

FUNDING AND INCENTIVES AVAILABLE FOR SMME'S IN RESPONSE TO COVID-19 CRISIS			
Institution	Description	Gaps identified by TAT	Contact Details
Sefa Debt Restructuring Facility	The Sefa-Debt Restructuring Facility is geared towards sefa-funded SMMEs that are negatively affected by the pandemic. A payment moratorium/ holiday will be given to the qualifying SMMEs for a period of a maximum of 6 months, in efforts to reduce the instalment burden of loan obligations on the affected SMMEs. These SMMEs will be required to illustrate the direct linkage of their business distress to the Covid-19 pandemic.	Only for existing sefa clients	Contact www.sefa.org.za
DSBD (R1bn available)	<p>The Business Growth and Resilience Facility is targeted at SMMEs who locally manufacture or supply hygiene and medical products that are in demand in order to curb and manage the spread of the COVID-19 virus. These are products such as sanitizers, detergents and tissue paper. This facility will offer working capital, stock, bridging finance, order finance and equipment finance. The funding amount will be based on the funding needs of the actual business.</p> <p>The SMME Relief Finance Facility will provide soft-loan funding for existing businesses in distress due to the COVID-19 pandemic. The relief will be for a period of 6 months, from 01 April 2020. In an instance where SMMEs will require assistance for longer than 6 months, the term may be extended dependent on their needs. Separate and tailor-made Facilities are being finalized for the Informal Sector, Spaza Shops and the Self-Employed. These will be announced on Friday, 27 March 2020.</p> <p>Qualifying criteria:</p> <ul style="list-style-type: none"> • entities must be 100% South African owned, • 70% of their employees must be South African, and 	<p>Only targets SMMEs suppliers of medical consumables and products and are related to the Covid-19 pandemic. Further information is required to identify other gaps.</p> <p>No details on pricing and clarity required on sectors that qualify for funding, is it only sefa specific sectors? SMMEs that are not registered with SARS do not qualify excluding a large number of SMMEs. SMMEs that are registered with SARS but are not compliant and cannot afford to comply are also excluded. Not clear if the DSBD will assist the latter (i.e. its structuring payments to SARS)</p>	<p>All the queries relating to funding and associated criteria must be directed to the call centre/hotline. The number is 0860 663 7867. The SMMEs should register on www.smmesa.gov.za and submit registration number and supporting documentation to dedicated sefa email address info@sefa.org.za for further handling</p>

	<ul style="list-style-type: none"> the entities must be registered and be compliant with SARS. In the instance that an SMME is not compliant, they will be assisted with the compliance process before their applications can be considered. <p>The facility would assist entities to acquire raw materials, and pay labour and other operational costs. Business owners must demonstrate a direct link between the impact or potential impact of the pandemic on their operations in order to be eligible for assistance, according to the department.</p> <p>For eligible businesses, the fund will offer working capital, stock, bridging finance, order finance and/or equipment finance, and the amount required will be based on the funding needs of each business.</p> <p>Enterprises seeking assistance must register on the SMME South Africa portal at www.smmesa.gov.za, which will open on 24 March</p> <p>Accessible to sefa, DFI, Banks. Case-by-case basis SMME need to show how distress a link to Covid-19 priority will be given to companies that benefit women, young people, and people with disabilities.</p> <p>Requirements for support from the various funds include:</p> <p>businesses must be 100% South African owned</p> <p>at least 70% of employees must be South Africans</p> <p>recipients must be tax compliant Companies that are not tax compliant can be helped to do so, Ntshavheni, but will not receive support until their affairs have been regularised.</p>		
<p>Department of Land affairs, Land Reform and Rural Development</p>	<p>The department has set aside a package of R1,2 billion to address the effects of the Covid-19 pandemic. The Department will soon make the details of the package together with the application channels available</p>	<p>Further details required before gaps can be identified</p>	

Land Bank Distress Fund	The DALRAAAD Department has availed R100m to the Landbank to assist farmers under distress	Further details required before gaps can be identified	Contact www.landbank.co.za
Department of Tourism Tourism Fund	<p>R200 million has been set aside to support tourism businesses, tourism minister Mmamoloko Kubayi-Ngubane said, but only very small ones.</p> <p>The funding will be made available to companies that:</p> <ul style="list-style-type: none"> • have an annual turnover less than R2.5 million • have been in business for at least one year • were not in distress before the Covid-19 disaster • are fully registered with the CIPC and tax compliant <p>Normal black-empowerment rules will be followed, Kubayi-Ngubane said, which means black-owned companies will receive preference.</p>	Companies with a turnover greater than R2.5m and that have been in operation for less than a year do not qualify. Further details required to identify gaps	Department of Tourism to issue guidelines on how to apply: www.tourism.gov.za
IDC	<p>The IDC has put a package together with the Department of Trade, Industry and Competition of more than R3 billion for industrial funding to address the situation of vulnerable firms and to fast-track financing for companies critical to SAs efforts to fight the virus and its economic impact. This facility will be available to South African owned businesses.</p> <p>IDC have made two special interventions, Firstly:</p> <ul style="list-style-type: none"> • R500 million has been allocated for trade finance to import essential medical products; • R700 million has been allocated for working capital and equipment and machinery; • In addition to this, the IDC is engaging industry players to address surges in demand • Ensuring food security by prioritizing support to Agriculture and food value chains • Tourism sector support for working capital • Bridging finance to support supply chain interruptions 		www.idc.co.za

	<ul style="list-style-type: none"> Working capital to ensure energy security by supporting suppliers of primary energy Working capital and Bridging Finance to SMEs that provide components to car-makers <p>In addition to the above, IDC has made available a capital allocation of R3 billion in the next quarter to support businesses during this crisis.</p> <ul style="list-style-type: none"> Essential services that fall outside of normal IDC sectors will be considered, as a measure introduced during this period. For existing clients, IDC is already in contact with its business partners to consider repayment deferments on a case-by-case basis. 		
<p>Big 4 Banks</p>	<p>Nedbank will review your current loan repayment commitments and consider the most appropriate solution, that will ease your cash flow commitments. • These could include entering payment arrangement options that are tailored to suit you based on your household’s cash flow being negatively impacted at this time. o Payment arrangements – temporary arrangement allowing you to repay a reduced amount over a limited timeframe. Payment holidays – a temporary suspension of your monthly repayment based on your household’s cashflow being negatively impacted in that you cannot make payment to service any of your debts at this time. o Restructures – rearrangement of the current monthly repayment schedule, which may result in an increase of the original loan term. •</p> <p>Each case will be reviewed individually, and the most appropriate solution recommended. It is important to note that there remains an obligation on you to pay your loan agreements. The above solutions do not result in a reduction in your overall obligation to service your debt. • For clients requiring an early release on their investment funds to supplement any cash flow challenges experienced during this period, Nedbank will waive the penalty fee for up to the value of R200 000 at an overall portfolio level. This offer applies over the next three months between 24 March 2020 and 30 June 2020 unless otherwise communicated (capped</p>	<p>Online form not yet available</p>	<p>www.nedbank.co.za</p>

	at R200 000). Clients will need to confirm, in writing, that the early release request is due to income shortfall. •		
	<p>Standard Bank Coronavirus Business Interruption Payment Scheme has announced a 90 day loan repayment holiday for South Africa small and medium-sized businesses in a bid to soften the economic impact of the coronavirus. The initiative is set to launch on April 1 and will defer payments for 90 days until June 30. "The interest and fees accrued over this period will be capitalised on your lending account. After the 90-day period is complete the new repayment will become due," states the bank in a notice. Businesses need to be South African based, with a turnover of no more than R 20 million per year;</p> <p>Customers need to have a Business Current account, Bizlaunch account or Business Lending account that is paid up to date; Businesses needs to be in good standing.</p>	SMMES with a turnover greater than R20m are not eligible. No information provided on the cost of the restructuring	www.standardbank.co.za Businessassist@standardbank.co.za
Insurance Sanlam Business Interruption Cover	To cover closure of a business in the event of a lockdown	Must be taken before the event (i.e. before 26 th March 2020)	www.Sanlam.co.za
Banking Association of SA (BASA)	<p>Banks have been declared an essential service during the 21-day lockdown in terms of the regulations issued to give effect to the declaration of a State of National Disaster. BASA members have agreed to do all in their power, while operating within the relevant regulatory frameworks, to responsibly support their customers and preserve the safety and soundness of our financial system.</p> <ul style="list-style-type: none"> • All essential banking services will remain open during the lockdown to ensure clients can continue to access financial services. All call centres, ATMs and point of sale (POS) devices will be operational. • Banks will waive Saswitch penalty fees. Customers can use any ATM and only pay the usual fees charged by their bank. Customers will be notified once this comes into operation. Teams are working on it as a priority. 		www.BASA.org.za info@banking.org.za

	<ul style="list-style-type: none"> • Customers are encouraged to transact at ATMs and from their homes – by internet and with smartphone applications – wherever possible, and only visit branches when absolutely necessary. • 		
<p>Solidarity Fund</p>	<p>The Focus of the fund is to alleviate the suffering and distress caused by the virus to our country and will mobilise the support of business and civil society in support of government’s efforts in response to COVID-19.</p> <p>Government has made an initial R150 million available as seed funding and a number of businesses will be contributing within the next few days. R100m of this is from National Treasury; and R50m from the National Lotteries The Fund will be independently administered and transparently governed through an independent board to ensure that the funds are effectively and efficiently used to combat COVID-19.</p> <p>The fund will be a rapid response vehicle through which contributions from citizens, communities, business and international donors can be pooled together to primarily fund four key initiatives:</p> <ul style="list-style-type: none"> • Prevent: preventative and supporting measures to “flatten the curve” by lowering infection rates • Detect: detect and understand the magnitude of the infection problem • Care: assist with the management of those people in hospital or medical care • Support: support those people whose lives are disrupted by COVID-19. <p>The Rupert Family have donated R1bn to the fund.</p>	<p>Further clarity on the fund is required to identify gaps.</p>	<p>Details on how to donate will be available on the Fund’s website www.solidarityfund.co.za</p>
<p>Rupert Fund</p>	<p>Business Partners will be administering the R1bn fund for small business. The fund will be administered by BUSINESS/PARTNERS of which Remgro owns 42.8% stake Delivery channels and capacity, criteria, focus areas and reach have been defined but are in flux employment creation and sustainability will be considered. Any businesses that opened recently will not qualify. Across all industries, retail, manufacturing</p>	<p>Gaps will be identified once there is full information.</p>	<p>www.businesspartners.co.za</p>

	<p>and services industries R1m per SMME, disbursement will be based on WC needs of business in surviving the next 4 months. Very close to primary agriculture excluded. Envisages be structured with a grant and a loan with no loan repayment or interest charge for 12 months will be repayable over a 4 year period at a favourable interest rate to protect the business.</p>		
<p>Motsepe Foundation</p>	<p>The Motsepe Family in partnership with companies and organisations that they are associated with [including numerous companies owned by Motsepe], have pledged R1 billion to assist with the current Coronavirus (COVID-19) pandemic and its related challenges that are confronting South Africa and the African Continent.</p> <p>These companies and organisations are: Motsepe Foundation Sanlam African Rainbow Capital (ARC) African Rainbow Minerals (ARM) and others</p> <p>The Founder and Chairman of the Motsepe Foundation, Dr Patrice Motsepe said: “Several hundred million rands will immediately be made available with the primary objective of saving lives and slowing and restraining the spread of the Coronavirus. We are purchasing sanitisers, disinfectants, Personal Protective Equipment (PPE) and are in discussions with Government, health workers and other stakeholders to assist with acquiring other equipment and making resources available which are essential for dealing with the Coronavirus pandemic. We’ve been advised that access to water for regularly washing hands is crucial for slowing and limiting the spread of the Coronavirus. “We are therefore providing water to poor rural and urban communities by purchasing water tanks (jojos), drilling and equipping for borehole water and also building sanitary facilities. The current lockdown has an impact on the goods, equipment and services that can be purchased immediately and the goods and services which can be provided when the lockdown has been terminated. Our short to medium term interventions include building additional classrooms, computer centers and laboratories</p>	<p>Gaps will be identified</p>	

	<p>in all the 9 provinces of South Africa to assist with the excessively high number of students per classroom in some schools; particularly in the context of the current Coronavirus pandemic and the social distancing requirements.</p> <p>“Those schools in the poor rural and urban areas which do not have internet access or facilities will be assisted with study guides, scientific calculators, dictionaries and other educational equipment and facilities identified in consultation with the Department of Basic Education, school principals and teachers. Poor and underdeveloped communities are ill-prepared to deal with the serious challenges and consequences of the Coronavirus pandemic and are in dire need of our assistance and contributions. We are committed to contribute to the provision of quality education, infrastructure and other facilities to better prepare and equip them to deal with future pandemics or catastrophes.”</p>		
Spaza Shops	<p>Spaza shops owned and managed by South Africans have been classified as essential services exempt from the national lockdown which begins at midnight on Thursday 26 March 2020. In line with regulations pertaining to the Disaster Management Act — with protocol specifically designed to limit movement and social gathering</p>	<p>Foreign traders will not be allowed to trade. Local traders must have municipal permits – how many spaza shops have such permits? If you need to apply for a permit how long will it take bearing in mind that municipalities are operating on skeleton staff?</p>	
Employers (Large) Temporary Employee Relief Scheme	<p>Allows employers to continue paying salaries during lockdown without retrenching workers. The employees are paid directly</p>	<p>Applications must be done by the employer – chances are that the UIF will be inundated during the period and that employees will be paid their salaries by qualifying employers</p>	<p>www.UIF.org.za</p>
SARS Employee TAX incentive	<ul style="list-style-type: none"> - For companies with a turnover less than R50m . The incentive will last for 4 months. Companies must be tax compliant companies. - Delay 20% of PAYE for 4 months. 	<p>SMMEs with a turnover greater than R50m do not qualify. If the lockdown lasts longer, the 4 month period may need to be extended</p>	<p>www.SARS.gov.za</p>

	- Reduction of Employer, Employee contributions to the Skills Development fund and the UIF.		
UIF National Disaster Benefit Fund	R30 billion has been allocated to a special National Disaster Benefit Fund, which will pay Unemployment Insurance Fund benefits for up to three months to qualifying workers whose income has been impacted by the coronavirus pandemic. The monthly payment will be up to R3 500.	The benefit may have to be extended if the lockdown is longer than 3 months	www.UIF.org.za
Competition Commission Exemptions for banks and for retail	An exemption to banks under the Competition Act to coordinate on measures which can be used to support businesses and ordinary citizens during this period. It has been published in the Government Gazette .The exemptions will allow South African banks to work together to devise programmes and relief measures which can help small businesses and consumers through these financial and economic challenges. In particular, the exemptions will enable banks to coordinate in respect of: <ul style="list-style-type: none"> • Payment holidays and debt relief for business and individual citizens subject to financial stress. • limitations set on asset repossessions of business and individual citizens subject to financial stress. • the extension of credit lines to individuals and businesses subject to financial stress. <p>The exemptions will allow banks to work together in ensuring continued functioning of the payments system, a critical component of the financial system. This includes sharing information and resources to ensure the continued availability of bank notes to ATMs, branches and businesses.</p>		Competition Commission to provide more details
Compensation Fund			
Shopping Mall Tenants (SMMEs) Economic Development Department	A number of shops and other businesses in shopping malls have already seen a decline in their turnover. They face significant fixed costs, including rents and costs specified in leases.	This may alleviate the financial pressure on SMMEs with no income but will not assist with the cashflow needs to service their other debt obligations as they arise whilst not deriving income	More details to be provided from the Economic Development Department once the Special government Gazette is issued

	<p>Government will publish a special Gazette , to enable tenants who are competitors to meet and to reach agreements with shopping mall owners and to address matters such as Payment holidays or rental discounts and Limitations on evictions.</p> <p>These initially cover three categories of retailers, being:</p> <ul style="list-style-type: none">- Personal care functions- Restaurants and- Clothing, footwear and home-textile shops. <p>These categories will be expanded as required in the next few days.</p>		
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