



JOB AID: CSD Supplier Key Statuses Guide

Central Supplier Database

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1. APPROVAL

Project	Central Supplier Database		
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The signatories hereof, being duly authorised thereto, by their signatures hereto authorise the execution of the work detailed herein, or confirm their acceptance of the contents hereof and authorise the implementation/adoption thereof, as the case may be, for and on behalf of the parties represented by them.

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2. INTRODUCTION

The Central Supplier Database (CSD) system serves as a central master of supplier information for Organs of State (OoS):

- National departments;
- Provincial departments;
- Local government; and
- State Owned Entities (SOE's).

The CSD avails two groups of supplier information to OoS:

- General supplier information; and
- Key supplier statuses.

Consuming Organs of State are governed by various legislation and each implements key supplier statuses at different stages of the procurement and payment processes. The remainder of this document describes the key statuses and provides guidance to the use of the key statuses during the business process but does not supersede any existing legislation, policies, procedures, instruction notes or circulars.

3. PURPOSE

The purpose of this document is to describe the key statuses in detail and provides a guide for the use of the statuses as part of the procurement and payment processes.

4. AUDIENCE

The audience of this document includes OoS SCM practitioners and technical teams responsible to implement the integration and consumption of CSD data.



5. SUPPLIER INFORMATION

This section briefly lists the supplier information that are available to Organs of State.

5.1. GENERAL SUPPLIER INFORMATION

General supplier information includes the following:

- Identification;
Key identification information such as legal name, identification numbers etc.
- Contacts;
Supplier contact information.
- Addresses;
Supplier addresses (e.g. Physical, Postal)
- Bank accounts;
Supplier bank account information.
- Tax;
Tax information such as VAT, Income Tax and PAYE numbers.
- Directors / Members;
Director information as captured by the supplier, or obtained from CIPC.
- Associations;
Relationships between various suppliers (e.g. Consortium, Branches)
- Commodities and locations;
Goods and services provided by the supplier to geographical locations.
- Accreditations; and
Other accreditation information (e.g. CIDB, SABC license).
- BBBEE.
BBBEE certificate information.

5.2. SUPPLIER STATUSES

Supplier statuses are the following:

- Active/inactive;
A status the supplier sets and is available on the Identification subset.
- Tax clearance certificate;
Tax status as per SARS on the TAX subset.
- Business registration status;
Status as per CIPC on the Identification subset.
- Government employee status;
Status on the Identification and Directors subsets.
- Bank account and holder verification;
Status as per SafetyNet on the Bank Account subset.
- Tender defaulter / restricted supplier
Status as per National Treasury on the Identification and Directors subsets.
- Individual identity verification; and
All South African IDs verified with DHA.
- BBBEE status;
Contribution level on the BBBEE subset.



6. KEY SUPPLIER STATUSES

6.1. OVERVIEW

This section describes each status in further detail.

Please note that the CSD does not avail only compliant suppliers but provides key supplier statuses to OoS that applies the statuses to the current business processes as per current legislation.

6.2. VALIDITY

A number of key supplier statuses are verified with external parties. Since some statuses can change at any time, the statuses are often re-verified. The section below describes when each status is verified and re-verified.

The CSD trusts external parties as the source of some of the statuses. Whenever a status is verified, the existing data is compared with the information retrieved from the external party. Only if the data is different does the CSD update the status. The LastVerificationDate of the particular status is updated each time a status is verified.

Some of the statuses are re-verified daily and the verification dates might change often. The bulk file only contains suppliers that was added or changed the previous period (day or month) and therefore, if only the verification date was updated, the supplier is not included in the bulk file, since none of its information changed but only the verification date.

6.3. STATUSES

6.3.1. ACTIVE/INACTIVE

This status is managed by the supplier on the identification tab and indicates whether the supplier is active (true) or not (false). An inactive state typically indicates that the supplier does not want to do business with the state. This status is different from the Business Status obtained from CIPC which is covered below in more detail.

This status is not verified with external parties.

Subset: Identification

Field names:

- Active – Captured by the supplier
- Reason – The reason captured by the supplier when deactivating the record
- SupplierInactiveDate – Date of inactivation

6.3.2. BUSINESS STATUS

The state does business with a legal entity. Current legislation does not prescribe the status of the legal entity. Therefore, should there be any information regarding the legal status of that entity, due process should be followed with the assistance of CIPC and the relevant procuring entity. The procuring entity may also engage legal experts.

If a supplier is not registered with CIPC (e.g. individual etc.), this status is either NULL or zero (0). Refer to 4 for master data with a list of valid values as per CIPC.



This status is obtained:

- When the identification tab is saved;
- When the identification tab is opened;
- The supplier record is submitted;
- A supplier report is drawn; and
- Re-verified on a daily batch basis if it has not been verified within 24 hours.

Subset: Identification

Field names:

- BusinessStatusCode – Code as per Master Data (reference 4)
- BusinessStatusName – Business Status as per Master Data (reference 4)
- BusinessStatusLastVerificationDate – Date and time the status was verified.

6.3.3. TAX CLEARANCE CERTIFICATE/STATUS

The tax clearance certificate/status obtained from SARS.

A supplier's identification information (e.g. SA Company nr, SA ID number etc) and the tax information (e.g. Tax Income Nr, VAT Number etc.) is sent to SARS which returns the tax status.

SARS will soon change from Tax Clearance to Tax Status which implies that the Tax Clearance Certification will be changed from having a validity period to a status that can change at any time.

SARS maintains all tax related business rules that influences the tax status of a supplier and for this reason the CSD does not indicate whether a supplier is tax exempted. SARS uses the tax exemption as part of the business rules to determine if a supplier's tax status is in order.

This status is obtained:

- When the tax tab is saved;
- When the tax tab is opened;
- The supplier record is submitted;
- A supplier report is drawn; and
- Re-verified on batch basis as follows:
 - If the tax status is valid, only if it has not been verified in the last ten days; and
 - If the tax status is invalid, if it has not been verified within 24 hours.

Subset: Tax

Field names:

- IsRegistered – Captured by the supplier
- IsActive – Status returned by SARS
- ValidationResponse – Response returned by SARS
- TaxClearanceCertificateExpiryDate – Date returned by SARS
- LastVerificationDate – Date and time the status was verified.



6.3.4. GOVERNMENT EMPLOYEE STATUS

The list of departments an individual (based on South African ID number) is employed by as obtained from the DPSA (PERSAL).

This status is obtained:

- When the identification or directors tab is saved;
- When the identification or directors tab is opened;
- The supplier record is submitted;
- A supplier report is drawn; and
- Re-verified on batch basis monthly.

Subset: This status is carried on the Identification (if Supplier Type is Individual, Sole Proprietor or an Unincorporated Body of Persons) and Director (if South African ID Number) subsets.

A general flag structure of five fields is used to indicate this status:

- SupplierFlagType – Value of “DPSA” indicates the Government Employee status flag
- SupplierFlagdescription – Description of the flag type
- SupplierFlagValue – True or False. False indicates that the supplier is not flagged as a Government Employee.
- SupplierFlagLastVerificationDate – Date and time the flag was verified.
- SupplierFlagDetails – Semicolon separated list of departments.

6.3.5. BANK ACCOUNT AND ACCOUNT HOLDER VERIFICATION

A bank account undergoes two verifications:

- The bank account and branch number combination;
Checked against the bank account codification scheme. The bank account and branch number combination is validated each time a bank account is added or updated; and
- The bank account number and bank account holder;
Checked by SafetyNet with the various banking institutions. The bank account and account holder is verified with SafetyNet when a bank account is added or updated and the supplier submits the change. This verification can take up to four days to be verified.

Due to the sensitivity of payments, only bank accounts that pass the SafetyNet verification are made available to OoS in the real time services, the bulk file and the registration report. For this reason the bank account primary key (ID) and a verification field are made available for accounts that have been created or edited but have not been validated in order for an OoS to be aware that an account exists but have a particular state of verification.

The CSD supports international bank accounts but no central system exists to verify these accounts. For this reasons international bank accounts are always made available and Organs of State need to validate international bank accounts as per current processes.

Suppliers have the option not to capture a bank account and this flag is carried on the Identification subset (HaveBankAccount).



6.3.6. RESTRICTED SUPPLIER / TENDER DEFAULTER

Supplier can be flagged as a restricted supplier or tender defaulter as maintained by National Treasury. This information is publicly available at the end of the following link: <http://www.treasury.gov.za/>

This status is verified:

- When the identification or directors tab is saved;
- When the identification or director tab is opened;
- The supplier record is submitted;
- A supplier report is drawn; and
- Re-verified on batch basis whenever National Treasury updates the list of restricted suppliers and the master data is updated.

This status is carried on the Supplier Identification and Director subsets.

A general flag structure of five fields is used to indicate this status:

- SupplierFlagType – Value of “Restricted” means the Restricted Supplier or Tender Defaulter status flag
- SupplierFlagdescription – Description of the flag type
- SupplierFlagValue – True or False. False indicates that the supplier is not flagged as a Restricted Supplier or Tender Defaulter.
- SupplierFlagLastVerificationDate – Date and time the flag was verified.
- SupplierFlagDetails – Restricted supplier reason.

6.3.7. INDIVIDUAL IDENTITY VERIFICATION

All South African ID numbers are verified against the DHA.

This status is verified:

- Whenever a South AfricanID number is captured or edited.

This is not a status that is carried on a subset.

6.3.8. BBBEE STATUS

Currently, no central system exists against which BBBEE information can be verified. BBBEE information is maintained by the supplier and needs to be manually verified by the SCM practitioner.

BBBEE does not have a specific status. All BBBEE information including the contribution level is carried on the BBBEE subset.

7. KEY STATUS IN CONTEXT OF PROCESS

The following diagram depicts the relationship between the key statuses and the applicable business processes:

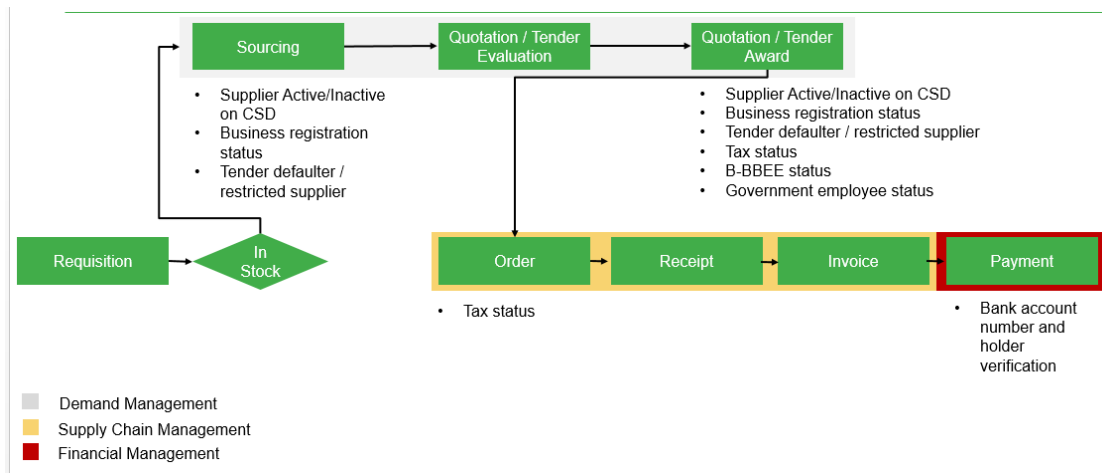


Figure 1 – Key statuses in process

The following observations are made:

- During sourcing the following key statuses are applicable:
 - Supplier active/inactive;
 - CIPC business status; and
 - Restricted supplier / tender defaulter.
- At award the following key statuses are applicable:
 - Supplier active/inactive;
 - CIPC business status;
 - Restricted supplier / tender defaulter;
 - Tax status;
 - BBEE contribution; and
 - Government employee status.
- At order the following key statuses are applicable:
 - Tax status.
- At payment the following key statuses are applicable:
 - Bank account number and holder verification.



8. OPEN ITEMS

No open items are noted.

9. OUTSTANDING ISSUES

No outstanding items are noted.

10. DECISION LOG

No decisions noted.

11. REVISION HISTORY

Version	Revision Description	Date	By
0.1	Created	01/03/2016	CSD Team
1.0	Published	17/03/2016	CSD Team

12. REFERENCES

No	Name	Version	Date
1.	CSD Master Data OCPO web site > Buyer's Area > Supplier Management http://ocpo.treasury.gov.za/Buyers_Area/Pages/Supplier-Management.aspx	N/A	N/A
2.	CSD Job Aid: Bulk Data http://ocpo.treasury.gov.za/Buyers_Area/Pages/Supplier-Management.aspx	N/A	N/A
3.	CSD Job Aid: Real Time Services http://ocpo.treasury.gov.za/Buyers_Area/Pages/Supplier-Management.aspx	N/A	N/A
4.	Master Data http://ocpo.treasury.gov.za/Buyers_Area/Pages/Supplier-Management.aspx	N/A	N/A

13. ABBREVIATIONS

Abbreviation	Description
CIPC	Companies and Intellectual Property Commission
CSD	Central Supplier Database
ETL	Extract Transform Load
IETF	Internet Engineering Task Force
OoS	Organ of State
QoS	Quality of Service
REST	Representational State Transfer
SOE	State Owned Entity
URI	Uniform Resource Identifiers
W3C	World Wide Web Consortium