

ZAMBIA REVENUE AUTHORITY

REFERENCE NO. ZRA/PSU/PQ001/2022

ACCREDITATION OF MANUFACTURERS, DISTRIBUTORS AND SOFTWARE VENDORS OF ELECTRONIC FISCAL DEVICES FOR FISCALISATION OF THE TAXPAYERS' INVOICING AND/OR POINT OF SALE SYSTEMS

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January, 2022



**ZAMBIA
REVENUE
AUTHORITY** | *My Tax
Your Tax
Our Destiny*

SOLICITATION DOCUMENTS

Solicitation Document for:

**ACCREDITATION OF MANUFACTURERS,
DISTRIBUTORS AND SOFTWARE VENDORS
OF ELECTRONIC FISCAL DEVICES FOR
FISCALISATION OF THE TAXPAYERS'
INVOICING AND/OR POINT OF SALE
SYSTEMS.**

Issued in: January, 2022

Invitation for Applications No: ZRA/PSU/PQ001/2022

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PART 1 – Application Procedures

Section I. Instructions to Applicants

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Section I. Instructions to Applicants

A. General

- 1. Scope of Application**
 - 1.1 In connection with the Invitation for Accreditation indicated in Section II, Application Data Sheet (ADS), the Zambia Revenue Authority issues this solicitation document to Applicants interested in applying for accreditation as described in Section VI, Schedule of Requirements.
- 2. Source of Funds**
 - 2.1 The source of funding for the Project is as specified in the Schedule of Requirements.
- 3. Fraud and Corruption**
 - 3.1 It is ZRA's policy to require that applicants, bidders, suppliers, and contractors, and their agents (whether declared or not), subcontractors, sub-consultants, service providers or suppliers, and any personnel thereof observe the highest standard of ethics during the procurement and execution of such contracts¹. In pursuance of this policy, ZRA:
 - (a) defines, for the purposes of this provision, the terms set forth below as follows:
 - (i) "Corrupt Practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party²;
 - (ii) "Fraudulent Practice" is any act or omission, including a misrepresentation that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;
 - (iii) "Collusive Practice" is an arrangement between two or more parties³, designed to achieve an improper purpose, including to influence improperly the actions of another party; and

¹ In this context, any action to influence the accreditation process or contract execution for undue advantage is improper.

² For the purpose of this sub-paragraph, "another party" refers to a public official acting in relation to the accreditation process or contract execution. In this context, "public official" includes ZRA staff and employees of other organizations taking or reviewing application decisions.

³ For the purpose of this sub-paragraph, "parties" refers to participants in the accreditation process (including public officials) attempting either themselves, or through another person or entity not participating in the accreditation process, to simulate competition or to establish bid prices at artificial, non-competitive levels, or are privy to each other's bid prices or other conditions.

- (iv) “Coercive Practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party⁴;
- (v) “Obstructive practice” is
 - (v.1) deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a ZRA investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or
 - (v.2) acts intended to materially impede the exercise of ZRA’s inspection and audit rights provided for under paragraph 3.1(e) below.
- (b) will reject a proposal for shortlisting if it determines that the bidder recommended for shortlisting or any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/or their employees has, directly or indirectly, engaged in Corrupt, Fraudulent, Collusive, Coercive or Obstructive Practices in competing for the contract in question;
- (c) will require that Applicants, suppliers and contractors and their sub-contractors, agents, personnel, consultants, service providers, or suppliers permit ZRA to inspect all accounts, records and other documents relating to the submission of bids and contract performance and to have them audited by auditors appointed by ZRA.

4. Eligible Applicants

- 4.1 An Applicant may be a natural person, private entity, government-owned entity—subject to **ITA** 4.5—or any combination of such entities supported by a letter of intent to enter into an agreement or under an existing agreement in the form of a joint venture, consortium, or association (JVCA). In the case of a joint venture, consortium, or association:
 - (a) unless otherwise specified in the **ADS**, all partners shall be jointly and severally liable, and
 - (b) the JVCA shall nominate a Representative who shall have the

⁴ For the purpose of this sub-paragraph, “party” refers to a participant in the accreditation process or contract execution.

authority to conduct all businesses for and on behalf of any and all the partners of the JVCA during the prequalification process.

- 4.2 This Invitation to apply for accreditation is open to all Applicants from eligible countries. Any materials, equipment, and Services to be used in the performance of the Contract (s) shall have their origin in eligible source countries.
- 4.3 An Applicant shall not have a conflict of interest. All Applicants found to have a conflict of interest shall be disqualified. An Applicant may be considered to have a conflict of interest with one or more parties in this accreditation process, if:
- (a) they have controlling partners in common; or
 - (b) they receive or have received any direct or indirect subsidy from any of them; or
 - (c) they have a relationship with each other, directly or through common third parties, that puts them in a position to have access to information about or influence on the application of another Applicant, or influence the decisions of the Employer regarding this prequalification process.
- 4.4 An Applicant that is under a declaration of ineligibility by the Zambia Public Procurement Authority in accordance with ITA Clause 3, at the date of the deadline for submission of the application or thereafter, shall be disqualified.
- 4.5 A statutory corporation or body or company in which Government has a majority or controlling interest shall be eligible only if its legally and financially autonomous.
- 4.6 Applicants shall provide such evidence of their continued eligibility satisfactory to ZRA, as ZRA shall reasonably request.
- 4.7 Applicants from an eligible country shall be excluded if:
- (a) as a matter of law or official regulation, the government of the Republic of Zambia prohibits commercial relations with that country; or
 - (b) by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations or where Zambia prohibits any import of Goods from that country or any payments to persons or entities in that country.

5. Eligible Goods 5.1 All goods and related services to be supplied under this Project shall meet

and Related Services

the country of origin requirements as specified under ITA Clause 4.2.

B. Contents of the Solicitation Document**6. Sections of Solicitation Document**

- 6.1 This Solicitation Document consists of Parts 1 and 2, which comprise all the sections indicated below, and should be read in conjunction with any Addendum issued in accordance with **ITA 8**.

PART 1. Application Procedures

- Section I. Instructions to Applicants (**ITA**)
- Section II. Application Data Sheet (**ADS**)
- Section III. Evaluation and Qualification Criteria
- Section IV. Application Forms
- Section V. Eligible Countries

PART 2. Schedule of Requirements

- Section VI. Schedule of Requirements

- 6.2 The “Invitation for Accreditation” issued by ZRA is not part of the Solicitation Document.
- 6.3 The Applicant shall obtain the Solicitation Document from the source stated in the Invitation for Accreditation
- 6.4 The Applicant is expected to examine all instructions, forms, and terms in the Solicitation Document and to furnish all information or documentation required by the Solicitation Document.

7. Clarification of Solicitation Document

- 7.1 A prospective Applicant requiring any clarification of the Solicitation Document shall contact ZRA in writing at the address indicated in the **ADS**. ZRA will respond in writing to any request for clarification provided that such request is received prior to the deadline for submission of applications, within the number of days specified in the **ADS**. ZRA shall forward copies of its response to all Applicants who have acquired the Solicitation Document directly from ZRA including a description of the inquiry but without identifying its source. Should ZRA deem it necessary to amend the Solicitation Document as a result of a clarification, it shall do so following the procedure under **ITA 8** and in accordance with the provisions of **ITA 17.2**.

8. Amendment of Solicitation Document

- 8.1 At any time prior to the deadline for submission of Applications, ZRA may amend the Solicitation Document by issuing addenda.
- 8.2 Any addendum issued shall be part of the Solicitation Document and

shall be communicated in writing to all who have obtained the Solicitation Document from ZRA, in accordance with **ITA** 6.3.

- 8.3 To give prospective Applicants reasonable time to take an addendum into account in preparing their Applications, ZRA may, at its discretion, extend the deadline for the submission of Applications, pursuant to **ITA** 17.2.

C. Preparation of Applications

- 9. Cost of Applications** 9.1 The Applicant shall bear all costs associated with the preparation and submission of its Application. ZRA shall not be responsible or liable for those costs, regardless of the conduct or outcome of the prequalification process.
- 10. Language of Application** 10.1 The Application as well as all correspondence and documents relating to the accreditation process exchanged by the Applicant and ZRA, shall be written in the language specified in the **ADS**. Supporting documents and printed literature that are part of the Application may be in another language, provided they are accompanied by an accurate translation of the relevant passages in the language specified in the **ADS**, in which case, for purposes of interpretation of the Application, the translation shall govern.
- 11. Documents Comprising the Application** 11.1 The Application shall comprise the following:
- (a) Application Submission Form, in accordance with **ITA** 12;
 - (b) documentary evidence establishing the Applicant's eligibility, in accordance with **ITA** 13;
 - (c) documentary evidence establishing the Applicant's qualifications, in accordance with **ITA** 14; and
 - (d) any other document required as specified in the **PDS**.
- 12. Application Submission Form** 12.1 The Applicant shall prepare an Application Submission Sheet using the form furnished in Section IV, Application Forms. This Form must be completed without any alteration to its format.
- 13. Documents Establishing the Eligibility of the Applicant** 13.1 To establish its eligibility in accordance with **ITA** 4, the Applicant shall complete the eligibility declarations in the Application Submission Form and Forms ELI (Eligibility) 1.1 and 1.2, included in Section IV, Application Forms.
- 14. Documents Establishing the** 14.1 To establish its qualifications to perform the contract(s) in accordance with Section III, Evaluation and Qualification Criteria, the Applicant shall provide the information requested in the corresponding

Qualifications of the Applicant

Information Sheets included in Section IV, Application Forms.

15. Signing of the Application and Number of Copies

- 15.1 The Applicant shall prepare one original of the documents comprising the Application as described in **ITA 11** and clearly mark it “ORIGINAL”. The original of the Application shall be typed or written in indelible ink and shall be signed by a person duly authorized to sign on behalf of the Applicant.
- 15.2 The Applicant shall submit copies of the signed original Application, in the number specified in the **ADS**, and clearly mark them “COPY”. In the event of any discrepancy between the original and the copies, the original shall prevail.

D. Submission of Applications

16. Sealing and Identification of Applications

- 16.1 The Applicant shall enclose the original and the copies of the Application in an envelope that shall be sealed and shall:
- (a) bear the name and address of the Applicant;
 - (b) be addressed to the Employer, in accordance with **ITA 17.1**; and
 - (c) bear the specific identification of this accreditation process pursuant to **ADS 1.1**.
- 16.2 ZRA will accept no responsibility for not processing any Application whose envelope was not identified as required.

17. Deadline for Submission of Applications

- 17.1 Applications must be received by ZRA at the address and no later than the date and time specified in the **ADS**.
- 17.2 ZRA may, at its discretion, extend the deadline for the submission of Applications by amending the Solicitation Document in accordance with **ITA 8**, in which case all rights and obligations of ZRA and the Applicants subject to the previous deadline shall thereafter be subject to the deadline as extended.

18. Late Applications

- 18.1 ZRA shall not consider any Application that arrives after the deadline for submission of Applications, in accordance with **ITA 17**. Any Application received by ZRA after the deadline for submission of bids shall be declared late, rejected, and returned unopened to the Applicant.

19. Opening of Applications

- 19.1 ZRA shall conduct the Application opening in public at the address, date and time specified in the **ADS**. Any specific electronic Application opening procedures required if electronic submission is

permitted shall be as specified in the **ADS**.

- 19.2 First, envelopes marked “WITHDRAWAL” shall be opened and read out and the envelope with the corresponding Application shall not be opened, but returned to the Bidder. No Application withdrawal shall be permitted unless the corresponding withdrawal notice contains a valid authorization to request the withdrawal and is read out at bid opening. Next, envelopes marked “SUBSTITUTION” shall be opened and read out and exchanged with the corresponding Applications being substituted, and the substituted Application shall not be opened, but returned to the Applicant. No Application substitution shall be permitted unless the corresponding substitution notice contains a valid authorization to request the substitution and is read out at Application opening. Envelopes marked “MODIFICATION” shall be opened and read out with the corresponding Application. No Application modification shall be permitted unless the corresponding modification notice contains a valid authorization to request the modification and is read out at Application opening. Only envelopes that are opened and read out at Application opening shall be considered further.
- 19.3 All other envelopes shall be opened one at a time, reading out: the name of the Applicant and whether there is a modification. No Application shall be rejected at Application opening except for late Applications, in accordance with **ITA 18**.

E. Procedures for Evaluation of Applications

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| 20. Confidentiality | <p>20.1 Information relating to the evaluation of Applications, and recommendation for accreditation, shall not be disclosed to Applicants, or any other persons not officially concerned with such process, until the notification of accreditation is made to all Applicants.</p> <p>20.2 From the deadline for submission of Applications to the time of notification of the results of the accreditation process in accordance with ITA 28, any Applicant that wishes to contact ZRA on any matter related to application process, may do so but only in writing.</p> |
| 21. Clarification of Applications | <p>21.1 To assist in the evaluation of Applications, ZRA may, at its discretion, ask any Applicant for a clarification of its Application which shall be submitted within a stated reasonable period of time. Any request for clarification and all clarifications shall be in writing.</p> <p>21.2 If an Applicant does not provide clarifications of the information requested by the date and time set in ZRA’s request for clarification, its Application may be rejected.</p> |

- 22. Responsiveness of applications** 22.1 ZRA may reject any Application which is not responsive to the requirements of the Solicitation Document.
- 23. Domestic or Regional Preference** 23.1 Unless otherwise stipulated in the **ADS** or Schedule of Requirements, a margin of preference for domestic or regional bidders shall not apply in the accreditation process.
- 24. Subcontractors** 24.1 Applicants planning to subcontract any of the key activities indicated in Section III, Evaluation and Qualification Criteria, shall specify the activities in the Application Submission Form.

F. Evaluation of Applications and Accreditation of Applicants

- 25. Evaluation of Applications** 25.1 ZRA shall use the factors, methods, criteria, and requirements defined in Section III, Evaluation and Qualification Criteria to evaluate the qualifications of the Applicants. ZRA reserves the right to waive minor deviations in the compliance with qualification criteria if they do not materially affect the capability of an Applicant to perform the contract.
- 25.2 Only the qualifications of subcontractors that have been identified in the Application may be considered in the evaluation of an Applicant. However, the general experience and financial resources of subcontractors may not be added to those of the Applicant for purposes of accreditation of the Applicant.
- 26. ZRA's Right to Accept or Reject Applications** 26.1 ZRA reserves the right to accept or reject any Application, and to annul the accreditation process and reject all Applications at any time, without thereby incurring any liability to Applicants.
- 27. Accreditation of Applicants** 27.1 All Applicants whose Applications have met or exceeded ("passed") the specified threshold requirements will, to the exclusion of all others, be accredited by ZRA.
- 28. Notification of accreditation** 28.1 Once ZRA has completed the evaluation of the Applications it shall notify all Applicants in writing of the names of those Applicants who have been accredited.
- 29. Invitation to Bid** 29.1 There will be no bidding process following the accreditation process. Accredited Applicants shall be notified of their successful accreditation.
- 30. Changes in Qualifications of Applicants** 30.1 Any change in the structure or formation of an Applicant, after being accredited in accordance with **ITA 27** shall be subject to the written approval of ZRA, prior to the deadline for submission of Applications. Such approval shall be denied if as a consequence of the change the Applicant no longer substantially meets the qualification criteria set

forth in Section III, Evaluation and Qualification Criteria, or if in the opinion of ZRA, a substantial reduction in competition may result. Any such changes shall be submitted to ZRA not later than 14 days after the date of the Invitation for Applications.

Section II. Application Data Sheet

A. General

ITA 1.1	The number of the Invitation for Applications is: <i>ZRA/PSU/PQ002/2021</i>
ITA 1.1	The Client is: <i>The Zambia Revenue Authority</i>
ITA 1.1	<p>ICB name is: <i>Accreditation of manufacturers, distributors and software vendors of electronic fiscal devices for fiscalisation of the taxpayers' invoicing and/or point of sale systems as per Lots below:</i></p> <p style="margin-left: 40px;"><i>(a) Lot 1: Accreditation of manufacturers of Electronic Fiscal Devices;</i></p> <p style="margin-left: 40px;"><i>(b) Lot 2: Accreditation of distributors of Electronic Fiscal Devices; and</i></p> <p style="margin-left: 40px;"><i>(c) Lot 3: Accreditation of software vendors for the supply of software interfacing solutions for fiscalisation of the taxpayers' Invoicing and/or point of sale systems.</i></p> <p style="margin-left: 40px;"><i>There should be separate applications for each lot and Applicants are allowed to bid across all the three lots provided i.e. manufacturers, distributors and software vendors. Potential bidders wishing to bid for more than one lot shall ensure that they fulfil all the requirements and in a case were they do not qualify as a single entity, go into a legally binding joint venture with the qualifying firm in that particular lot.</i></p>
ITA 2.1	The source of funding is: <i>Not Applicable</i>
ITA 4.1(a)	The firms in a joint venture, consortium or association <i>shall be</i> jointly and severally liable.

B. Contents of the Prequalification Document

ITA 7.1	<p>For <u>clarification purposes</u> only, the ZRA address is:</p> <p>Attention: The Assistant Director – Purchasing & Supplies</p> <p>Street Address: <i>Kabwe Roundabout, Revenue House</i></p> <p>Floor/Room number: <i>10th Floor, Revenue House</i></p> <p>City: <i>Lusaka</i></p>
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	<p>ZIP Code: 10101</p> <p>Country: Zambia</p> <p>Facsimile number: +260-211-229220</p> <p>Electronic mail address: <i>mwilaa@zra.org.zm and copy kapitam@zra.org.zm</i></p> <p>Requests for clarification should be received no later than fourteen (14) days prior to the closing date.</p> <p>Requests for clarifications should be received by ZRA no later than <i>fourteen (14) days</i>, prior to the deadline for submission of Applications.</p>
<p>C. Preparation of Applications</p>	
<p>ITA 10.1</p>	<p>The language of the Application as well as of all correspondence is: <i>English.</i></p>
<p>ITA 11.1 (d)</p>	<p>The Applicant shall submit with its Application, the following additional documents:</p> <p><u>Lot 1: Accreditation of manufacturers of Electronic Fiscal Devices</u></p> <ul style="list-style-type: none"> (a) Submission of Power of Attorney which must be signed by a senior member of staff. In addition to being signed by the senior member of staff, the sample signature of the person being given the power of attorney should be there. (b) All Applicants are required to submit a statement regarding their current litigation status from the Applicant's Advocates. A written statement by the applicant themselves or any other person shall not be accepted. If it's a joint venture, consortium, or association, all members must submit this. Non-compliance with this requirement will result into disqualification of the application. (c) All applicants are required to submit documentary evidence confirming company registration and place of business operation. Whether foreign or local applicant, this requirement is mandatory and shall be subject to verification by ZRA. If it's a joint venture, consortium, or association, all members must submit this. (d) All applicants are required to provide a latest Tax Clearance Certificate from Zambia Revenue Authority. For Foreign Applicants, they should demonstrate strict adherence to tax compliance in their own countries of registration by way of attaching a certificate of tax clearance issued by Tax authorities in their respective countries. If it's a joint venture, consortium, or association, all members must submit this. Non-compliance with this requirement shall render the application non-responsive. (e) Submission of Audited Financial Reports for the three (3) years: 2017, 2018 and 2019. Failure to comply with this requirement will render the bid non-responsive. If it's a joint venture, consortium, or association, all members

must submit this.

- (f) All applicants should submit ISO certification.
- (g) Statement of installed production capacity per annum (applicants should state their annual volume of production for the electronic fiscal devices);
- (h) If it's a joint venture, consortium, or association a legal agreement by the parties should be submitted. The agreement should highlight the roles of each party to the agreement.

Lot 2: Accreditation of distributors of Electronic Fiscal Devices

- (a) Submission of Power of Attorney which must be signed by a senior member of staff. In addition to being signed by the senior member of staff, the sample signature of the person being given the power of attorney should be there.
- (b) All Applicants are required to submit a statement regarding their current litigation status from the Applicant's Advocates. A written statement by the applicant themselves or any other person shall not be accepted. If it's a joint venture, consortium, or association, all members must submit this. Non-compliance with this requirement will result into disqualification of the application.
- (c) All applicants are required to submit documentary evidence confirming company registration and place of business operation. Whether foreign or local applicant, this requirement is mandatory and shall be subject to verification by ZRA. If it's a joint venture, consortium, or association, all members must submit this. Non-compliance with this requirement will render the application non-responsive.
- (d) All applicants are required to provide a latest Tax Clearance Certificate from Zambia Revenue Authority. For Foreign Applicants, they should demonstrate strict adherence to tax compliance in their own countries of registration by way of attaching a certificate of tax clearance issued by Tax authorities in their respective countries. If it's a joint venture, consortium, or association, all members must submit this. Non-compliance with this requirement shall render the application non-responsive.
- (e) Submission of Financial Reports for the three (3) years: 2017, 2018 and 2019. If it's a joint venture, consortium, or association, all members must submit this. Failure to comply with this requirement will render the bid non-responsive.
- (f) Applicants are free to bid for more than one of the following zones:



- ZONE 1 Lusaka – Light and heavy industrial area, Copperbelt - Kitwe, North western
- ZONE 2 Lusaka – Town center, Copperbelt – Ndola, Eastern
- ZONE 3 Lusaka – Kamwala, Copperbelt – Luanshya – Mufulira, Luapula, Muchinga, Northern
- ZONE 4 Lusaka – Northmead - Rhodespark upto Chongwe, Copperbelt - Chingola – Kalulushi – central
- ZONE 5 Lusaka- Makeni- Chilanga, Northern part of Lusaka(chaisa, Emmasdale, Kabwe Road), Kafue, Sothern, Western, Chililabombwe

- (g) If it's a joint venture, consortium, or association a legal agreement by the parties should be submitted. The agreement should highlight the roles of each party to the agreement.

Lot 3: Accreditation of software vendors for the supply of software interfacing solutions for fiscalisation of the taxpayers' Invoicing and/or point of sale systems.

- (a) Submission of Power of Attorney which must be signed by a senior member of staff. In addition to being signed by the senior member of staff, the sample

	<p>signature of the person being given the power of attorney should be there.</p> <p>(b) All Applicants are required to submit a statement regarding their current litigation status from the Applicant’s Advocates. A written statement by the applicant themselves or any other person shall not be accepted. If it’s a joint venture, consortium, or association, all members must submit this. Non-compliance with this requirement will result into disqualification of the application.</p> <p>(c) All applicants are required to submit documentary evidence confirming company registration and place of business operation. Whether foreign or local applicant, this requirement is mandatory and shall be subject to verification by ZRA. If it’s a joint venture, consortium, or association, all members must submit this. Non-compliance with this requirement will render the application non-responsive.</p> <p>(d) All applicants are required to provide a latest Tax Clearance Certificate from Zambia Revenue Authority. For Foreign Applicants, they should demonstrate strict adherence to tax compliance in their own countries of registration by way of attaching a certificate of tax clearance issued by Tax authorities in their respective countries. If it’s a joint venture, consortium, or association, all members must submit this. Non-compliance with this requirement shall render the application non-responsive.</p> <p>(e) Submission of Financial Reports for the three (3) years: 2017, 2018 and 2019. If it’s a joint venture, consortium, or association, all members must submit this. Failure to comply with this requirement will render the bid non-responsive.</p> <p>(f) If it’s a joint venture, consortium, or association a legal agreement by the parties should be submitted. The agreement should highlight the roles of each party to the agreement.</p>
ITA 15.2	In addition to the original, the number of copies to be submitted with the Application is: <i>four (4) copies shall be submitted.</i>
D. Submission of Applications	
ITA 17.1	Applicants <i>“shall not”</i> have the option of submitting their Applications electronically.
ITA	For <u>Application submission purposes</u> only, the ZRA address is: Attention: Address: Zambia Revenue Authority

17.1	<p>Revenue House, 10th Floor Kabwe Round About P.O Box 35710 LUSAKA</p> <p>City: Lusaka, Zambia</p> <p>The deadline for the submission of bids is:</p> <p>Date: 18th February, 2022 Time: at 10:00 hours</p> <p>There will be a pre-submission meeting on 28th January, 2022 which will be held virtually.</p>
ITA 19.1	The electronic Application opening procedures shall be: <i>Not Applicable.</i>
E. Procedures for Evaluation of Applications	
ITA 23.1	A margin of domestic or regional preference <i>“shall not”</i> apply during in the bidding process resulting from this prequalification.

Section III. Evaluation and Qualification Criteria

This Section contains all the methods, criteria, and requirements that ZRA shall use to evaluate Applications. The information to be provided in relation to each requirement and the definitions of the corresponding terms are included in the respective Application Forms.

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Eligibility and Qualification Criteria			Compliance Requirements				Documen- tation
No.	Subject	Requirement	Single Entity	Joint Venture, Consortium or Association (JVCA)			Submissi- on Require- ments
				All Parties Combined	Each Partner	At least One Partner	
1. Eligibility							
1.1	Nationality	Nationality in accordance with ITA Clause 4.2	Must meet requirement	Existing or intended JVCA must meet requirement	Must meet requirement	N/A	Forms ELI – 1.1 and 1.2, with attachments
1.2	Conflict of Interest	No conflicts of interest in accordance with ITA 4.3	Must meet requirement	Existing or intended JVCA must meet requirement	Must meet requirement	N/A	Application Submission Form
1.3	ZPPA Ineligibility	Not having been declared ineligible by ZPPA, as described in ITA 4.4	Must meet requirement	Existing JVCA must meet requirement	Must meet requirement	N/A	Application Submission Form
1.4	Government Owned Entity	Applicant required to meet conditions of ITA 4.5	Must meet requirement	Must meet requirement	Must meet requirement	N/A	Forms ELI – 1.1 and 1.2, with attachments
1.5	United Nations resolution or Zambian law	Not having been excluded as a result of the Zambian laws or official regulations, or by an act of compliance with UN Security Council resolution, in accordance with ITA 4.8	Must meet requirement	Must meet requirement	Must meet requirement	N/A	Forms ELI – 1.1 and 1.2, with attachments

Eligibility and Qualification Criteria			Compliance Requirements				Documen tation
No.	Subject	Requirement	Single Entity	Joint Venture, Consortium or Association (JVCA)			Submissi on Require ments
				All Parties Combined	Each Partner	At least One Partner	
2. Historical Contract Non-Performance							
2.1	History of Non-Performing Contracts	Non-performance of a contract did not occur within the last Five years prior to the deadline for Application submission based on all information on fully settled disputes or litigation. A fully settled dispute or litigation is one that has been resolved in accordance with the Dispute Resolution Mechanism under the respective contract and where all appeal instances available to the Applicant have been exhausted.	Must meet requirement by itself or as partner to past or existing JVCA	N/A	Must meet requirement by itself or as partner to past or existing JVCA	N/A	Form CON-2
2.2	Failure to Sign Contract	Not being under execution of a Bid-Securing Declaration pursuant to ITA 4.6 for three years	Must meet requirement	N/A	Must meet requirement by itself or as partner to past or existing JVCA	N/A	Applicatio n Submissi on Form
2.3	Pending Litigation	All pending litigation shall in total not represent more than 30 % (Thirty percent) of the Applicant's net worth and shall be treated as resolved against the Applicant	Must meet requirement by itself or as a partner to past or existing JVCA	N/A	Must meet requirement by itself or as a partner to past or existing JVCA	N/A	Form CON – 2

Eligibility and Qualification Criteria			Compliance Requirements				Documentation
No.	Subject	Requirement	Single Entity	Joint Venture, Consortium or Association (JVCA)			Submission Requirements
				All Parties Combined	Each Partner	At least One Partner	
3. Financial Situation							
3.1	Historical Financial Performance and Financial Resources	<p>Submission of audited balance sheets or if not required by the law of the Applicant's country, other financial statements acceptable to the Employer, for the last three years to demonstrate:</p> <p>a) the current soundness of the Applicant's financial position and its prospective long-term profitability (with net worth of not less than US\$4,800,000 for manufacturers, US\$220,000 for distributors and US\$160,000 for software vendors</p> <p>(b) capacity to have a cash flow amount of not less than US\$2,400,000 for manufacturers, US\$66,000 for distributors and US\$40,000 for software vendors.</p>	<p>Must meet requirement</p> <p>(a) Must meet requirement</p> <p>(b) Must meet requirement</p>	<p>N/A</p> <p>(a) N/A</p> <p>(b) Must meet requirement</p>	<p>Must meet requirement</p> <p>(a) Must meet requirement</p> <p>(b) N/A</p>	<p>N/A</p> <p>(a) N/A</p> <p>(b) N/A</p>	<p>Form FIN – 3.1 with attachments</p>
3.2	Average Annual Turnover	<p>Average annual turnover for the past three years of not less than: US\$7,200,000 for manufacturers, US\$432,000 for distributors and US\$160,000 for software vendors.</p>	<p>Must meet requirement</p>	<p>Must meet requirement</p>	<p>Must meet 25%, [Twenty – Five Percent] of the requirement</p>	<p>Must meet 50%, [fifty Percent] of the requirement</p>	<p>Form FIN – 3.2</p>

Eligibility and Qualification Criteria			Compliance Requirements				Documentation
No.	Subject	Requirement	Single Entity	Joint Venture, Consortium or Association (JVCA)			Submission Requirements
				All Parties Combined	Each Partner	At least One Partner	
4. Experience							
4.1	General Experience	Experience under manufacturing contracts in the role of manufacturer, distributor and software vendors, for at least the last ten years for the manufacturer, five years for the distributor and three years for the software vendors prior to the Application submission deadline, and with activity in at least nine (9) months in each year.	Must meet requirement	N/A	Must meet requirement	N/A	Form EXP – 4.1
4.2 (a)	Specific Experience	Participation as manufacturer. Distributor and software vendor, within the last five years, the value of the goods or services for each of the last five years should be at least US\$7.2 million for manufacturers, US\$432,000 for distributors, and US\$160,000 for software vendors , that have been successfully and substantially completed and that are similar to the proposed supply and service contracts. The similarity shall be based on the physical size, complexity, methods/technology or other characteristics as described in Section IV, Application Forms	Must meet requirement	Must meet requirement	N/A	Must meet requirement	Form EXP 4.2(a)
4.2 (b)		For the above or other contracts executed during the period stipulated in 4.2 (a) above, a minimum supply/distribution experience in the	Must meet requirements	Must meet requirements	N/A	Must meet the following requirements for the key	Form EXP – 4.2 (b)

Eligibility and Qualification Criteria			Compliance Requirements			Documen- tation	
No.	Subject	Requirement	Single Entity	Joint Venture, Consortium or Association (JVCA)			Submissi- on Require- ments
				All Parties Combined	Each Partner	At least One Partner	
		following key activities: For the manufacturers: <i>manufacture of electronic fiscal devices, manufacture electronic devices such as point of sale machines, electronic cash registers and other electronic and electrical devices. For the distributors, the distribution of various electronic devices both commercial and domestic. For the software vendors, the supply and installation of various software products meant to interface various software systems.</i>				activities listed below	

After the above stages, the technical requirements will then be evaluated followed by commercial terms were applicable.

Section IV. Application Forms

Table of Forms

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Application Submission Form

Date: _____
IFP No.: _____
ICB No. and title: _____

To: _____

We, the undersigned, apply to be ACCREDITATED for the referenced ICB and declare that:

- (a) We have examined and have no reservations to the Solicitation Documents, including Addenda No., issued in accordance with Instructions to Applicants (ITA) Clause 8:

- (b) We, including any subcontractors or suppliers for any part of the contract resulting from this prequalification process, have nationalities from eligible countries, in accordance with ITA 4.2: _____;
- (c) We, including any subcontractors or suppliers for any part of the contract resulting from this accreditation process, do not have any conflict of interest, in accordance with ITA 4.3;
- (d) We, including any subcontractors or suppliers for any part of the contract resulting from this accreditation process, have not been declared ineligible by the Zambia Public Procurement Authority (ZPPA)
- (e) *[insert either "We are not a Government owned entity" or "We are a Government entity, and we meet the requirements of ITA 4.5];*
- (f) We are / are not under sanction by the Zambia Public Procurement Authority for any action of corruption and fraud in accordance with ITB 3. [If under sanction, please provide details including date of start of sanction and duration].
- (g) We, in accordance with ITA 24.1, plan to subcontract the following key activities and/or parts of the works:

- (h) We declare that the following commissions, gratuities, or fees have been paid or are to be paid with respect to the accreditation process, the corresponding bidding process or execution of the Contract:⁵

Name of Recipient	Address	Reason	Amount
.....
.....
.....

- (i) *We undertake that, in competing for (and, if the award is made to us, in executing) the contract resulting from this accreditation process, we will strictly observe the laws against fraud and corruption in force in Zambia.*

- (j) We understand that you may cancel this accreditation process at any time and that you are neither bound to accept any Application that you may receive nor to invite the accredited applicants to sign contracts, without incurring any liability to the Applicants, in accordance with ITA 26.

Signed:

Name:

In the capacity of:

Duly authorized to sign the Application for and on behalf of:

Applicant's Name:

Date:

⁵ If none has been paid or is to be paid, indicate "none".

Applicant Information Sheet

Form ELI - 1.1

Date: _____

ICB No. and title: _____

Page _____ of _____ pages

1. Applicant's Legal Name
2. In case of Joint Venture, Consortium or Association (JVCA), legal name of each party:
3. Applicant's actual or intended Country of Registration:
4. Applicant's actual or intended Year of Registration:
5. Applicant's Legal Address in Country of Registration:
6. Applicant's Authorized Representative Information Name: Address: Telephone/Fax numbers: Email Address:
7. Attached are copies of original documents of: <ul style="list-style-type: none"> <input type="checkbox"/> Articles of Incorporation or Registration of firm named in 1, above, in accordance with ITA Clauses 4.1 and 4.2. <input type="checkbox"/> In case of JVCA, letter of intent to form JVCA including a draft agreement, or JVCA agreement, in accordance with ITA Clause 4.1. <input type="checkbox"/> In case of government owned entity from the Employer's country, documents establishing legal and financial autonomy and compliance with the principles of commercial law, in accordance with ITA Clause 4.5.

Party to JVCA Information Sheet
--

Form ELI - 1.2

Date: _____

ICB No. and title: _____

Page _____ of _____ pages

1. Applicant's Legal Name:
2. JVCA's Party legal name:
3. JVCA's Party Country of Registration:
4. JVCA's Party Year of Registration:
5. JVCA's Party Legal Address in Country of Registration:
6. JVCA's Party Authorized Representative Information Name: Address: Telephone/Fax numbers: Email Address:
7. Attached are copies of original documents of: <input type="checkbox"/> Articles of Incorporation or Registration of firm named in 1, above, in accordance with ITA Clauses 4.1 and 4.2. <input type="checkbox"/> In case of government owned entity from Zambia, documents establishing legal and financial autonomy and compliance with the principles of commercial law, in accordance with ITA Clause 4.5.

Historical Contract Non-Performance

Form CON – 2

Applicant’s Legal Name: _____ Date: _____

JVCA Partner Legal Name: _____

ICB No. and title: _____

Page _____ of _____ pages

Non-Performing Contracts in accordance with (Evaluation and Qualification Criteria)

Contract non-performance did not occur during the stipulated period, in accordance with Sub-Factor 2.1 of Section III, Evaluation and Qualification Criteria.

Contract non-performance during the stipulated period, in accordance with Sub-Factor 2.1 of Section III, Evaluation and Qualification Criteria.

Year	Outcome as Percent of Total Assets	Contract Identification	Total Contract Amount (current value, US\$ equivalent)
_____	_____	Contract Identification: Name of Employer: Address of Employer: Matter in dispute:	_____

Pending Litigation, in accordance with Section III, Evaluation and Qualification Criteria

No pending litigation in accordance with Sub-Factor 2.3 of Section III, Evaluation and Qualification Criteria.

Pending litigation in accordance with Sub-Factor 2.3 of Section III, Evaluation and Qualification Criteria, as indicated below

Year	Outcome as Percent of Total Assets	Contract Identification	Total Contract Amount (current value, US\$ equivalent)
_____	_____	Contract Identification: Name of Employer: Address of Employer: Matter in dispute:	_____
_____	_____	Contract Identification: Name of Employer: Address of Employer: Matter in dispute:	_____

.

Financial Situation

Form FIN – 3.1

Historical Financial Performance

Applicant’s Legal Name: _____ Date: _____
 JVCA Partner Legal Name: _____ ICB No. and title: _____
 Page _____ of _____ pages

To be completed by the Applicant and, if JVCA, by each partner

Financial information in US\$ equivalent	Historic information for previous _____ (___) years (US\$ equivalent in 000s)						
	Year 1	Year 2	Year 3	Year ...	Year n	Avg.	Avg. Ratio
Information from Balance Sheet							
Total Assets (TA)							
Total Liabilities (TL)							
Net Worth (NW)							
Current Assets (CA)							
Current Liabilities (CL)							
Information from Income Statement							
Total Revenue (TR)							
Profits Before Taxes (PBT)							

- Attached are copies of financial statements (balance sheets, including all related notes, and income statements) for the years required above complying with the following conditions:
 - Must reflect the financial situation of the Applicant or partner to a JVCA, and not sister or parent companies
 - Historic financial statements must be audited by a certified accountant
 - Historic financial statements must be complete, including all notes to the financial statements
 - Historic financial statements must correspond to accounting periods already completed and audited (no statements for partial periods shall be requested or accepted)

Average Annual Turnover

Form FIN – 3.2

Applicant’s Legal Name: _____ Date: _____
 JVCA Partner Legal Name: _____ ICB No. and title: _____
 Page _____ of _____ pages

Annual turnover data (construction only)		
Year	Amount and Currency	US\$ equivalent
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
*Average Annual Turnover	_____	_____

*Average annual turnover calculated as total certified payments received for contracts in progress or completed over the number of years specified in Section III, Evaluation and Qualification Criteria, Sub-Factor 3.2, divided by that same number of years.

General Experience

Form EXP – 4.1

Applicant’s Legal Name: _____ Date: _____
 JVCA Partner Legal Name: _____ ICB No. and title: _____
 Page _____ of _____ pages

Starting Month / Year	Ending Month / Year	Years*	Contract Identification	Role of Bidder
_____	_____	_____	Contract name: Brief Description of the Works performed by the Bidder: Name of Employer: Address:	_____
_____	_____	_____	Contract name: Brief Description of the Works performed by the Bidder: Name of Employer: Address:	_____
_____	_____	_____	Contract name: Brief Description of the Works performed by the Bidder: Name of Employer: Address:	_____
_____	_____	_____	Contract name: Brief Description of the Works performed by the Bidder: Name of Employer: Address:	_____
_____	_____	_____	Contract name: Brief Description of the Works performed by the Bidder: Name of Employer: Address:	_____
_____	_____	_____	Contract name: Brief Description of the Works performed by the Bidder: Name of Employer: Address:	_____

*List calendar year for years with contracts *with at least nine (9) months activity* per year starting with the earliest year

Specific Experience

Form EXP – 4.2(a)

Applicant’s Legal Name: _____ Date: _____

JVCA Partner Legal Name: _____ ICB No. and title: _____

Page _____ of _____ pages

Similar Contract Number: ___ [insert specific number] of ___ [insert total number of contracts required].	Information		
Contract Identification	_____		
Award date	_____		
Completion date	_____		
Role in Contract	<input type="checkbox"/> Contractor	<input type="checkbox"/> Management Contractor	<input type="checkbox"/> Subcontractor
Total contract amount	_____		US\$ _____
If partner in a JVCA or subcontractor, specify participation of total contract amount	_____ %	_____	US\$ _____
Employer’s Name:	_____		
Address:	_____ _____		
Telephone/fax number:	_____		
E-mail:	_____		

Specific Experience (cont.)

Form EXP – 4.2(a) (cont.)

Applicant’s Legal Name: _____ Page _____ of _____ pages
 JVCA Partner Legal Name: _____

Similar Contract No. <i>__</i>[insert specific number] of <i>__</i>[insert total number of contracts] required	Information
Description of the similarity in accordance with Sub-Factor 4.2(a) of Section III, Evaluation and Qualification Criteria:	
<i>Amount</i>	_____ _____
<i>Physical size</i>	_____ _____
<i>Complexity</i>	_____ _____
<i>Methods/Technology</i>	_____ _____
<i>Physical Production Rate</i>	_____ _____

Specific Experience in Key Activities

Form EXP – 4.2(b)

Applicant’s Legal Name: _____ Date: _____
 JVCA Partner Legal Name: _____ ICB No. and title: _____
 Subcontractor’s Legal Name (as per ITA 24.1): _____
Page _____ of _____ pages

	Information		
Contract Identification	_____		
Award date	_____		
Completion date	_____		
Role in Contract	<input type="checkbox"/> Contractor	<input type="checkbox"/> Management Contractor	<input type="checkbox"/> Subcontractor
Total contract amount	_____		US\$ _____
If partner in a JVCA or subcontractor, specify participation of total contract amount	_____ %	_____	US\$ _____
Employer’s Name:	_____		
Address:	_____ _____ _____		
Telephone/fax number:	_____ _____		
E-mail:	_____		

Specific Experience in Key Activities (cont.)

Form EXP – 4.2(b) (cont.)

Applicant’s Legal Name: _____ Page _____ of _____ pages
 JVCA Partner Legal Name: _____
 Subcontractor’s Legal Name: _____

	Information
Description of the key activities in accordance with Sub-Factor 4.2(b) of Section III, Evaluation and Qualification Criteria:	
<i>Amount</i>	
<i>Physical size</i>	
<i>Complexity</i>	
<i>Methods/Technology</i>	
<i>Physical Production Rate</i>	

2. Key Activity No. Two

3.

Section V. Eligible Countries

Eligibility for the Provision of Goods, Works and Services in Zambia

In accordance with Clause 155 of the Public Procurement Regulations of 2011, Government permits firms and individuals from all countries to offer goods, works and services for Government projects. As an exception, firms of a Country or goods manufactured in a Country may be excluded if:

- (i): as a matter of law or official regulation, Zambia prohibits commercial relations with that Country, provided that Cooperating Partners involved are satisfied that such exclusion does not preclude effective competition for the supply of the Goods or Works required, or
- (ii): by an Act of Compliance with a Decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, Government prohibits any import of goods from that Country or any payments to persons or entities in that Country.

PART 2 – Schedule of Requirements

**LOT 1: REQUIREMENT FOR ACCREDITATION
OF MANUFACTURERS OF ELECTRONIC FISCAL
DEVICES**

Glossary

AES	-	Advanced Encryption Standard
APN	-	Access Point Name
DES	-	Data Encryption Standard
EFD	-	Electronic Fiscal Device
ESD	-	Electronic Signature Device
FCR	-	Fiscal Cash Register
GSM	-	Global System for Mobile communication
MTV	-	Minimum Taxable Value
TIMS	-	Tax Invoice Management System
TPIN	-	Tax Payer Identification Number
UPS	-	Uninterrupted Power Supply
VAT	-	Value Added Tax
ZRA	-	Zambia Revenue Authority

1 INTRODUCTION

The Zambia Revenue Authority has implemented the Tax Invoice Management System that allows fiscal devices or software deployed at the taxpayer's business premises to capture sales transactions and transmit that data to the Zambia Revenue Authority. This is in an effort to monitor and improve tax compliance among Taxpayers. Over four thousand (4000) of Electronic Fiscal Devices have already been deployed on the system and distributed to selected taxpayers for use. However, there is need to accelerate the deployment of devices to the rest of the taxpayers in a sustainable way and hence more devices need to be accommodated.

The Authority, therefore, invites capable Manufacturers to bid for accreditation for the supply of devices and support to the device distributors.

2 SCOPE OF WORKS

The scope of works shall include supply of samples to ZRA and conducting user acceptance testing with ZRA, supply of devices to distributors, supply of spares and technical support to distributors and management of device inventories on TIMS.

2.1 Supply of samples to ZRA

The process of accrediting the manufacturer includes testing the device models for tax compliance functionality and other requirements according to the specifications provided in Appendix A. Therefore, the manufacturer shall provide two devices for the purpose of testing compliance to the specifications and other requirements. The manufacturer shall supply the devices at their own cost to ZRA for verification and the samples shall become property of the Authority. The samples or software shall not be submitted together with the bidding document. The samples shall be submitted **by successful applicants only** in order to conduct tests for

accreditation. If the applicant is not successful it shall not be necessary for them to supply the samples. The requirement to submit a sample only applies to those applying as manufacturers. The samples submitted shall be Type approved by Zambia Information and Communications Technology Authority (ZICTA).

2.2 User Acceptance Test (UAT)

The Authority shall conduct the user acceptance tests on the device to determine compliance of the model. Both the manufacturer and the Authority staff may be involved, especially if the manufacturer can make its staff available at their own cost for this purpose. ZRA shall provide a TIMS replica system for testing purposes and each tax function and other functions in the specifications below shall be tested including reliability, resilience and durability tests.

2.3 Supply of devices to Distributors

The accredited manufacturer shall be required to make available devices for use on the Zambia market. This means that they shall keep and manage a device inventory. They shall supply the devices to the distributors from their inventory. The manufacturer shall be required to enter into supply and support contracts with ZRA accredited distributors.

2.4 Supply of spares

The manufacturer is expected to keep a spares and accessories inventory for the distributors as well. This will be necessary in providing support to the taxpayers through distributors. The distributors shall these spares and accessories from the manufacturers in order to ensure smooth operation of the devices at the taxpayers premises. Therefore, the manufacturer is expected to enter into supply contracts with distributors

2.4 Technical support & maintenance

The manufacturer is also expected to provide second level support to the chain. They shall offer direct support to the distributor and indirect support to the taxpayer. The distributors shall escalate support cases to the manufacturer. Firmware updates and modifications shall be provided by the manufacturer of the device. And where this is required, the model shall be re-tested for compliance on the test platform before rolling out to active devices. Therefore, the manufacturer is expected to enter into support contracts with distributors.

3 MANUFACTURER ACCREDITATION REQUIREMENTS

Two manufacturers are required. The prospective manufacturers:

1. Must have a verifiable place of business. It is not a requirement that manufacturers should have offices in Zambia. In addition, joint ventures are allowed in this prequalification process, however, the members of the joint venture cannot bid for any other lots apart from the one for which they are in a joint venture.
2. Shall provide two samples of each model for inspection and testing at their own cost. Only successful applicant will be required to submit samples.
3. The prospective manufacturer shall supply devices that satisfy the specifications prescribed in **Appendix A** below and shall be required to pass tests mentioned in 2 above;
4. Shall include indicative retail/wholesale unit prices for the proposed devices.
5. The prospective manufacturer should demonstrate ability to innovate to respond to fast changing technology. The prospective manufacturer will be required to provide a track

record of their adoption of latest technology. e.g. Microprocessor/chip upgrade history, communications technology upgrade history, firmware upgrade history indicating when the change was necessitated and when it was implemented.

6. The prospective manufacturer should show resilience in their operational practices by demonstrating contingencies in risk management and business continuity. The prospective applicant will be required to provide documentation of contingencies in place in case of business disruption, insolvency, etc. Are their existing partnerships or collaborations or assurance of continued supply of spares and support for available taxpayers should the business close?

4 CONTRACTUAL OBLIGATIONS

The manufacturer shall be required to abide by contractual obligations which shall include, but not limited to, the following;

- a. The manufacturer shall enter into a Five (5) year contract with the Authority that shall include expected service level.
- b. The manufacturer shall enter into a supply and support contract with the accredited distributor or distributors.
- c. While allowed to offer technical knowledge empowerment, the manufacturer shall not engage in the distribution of gadgets.
- d. The manufacturer shall supply the five sample devices for each model for testing purpose to the Authority at their own costs.

-
- e. They shall supply approved devices in their inventory list to the distributors.
 - f. They shall stock and supply spares and accessories to the distributors to empower them for taxpayer support for the duration of the support contract.
 - g. Provide functional and technical support to the distributors and, where required, to the taxpayer and ensure smooth operation of devices.
 - h. Shall provide technical and functional training to the distributors ensuring that they are well empowered to support the taxpayer.
 - i. Provide training to the Authority staff, both functional and technical.
 - j. Shall ensure the device meets compliance tests stipulated in **Appendix A** including reliability and resilience tests.
 - k. Shall carry tests with the Authority to verify compliance to specifications in **Appendix A** and other necessary tests.
 - l. Shall ensure the device is compatible with Tax Invoice Management System (TIMS) deployed at ZRA.
 - m. Shall submit to the Authority joint venture agreements relating to the supply of devices and support.
 - n. Shall adhere to the requirements contained herein used to qualify them.
 - o. Advise the Authority on any technological changes and advancements that may be relevant

for operational improvements.

- p. Make it possible to block or lock the EFD from TIMS in case the device is stolen.
- q. Submit to the Authority all serial numbers for devices made available on the market.
- r. Be legally responsible in case the devices are found to be technologically vulnerable to defrauding.
- s. All firmware updates will be done via ZRA either through TIMS or an external device by an authorized officer.
- t. Shall provide warranty for devices for a period not less than two years.

APPENDIX A - ELECTRONIC FISCAL DEVICES SPECIFICATIONS**ELECTRONIC FISCAL DEVICES SPECIFICATIONS****1 FUNCTIONAL SPECIFICATIONS FOR THE EFD****1.1 GENERAL FUNCTIONAL SPECIFICATIONS FOR THE EFD**

1.1.1 The manufacturer shall provide EFDs that are compatible with the existing ZRA Tax Invoice Management System (TIMS).

1.1.2 All EFDs used for registering and storing electronic fiscal data shall contain a working memory and a fiscal memory. The data to be registered and stored in the working memory and the fiscal memory shall relate to the goods and services sold to the clients, and allowing for the establishment of fiscal reports.

1.1.3 The non-volatile memory shall also record the end-of-day closure summary of sales information.

1.1.4 The EFD gadgets shall allow automatic tax computation for different taxes; VAT, Excise, Tourism Levy, Insurance Levy, Turnover Tax and any other tax types the Authority may introduce. For VAT categories, each category shall be assigned with a Latin letter – A, B, C1, C2, C3 and D. Where the category marked with the letter A is standard rated, B is Minimum Taxable Values, C1 is export, C2 is supplies to privileged persons, C3 is zero rated and D is exempted supplies.

1.1.5 The percentage of tax rates shall be programmed and stored in fiscal memory before fiscalization of the EFD gadgets. The change of the percentage of the rates shall be possible only

after service (technical) intervention.

1.1.6 The tax rates shall be configurable on all the EFD gadgets.

1.1.7 The VAT categories shall also be configurable on all the EFD gadgets.

1.1.8 The EFD gadget shall automatically prohibit further operation of the device once a fault that affects fiscalisation of an invoice is detected until the fault is resolved.

1.1.9 When items with free define (not preprogram) prices are sold (non-programmed price) they shall automatically be assigned to the tax rate of the item (the item must be assigned to appropriate category).

1.1.10 The EFD shall be able to record the date in the fiscal memory at the time it is put into operation and the date shall not be alterable.

1.1.11 If an Electronic Control Journal is implemented, the writing of any information into the electronic journal shall be followed by automatic control reading and confirmation that the data has been stored correctly. If the record in the electronic journal is corrupted the EFD shall block the registration mode.

1.1.12 The EFD shall be programmed to work in the official language in Zambia (British English).

1.1.13 The EFD shall be put into operation only after the following information is programmed into its fiscal memory:-

1.1.13.1 TPIN of the taxpayer, name and address of business. The TPIN field shall be

configurable. The name and address shall also be amendable.

1.1.13.2 Tax Types which are applicable.

1.1.13.3 Serial number of the EFD (the characters in the serial number shall be for identification of supplier/importer, identifying authorized model of EFD and manufacture serial number).

1.1.13.4 Date, hour and minutes when the EFD was put into operation.

1.1.13.5 It shall also be impossible to change the above information during the operation mode of the Fiscal Cash Registers.

1.1.14 In registration mode, the EFD shall be able to be set to work with prices which are integers or numbers with two digits after the decimal point (from the type 0,00). The currency of all approved EFDs shall be the Zambian Kwacha (K).

1.1.15 The EFD shall allow the operator to correct errors with ease without sacrificing security control features. Once a transaction is entered no deletion shall be possible.

1.1.16 The following data connected to the daily fiscal reports, periodical reports and information for the initial date of operation will be stored in the fiscal memory:-

1.1.16.1 Number of Daily fiscal report (DDDD - 4 digits);

1.1.16.2 Date of the Daily fiscal report (DD MM YYYY - 8 digits), in the format ddmmyyyy;

1.1.16.3 Daily fiscal report of the number of the issued fiscal invoices in registration mode;

1.1.16.4 Message for loss of turnover due to Memory Failure;

1.1.16.5 Tax rates and their effective date of the change;

1.1.16.6 Date, hour, and minute when the Fiscal Cash Registers was first fiscalised.

1.1.17 The counter for the daily fiscal reports shall be at least with 4 decimal digits.

1.1.18 The EFD shall be able to store a minimum 2,000 end of day entries (Z readings) all of which must be cumulatively numbered.

1.1.19 The EFD shall be capable of:

- (i) allowing the Commissioner-General to amend tax rates centrally as required by the tax law;
- (ii) allowing the Commissioner General produce standard reports;

1.1.20 The fiscal invoices generated by the EFD shall have the following contents:

- (i) the name and physical address of the user of the registered EFD;
- (ii) Taxpayer Identification Number (TPIN) of the user of the registered EFD;
- (iii) name and physical address of the purchaser for business to business and business

- to government transaction;
- (iv) Taxpayer Identification Number (TPIN) of the purchaser for business to business and business to government transactions;
- (v) the terminal identification number of the device;
- (vi) the name, quantity, unit tax inclusive price, item description, tax rate chargeable and the value of the recorded sale of goods or services;
- (vii) the tax amount payable;
- (viii) discounts, amount tendered and partial cancellation;
- (ix) the system date and time of issue of the invoice;
- (x) the total amount payable, tax inclusive;
- (xi) sequential ZRA tax invoice numbers; and
- (xii) the QR code.
- (xiii) the tax logo as specified by the Commissioner General in form of a hologram.

1.2 The EFD shall generate "X", "Z" and monthly transaction reports, even where no daily transaction has taken place and the daily running totals in the working memory give zero. The information to be contained in the reports shall be as follows;

- (i) business name or trading name and physical address of the business;
- (ii) the calendar day the report covers;
- (iii) tax categories of goods or services in respect of VAT;
- (iv) Taxpayer Identification Number (TPIN);
- (v) tax office where the taxpayer belongs;
- (vi) heading "Z" (daily transactions cut-off) report in the case of "Z" report;
- (vii) heading "X" (current transactions) report in the case of "X" report;"
- (viii) heading 'Monthly Report' (monthly transactions cut-off)
- (ix) the serial number of the Z report;
- (x) the terminal identification number of the V-EFD;
- (xi) the time and date the report was generated;
- (xii) the daily totals in the case of "Z" "report and cumulative totals in the case of "X" report by tax categories and payment type;
- (xiii) the number of revenue invoices generated.

1.3 FUNCTIONAL SPECIFICATIONS SPECIFIC TO THE FCR

1.3.1 The Fiscal Cash Register shall have a fiscal printer, display, keyboard and other relevant peripheral devices.

1.3.2 The Fiscal Cash Register shall have the capability to connect and work with the computer or with an external keyboard as input devices.

1.3.2.1 The Manufacturer must provide the necessary software for the functionality stated in 1.3.2

1.3.2 The embedded firmware in Fiscal Cash Register (FCR) shall provide for stock management and functions.

1.3.3 Fiscal Cash Registers shall be able to provide daily, monthly and other periodic reports of the registered transactions as specified.

1.3.4 Fiscal Cash Registers shall provide functions which will allow tax officials to print the data stored in the fiscal memory of the Fiscal Cash Registers.

1.3.5 The Fiscal Cash Register shall provide for the test mode for checking that all functions related to the fiscal operations are performing without mistakes or problems. In the test mode the devices shall not send invoices to TIMS. The device shall also provide a function to print a checksum of the embedded firmware.

1.3.6 The EFD shall have an automatic self-test procedure including self-diagnostic functions.

1.3.7 The Fiscal Cash Registers shall allow selling or returning an item (goods or services) or item group only when they are programmed into its memory with a name and a letter for the corresponding tax rate.

1.3.8 The Fiscal Cash Register shall be able to issue credit notes whenever goods are returned or a supply is canceled. A corresponding movement in the stock should be automatic for goods being returned.

1.3.9 The daily fiscal report shall be recorded into the fiscal memory for all counters in the Fiscal Cash Register. The daily fiscal reports shall be a gross of all sales desegregated by the counters.

1.3.10 The EFD shall be capable of printing non-fiscal reports that shall not print the hologram and are to be indicated in clear manner that the report is 'NON FISCAL'.

1.3.11 The counter for the documents issued by the Fiscal Cash Registers shall be at least with 6 decimal digits.

1.3.12 The Fiscal Cash Register shall provide the data for daily, weekly, monthly and yearly reports (periodic reports) for the amount of turnover inclusive tax, tax rate, the amount of tax and the amount of turnover exclusive of tax (net amount) for each different tax category.

1.3.13 The FCR shall have totaling functions. This means that the end of the day closure tally shall indicate the cumulative number of receipts, the daily total breakdown of amounts paid for the various tax rates, and the total tax. This also means printing of management reports such as X-readings (cash in drawer) and Z readings (daily closing report).

1.3.14 The Fiscal Cash Register shall have the capability to block the operation until a daily fiscal report is printed and the data is stored into fiscal memory, when during the registration mode the maximum digits of accumulated numbers are reached. In such case, it shall be possible to provide two daily reports for the same day.

1.3.15 The Fiscal Cash Register shall generate a report, indicating the date, time and duration of the disconnection, whenever the Fiscal Memory is disconnected.

1.3.16 FCR's requirements for Data displaying and printing shall be as follows:-

1.3.16.1 The name and address of the supplier and the TPIN.

This shall allow for a programmable header message consisting of the name of the Tax registered person, the business address and the TPIN;

1.3.16.2 The goods or services supplied.

This shall be a description of the goods or services for the specific transaction.

1.3.16.3 The quantity of each item supplied.

This shall be the quantity of the goods or services composing the specific transaction.

1.3.16.4 Whether each item is taxable or exempt.

The transaction invoice shall indicate the tax liability of each item and show the summary for each tax type and tax category.

1.3.16.5 The total amount of the transaction;

Total amount of sale should be inclusive of the tax amount, and the net amount of the transaction.

1.3.16.6 Serial number of transaction.

The fiscal invoice shall include the cumulative number of issued invoices. The invoice number shall be unique for each transaction for each given year.

1.3.16.7 FCR Serial number.

Invoice shall include a serial number of the Fiscal Cash Registers (the characters in the serial number shall be for identification of supplier/importer, identifying authorized model of EFD and manufacture serial number).

1.3.16.8 Date and time of invoice.

The FCR must include the date and time of invoice issuance.

1.3.16.9 Such other details as the Commissioner General may require in relation to foreign currency transaction provided that the Fiscal Cash Register shall have:-

1.3.16.9.1 Dual display functionality:

1.3.16.9.2 The EFD shall be capable of printing a counter value of the amount of the sale inclusive of Taxes in another currency other than the prevailing national currency;

1.3.16.9.3 Foreign currency printing:

1.3.16.9.4 The EFD shall be capable of printing the foreign currency symbols;

1.3.16.9.5 Conversion rate:

1.3.16.9.6 Invoices issued in dual display shall be able to display the exchange rate at the time of transaction, up to four decimal places. The use of the inverse rate is not allowed.

1.3.16.9.7 Registering of all day-to-day transactions on a printed journal;

1.3.16.9.8 The journal roll must contain an identical printed copy of the invoices which are given to the customer. This does not include the programmable header message.

1.3.17 The FCR shall be capable of reading and printing the content of the data memory at all times by selecting calendar month period yyyy/mm). The information shall include:

- (i) business name or trading name and physical address of the business;
- (ii) the calendar month the report covers;
- (iii) tax categories of goods or services in respect of VAT;
- (iv) Taxpayer Identification Number (TPIN);
- (v) tax office where the taxpayer belongs;
- (vi) the serial number of the monthly report;
- (vii) heading “monthly report”
- (viii) terminal identification number for the Electronic Fiscal Device;

- (ix) time and date the monthly report was generated;
- (x) the monthly running and cumulative totals by tax categories and payment type;
- (xi) the number of revenue invoices generated in the month.

1.3.18 The FCR must be able to read and print a summary report of the content of the tax data memory at all times by selecting any calendar period (yyyy). The information shall include;

- (i) business name or trading name and physical address of the business;
- (ii) the calendar year the report covers;
- (iii) tax categories of goods or services in respect of VAT;
- (iv) Taxpayer Identification Number (TPIN);
- (v) tax office where the taxpayer belongs;
- (vi) the serial number of the annual report;
- (vii) heading "annual report";
- (viii) terminal identification number for the Electronic Fiscal Device;
- (ix) time and date the annual report was generated;

- (x) the annual running and cumulative totals by tax categories and payment type;
- (xi) the number of revenue invoices generated in the year.

1.4 FUNCTIONAL SPECIFICATIONS SPECIFIC TO PUMP FISCAL REGISTERS

1.4.1 To have one display with minimum of two lines for showing the inputs and output of the machine;

1.4.2 The interface unit between the pump and the electronic fiscal pump register shall be capable to communicate with all types of automatic (electronic) fiscal pumps used in Zambia.

1.4.3 The interface unit must have a port and a standard protocol for automation system;

1.4.4 Pump Fiscal Register shall be embedded with the existing automatic (electronic) Pump

1.4.5 Pump interface cable shall be installed inside the pump;

1.4.6 The casing for Pump Fiscal Register shall be as required by the regulatory standards

1.4.7 The operating temperature for Pump Fiscal Register shall be as required by regulatory standards;

1.4.8 Pump shall not give fuel without authorization of the Pump Fiscal Register;

1.4.9 Upon returning the pump nozzle, the Pump Fiscal Register shall print a fiscal receipt;

1.4.10 Shall not allow nozzle to pass fuel if the last printed fiscal receipt not removed from the

printer header;

1.4.11 Shall allow trader to put a promotional message or adverts after the wording 'ÉND OF FISCAL RECEIPTS';

1.4.12 To have alpha-numeric keyboards which are very easy to use;

1.4.13 To have one key on the keyboard for printing the "Z" report;

1.4.14 To have one key on the keyboard for printing the "X" report;

1.4.15 To have a minimum printing speed of 150 millimeters per second;

1.4.16 The printed document shall have a width of 57mm or 80mm;

1.4.17 Pump Fiscal Register shall be installed by regulatory certified technicians.

1.4 FUNCTIONAL SPECIFICATIONS SPECIFIC TO THE ESD

1.4.1 The ESD gadget shall have capability to receive sales transaction data from taxpayer point of sale systems, authenticate the transactions, assign electronic signatures to the transactions and transmit the transaction to TMIS at the Zambia Revenue Authority.

1.4.2 ESD gadgets shall provide test mode for checking that all functions related to the fiscal memory are performing without mistakes or problems. In the test mode the devices shall not send invoices to TIMS.

1.4.3 ESD gadget shall issue the signature on the last page for an invoice for more than one

page.

1.4.4 ESD gadget shall be capable of sending the Z report.

2 TECHNICAL SPECIFICATIONS FOR THE EFD

2.1 GENERAL TECHNICAL SPECIFICATIONS FOR THE EFD

2.1.1 The EFD shall include a special module called fiscal memory which shall be sealed at the time of manufacture of the Fiscal Cash Register.

2.1.2 The EFD shall have an embedded firmware which shall provide functions for configuration, registration of transactions for sale of goods and services, controlling of the data recorded in fiscal memory and transmission of invoice data to TIMS. This embedded firmware shall be stored into a non-volatile memory and the manufacturer of the EFD must guarantee that it shall not be possible to erase, change or replace the firmware without authorization.

2.1.3 The EFD shall provide secure protection of the data stored into the fiscal memory and shall also make it impossible to erase or change the data stored in the fiscal memory without a controlled and highly secure code.

2.1.4 The EFD shall be rugged and durable to withstand physical impact.

2.1.5 The Fiscal Cash Register shall have the capability to connect and work with the computer or with an external keyboard as input devices.

2.1.5.1 The Manufacturer must provide the necessary software for the functionality stated in

2.1.5

2.1.6 The EFD shall have a real time clock.

2.1.7 The EFD Non-Volatile Memory shall be accessible through a keyboard command, and printed according to various selection criteria.

2.1.8 The EFD shall operate in an environment of temperature, humidity and dust conditions of, -10 to +60 degrees centigrade, 20-80 percent relative humidity and 0-40 grams per cubic meter of dust;

2.1.9 In case power supply is switched off during EFD operation, the operation shall continue automatically from the point where the gadget interrupted once power is restored and it shall indicate a special line POWER FAIL or other intelligible line when the power supply recovers.

2.1.10 If the Fiscal Memory is disconnected, the EFD shall block entry of new transactions and instead shall indicate the status MEMORY DISCONNECTED or other intelligible message and become inoperable. After connection of a fiscal memory EFD shall restore its data to correspond to content of the fiscal memory.

2.1.11 The EFD shall have the capability to integrate with and transmit fiscal data to the existing Tax Information Management System hosted by the Zambia Revenue Authority. In integrating with the TIMS already implemented by ZRA, the EFD will use the interface communication protocols of the ZRA system.

2.1.12 The capacity of the Fiscal memory shall be enough to store at least 5,000 daily fiscal reports. The daily fiscal reports shall have a fixed structure.

2.1.13 The EFD shall have USB, RS 232 ports, or any other available computer communications interface that can facilitate computer or peripheral connections.

2.1.14 The EFD shall have Ethernet, WI-FI, and GSM/GPRS among its network interfaces. It should be able to auto-switch and operate on 2G, 3G and 4G mobile networks and each device shall have dual SIM and auto switchover.

2.1.15 The EFD shall have features to prevent the erasure of records entered into its fiscal memory

2.1.16 When the daily turnover is erased or lost from the EFD memory due to malfunctioning, the EFD shall write in Fiscal Memory (FM) record information for the date, hour and minute of the recovery process. It shall also count this event by increasing a special counter for memory failures. During printing of daily fiscal report the EFD shall indicate “MEMORY FAILURE, COUNTER DDDD, dd, hh, mm”.

2.1.17 The EFD shall include capability to record in its none-volatile memory the following data:

- (i) the date and time of commencing and ceasing the operations in its module;
- (ii) the date shall properly be displayed, calculated and transmitted including, but not restricted to 21st Century date data;
- (iii) the date and time at which a report has been generated

2.1.18 Each record which is stored in the fiscal memory must have a fixed block structure containing a checksum for the block. The checksum guarantees that the data in the block is not changed. Each registration in the fiscal memory is followed by a reading and confirmation that the data has been stored correctly. If a mistake is found in the record, the EFD must block the registration mode.

2.1.19 The EFD shall have capability to:

- (i) store the recorded data in such a manner as to be unintelligible to persons not authorized to access it;
- (ii) protect all information or data that is captured into the electronic fiscal device;
- (iii) print the sales records from its memory;
- (iv) store in fiscal memory, the details of all transactions;
- (v) receive, format, store and print information as entered into it send alerts;
- (vi) transmit and display alert messages from operations resulting from any malpractice, error, or any inconsistent action noticed in the system;
- (vii) to be used for instant recording of sales via electronic journal, instant issuance of fiscal invoices, instant storage of tax information and transmission of transaction data to TIMS;
- (viii) record any errors that occur in the course of users transactions

2.1.20 The EFD shall have the following security and reliability features:

- (i) password that will be uniquely used by users and the facility to change password. The minimum length of the password must be 6 digits which shall be registered on protected memory and not modified;
- (ii) has internal authentic data management;
- (iii) has intrinsic protection against unauthorized actions;
- (iv) has firmware/software upgrades and updates that run independently without disrupting security functions and operation;
- (v) has firmware/software that automatically initiates transmission of invoices and other data once the interrupted communication is restored and clears the backlog.
- (vi) has firmware/software upgrades and updates using small incremental files or compressed files to reduce the size of the file for effective uploads.
- (vii) can automatically save configured data and records on permanent memory;
- (viii) can automatically handle electronic journal memory of all sorts;
- (ix) can transmit all invoice data to and confirmation received from TIMS.

2.1.21 The EFD shall have the following programming capabilities:

- (i) allow programming of taxes;

- (ii) the changes shall be recorded on electronic fiscal memory;
- (iii) allow configuration in the Electronic Fiscal Device via a connected keypad and through a standard personal computer;
- (iv) allow programming of different tax codes;
- (v) allow date format for all reports to be in the form of DD-MM- YYYY:HHMMSS;
- (vi) not reverse the Electronic Fiscal Device dates and time less than last transactional date.

2.1.22 The EFD shall have the following device compliance:

- (i) certified as relevant device for performance of fiscalization functions.
- (ii) A certificate with full annexes of all tests performed on the Electronic Fiscal Device and results thereon submitted to the Commissioner-General for approval;
- (iii) supplied with its manual, software, accessories and all necessary documentations.
- (iv) ZICTA type approved equipment ;
- (v) operate at noise levels no greater than 65 decibels;
- (vi) certified as meeting emission standard; US FCC class B or EN 55022, EN 50082-1, ITU-RR, or the equivalent.

2.1.23 The EFD shall have battery-protected operation to ensure that all transactions are completed if there is a power failure during the processing of a specific transaction. This shall include the protection of time, date, daily totals and the Non-Volatile Memory even when the cash register is switched off. Safety requirements system shall be marked “CE”.

2.1.24 The EFD shall have a charging mechanism that shall be robust with standby rechargeable battery that can allow printing of not less than 1,000 invoices on standby power. The charging port shall be reliable so as to endure frequent recharging.

2.1.25 The EFD shall have a reliable in-built power supply system with an external power adapter with a British standard power plug, to operate on voltage range and frequency range of AC 220v +/- 20v, 50Hz - 60Hz to 6, or +24. And shall also be capable of operating with an external battery in areas without electricity.

2.2 TECHNICAL SPECIFICATIONS SPECIFIC TO THE FCR

2.2.1 When the power supply is interrupted during printing, a special line POWER FAIL or other intelligible line shall be printed when the power supply recovers and the last printed line shall be printed once again.

2.2.2 The FCR shall have a dual Visual Display Unit (VDU) to enable customer and seller to view simultaneously what is being input to the unit.

2.2.3 When the number of the remaining daily fiscal reports in the fiscal memory is equal to or less than 50 Daily Fiscal Reports, the EFD shall print information about the balance of the remaining daily fiscal reports in the fiscal memory. The EFD shall prohibit any further operation when there is no more storage capacity.

2.2.4 The FCRs shall have printer(s) to produce a basic fiscal invoice and journal. The journal roll shall contain a copy of data on invoice which is given to the customer.

2.2.5 The FCR shall come with associated printing equipment that may be integrated or attached. The printing mechanism shall be a robust thermal system that does not print faded invoices. The print width must be 57mm or 80mm.

2.2.6 The FCR shall be able to prohibit the entry of transactions if the invoice and journal printers are disconnected and/or paper is depleted.

2.2.7 The FCR shall have an alphanumeric printing mechanism producing clearly visible and legible characters.

2.2.8 The printing mechanism shall be a robust thermal mechanism that prints clear characters for a minimum period equivalent to the warranty period.

2.2.9 Thermal paper size shall be 57mm or 80mm wide in order that the invoice information shall be well written and clearly legible.

2.2.10 The EFD shall have reasonable screen size that display clearly visible and legible alphanumeric characters.

2.3 TECHNICAL SPECIFICATIONS SPECIFIC TO THE ESD

2.3.1 Network communication shall support http and https.

2.3.2 ESD shall have at least one USB Host Interface and at least two Ethernet interfaces.

2.3.3 Shall support DES/3DES, AES and other encryption algorithms.

2.3.4 Shall support at least 5 point of sale connections per ESD

2.3.5 The license for the devices shall be perpetual

2.3.6 The ESD shall be expected to comply with a detailed specification of TIMS Interface Instructions which will only be availed to the successful applicants.

3 ACCEPTANCE TEST PROCEDURE

The manufacturer and ZRA shall agree a suitable Acceptance Test Procedure for the EFD and related software based on these requirements.

4 DOCUMENTATION

A set of documentation to be used for purposes of operation and maintenance of EFD shall be included together with the equipment.

5 WARRANTY

Unless otherwise stated in this document, the EFD shall carry a minimum of 24 months warranty from date of registration.

LOT 2: REQUIREMENTS FOR ACCREDITATION OF DISTRIBUTORS OF ELECTRONIC FISCAL DEVICES



My Tax, Your Tax, Our Destiny

INDIRECT TAXES & EXCISE DIVISION

ELECTRONIC FISCAL DEVICES PROJECT

LOT 2: REQUIREMENTS FOR ACCREDITATION OF DISTRIBUTORS OF ELECTRONIC FISCAL DEVICES

Glossary

AES	-	Advanced Encryption Standard
APN	-	Access Point Name
DES	-	Data Encryption Standard
EFD	-	Electronic Fiscal Device (This includes Fiscal Printers, Fiscal Cash Registers, Electronic Signature Devices, Electronic Fiscal Pump Printers)
ESD	-	Electronic Signature Device
FCR	-	Fiscal Cash Register
GSM	-	Global System for Mobile communication
MTV	-	Minimum Taxable Value
TIMS	-	Tax Invoice Management System
TPIN	-	Tax Payer Identification Number
UPS	-	Uninterrupted Power Supply
VAT	-	Value Added Tax
ZRA	-	Zambia Revenue Authority

1 INTRODUCTION

The Zambia Revenue Authority has implemented the Tax Invoice Management System that allows fiscal devices or software deployed at the Taxpayer's business premises to capture sales transaction data and transmit that data to the Zambia Revenue Authority. This is in an effort to monitor sales transactions and improve tax compliance among taxpayers. A number of Electronic Fiscal Devices have already been deployed on the system and distributed to selected taxpayers for use. However, there is need to accelerate the deployment of devices to the rest of the taxpayers in a sustainable way and hence more devices need to be accommodated.

The Authority, therefore, invites capable distributors to bid for the accreditation for the supply and support of devices to the taxpayers.

2 SCOPE OF WORKS

The scope of works shall include supply of devices to taxpayers of approved electronic fiscal devices from accredited Manufacturers, supply of quality thermal paper to taxpayers, aspects of device management including registration of devices on TIMS, functional and technical support to taxpayers including stocking of spares and spares replacement.

2.1 Supply of devices to taxpayers

Accredited distributors shall be expected to establish purchase and support partnerships with accredited device manufacturers. They shall be required to buy approved devices from the manufacturer for supply and distribution to taxpayers. The distributor shall buy from the available manufacturer inventory list provided to the authority. Only approved device models whose tax transaction compliance has been tested and accepted according to prescribed specifications shall be allowed for supply and distribution by the distributor.

2.2 Supply of quality thermal paper to taxpayers,

The distributor shall be expected to stock and make available to taxpayers high quality thermal paper which meets prescribed ZRA specifications. The distributor shall sell the paper to the taxpayer at the taxpayer's request. The distributor is expected to establish partnerships with manufacturers and suppliers of high quality paper that guarantees clear lasting prints. However, the taxpayer may purchase high quality paper from an approved source.

2.3 Operations of Devices

The distributor shall be expected to coordinate with ZRA to put a purchased device into operation. They shall carry out the process of device registration and activation in liaison with ZRA on behalf the taxpayer to prepare the device ready for use. All devices not successfully subjected to this process must be inoperable. The process of registration shall include allocating the purchased device in TIMS to the taxpayer who purchased it.

2.4 Technical Support

The distributor as the end supplier of the devices, shall be expected to offer to the taxpayer

both functional and technical support as well as training the taxpayer on the use of the device. Functional support shall include helping the taxpayer on how to use the device to perform various sales transactions functions amongst other tasks. Technical support shall include, among other technical tasks, fixing firmware and hardware problems as well connectivity issues. The distributor shall also offer online status management of the device while it is offline for repair. Before final award of the contract, the distributor shall be required to enter into a supply and second level support agreement with the ZRA Accredited device manufacturer.

3 DISTRIBUTOR ACCREDITATION REQUIREMENTS

Five distributors are required. The prospective distributors:

1. Shall demonstrate the capability to maintain the supply of devices and spares and offer technical support to taxpayers throughout the country,
2. Shall demonstrate capability to provide training on device use to taxpayers throughout the country.
3. Must have a verifiable place of business in Zambia, and provide evidence of existence of local support and repair centers. They must have support and repair centers in all provincial centers.
4. Shall be required to make seals to stick to the devices for the distributor's identity.
5. Shall show resilience in their operational practices by demonstrating contingencies in risk management and business continuity. The applicant will be required to provide documentation of contingencies in place in case of business disruption, insolvency, etc. Are their existing partnerships or collaborations or assurance of continued supply of spares and support for available taxpayers should the business close?
6. Shall include indicative support monthly charges to the taxpayers.
7. Shall demonstrate capability to supply to taxpayers high quality thermal paper with the following, but not limited to these minimum requirements.
 - a) 57mm to 80mm width to match the preferred printer width Print mechanism:
Thermal
 - b) Very low sensitivity to humidity changes
 - c) Lint free paper to reduce paper jams
 - d) White in color
 - e) Six (6) months print warranty

4 CONTRACTUAL OBLIGATIONS

The distributor shall be required to abide by contractual obligations which shall include, but not limited to, the following:

- a. The distributor shall enter into a Five (5) year contract with the Authority that shall include expected service level.
- b. The distributor shall enter into a supply and support contract with the approved manufacturer or manufacturers
- c. They shall purchase approved devices from accredited manufacturers.
- d. They shall supply the approved devices to the taxpayer.
- e. Submit to the Authority details of the EFD purchased
- f. Submit monthly sales report of the EFDs
- g. Meet the minimum sales requirement
- h. Supply high quality paper of 6 months print warranty.
- i. Provide functional and technical support to the taxpayer and ensure smooth operation of devices
- j. Install and configure the EFD according to the Authority's requirements.
- k. Purchase and supply approved device spare parts and accessories
- l. Open up EFD Service Centers in the provincial centers throughout the country
- m. Appoint adequate number of technicians trained by the accredited manufacturer.
- n. Provide an updated list of 24 hour contact persons to the Authority
- o. Ensure fiscalisation of the device is completed within five working days from the day of registration.
- p. Train users on the use and administration of the devices. For this purpose, taxpayers shall be trained on designated training devices.
- q. Make seals and sealing material and emboss on the seal the distributors identity at their cost
- r. Communicate desired firmware modifications for approval to the Authority.
- s. Adhere to all legal requirements for facilitating the operation of the EFD,
- t. Guarantee not to interfere with the content of the fiscal memory.
- u. Provide identity cards for the trained technicians commissioned to work on the EFDs
- v. Notify the Authority of the Cessation of employment for any of the commissioned technicians.



My Tax, Your Tax, Our Destiny

INDIRECT TAXES & EXCISE DIVISION
ELECTRONIC FISCAL DEVICES PROJECT

LOT 3: ACCREDITATION OF SOFTWARE VENDORS FOR THE SUPPLY OF SOFTWARE INTERFACING SOLUTIONS FOR FISCALISATION OF THE TAXPAYERS' INVOICING AND/OR POINT OF SALE SYSTEMS.

Glossary

AES	-	Advanced Encryption Standard
APN	-	Access Point Name
DES	-	Data Encryption Standard
EFD	-	Electronic Fiscal Device
ESD	-	Electronic Signature Device
FCR	-	Fiscal Cash Register
GSM	-	Global System for Mobile communication
MTV	-	Minimum Taxable Value
TIMS	-	Tax Invoice Management System
TPIN	-	Tax Payer Identification Number
UPS	-	Uninterrupted Power Supply
VAT	-	Value Added Tax
ZRA	-	Zambia Revenue Authority

1 INTRODUCTION

The Zambia Revenue Authority has implemented the Tax Invoice Management System that receives sales invoices from fiscal devices or fiscal software deployed at the Taxpayer's business premises to capture sales transactions and transmit them to the Zambia Revenue Authority. This is in an effort to monitor transactions online and improve tax compliance among Taxpayers. A few Points of Sale and Virtual Electronic Fiscal Device systems have already been deployed for a limited number of Taxpayers. However, there is need to accelerate the deployment to the rest of the Tax Payers in a sustainable way.

Hence more fiscal software deployment is required in order to expand the coverage. The Authority, therefore, invites capable Software Vendors to bid for accreditation for the supply of software interfacing solutions for fiscalisation of the taxpayers' Invoicing and/or point of sale systems.

This is at a cost to the taxpayer fiscalising.

2 SCOPE OF WORKS

To supply to taxpayers a software system that interfaces the taxpayer's invoicing or point of sale system to the Zambia Revenue Authority's Tax Invoice Management System (TIMS).

2.1 Development of an interface

The software vendor shall be required to develop an interface that connects to the Invoicing or Point of Sale System (POS) of the taxpayer. The interface shall be required to be compatible with TIMS and able to successfully transmit transaction invoices and receive configuration information.

2.2 Technical support and maintenance

The software vendor shall provide technical support to the taxpayer to ensure the interface is functioning well. Software updates and upgrades shall be provided by the software vendor. The updates or upgrades shall be tested with the Authority before rolling out to production using the test platform provided by the Authority. The vendor shall be required to enter into a contract for the development and support of the interface with the taxpayer.

3 VENDOR ACCREDITATION REQUIREMENTS

The prospective Vendor,

1. Shall provide an interface solution that shall meet the specifications prescribed in Appendix B below and shall be required to pass user acceptance tests.
2. Shall demonstrate capability to provide affordable and reliable software update and upgrade service to their client.

3. Shall provide verifiable evidence of qualified personnel to offer technical support to taxpayers, preferably local staff.
4. Must have a verifiable place of business in Zambia;
5. Shall show resilience in their operational practices by demonstrating contingencies in risk management and business continuity. The prospective vendor will be required to provide documentation of contingences in place in case of business disruption, insolvency, etc. Are their existing partnerships or collaborations or assurance of continued business?

4 CONTRACTUAL OBLIGATIONS

The software vendor shall be required to abide by contractual obligations which shall include, but not limited to, the following:

- a. The vendor shall enter into a five (5) year contract with the Authority that shall include expected service level.
- b. The vendor shall enter into a development and support contract with the taxpayer
- c. The vendor shall connect their System to ZRA's Tax Invoice Management System using the Electronic Signature Device or Virtual Electronic Fiscal Device (VEFD), in accordance with the provisions of the ZRA ESD and V-EFD Instruction documents.
- d. The interface is also required to meet highlevel specifications prescribed in Appendix A.
- e. In the case of the V-EFD the System Vendor shall ensure internet connectivity availability on their end.
- f. The Software vendor shall ensure all updates to the system are realized within five working days of the update by ZRA.
- g. The System Vendor/ Taxpayer shall ensure all invoice details are transmitted to TIMs real-time save in circumstances where connectivity between the ESD/V-EFD and TIMS is disrupted in which case the taxpayer's system will use the allowed offline invoices. Where the connection between the ESD and the invoicing system is disrupted, no invoices shall be issued.
- h. The vendor shall ensure no invoice information is lost, delayed or deleted from the system. They shall be, in the event of any such situation occurring, be liable for the loss of revenue.
- i. The vendor and their client shall be responsible for the cost of any upgrades or enhancement of its system.
- j. The System vendor shall inform ZRA of problems that may be encountered from time to time with the system within forty-eight hours of occurrence by calling the EFD Help Line on +26097301347, or email efdhelp@zra.org.zm

- k. The vendor shall not levy any charges or fees on ZRA in respect of any costs for integrating with TIMS.

**APPENDIX B - TIMS SOFTWARE INTERFACE
SPECIFICATIONS FOR V-EFD AND POINT OF SALE
SOFTWARE**

INTERFACE SPECIFICATIONS

5 HIGHLEVEL FUNCTIONAL REQUIREMENTS

- 5.1 The Software Interface system shall interface with ZRA in such a manner that it is compatible and capable of transmitting all transaction data and other relevant data to TIMS. Detailed communications protocol information shall be provided for this purpose.
- 5.2 The data interaction between the Software Interface and TIMS shall include Software Interface initialization, information modification, invoice application, invoice upload, invoice return, invoice query, etc.
- 5.3 The Software Interface must be registered in ZRA TIMS. The registration is such that the Interface initiates the process to the TIMS.
- 5.4 The Interface shall be put into operation only after the following information is programmed:-
 - (i) TPIN of the taxpayer, name and address of business. The TPIN field shall be configurable. The name and address shall also be amendable.
 - (ii) Tax Types which are applicable.
 - (iii) A tax rate percentage
 - (iv) A tax category where A is standard rated, B is Minimum Taxable Values, C1 is export, C2 is supplies to privileged persons, C3 is zero rated and D is exempted supplies
 - (v) Terminal Identification number of the Interface (the characters in the number shall be for identification of supplier/importer and software developer).
 - (vi) Registration code allocated by ZRA after registration
 - (vii) Date, hour and minutes when the Interface was put into operation.
- 5.5 It shall also be impossible to change the above information during the operation mode.
- 5.6 The Interface shall make it possible to configure various types such as VAT, Excise, Insurance Levy, Insurance Premium Levy, Turnover Tax and any other taxes that maybe introduced. In the case of VAT tax categories, A, B, C1, C2, C3 and D.
- 5.7 The Interface shall apply for invoices from TIMS initially and automatically when the remaining invoices are insufficient and shall return invoices to EFD system when the taxpayer is no longer required to use them.

- 5.8 The Interface shall calculate taxable value based on the tax types and categories for goods and service and the tax rates.
- 5.9 The Software Interface shall upload the issued invoices to TIMS in real time through the network.
- 5.10 The Software Interface shall be able to issue an invoice for each transaction both online and offline, and it shall encrypt invoice data.
- 5.11 The Interface must ensure all invoice details are transmitted to TIMS real-time save in circumstances where connectivity between the Software Interface and TIMS is disrupted in which case the client/taxpayer's system will use the allowed offline invoices. This refers to issuing invoices to taxpayers from the pool held by the interface. This will be possible because of the stock of invoices the interface will be expected to keep and use at any time whether there is connectivity or not

Where the connection between the Interface and TIMS is disrupted, no invoices shall be requested. This refers to the interface requesting invoices from TIMS when the available stock is depleted and there is no internet connection. TIMS will not be available to issue invoices to the interface.

- 5.12 The fiscal invoices generated by the Software Interface shall have the following contents:
- (viii) the name and physical address of the user of the registered Terminal;
 - (ix) Taxpayer Identification Number (TPIN) of the user of the registered Terminal;
 - (x) name and physical address of the purchaser for business to business and business to government transaction;
 - (xi) Taxpayer Identification Number (TPIN) of the purchaser for business to business and business to government transactions;
 - (xii) the terminal identification number of the Terminal;
 - (xiii) the name, quantity, unit tax inclusive price, item description, tax rate chargeable and the value of the recorded sale of goods or services;
 - (xiv) the tax amount payable;
 - (xv) discounts, amount tendered and partial cancellation;
 - (xvi) the system date and time of issue of the invoice;
 - (xvii) the total amount payable, tax inclusive;
 - (xviii) sequential ZRA tax invoice numbers; and
 - (xix) Invoice code
 - (xx) Fiscal code
 - (xxi) the QR code.
 - (xxii) the tax logo as specified by the Commissioner General in form of a hologram.

- 5.13 The Software Interface shall display the details of the invoice range in use currently. The information will involve the current E-invoice number, Start number and end number of invoice range
- 5.14 The Software Interface shall be capable of issuing a credit note: if buyers want to return goods or services, and a new invoice shall be issued.
- 5.15 The Software Interface shall be capable of issuing a debit note: if the amount of the invoice is less than the actual transaction amount. The new invoice shall be less than the transaction amount.
- 5.16 The Interface must ensure no invoice information is lost, delayed or deleted from the system.
- 5.17 The Software Interface shall generate “X” and “Z” transaction reports, even where no daily transaction has taken place and the daily running totals in the working memory give zero. The information to be contained in the reports shall be as follows;
- (i) business name or trading name and physical address of the business;
 - (ii) the calendar day the report covers;
 - (iii) tax categories of goods or services in respect of VAT;
 - (iv) Taxpayer Identification Number (TPIN);
 - (v) tax office where the taxpayer belongs;
 - (vi) heading “Z” (daily transactions cut-off) report in the case of “Z” report;
 - (vii) heading “X” (current transactions) report in the case of “X” report;”
 - (viii) the serial number of the Z report;
 - (ix) the terminal identification number of the Terminal;
 - (x) the time and date the report was generated;
 - (xi) the daily totals in the case of “Z” “report and cumulative totals in the case of “X” report by tax categories and payment type;
 - (xii) the number of revenue invoices generated.
- 5.18 More functional and detailed specifications shall be provided during User Acceptance Testing (UAT).

6 HIGHLEVEL TECHNICAL REQUIREMENTS

- 6.1 All the data is encapsulated in the prescribed format such as JSON. The Software Interface shall package data in the prescribed format such as JSON.
- 6.2 An initialization process shall be performed on the Software Interface firstly to obtain the tax information via internet connection using the HTTPS protocol. The Software Interface shall apply for registration on TIMS before issuing invoices. During the Software Interface registration process, each Software Interface will be allocated a unique terminal ID and a registration code for initialization.
- 6.3 The initialization process shall be used for setting in the Interface, TPIN, tax account name, tax rates and monitoring information and Software Interface gets a unique terminal ID and an RSA private key from TIMS through a registration code then the Software Interface shall capture tax information of taxpayer from TIMS by unique terminal ID and write it locally.
- 6.4 The business data will be encrypted by DES with a random DES key which is composed of 8 bytes. The encryption mode is ECB, and the filling mode is ZeroBytePadding.
- 6.5 The Interface shall be the source of date and time for issuing invoices and shall keep clock in sync. If internet connection is available, Software Interface should sync time with TIMS at interval of 8 hours.
- 6.6 The fiscal code created and printed at the end of the invoice shall be generated using seven elements by a particular algorithm. These elements are invoicing time, invoice number, invoice code, TPIN, total amount, terminal ID and private key.
- 6.7 The invoice number shall be a unique E-invoice number composed of a number and a code. Invoice code is a combination of town number, year, batch number, and tax type.
- 6.8 The invoice number is a serial number increasing from start number to end number in an invoice range. The Software Interface shall apply invoice range from TIMS automatically and save them locally. When the remaining quantity of invoices is less than 20% (can be configured in TIMS), Software Interface will apply for invoice range automatically from TIMS.
- 6.9 Software Interface shall upload the invoices to TIMS immediately after they are issued. If the Software Interface is offline, invoice data will be saved locally. The saved data will be uploaded to TIMS when the Software Interface is online.
- 6.10 In order to upload invoice in real time, it is required to establish a communication link between Software Interface and TIMS, so network configuration shall be needed for the communication.

- 6.11 TIMS provides a server IP and Port(s) for purposes of communications over the internet, this shall be set first in the Software Interface before communication with TIMS is established.
- 6.12 **More and** detailed technical specifications shall be provided during User Acceptance Testing (UAT).