



**NATIONAL TREASURY
REPUBLIC OF SOUTH AFRICA**

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**TO ALL
ACCOUNTING OFFICERS: NATIONAL DEPARTMENTS
HEADS: PROVINCIAL TREASURIES
CHIEF FINANCIAL OFFICERS: PROVINCIAL DEPARTMENTS
CHIEF EXECUTIVE OFFICERS / CHIEF FINANCIAL OFFICERS: CONSTITUTIONAL
INSTITUTIONS / SCHEDULE 3A AND 3C PUBLIC ENTITIES**

**Supply Chain Management Office
Practice Note Number SCM 1 of 2006**

TAX CLEARANCE CERTIFICATES

This practice note is applicable to all national and provincial departments, constitutional institutions and public entities as defined in schedule 3A and 3C of the Public Finance Management Act (PFMA). All accounting officers of national departments and heads of provincial treasuries are required to disseminate the contents of this practice note to all chief financial officers of departments and public entities that fall under their jurisdiction.

1. Revised Application form for Tax Clearance Certificate

- 1.1 South African Revenue Service (SARS) has introduced a revised form for the Application for a Tax Clearance Certificate (TCC 001). This new form replaces the one that was attached to the standard bidding document SBD 2 previously issued on 5 December 2003 as part of practice note number SCM 1 of 2003.
- 1.2 Accounting officers / authorities are required to utilize the attached standard bidding document form SBD 2 (Tax Clearance Certificate Requirements) together with the SARS TCC 001 (Application for a Tax Clearance Certificate) on all future bid invitations. The standard wording of these forms should not be amended.
- 1.3 The Application for a Tax Clearance Certificate, TCC 001, is also available at any SARS branch office nationwide and on their website www.sars.gov.za. The procedure to obtain a copy is as follows:

- (i) When the website opens, click on the drop down box "Forms" on the left hand side;
- (ii) Then click on the word "Go";
- (iii) Scroll down to "Tax Clearance" on the right hand side; and
- (iv) Click on "TCC 001".

1.4 The tax clearance certificate issued to the applicant by SARS will no longer contain a signature and date stamp. It will, among others, capture a unique tax clearance certificate number as well as an approval and expiry date. The tax clearance certificate will be valid for a period of 1 (one) year from the date of approval. An example of the new certificate is attached.

1.5 Prior to the award of a bid, the principal should verify the tax clearance certificate submitted by a potential contractor at any SARS branch office nationwide. Enquiries in this regard can be directed to SARS at telephone number 0860 12 12 18. SARS will confirm such verification by electronic mail or per facsimile. Records of all verifications should be kept for audit purposes.

2 Tax Clearance Certificates for Price Quotations up to the value of R200 000 (VAT Included)

2.1 If a department / institution is in possession of a supplier's original valid tax clearance certificate, it is not necessary to obtain a new tax clearance certificate when a price quotation is submitted from that specific supplier. This provision may be applied, only if the closing date of the price quotation falls within the expiry date of the tax clearance certificate that is in the department's / institution's possession. Whenever this ruling is applied, cross-reference must be made to the original tax clearance certificate for audit purposes.

3. Threshold for obtaining Tax Clearance Certificate

3.1 The tax clearance certificate requirements should be applicable to all transactions exceeding the threshold value of R30 000 (thirty thousand rand) (VAT included).


C C W KRUGER
DEPUTY DIRECTOR-GENERAL: SPECIALIST FUNCTIONS
DATE: 23/1/2006

TAX CLEARANCE CERTIFICATE REQUIREMENTS

It is a condition of bid that the taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.

- 1 In order to meet this requirement bidders are required to complete in full the attached form TCC 001 "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.
- 2 SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.
- 3 The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.
- 4 In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.
- 5 Copies of the TCC 001 "Application for a Tax Clearance Certificate" form are available from any SARS branch office nationally or on the website www.sars.gov.za.
- 6 Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website www.sars.gov.za.



Application for a Tax Clearance Certificate

Purpose

Select the applicable option Tenders Good standing

If "Good standing", please state the purpose of this application

Empty text box for purpose of application

Particulars of applicant

Name/Legal name (Initials & Surname or registered name)			
Trading name (if applicable)			
ID/Passport no	Company/Close Corp. registered no		
Income Tax ref no		PAYE ref no	7
VAT registration no 4		SDL ref no	L
Customs code		UIF ref no	U
Telephone no		Fax no	
E-mail address			
Physical address			
Postal address			

Particulars of representative (Public Officer/Trustee/Partner)

Surname			
First names			
ID/Passport no	Income Tax ref no		
Telephone no		Fax no	
E-mail address			
Physical address			

Particulars of tender (If applicable)

Tender number

Estimated Tender amount R ,

Expected duration of the tender year(s)

Particulars of the 3 largest contracts previously awarded

Date started	Date finalised	Principal	Contact person	Telephone number	Amount

Audit

Are you currently aware of any Audit investigation against you/the company?..... YES NO
If "YES" provide details

Appointment of representative/agent (Power of Attorney)

I the undersigned confirm that I require a Tax Clearance Certificate in respect of Tenders or Goodstanding.

I hereby authorise and instruct to apply to and receive from SARS the applicable Tax Clearance Certificate on my/our behalf.

Signature of representative/agent. Date

Name of representative/agent

Declaration

I declare that the information furnished in this application as well as any supporting documents is true and correct in every respect.

Signature of applicant/Public Officer. Date

Name of applicant/Public Officer

Notes:

1. It is a serious offence to make a false declaration.
2. Section 75 of the Income Tax Act, 1962, states: Any person who
 - (a) falls or neglects to furnish, file or submit any return or document as and when required by or under this Act; or
 - (b) without just cause shown by him, refuses or neglects to-
 - (i) furnish, produce or make available any information, documents or things;
 - (ii) reply to or answer truly and fully, any questions put to him ...As and when required in terms of this Act ... shall be guilty of an offence ...
3. **SARS will, under no circumstances, issue a Tax Clearance Certificate unless this form is completed in full.**
4. Your Tax Clearance Certificate will only be issued on presentation of your South African Identity Document or Passport (Foreigners only) as applicable.

