

KNOWLEDGE CENTRE

Eligibility Requirements

ER:3

Relevant Facts or Questions Asked

- I. A Procuring Entity (PE) sought clarification on the threshold for the Tax Compliance requirement where the Single-source Procurement Method (formerly known as the Direct Contracting Procurement Method) is deployed;
- II. The PE points out that the threshold under which the direct contracting is deployed is \$500,000 and below; and highlights Section 1.3.3 of Volume 2 of the Handbook of Public Procurement Procedures which states:

“For those contracts with a value of up to \$500,000.00, a Tax Compliance Certificate is not required. However, contractors shall provide the Procuring Entity with a Taxpayer Registration Number (TRN)”
- III. Further, the PE makes reference to Circular no. 3 dated January 17, 2016 and titled ‘Amendments to the process of Tax Compliance Certification - Procurement Guidelines’, which reiterated that the tax compliance is a requirement for procurement contracts above the direct contracting procurement threshold;
- IV. Also, the procuring entity highlights Circular no. 27 dated September 28, 2016 and titled ‘Increased Procurement Contract Approval Limits and Procurement Method Thresholds’, which lay out the increased thresholds for procurement;
- V. The PE points out that the Public Procurement Act, 2015 (“the Act”) and the Public Procurement Regulations, 2018 (Regulations) reinforces the threshold values laid out in Circular no. 27, but same are silent on the matter of tax compliance;
- VI. Hence, the PE was of the view that the increased thresholds for the procurement methods applies to the thresholds laid out for tax compliance in Circular no. 3;

VII. The PE made reference to consultations with the Tax Administration of Jamaica (TAJ) where guidance was sought in relation to threshold value at which tax compliance is required. The PE was informed that tax compliance is required for procurements above the single-source procurement method threshold of \$500,000.

VIII. Thus, guidance is being sought as it relates to the threshold value at which tax compliance is required.

Advice

1. It is recognised that the existing legislation, upon literal interpretation, requires demonstration of tax compliance for procurement contracts estimated above the *competition thresholds for a single-source procurement*, please see Regulation 17 of The Public Procurement Regulations, 2018 (as amended) (“Regulations”). The relevant competition thresholds for each level of competition and procurement methods are outlined in The Public Procurement (Competition Thresholds) Order, 2025.
2. The PE should note that the thresholds/values outlined in The Public Procurement (Competition Thresholds) Order, 2025 replaced those values contained in the previous Circulars, the Government of Jamaica Handbook for Public Sector Procurement Procedures and the First Schedule of the Public Procurement Regulations 2018.

-End-