

REQUEST FOR INFORMATION: DETAILED TAX REVIEW

Terms of Reference



REQUEST FOR INFORMATION (RFI)

ECIC10I-2021/22

DETAILED TAX REVIEW

CLOSING DATE: 14 December 2021

TIME: 15H00 (SAST, OBTAINABLE BY DIALLING TELKOM ON 1026)

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A. INTRODUCTION

1. Introduction

- 1.1 The Export Credit Insurance Corporation of South Africa (SOC) Limited (ECIC or Corporation)¹ is a self-sustained state-owned entity listed under Schedule 3B of the Public Finance Management Act 1 of 1999 (as amended) and established in terms of the Export Credit and Foreign Investments Insurance Act 78 of 1957 (as amended).
- 1.2 The mandate of ECIC is to facilitate and encourage South African export trade, by underwriting export credit loans and investments outside the country, to enable South African contractors to win goods and services contracts in countries outside South Africa. ECIC is a registered Financial Service Provider and is regulated by the Financial Sector Conduct Authority and Prudential Authority (FSP No: 30656). Currently exempted in terms of FAIS Notice 78 of 2019.
- 1.3 ECIC operates from offices at Block C7 Eco Origins Office Park, 349 Witch Hazel Avenue, Highveld Ext 79, Centurion, 0157, South Africa.

2. Purpose

- 2.1 ECIC intends to request information on conducting a detailed tax review covering one financial year. ECIC is registered for income tax and value added tax. For this detailed tax review, ECIC needs to understand the offerings in the market, including pricing, time required and availability of services.
- 2.2 The purpose of this Request for Information is an information gathering and market-testing exercise, intended only to inform and assist the ECIC for further deliberation, budgeting and development of an optimal procurement strategy.
- 2.3 Potential suppliers who do not respond to this RFI **will not** be precluded from bidding in future open bid(s) issued by ECIC. Information provided in this RFI is for industry research only and will not be used to any respondent's advantage or disadvantage in future open tenders.

3. Enquiries

- 3.1 All enquiries regarding this RFI must be sent in writing to the Head of Procurement on/or before **08 December 2021** to the following email address:

procurement@ecic.co.za
- 3.2 All questions must reference specific paragraph numbers, where applicable.

¹ Further information on the ECIC can be found at www.ecic.co.za

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3.3 ECIC will not entertain any enquiries regarding this bid sent to any other email address or received through any other means, except as instructed in paragraph 3.1.

3.4 All enquiries received by ECIC will be consolidated and responded in one response, which will be published on the website of ECIC (www.ecic.co.za), next to the respective bid within two working days from the last day of enquiries, being **10 December 2021**.

4. Submission of the proposals

4.1 Responses must be clearly marked for ease of reference.

4.2 All responses must be submitted on PDF format on/or before the closing date and time to the following email address:

procurement@ecic.co.za

5. Right of cancellation

5.1 ECIC reserves the right to discontinue the tender procedure at any stage and not continue with a Request for Proposal (RFP), Request for Bid (RFB) or Request for Quotation (RFQ). Responding to this RFI does not mean that the vendor will be requested to submit a formal RFP or RFB or RFQ.

6. Confidentiality

6.1 Any information relating to the submissions, through the process or otherwise shall be treated in strict confidence. In submitting a response, the responder agrees that it shall not be entitled to any information disclosed by another respondent to ECIC, which ECIC has determined to be of a confidential nature. The content and details of the evaluation of submissions will remain confidential to ECIC.

7. Protection of personal information

7.1 ECIC recognises that when the Bidder submit its proposal in response to this Request for Information, it will provide personal information, which ECIC will process for the sole purpose of evaluating the Bidder's proposal. By submitting its proposal in responding to this Request for Information, the Bidder hereby provide its consent to the processing of its Personal Information by ECIC.

7.2 The following terms shall have the meaning ascribed to them:

7.2.1 **"Personal Information"** shall bear the same meaning as ascribed to it under POPIA;

7.2.2 **"POPIA"** means Protection of Personal Information Act, No. 4 of 2013;

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- 7.2.3 “**Responsible Party**” shall bear the same meaning as ascribed to it under POPIA; and
- 7.2.4 “**bid**” means this Request for Information.
- 7.3 ECIC as the Responsible Party undertakes to:
 - 7.3.1 comply with the provisions of POPIA as well as all applicable legislation as amended or substituted from time to time;
 - 7.3.2 treat all Personal Information strictly as defined within the parameters of POPIA;
 - 7.3.3 process Personal Information only in accordance with the consent it was obtained for, for the purpose agreed, as permitted by law;
 - 7.3.4 secure the integrity and confidentiality of any Personal Information in its possession or under its control by taking appropriate, reasonable technical and organisational measures to prevent loss, damage, unauthorised destruction, access, use, disclosure or any other unlawful processing of Personal Information;
 - 7.3.5 not transfer any Personal Information to any third party in a foreign country unless such transfer complies with the relevant provisions of POPIA regarding transborder information flows; and
 - 7.3.6 not retain any Personal Information for longer than is necessary for achieving the purpose in terms of bid or in fulfilment of any other lawful requirement.
- 7.4 ECIC will ensure that all reasonable measures are taken to:
 - 7.4.1 identify reasonably foreseeable internal and external risks to the Personal Information in its possession or under its control;
 - 7.4.2 establish and maintain appropriate security safeguards against the identified risks;
 - 7.4.3 regularly verify that the security safeguards are effectively implemented;
 - 7.4.4 ensure that the security safeguards are continually updated in response to new risks or deficiencies in previously implemented safeguards;
 - 7.4.5 provide immediate notification to the Bidder if a breach in information security or any other applicable security safeguard occurs; provide immediate notification to the Bidder where there are reasonable

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- grounds to believe that the Personal Information has been accessed or acquired by any unauthorised person;
- 7.4.6 remedy any breach of a security safeguard in the shortest reasonable time and provide the Bidder with the details of the breach and, if applicable, the reasonable measures implemented to address the security safeguard breach;
- 7.4.7 provide immediate notification to the Bidder where the Bidder has, or reasonably suspects that, Personal Information has been processed outside of the purpose agreed to or consented to;
- 7.4.8 provide the Bidder, upon request, with all information of any nature whatsoever relating to the processing of the Personal Information for the purpose of the bid and any applicable law; and
- 7.4.9 notify the Bidder, if lawful, of receipt of any request for access to Personal Information, in its possession and relating to the Bidder.
- 7.5 The Bidder has the right to inspect the Personal Information processing operations, as well as the technical and organisational information security measures employed by the ECIC to ensure compliance with the provisions of this paragraph 7.

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B. BID RULES

8. Completeness

- 8.1 Bidders must check number of pages submitted and ensure that there are no missing pages or information. ECIC shall not accept any liability for any missing pages or information.

9. Costs

- 9.1 ECIC shall in no manner be responsible for any costs incurred by the bidder in preparation and submission of response in relation to this bid.

10. Ownership of Proposals

- 10.1 All proposals in response to this RFI will become the property of ECIC.

11. Change in Scope

- 11.1 ECIC reserves the right to change the scope and extent of supply of the goods and/or services requested in this bid and invite the re-submission of such tender on or before the closing date, without necessitating a new bid.

12. Form of tender

- 12.1 Tender documents must be completed by the tenderer in non-erasable, legible and ²visible ink.
- 12.2 Where the space provided in the bid document is insufficient, separate schedules may be drawn up in accordance with the prescribed formats. These schedules must be bound with a suitable contents page and submitted with the tender documents.

13. Signing of tender

- 13.1 The tender must be signed by a person who is duly authorised to do so.

14. Jurisdiction

- 14.1 This bid and subsequent contract or order is governed by the laws of the Republic of South Africa.

15. Language

- 15.1 The tender documents are drafted in English and any contract, which originates from the acceptance of the tender, will be interpreted and construed in English.

² Visible to human eye.

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15.2 All proposals must be submitted in English language.

16. Gender

16.1 Any word implying any gender shall be interpreted to imply all other genders.

17. Headings

17.1 Headings are incorporated into this proposal and submitted in response thereto, for ease of reference only and shall not form part thereof for any purpose of interpretation or for any other purpose.

18. Other matters

18.1 If the ECIC does not accept any proposal, it will declare this bid process closed and may then elect to:

18.1.1 Proceed on a completely different basis; and/or

18.1.2 Not to appoint any respondent (in the event it deems all or any of the proposals not appropriate).

18.1.3 The ECIC reserves the right to engage in any processes required to validate all claims made in the proposal.

19. Disclaimer

19.1 The ECIC has produced this bid in good faith. However, the ECIC, its agents and its employees and associates, do not warrant its accuracy or completeness. The ECIC will not be liable for any claim whatsoever and howsoever arising (including, without limitation, any claim in contract, negligence or otherwise) for any incorrect or misleading information contained in this bid due to any misinterpretation of this bid

19.2 This bid is a Request for Information only and not an offer document; answers to it must not be construed as acceptance of an offer or imply the existence of a contract between the ECIC and the bidder.

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C. Request for Information

20. Background information

- 20.1 ECIC is a registered for Income Tax in terms of the Income Tax Act 58 of 1962 and for Value Added Tax in terms of the Value-Added Tax Act 89 of 1991. ECIC is required to comply with the provisions of these tax laws and ensure proper maintenance of the records concerning the provisions of tax laws.
- 20.2 The activities and process pertaining to tax administration are currently conducted internally.
- 20.3 ECIC earns income from premiums in relation to insurance policies with financial institutions and invest excess cash generated in this regard. Investment income in the form of interest, dividends, profit/loss on sale of investments and fair value movements is generated on the excess cash invested. The functional currency for ECIC is the US Dollar (United States of America Dollar) whilst the tax is calculated on the ZAR (South African Rand); therefore, exposed to foreign exchange currency movements. ECIC participates in the Interest Make-Up Scheme (IMU Scheme), which is a scheme which was implemented by the National Government of South Africa (the Government), represented by the Department of Trade, Industry and Competition (the dtic). The IMU Scheme is an incentive scheme whereby a number of South African banks (the Financial Institutions) were incentivised to limit the interest rate charged to borrowers of export credit loans (borrowers). The Government compensates the Financial Institutions for the loss of income they would have received from the borrowers, had interest been levied at the usual rate. ECIC receives the Interest Make-Up Scheme (IMU) grant from the dtic annually to settle the related IMU claims from financial institutions. The goods and services consumed or used by the ECIC are comprised of the following:
- 20.3.1 Goods and services that are directly linked/ wholly consumed/used in making taxable supplies (insurance related transactions)
 - 20.3.2 Good and services that are directly linked/ wholly consumed/used in making of exempt supplies (investment related transactions)
 - 20.3.3 Good and services that are consumed/used in making both taxable and exempt supplies (mixed expenses e.g., support functions like finance).
- 20.4 Value added tax: Value added tax for support functions is apportioned. VAT returns are submitted monthly.
- 20.5 Income tax: Income tax is paid three times a year in September (1st provisional tax payment), March (2nd provisional tax payment) and post approval of the audited annual financial statements (top-up payment for the 2nd provisional tax payment).

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21. Statement of need

- 21.1 ECIC requires information to conduct the detailed tax review covering one financial year. The detailed tax review will cover both the Income Tax and Value Added Tax.
- 21.2 The information required should include the hours and cost breakdown required for conducting a detailed tax review for income tax and value added tax covering one financial year. The information must include the following:
 - 21.2.1 Key activities, deliverables, and process to be followed to conduct the detailed tax audit.
 - 21.2.2 Key systems and tools used during the review to ensure accuracy of tax records and compliance to tax laws.
 - 21.2.3 Share the expected capacity or ability to provide the advisory support service on tax compliance.

23 B-BBEE Level

- 23.2 Respondents to this RFI must indicate their B-BBEE Level in their response.

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Annexes

Annexure A: Entity and service offering information.

1. Please provide your firm's responses in a table format as set out below. Should your firm not provide the services questioned, indicate "N/A" in the response. You may provide additional information in your responses if the questions asked are limiting in nature.

Question	Response
Table 1 – Entity	
1. Name of entity	
2. Inception date of the entity	
3. B-BBEE level of the entity	
4. Provide your entity experience in conducting detailed tax reviews (income tax and value added tax) by providing the following:	
4.1 The entity's years of experience in conducting detailed tax reviews for income tax and value added tax.	
4.2 Qualifications and expertise of resources that may be allocated to this type of assignment.	

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Question	Response
Table 1 – Entity	
4.3 Experience (including number of years) of resources that may allocated to this type of assignment.	
4.4 Number of clients in the insurance industry for whom your entity has been appointed to conduct detailed tax reviews for income tax and value added tax in the past 5 years. Indicate the year(s) when the detailed tax reviews were conducted.	
4.5 Highlight any competitive advantages your entity has in conducting detailed tax reviews for income tax and value added tax.	
5. Indicate if it is envisaged to utilise services of any subcontractor in offering the required services. Provide the reasons for subcontracting.	
6. Provide any information that is required for this type of services that we might have missed.	

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Question	Response
Table 2 – Detailed tax review for income tax and value added tax	
1. Provide detail on your entity's experience and service offerings in conducting detailed tax reviews for income tax and value added tax for insurance companies. This should include information on the experience of the lead.	
2. Does your entity's services include the following (income tax and value added tax):	
2.1. Tax computations	
2.2. Tax audits of records (including the returns) for accuracy and compliance	
2.3. Review of processes, systems for tax management and administration to ensure compliance to tax laws Identify gaps and recommend improvements.	
3. Provide any information that is required for this type of services that we might have missed.	

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Annexure B: Pricing template/example

1. For pricing purposes, ECIC requires information on expected costs and such costs must include amongst others the items below.

Resource	Hourly Rate (in Rands)	Number of Hours	Total (in Rands)
Lead	RXXX	XX	RXXX
Additional resource(s) if so required (the supplier can provide for as much additional resources required, but must ensure that, the additional resources are broken down following this template)	RXXX	XX	RXXX
Costs for meetings including travelling	RXXX	XX	RXXX
Any other fee not included above	RXXX	XX	RXXX
Total fee (inclusive of VAT)			RXXX

2. The information provided above will be utilised for budgeting and sourcing strategy purposes.