

**NB: PLEASE INSERT THE LETTERHEAD OF THE GUARANTOR**

**PERFORMANCE GUARANTEE IN FAVOUR OF THE SOUTH AFRICAN REVENUE SERVICE**

**1. DEFINITIONS**

- 1.1 **“Agreement”** means the agreement to be entered into between SARS and the Service Provider upon submission by the Service Provider of this guarantee to SARS, pursuant to the award of **RFP 02/2022** to the Service Provider;
- 1.2 **“Expiry Date”** means the termination date of the Agreement, or such earlier date as SARS may advise the Guarantor of the termination of the Agreement;
- 1.3 **“Guarantor”** means [insert the full details of the financial services provider, and physical address as well as contact details];
- 1.4 **“Maximum Liability of Guarantee”** means the amount of R.....;
- 1.5 **“SARS”** means 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 head office at **Lehae La SARS, 299 Bronkhorst Street, Nieuw Muckleneuk, Brooklyn, Pretoria, 0181**, and beneficiary of the performance guarantee; and
- 1.6 **“Service Provider”** means \_\_\_\_\_, with registration number \_\_\_\_\_, with its principal address at \_\_\_\_\_, and customer to the Guarantor.

**2. PERFORMANCE GUARANTEE**

2.1 The Service Provider has been awarded a tender by SARS, pursuant to RFP 02/2022. It is a condition of the said award that the Service Provider furnishes SARS with a performance guarantee of the amount of R\_\_\_\_\_ upon acceptance of the award and prior to conclusion of the Agreement.

2.2 The period of validity of the Guarantee shall be from, and including the date on which the Agreement is signed, up to and including the Expiry Date.

2.3 Subject to the Guarantor's Maximum Liability of Guarantee, the Guarantor hereby undertakes to pay SARS the amount or amounts requested by the SARS Chief Procurement Officer upon receipt of the following:

2.3.1 A letter of demand served by SARS on the Guarantor at the Guarantor's physical address indicated herein, which letter must state the following, amongst other things:

2.3.1.1 That the Service Provider has breached the Agreement, which breach need not be proved by SARS to the Guarantor;

2.3.1.2 That SARS served a written demand on the Service Provider calling upon the Service Provider to make good of the breach within a period of seven (7) business days; and

2.3.1.3 That a period of seven (7) business days has elapsed since the written demand was served on the Service Provider, and the Service Provider failed to make good of the breach and has not paid the amount(s) claimed in the letter to the Guarantor.

2.4 The aggregate amount of payments required to be made by the Guarantor in terms hereof shall not exceed the Maximum Liability of Guarantee.

- 2.5 Payment by the Guarantor in terms of **Clause 2.3** shall be made within seven (7) calendar days of receipt of the first written demand by SARS to the Guarantor.
- 2.6 The Guarantor chooses the physical address as stated above for the service of all notices for all purposes in connection herewith.
- 2.7 This Performance Guarantee is neither negotiable nor transferable and shall expire on Expiry Date.
- 2.8 This Performance Guarantee, with the required demand notices in terms of **Clause 2.3.1** shall be regarded as a liquid document for the purposes of obtaining a court order.
- 2.9 This Performance Guarantee shall be subject to the laws of the Republic of South Africa.

**DATED AND SIGNED AT** \_\_\_\_\_ **ON THIS THE**    **DAY**  
**OF** \_\_\_\_\_ **(month) 20**\_\_\_\_\_.

**ON BEHALF OF THE GUARANTOR:**

**SIGNATURE:** \_\_\_\_\_

**FULL NAMES AND SURNAME:** \_\_\_\_\_

**CAPACITY:** \_\_\_\_\_ **(Duly authorised)**