BRS).

This document forms part of the RFP 20/2020 pack. The document sets out the business requirements that South African Revenue Service (SARS) has for tracing, searching, verification and other third party related services.

GLOSSARY TABLE AND ACRONYMS

TERMS	DESCRIPTIONS
BRS	Business Requirements Specification
DBT	Debt Beyond Terms
DOB	Date Of Birth
EU	European Union
FAQs	Frequently Asked Questions
ID	Identity
IEC	International Electro-technical Commission
ISO	International Organization for Standardization
NCA	National Credit Act
NCR	National Credit Regulator
POPI	Protection of Personal Information
SAFPS	Southern African Fraud Prevention Service
SARS	South African Revenue Service
Service Provider	A Credit Bureau or similar Service Provider external to SARS, which is engaged by SARS to offer an all-inclusive tracing, searching, verification and other third party data related services
The Solution	Refers to the tracing, searching, verification

	and other related capabilities and services as specified in this business requirement document
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1. MANDATORY PRE-QUALIFICATIONARY REQUIREMENTS

The specification set out below contain the mandatory requirement. Where a mandatory requirement is set out, the Bidder's proposal must address such a requirement. If a proposal fails to meet or does not address this mandatory requirement, the proposal will be disqualified as being a non-responsive proposal.

1.1 ACCREDITATION

The Bidder must be currently registered in terms of the National Credit Act (NCA) 34 of 2005 with the National Credit Regulator (NCR).

2. VERIFIABLE TRACK RECORD

SARS requires that the Bidder has extensive experience in managing consumers and business credit information. The Bidder must have the capability to provide information on the payment behaviours of taxpayer entities with an indication of how consumers manage their credit. Furthermore, the Bidder's data must be collated on a systematic basis from all relevant and available local and international data source providers and the data must be accurate, up-to-date, relevant, complete and valid.

SARS also requires that the Bidder must have extensive experience in delivering consumer and business information to numerous large JSE listed corporates who will need to provide SARS with written references for the specific Bidder including information on the type of service provided to the corporate.

3. BACKGROUND

SARS has a statutory mandate which includes the effective and efficient collection of revenue using the enforcement and compliance measures within the legislation it administers. In pursuit of this objective, verifying and ensuring that the taxpayers' information is correct, is SARS primary function in administering the Tax Act.

To achieve this, SARS aims to appoint a Service Provider with reliable economically active individuals, companies and trusts information. The Service Provider must provide SARS access to commercial and consumer credit records with correct and current details. The Service Provider appointed must offer a comprehensive credit history database, must have and maintain credit scoring expertise and must have a holistic solution to offer.

SARS, by virtue of the relationship between its mandate and area of responsibility, operates in an increasingly complex and data-oriented environment which requires the effective collection, management and analysis of such data. SARS needs a solution which is in full alignment with two (2) of its nine (9) primary strategic objectives, namely:

- To detect taxpayers and traders who do not comply and make non-compliance hard and costly and
- To expand and increase the use of data to improve integrity, derive insight and improve outcomes.

In order to optimise tax collection intertwined with increasingly sophisticated data evasion strategies of some non-compliant taxpayers, SARS has to procure innovative verification data and services to be utilised by Analysts, Researchers, Risk Profilers, Investigators and Collectors.

Furthermore, an issue of paramount significance is for SARS to enhance the accuracy and completeness of the Taxpayer Register. In order for SARS to increase taxpayer compliance and collect all revenue due, the base from which SARS is working on i.e. the Taxpayer Register has to be complete and current. A significant number of taxpayers do not have updated contact details such as e-mail addresses and/or contact numbers like landline or cellular phone numbers recorded in the Taxpayer Register.

Based on the SARS strategy, the high-level objectives for Bidders are to provide SARS with:

- A complete solution which can provide reliable, updated and accurate tracing and searching data for individuals, companies, traders and trusts
- Identity verification data
- Credit reports, records and checks as well as other credit related information e.g. profiles, bonds, account information, judgements
- Property and deeds information inclusive of ownership details and transfers
- Vehicle make, model, finance, ownership and book value
- Companies and directorships (current and historic, local and international as well as company status)
- Shareholding and share trading
- All available individual, company and trust contact details and
- Individual employment history.

The solution of having direct access to current, complete and accurate third party data on individuals, companies and trusts will significantly improve the capacity and capabilities of SARS in the following areas:

- Revenue collection
- Tax compliance analysis
- Debt management and recovery
- Taxpayer tracing functionality
- Case selection
- Criminal investigation
- Risk profiling
- Investigative and specialised audit and

- Anti-corruption.

4. BUSINESS REQUIREMENTS

SARS needs to source accurate, updated individual, company (business) and trust data to trace, search, verify, match and communicate effectively with all taxpayers. The Service Provider must provide SARS with the following information, including, but not limited to:

4.1 Individual demographic data

- 4.1.1 Individual identification (name(s), surname, Date Of Birth (DOB) and ID number)
- 4.1.2 ID number validity and verification inclusive of ID photo
- 4.1.3 Education level
- 4.1.4 Race
- 4.1.5 Nationality
- 4.1.6 Gender
- 4.1.7 Deceased information and records
- 4.1.8 Possible relatives/dependants detail(s)
- 4.1.9 Marital status, marital type (in or out of community) and spouse details (current and history)
- 4.1.10 Passport details and movement control details
- 4.1.11 Emigration applications
- 4.1.12 Employment status and previous history (previous three (3) employers) and
- 4.1.13 Employer details (current and previous three (3) employers).

4.2 Updated and valid individual contact details

- 4.2.1 Telephone numbers (landline and cellular phone numbers)
- 4.2.2 E-mail addresses
- 4.2.3 Postal box addresses
- 4.2.4 Street or physical addresses

- 4.2.5 Provinces/regions
- 4.2.6 Taxpayer areas
- 4.2.7 Employer addresses and
- 4.2.8 Next of kin addresses.

4.3 Property, deeds and estate details

- 4.3.1 Property and bonds registered in an individual's name
- 4.3.2 Property valuations
- 4.3.3 Property verifications
- 4.3.4 Property history
- 4.3.5 Searches for a property per Owner, "erf" number, title deed number, sectional scheme or farm name
- 4.3.6 Property transfer and ownership details
- 4.3.7 Tax liabilities against any property owned
- 4.3.8 Property details in the report should include Google images of the property, a comparable sales table, transfer history as well as suburb trends
- 4.3.9 Deceased estate information inclusive of dates and
- 4.3.10 Insolvent estates.

4.4 Vehicle and any other moveable asset data

- 4.4.1 Vehicles makes and vehicles models
- 4.4.2 Vehicles finances (current and history)
- 4.4.3 Vehicles book values and value verifications and
- 4.4.4 Vehicles, yachts and/or planes ownership (current and history).

4.5 Consumer and commercial financial data

- 4.5.1 Correct and complete bank accounts data
- 4.5.2 Bank account verification
- 4.5.3 Updated and valid banking details
- 4.5.4 Bank code representing the bank's opinion of account conduct

- 4.5.5 Other financial organisation accounts data
- 4.5.6 Financial information including financial year end, payroll date as well as previous and current turnover figures
- 4.5.7 Actual payment details on accounts
- 4.5.8 Payment analysis, including at least three (3) trade references
- 4.5.9 Updated trade references conducted on major suppliers to establish current payment trend
- 4.5.10 Payment profile: Factual information pertaining to the payment profile of the consumer
- 4.5.11 Historical payment data which reflects payment trend to specific suppliers over an extended period of time
- 4.5.12 Ledger information, which provides an additional payment analysis and is designed to show the monthly overdue percentage
- 4.5.13 Creditor types and creditor rankings
- 4.5.14 Credit checks, credit report files, credit records and credit scores/profiles based on risk ratings. Credit report files should contain negative payment history and credit risk rating
- 4.5.15 Credit risk information: Delphi risk scores as well as a visual display (e.g. green, amber, red)
- 4.5.16 Monthly debt obligations
- 4.5.17 Debt review records
- 4.5.18 An indication of Debt Beyond Terms (DBT)
- 4.5.19 Registered bonds and notarial bonds
- 4.5.20 All the businesses that the individual is a director/member of
- 4.5.21 Default records
- 4.5.22 Adverse summary
- 4.5.23 Indication of conflict of interest
- 4.5.24 Judgement summary information e.g. High Court judgements, court records, civil court judgements and provisional and final liquidations, notarial bonds, sales and transfers of businesses
- 4.5.25 Notices summary information
- 4.5.26 Filings for bankruptcy
- 4.5.27 Collections summary
- 4.5.28 Negative summary (Negative news and Politically Exposed People)

- 4.5.29 Southern African Fraud Prevention Service (SAFPS) records and
- 4.5.30 SAFPS Protective Registration.

4.6 Companies, corporates and trusts data (business data)

- 4.6.1 Names of business entities
- 4.6.2 Details of company name changes and company registration name changes
- 4.6.3 Registration details of companies, including registration number/registration date and tax numbers
- 4.6.4 Company and director status (active/inactive/suspended/estate/dormant)
- 4.6.5 Age (or average) of owner(s)
- 4.6.6 Company structure including holding and subsidiary companies
- 4.6.7 Linked entities and links to other companies
- 4.6.8 Details of previously linked entities and/or directorships
- 4.6.9 Companies and directorships (current and historic (previous six months), local and international)
- 4.6.10 Overview of company history and operations including import/export details, fleet and staff count
- 4.6.11 Industry description
- 4.6.12 Sub activity description
- 4.6.13 Shareholdings (number and percentage), share trading and disposal
- 4.6.14 Changes of shareholding
- 4.6.15 Directors other interests
- 4.6.16 Connected person(s)
- 4.6.17 Company properties/premises, ownership and lease agreements
- 4.6.18 Trade references
- 4.6.19 Statutory information and principal details (inclusive of ID numbers)
- 4.6.20 Registered addresses and all contact details of directors and members
- 4.6.21 Company auditors history (previous two years)
- 4.6.22 Non-active principals names and ID numbers
- 4.6.23 Registered addresses and all contact details of auditors

- 4.6.24 Trust deeds and search functionality
- 4.6.25 Trust accounts data
- 4.6.26 Company defaults
- 4.6.27 Company judgments
- 4.6.28 Liquidations
- 4.6.29 Government blacklisted entities and
- 4.6.30 Summary of due diligence report.

4.7 Lifestyle assessment and audit data

- 4.7.1 A high level overview of the consumer's profile which includes the consumer's living and credit profile status
- 4.7.2 Foreign investments and
- 4.7.3 Summary fraud, risk and financial indicators.

5. DELIVERY OF INFORMATION

SARS requires various mechanisms for the delivery of information from the Service Provider. On commencement of the services, the Service Provider must provide SARS with a bulk data download of all required records and fields as set out above. SARS will request the records based on the ID number, trust deed or registration number or the entity registration (CK) number.

From time to time, SARS will make supplemental bulk information requests based on the ID number, trust deed or registration number or entity registration number. The Service Provider must supply SARS with any additional records requested and any records that may have been updated or changed since any previous request from SARS.

SARS must have rights to store and perpetual rights to access the information contained in the bulk download of information and/or supplemental information requests. In addition, SARS must also have rights to store and perpetual rights to access information obtained via the online web portal.

The SARS requirement is for the bulk information download and the supplemental requests to be charged on a per record basis. The charge for supplemental bulk download requests must only be for additional records and for those records whose details have changed since the last time SARS requested information.

From the commencement of the services, the Service Provider must also provide SARS with the ability to make specific transactional enquiries directly from SARS systems to the Service Provider's databases over a secure link with secure delivery of the results of the enquiry. The delivery of the information must be secure and encrypted. SARS preferred file transfer protocol is Connect Direct for the secure delivery of information. The Service Provider's solution must propose either Connect Direct or a functional equivalent as specified in **Annexure 1**. The charge for a system-initiated transaction must be made on a per-transaction basis.

Furthermore, two basic types of online web-based queries are required by SARS:

- Enquiries as to the contact details of a taxpaying entity and
- Enquiries into the credit information of a taxpaying entity.

SARS Preferred Messaging and Web Services Protocol is Websphere MQ. The Service Provider's solution must propose either Websphere MQ or a functional equivalent as specified in **Annexure 1**.

6. ADMINISTRATING ACCESS OF INFORMATION

Permissions to perform transactional queries must be controlled at a user level and SARS must be provided with the administrative functionality to grant or remove permissions to perform query transactions to individual SARS users who have access to this information. Access security must be provided on a user ID/password basis. There must be no limit to the number of SARS users who have access to this information. Users must be granted permissions based on one of two profiles which correspond to permission to run contact view queries and/or credit view queries.

A further administrative profile must be provided for a SARS user to administer access to SARS users. SARS must be charged for online web transactions on a per-

query basis. The Service Provider's invoice must break down the total charge into the transactions per user and per type of query (contact view and/or credit view).

7. GENERAL REQUIREMENTS

This section provides a description of the features required from the Bidder. It is expected that the Service Provider will use this detail as a guide when preparing their responses and ensure that all required features are elaborated upon in such responses.

7.1	<p>All-inclusive solution</p> <p>SARS needs an all-encompassing complete overview of both credit related information and contact detail for individuals, companies and trusts.</p>
7.2	<p>Searching options</p> <p>SARS requires a solution that allows to search on various data components including, but not limited to names, surnames, telephone numbers, address details and e-mail addresses in instances where the ID number or company registration number is not available. The Bidder must indicate which of the following type of searches can be done and should provide SARS with additional options as well:</p> <ul style="list-style-type: none"> • ID number search • South African and/or foreign passport(s) number search • Telephone number search • Name and/or Surname and/or DOB and/or age range search • Address and/or deeds and/or erf and/or broken address search • E-mail address search and • Company name and/or registration number search.
7.3	<p>Data management and interfacing</p> <p>A change to a potential new Service Provider will have an impact on the interfaces, business processes and applications of SARS. Due to the</p>

	<p>potential level of integration between SARS applications and the current existing solutions, a potential move to a different credit bureau Service Provider could require an investigation to determine potential software development, testing, integration etc. It is also a specific requirement from SARS that the Bidder's internet-based facility must provide access to the existing unit's database of previously researched reports. An implementation plan is required indicating the timeframes for customizing the solution to the SARS unique requirements if deemed necessary. The Bidder must familiarise themselves with Annexure 1 (Third Party Technical Interface) as it specifies the SARS integration protocols. The Bidders should be able to integrate with SARS based on the integration options in this document. Furthermore they should participate in the full development life cycle to ensure the successful replacement of the interfaces of the existing Service Providers. It is also required that the Bidders should have the relevant test environments on their side in order for SARS to integrate to them for testing purposes.</p>
7.4	<p>Information sources and currency</p> <p>Bidders must provide a full list of both national and international data source providers as well as an indication of how often the data is updated.</p>
7.5	<p>Confidentiality</p> <p>The Service Provider's system must keep an audit trail of the details of the queries performed by SARS users. A full and detailed report must be made available to SARS on request with a history of up to one year. The Service Provider's system must have security to provide full confidentiality and secrecy regarding the queries that SARS has made.</p>
7.6	<p>Availability</p> <p>The Service Provider's systems must be available to process transactional queries (system generated) and online web portal queries from (but not limited to) 07:00-18:00 during weekdays. The Service Provider must notify SARS of any period of unavailability at least 48</p>

	hours in advance.
7.7	<p>Responsiveness</p> <p>Real-time response across all datasets are required via the online web portal. The Service Provider must provide an indication, depending on volumes, typically how long a response take and provide statistical evidence on failed/timed out requests. Bulk information requests must be delivered within three (3) working days of the request. After a request for work that is of a custom nature, the Service Provider must deliver a quotation within three (3) working days</p>
7.8	<p>Information accuracy</p> <p>Information accuracy (current and complete) lies at the core of the rationale for SARS engaging this service. On discovery of any inaccuracies in the data, SARS requires a full report as to the reason for the inaccuracies. Incidents relating to the loss of data integrity must be investigated and the report delivered to SARS within five working days. Repeated incidents or systemic loss of data integrity will result into the cancellation/termination of the contract.</p>
7.9	<p>Information security governance</p> <p>The Service Provider must confirm if they conform to ISO/IEC 27001 (Information Security Management System), ISO/IEC 27002 (Controls), ISO/IEC 27005 (Information Security Risk Management) and the prescribed King codes on good governance. The Bidder/ Service Provider must demonstrate how they will adhere to generally accepted information security practices and procedures. The Bidder must also confirm if information security awareness is performed within their organisation and must provide an overview of information security governance policies, standards and processes.</p>
7.10	<p>POPI Act adherence</p> <p>Bidders must provide a detailed description on how they will fully comply with the Protection of Personal Information (POPI) Act, Act No. 4 of 2013 and the relevant regulatory requirements, i.e. the European Union's (EU)</p>

	General Data Protection Regulations. Bidders must provide proof of how the POPI policy has been internalised and operationalised internally.
7.11	<p>Information security</p> <p>The Service Provider must provide an overview of the following measures:</p> <ul style="list-style-type: none"> • Logical access control • Data protection • Technical support, problem-, change management processes, including patch management • Malicious code (viruses, malware, ransomware etc.) • Network security • Application security and • Back up, disaster recovery and business continuity. <p>The Service Provider must also provide an overview of information technology asset management, including compliance to license agreements.</p>
7.12	<p>Training and online support</p> <p>The Service Provider will be responsible for providing the necessary training on how to operate the solution and for providing all the relevant training guides/user manuals. The Bidder must give a full layout of the training offerings. The Service Provider should be able to assist at any given moment via online “HELP” options, frequently asked questions (FAQs) and advice on how to resolve queries should the users require any assistance. Extensive support for technical and operating issues should also be available when requested. Where there are any changes to the solution, the Service Provider should provide training to equip the users on those changes. Furthermore, the Service Provider should indicate how users will be made aware and upskilled pertaining to new product updates.</p>
7.13	<p>Service support and maintenance</p> <p>The nature of support (e.g. telephonic, e-mail) and whether there is local support available should be clearly stipulated. SARS places a high</p>

	premium on system reliability and the Service Provider must indicate previous history of the system being offline at a facility where the solution is currently utilised.
7.14	<p>Additional requirements</p> <p>This requirement refers to the Service Provider demonstrating their capabilities. A pre-recorded detailed presentation of how the solution will function is required. In addition, print screens of the Bidder's credit report examples, credit record examples and credit score examples based on risk ratings are a further requirement. Print screens should be provided with the initial submissions to SARS. If required, the Service Provider may be requested to provide additional demonstrations especially in demonstrating the user-friendliness of the solution. This may include physical presentations to a panel of evaluators and/or a live video conferencing showing a facility where the solution has been implemented and utilised successfully. The Service Provider must also explain the scoring algorithm, reliability and usage and provide proof that their credit scoring algorithm is used and relied upon by referenceable clients in related sectors (e.g. retail and/or finance).</p>

8. ACCOUNT MANAGEMENT

The Service Provider(s) must appoint an Account Manager to manage the SARS account. The effective management of the SARS account will include ensuring tasks are executed timeously, information requested by SARS is accurate, complete and timeously returned and that SARS interests are competently represented by the Account Manager to the Service Provider.

The Account Manager must, on an on-going basis, maintain relationships with all the SARS internal stakeholders throughout the lifecycle of the agreement. SARS may request the Service Provider to remove an Account Manager if in SARS opinion the account manager is not managing the SARS account effectively. The Account

Manager must hand the account over to a replacement Account Manager should circumstances warrant it, without disruption of service to SARS.

9. REPORTING AND MEETINGS

SARS may request the Service Provider to provide other reports on an *ad hoc* basis. At a minimum the Service Provider will provide a report on the number and type of queries/searches performed per month per user. Specific reports regarding usage patterns, time of use, search targets may also be requested on an *ad hoc* basis. Additional reports must not incur additional charges, up to a maximum of one *ad hoc* report per month. *Ad hoc* requests over and above this must be done on a time and material basis.

The Service Provider must furthermore ensure the attendance and participation of its resources in meetings to expedite decision-making as and when requested to do so by SARS.