



ACCOUNTING OFFICERS/ CHIEF FINANCIAL OFFICERS/ SCM HEADS

TAX CLEARANCE CERTIFICATES FOR PRICE QUOTATIONS AND COMPETITIVE BIDS

Practice Note Number: SCM-13 of 2006

1. This practice note is applicable to all provincial departments, constitutional institutions and public entities in schedule 3A and 3C of the Public Finance Management Act (PFMA). All accounting officers are required to disseminate the contents of this practice note to their chief financial officers.
2. If a department / institution is in possession of a supplier's **original** tax clearance certificate, it is not necessary to obtain a new tax clearance certificate each time a price quotation or bid is submitted from that specific supplier. This provision may be applied only if the **closing date** of the price quotation or bid 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. Departments are therefore encouraged in the interim to maintain a central register of such tax certificates which can be assessed electronically by their respective regions/institutions etc. Treasury will be looking at mechanisms to support this requirement and will consult accordingly with departments.
4. **EFFECTIVE DATE**
This practice note takes effect from 01 February 2006.

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