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RFQ Number	FBD-RFQ-26001
Request for Quotation Date	30 September 2026
RFQ Closing Date	05 October 2026
RFQ Closing Time	14H00
Compulsory Site Briefing	N/A
Contact Person	Thulile Sokhela
Quotation Validity	90 Days from the closing date
Submission Details	RFQ responses must be sent to: Thulile Sokhela email: Thulile.sokhela@ntp.co.za
RFQ Description	Request for Quotation (RFQ) for the supply of Specialist taxation advisory services

Dear Service Provider

Kindly provide a quotation for goods and or services as outlined in section 2 of this document.

1. Introduction

The South African Nuclear Energy Corporation Limited (Necsa) is a state-owned public company (SOC), registered in terms of the Companies Act, (Act No. 61 of 1973), registration number 2000/003735/06.

The Necsa Group engages in commercial business mainly through its wholly-owned commercial subsidiaries: NTP Radioisotopes SOC Ltd (NTP), which is responsible for a range of radiation-based products and services for healthcare, life sciences and industry, and Pelchem SOC Ltd (Pelchem), which supplies fluorine and fluorine-based products. Both subsidiaries, together with their subsidiaries, supply local and global markets, earning valuable foreign exchange for South Africa and are among the best in their field in their respective world markets.

Necsa's safety, health, environment and quality policies provides for top management commitment to compliance with regulatory requirements of ISO 14001, OHSAS 18001 and RD 0034 (Quality and Safety Management Requirements for Nuclear Installations), ISO 9001 and ISO 17025.

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Necsa promotes the science, technology and engineering expertise of South Africa and improves the public understanding of these through regular communications at various forums and outreach programmes to the community. We are a proudly South African company continuously striving, and succeeding in many respects, to be at the edge of science, technology and engineering related to the safe use of nuclear knowledge to improve our world. For more information on Necsa, please visit: www.necsa.co.za

2. Scope of Work

Specialist taxation advisory services in respect of the proposed de-corporatisation of Pelchem SOC Limited and the incorporation of its business into the South African Nuclear Energy Corporation SOC Limited

This document sets out the scope of work for the appointment of a suitably qualified and experienced service provider to advise Necsa and Pelchem on the taxation consequences of the proposed de-corporatisation of Pelchem SOC Limited and the incorporation of the Pelchem business into Necsa.

The proposed transaction is a material restructuring of a Schedule 2 public entity. The advice sought is not routine compliance work. Necsa requires reasoned technical opinions on which the Necsa Board, the Pelchem Board, the Executive Authority, National Treasury and the Auditor-General of South Africa can rely, supported by quantified financial consequences and a practical implementation plan related to tax legislation.

2.1. Background to the transaction

NECSA

Necsa is incorporated in terms of the Companies Act 71 of 2008 and is established under the Nuclear Energy Act 46 of 1999. It is listed as a major public entity in Schedule 2 to the Public Finance Management Act 1 of 1999 and reports to the Department of Electricity and Energy as its executive authority.

Necsa is registered as a vendor for value-added tax purposes and is exempt from income tax.

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PELCHEM

Pelchem is incorporated in terms of the Companies Act 71 of 2008, is listed in Schedule 2 to the Public Finance Management Act and is a wholly owned subsidiary of Necsa. Pelchem is a manufacturer and supplier of commodity and speciality fluorochemicals, including hydrogen fluoride, hydrofluoric acid, fluoride salts, fluorine gas, fluorine gas mixtures and xenon difluoride, and it provides a surface fluorination service based on patented processes. It sells into both the South African and international markets.

Pelchem is registered for both income tax and value-added tax.

Pelchem has two dormant subsidiaries, of which Limited Electronics South Africa SOC Limited (in process of deregistration once all taxation matters are concluded) and Ketlaphela Pharmaceuticals SOC Limited (in process of being transferred to NTP Radioisotopes SOC Limited).

THE PROPOSED TRANSACTION

A decision has been taken to de-corporatise Pelchem and to incorporate the Pelchem business back into Necsa. The current working assumption is that the transaction will be implemented in terms of sections 112 and 115 of the Companies Act, with Pelchem disposing of the whole of its undertaking to Necsa and thereafter being wound up or deregistered.

That working assumption is not a constraint on the advice. The service provider is required to test whether the proposed mechanism produces the most efficient outcome for the Necsa Group in terms of tax legislation, and to advise on alternatives, including an amalgamation or merger under section 113 of the Companies Act, a phased transfer of the business, or the retention of Pelchem as a dormant entity for a defined period. Where an alternative produces a materially better outcome, the service provider must say so and quantify the difference.

Legal advice on the corporate law and public finance law mechanics is being procured separately. The appointed service provider is nonetheless required to work with Necsa legal advisers so that the tax advice is consistent with the legal mechanism ultimately adopted, and so that the tax consequences of each proposed mechanism are understood before the mechanism is selected.

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WHY THE ADVICE IS REQUIRED

Three features of the transaction make specialist advice necessary.

First, the transferee is exempt from income tax while the transferor is not, which affects the availability of the corporate rules and the survival of tax attributes.

Second, Pelchem is in a substantial net liability position and the greater part of its liabilities are owed to its own shareholder, which raises debt reduction, solvency and liquidity questions that must be sequenced correctly.

Third, the transaction is a business combination between entities under common control, for which IFRS Accounting Standards contain no directly applicable standard, so an accounting policy must be developed and defended.

2.2. Detailed scope of work

2.2.1. Transaction structuring and options analysis

The service provider must, before opining on consequences, establish and document the transaction alternatives and their comparative outcomes related to tax legislation.

Document the current tax position of both entities, including the group structure, the intragroup balances and flows, the registrations held by each entity with the South African Revenue Service.

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Identify the credible implementation mechanisms related to tax legislation, including at a minimum a disposal of the whole of the undertaking under section 112 of the Companies Act, an amalgamation or merger under section 113 of the Companies Act, and a phased transfer of assets, liabilities, contracts and employees.

- For each mechanism, prepare a comparative analysis of the tax cost, the tax attributes preserved or forfeited, the implementation complexity and the execution risk.
- Advise on the sequencing of the steps, including whether the intra-group indebtedness should be capitalised, waived, set off or left to be extinguished by merger, and whether any step should precede or follow the transfer of the business.
- Advise on the appropriate transaction effective date related to tax, having regard to the financial year end of 31 March and to the reporting obligations of both entities.

2.2.2. Income tax and capital gains tax

The service provider must provide a written opinion addressing at least the following.

STATUS OF THE PARTIES

- Confirm and document the statutory basis of the income tax exemption enjoyed by Necsa, the conditions attaching to it and the categories of income to which it applies.
- Assess whether the conduct by Necsa of the Pelchem trading and manufacturing business, including export sales, is within the scope of that exemption or whether it gives rise to taxable income, a partial loss of exemption or a registration obligation.
- Advise whether a binding private ruling or other engagement with the South African Revenue Service should be sought on the exemption question before implementation, and if so draft the application.
- Confirm the income tax status of Pelchem up to the transaction date, including any year of assessment created by the transaction and the final return obligations.

AVAILABILITY OF ROLLOVER RELIEF

- Analyse the availability of the corporate rules in sections 41 to 47 of the Income Tax Act, addressing in particular the intra-group transaction provisions, the amalgamation transaction provisions and the liquidation distribution provisions, and the exclusions applicable where a party is exempt from tax or is not liable for tax on the assets received.

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- Where relief is available in part, identify which assets and which steps qualify and which do not.
- Model the outcome both with and without rollover relief so that the cost of any loss of relief is visible to the Board.

DISPOSAL CONSEQUENCES

- Determine the income tax and capital gains tax consequences of the disposal of each class of asset, including trading stock and the deemed disposal of trading stock otherwise than in the ordinary course of trade, allowance assets and the resulting recoupments or scrapping allowances, capital assets and the resulting capital gains or losses, the listed equity investment, and the intangible assets comprising patents, trademarks and other rights and computer software.
- Address the consequences of a change in the use of assets from a taxable to an exempt purpose, including any deemed disposal at market value.
- Advise on the market value that must be attributed to the assets transferred, on whether an independent valuation is required, and on the consequences of a transfer at less than market value between connected persons, including donations tax and the value shifting and connected person provisions of the Eighth Schedule.
- Quantify the aggregate income tax and capital gains tax arising, taking into account the assessed loss and the restriction on the utilisation of assessed losses against taxable income.

TAX ATTRIBUTES

- Confirm the treatment of the assessed loss carried forward, of any assessed capital loss and of the balance of section 24C or similar allowances, and confirm that no successor relief is available to Necsa.
- Quantify the value of future deductions that will be permanently lost because the obligations to which they relate will be settled by an exempt entity, including the decommissioning and decontamination provision, the post-retirement medical aid obligation, the long service award obligation and accrued employee benefits.
- Advise whether the recognised deferred tax asset of R25 292 992 must be derecognised and in which period.

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- Advise on any alternative that would allow value to be extracted from the tax attributes before the transaction, and confirm whether any such alternative would be impermissible tax avoidance.

DEBT AND FUNDING

- Analyse the consequences of the extinguishment of the intra-group indebtedness under the debt reduction provisions of section 19 of the Income Tax Act and paragraph 12A of the Eighth Schedule, addressing the meaning of a concession or compromise, the calculation of the debt benefit, the order in which the debt benefit is applied against the balance of expenditure and the assessed loss, and the exclusions available.
- Compare the outcome of extinguishment by operation of law on merger with the outcome of a formal waiver, a set-off, a subscription for shares and a capitalisation, and recommend the route to be taken.

DISTRIBUTIONS AND ANTI-AVOIDANCE

Advise whether any step constitutes a dividend or a return of contributed tax capital, quantify the contributed tax capital of Pelchem, and confirm the dividends tax position including the exemptions applicable to a company as beneficial owner.

Assess the transaction against the general anti-avoidance rules and confirm whether the transaction or any step is a reportable arrangement under the Tax Administration Act.

- Confirm whether the opinion issued will meet the requirements for reliance as an opinion for purposes of the understatement penalty provisions of the Tax Administration Act, and issue it on that basis where possible.

2.2.3. Value-added tax

The service provider must provide a written opinion addressing at least the following.

- Determine whether the transfer of the enterprise is a supply, and if so its value, the time of supply and the party liable to account for output tax.
- Assess whether the transfer qualifies as a deemed non-supply on the basis that it is made under the corporate rules between registered vendors, having regard to the conclusion reached under Part B on the availability of those rules.

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- Assess in the alternative whether the transfer qualifies for zero-rating as the supply of an enterprise as a going concern, addressing each requirement including the written agreement, the status of both parties as registered vendors, the requirement that the enterprise be an income earning activity at the time of transfer notwithstanding that it is loss-making, the transfer of the assets necessary for carrying on the enterprise, and the treatment of assumed liabilities in determining the consideration.
- Quantify the output tax that would arise on the deemed supply of assets on the cancellation of the Pelchem value-added tax registration if neither of the above applies, and identify the value on which that output tax would be calculated.
- Quantify the exposure arising from the provisions requiring an output tax adjustment where a vendor has claimed input tax on a supply and has not paid the consideration within twelve months, having regard to intergroup balances. Advise whether any exception applies as between connected persons or entities operating under a common arrangement, whether the exposure has already crystallised in prior periods, and what corrective action is required.
- Advise on the corresponding position in Necsa, including any adjustment available in respect of amounts not recovered from Pelchem.
- Assess the effect of the transaction on the input tax apportionment position of Necsa, including whether the absorption of a wholly taxable enterprise alters the apportionment ratio, whether the existing apportionment method remains appropriate, whether a ruling is required in respect of an alternative method and what change in use adjustments arise on either side.
- Advise on the practical transition, including the final value-added tax return of Pelchem, the notification and cancellation of the registration, the issue of tax invoices and credit and debit notes across the transition date, the treatment of contracts novated to Necsa, the need for any separate branch or division registration and the recoverability of input tax on transaction costs.

2.2.4. Other taxes, duties and levies

- Any other tax, duty, levy or charge to which either entity is or may become subject as a consequence of the transaction, including municipal charges and environmental levies.

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2.2.5. Tax compliance, SARS engagement and deregistration

- Prepare a complete inventory of the tax registrations, accounts, licences and permits held by Pelchem, and specify for each whether it is to be transferred, cancelled or replaced, by whom and by when.
- Specify the returns, reconciliations and notifications required for each tax type up to and including the final period, and the dates on which each falls due.
- Advise on the tax compliance status of both entities and on any steps required to regularise the position before implementation, including any voluntary disclosure that may be appropriate.
- Advise on the treatment of any assessment, objection, appeal, audit, verification or dispute in progress, and on the party that assumes conduct of it after the transaction.
- Advise on the treatment of any tax debt, penalty or interest outstanding at the transaction date and on the extent to which liability transfers to Necsa, including under the provisions of the Tax Administration Act dealing with the transfer of an asset by a taxpayer to a connected person and the liability of transferees.
- Prepare and, on instruction, submit any application for a binding private ruling or binding class ruling recommended, and manage the engagement with the South African Revenue Service including the preparation of submissions and attendance at meetings.
- Prepare the deregistration file for Pelchem for each tax type and confirm the sequence in which deregistration must occur relative to the corporate law steps.

2.2.6. Implementation support and knowledge transfer

- Prepare an implementation roadmap covering all tax actions with responsible parties, dependencies and dates, aligned to the legal implementation plan.
- Prepare a compliance calendar for the transition period and for the twelve months following implementation.
- Support Necsa in engagements with National Treasury, the executive authority and the Auditor-General of South Africa on the tax treatment, including the preparation of written

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• responses to audit queries during the audit of the year in which the transaction is implemented.

Provide a defined allocation of hours for query resolution and for support during implementation and during the subsequent audit, to be priced separately in the pricing schedule.

Conduct knowledge transfer sessions with the finance, tax, payroll and human resources teams of both entities, and hand over all working papers, models and templates in editable format.

Deliverables

The response must include an explicit confirmation of independence from the Necsa Group.

Phase 1 and Phase 2 must be separately costed.

Phase 1 and Phase 2 will be awarded separately.

Phase 1:

Detail opinion required as per paragraph 2.2.1 to 2.2.4

The initial report detailing the tax impact of the transaction will be required within two weeks of finalizing the engagement.

This phase must be separately costed

Phase 2:

Implementation as per paragraph 2.2.5 and 2.2.6

Timeline requirements related to implementation activities will be determined once the impact of the transaction has been assessed and all approvals for implementation obtained.

This phase must be separate costed

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3. Pricing

- All price quoted to include all applicable taxes.
 - Price must be fixed and firm
 - Price should include additional cost elements such as freight, insurance until acceptance, duty where applicable, disbursements etc.
 - Quotation must be completed in full, incomplete quote could result in a quote being disqualified.
 - Payment will be according to Necsa's General Conditions of Purchase.
- ☐ **Advance payment are strictly prohibited on this RFQ**

4. Evaluation

4.1. Phase 1 – Functionality Evaluation/ Technical Evaluation

Where functional or technical evaluation criterion is applicable, assessment will be performed in terms of the criterion listed below and the criterion may include Technical, Performance, Quality and Risk. If the Bidder's response to the Technical templates does not indicate that the Bidder can support an acceptable technical solution, the Bidder's response will be rejected and not evaluated further.

Together the Technical, Performance & Quality and Risk criteria make up the functionality criterion and a Bidder's Proposal will be evaluated for functionality out of a possible 100 points. Only RFQ responses achieving an evaluation score of greater than the set threshold points out of the possible 100 points and which score a number of points for functionality that is greater than or equal to the set threshold points of the number of points achieved by the highest scoring Bid for functionality will be selected to progress to the second stage.

FUNCTIONAL CRITERIA		Allocated Score
(i)	Compliance to scope work and delivery time • 60 – within 2 weeks • 40 – within 3 weeks • 20 – within 4 weeks • 0 – more than 4 weeks	60

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(ii)	Demonstrated experience in similar transactions 40 Detailed CV above 5 years' experience 20 Detailed CV with 3 to 5 years' experience 0 Less than 3 years' experience	40
Total Allocated Score		100
Minimum qualifying threshold		80

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4.2. Phase 2- Evaluation In Terms Of Preferential Procurement Policy Framework Act, 2022

This bid will be evaluated and adjudicated according to the 80/20 point system, in terms of which a maximum of 80 points will be awarded for price and 20 points will be allocated based on the specific goals (B-BBEE status level).

	POINTS
PRICE	80
SPECIFIC GOALS (B-BBEE status level)	20
Total points for Price and SPECIFIC GOALS	100

Preferential Goal B-BBEE Status level contributor

B-BBEE Status Level of Contributor	Number of Points (80/20 system)
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

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5. Required Documentation

- Tax Clearance Certificate (Tax pin issued by SARS)
 - Declaration of interest (SBD 4)
 - BEE Certificate / Applicable Affidavit if classified as EME
 - Letter of Good Standing (COID) only if Applicable due to the nature of work required ▪
- Any other document or certification that might have been requested on this RFQ

6. Important

- 6.1. Quotation must be submitted on or before the RFQ closing date and time stated above.
- 6.2. Orders above R 30 000 will be evaluated according to the PPPFA 80/20-point system and a functionality scorecard where applicable and the ones above R 1 Million will be subjected to the tender process.
- 6.3. This RFQ is subjected to the Necsa's General Conditions of Purchase, Preferential Procurement Policy Framework Act 2000 and the Preferential Procurement Regulations, 2022, the General Conditions of Contract (GCC) and, if applicable, any other legislation or special conditions of contract
- 6.4. Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for specific goals are not claimed.
- 6.5. The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to specific goals, in any manner required by the purchaser.
- 6.6. For a Bidder to obtain clarity on any matter arising from or referred to in this document, please refer queries, in writing, to the contact details provided above. Under no circumstances may any other employee within Necsa be approached for any information. Any such action might result in a disqualification of a response submitted in competition to this RFQ.
- 6.7. No goods and/or services should be delivered to Necsa without an official Necsa Purchase order.
- 6.8. Necsa reserves the right to; cancel or reject any quote and not to award the RFQ to the lowest Bidder or award parts of the RFQ to different Bidders, or not to award the RFQ at all.
- 6.9. The supplier shall under no circumstances offer, promise or make any gift, payment, loan, reward, inducement, benefit or other advantage, which may be construed as being made to solicit any favour, to any Necsa employee or its representatives. Such an act shall constitute a material

breach of the Agreement and the Necsa shall be entitled to terminate the Agreement forthwith, without prejudice to any of its rights

- 6.10. By responding to this request, it shall be construed that: the bidder, hereby acknowledge to be fully conversant with the details and conditions set out in the Necsa's General Conditions of Purchase, Preferential Procurement Policy Framework Act 2000 and the Preferential Procurement Regulations, 2022, the General Conditions of Contract (GCC), Technical Information and Specifications attached, and hereby agree to supply, render services or perform works in accordance therewith