



The Public Procurement Act is Here

What SMMEs Need to Know

March 30, 2026

The wait is finally over. President Cyril Ramaphosa has officially signed the **Public Procurement Act (PPA)** into law, marking the most significant shift in South African state contracting in decades. For small and medium enterprises (SMMEs), this isn't just another piece of legislation—it is a roadmap for how you will do business with the state moving forward.

The new Act replaces the fragmented system of the past with a single, unified framework. Its primary goal is to eliminate the "compliance fatigue" caused by varying rules across different departments. For **Black-owned enterprises** and women-led businesses, the PPA formalizes "set-asides"—meaning specific categories of tenders are now legally reserved for designated groups to drive genuine transformation.

However, with increased opportunity comes increased scrutiny. The Act introduces a centralized **Public Procurement Office (PPO)** and a national debarment system. If a company is found guilty of "fronting" or failing to deliver on a contract, they won't just lose one job—they can be barred from bidding across the entire government for years.



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