



CORPORATE FINANCE PRESENTATION

14 NOVEMBER 2019

GATEWAY TO DEFENCE SOLUTIONS

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- **Central Supplier Database (CSD) Registration (National Treasury)**
 - All existing and prospective suppliers should register on CSD.
 - All quotations for goods and services are sourced from suppliers on CSD.
 - Assist in the verification of information that may be missing on the Request for Offer / Request for Quotation for decision making, for example Tax Clearance Certificate or BEE Certificate.
- **Tax Compliance**
 - Service providers should be registered as tax payers.
 - In terms of National Treasury regulation, no work should be awarded to a non tax compliant. 10 days grace period is given to rectify the non compliant status.
- **Financial Risk Assessment**
 - Financial statements and cash flow projections are required to determine if the preferred bidder has the capacity to execute the work.
 - A detailed financial analysis report is generated and supplied to the relevant Adjudication Committee.

- **Advance Payments**
 - Payment of an advance / prepayment is optional and not the norm.
 - Motivation for the payment of an advance is required.
 - A discount on the price, which is equal or greater than the Negotiable Certificate of Deposit (NCD) rate plus one is also required.
 - The mandatory requirement is a guarantee / security equivalent to the amount requested to be paid in advance.
- **Alternative Funding Options**
 - There are relationships established with potential funders; such as Department of Trade and Industry, Department of Small Business Development, Masisizane Fund and some commercial banks.
 - ABSA, Nedbank and Rand Merchant bank may offer invoice discounting.
- **Arm Scor Assistance (Designated suppliers)**
 - Structured payments on milestones achievements.
 - Absorb foreign exchange losses on behalf of suppliers.

Post-contracting Process



- **Terms and conditions of contract (documentations)**
 - Supply all information required for payments (Tax invoice, K225 [proof of delivery], certificate of conformance, etc.)
 - Quote / write correct item numbers and rates.
- **Invoicing (Tax invoice)**
 - Tax invoice should have the minimum required information (Arm Scor's full name, address, VAT number, item numbers, descriptions and service provider VAT number, purchase / contract number).
 - Quote / write correct item numbers and rates.
- **Payments**
 - Payable invoices are paid within 15 days instead of 30 days contractual terms.
 - Assist service providers in allocation of amount paid and reconciliation thereof.
- **Correspondence**
 - Communication is done by either e-mail or telephone on any required outstanding documents.

Contact Details



Contact details for Senior Managers: Corporate Finance:

- Mr Rob Rivele - Senior Manager: Settlement (012) 428 – 3759
- Ms Veronica Seekoe - Senior Manager: Financial Accounting (012) 428 3064

Questions and Answers



Thank you.