

Covid-19 Crisis funding support for South African businesses



COVID-19 Crisis

Businesses across the globe have been impacted by the recent pandemic, and many entrepreneurs are looking for funding or financial relief to assist them to survive or thrive. This is a brief funding guide specifically for registered, tax compliant businesses in South Africa.

IS YOUR BUSINESS UNDER STRESS, DIRECTLY DUE TO COVID-19 OUTBREAK?

Sector Relief Funding - Tourism, Sports, Arts & Culture, Agriculture.



- Many government departments are providing sector specific funding.
- **Hospitality & Tourism:** R200 million fund for tourism and hospitality sector businesses with annual turnover of < R2.5 million. Preference will be given to applicants in rural areas, townships, women, young people & people with disabilities. www.tourism.gov.za
- **Sports, Arts & Culture:** R150 million fund for cancelled events, digital solutions and a wide array of projects. More details & applications available the website www.dac.gov.za
- **Agriculture:** R1.2 billion fund for agricultural support & relief. More information available via www.daff.gov.za

SME Debt Relief Fund



- Department of Small Business Development
- Working capital, stock, bridging finance, order finance & equipment finance.
- Amount based on business needs, interest rate of prime -5%,
- Preference will be given to women and youth applicants.
- Register on www.smmesa.gov.za.

Sukuma Relief Fund - Business Partners



- Available for all industries but must have evidence of financial viability prior to Covid-19 as well as be tax & regulatory compliant.
- **Close corps, companies and trusts:** must be registered, unsecured interest-bearing loan of R250, 000 - R1 million coupled with a non-repayable grant of R25,000. 60-month max loan term. No repayment obligations in yr 1, no interest for yr 1, interest at prime and repayment commence from yr 2
- **Sole proprietors:** Non-repayable grant of R25,000. Must be registered and compliant, and employing 2 or more people.
- Online application process only, payouts in 7 days.
- Apply at <https://finance.businesspartners.co.za/welcome-to-the-sukuma-relief-programme/>

IDC Working Capital Support



- Provision of short-term working capital for the Mining & Minerals, Agriculture & Agro-processing, and Automotive sectors.
- More information is available at www.idc.co.za

IS YOUR BUSINESS WELL POSITIONED TO PROVIDE ESSENTIAL SUPPLIES OR SERVICES?

SME Growth & Resilience Fund

- Working capital (only direct costs), stock, bridging finance, purchase order finance and capital equipment finance for SMMEs (gov definition per sector) that manufacture locally or supply items which are in demand due to the pandemic.
- Loan facilities provided at Prime - 5% pa.
- Priority will be given to businesses owned by Women, Youth and People with Disabilities
- More information and applications available at www.smmesa.gov.za



IDC COVID-19 Essential Supplies Intervention

- Soft loan for companies for the acquisition and/or the manufacturing of essential supplies on an urgent basis to combat the Covid-19 pandemic.
- Short-term (3 month) loans available for once off- contract or import funding.
- Must have contract orders in place or proof of demand.
- More information is available at www.idc.co.za



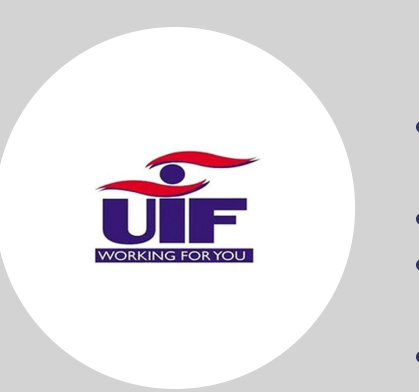
NEF Covid-19 Fund

- Funding for working capital, machinery and equipment to manufacture and supply a range of medical products.
- R500 000 to R10 million concessionary loan for black-owned businesses with existing retail supplier relationships.
- Up to 60 months repayment, 0% interest in first year.
- Applications open through NEF website www.nefcorp.co.za



ARE YOU STRUGGLING TO PAY YOUR TEAM'S SALARIES DUE TO LOCKDOWN?

UIF Covid-19 Temporary Relief Benefit



- Temporary UIF relief fund for businesses that suffer distress directly due to Covid-19 - claims for 3 months or less.
- You need to be up-to-date with all UIF payments
- Employee will be paid in terms of the income replacement rate sliding scale (38% -60%) as provided in the UI Act, max R17 712 per month.
- Businesses to apply on behalf of employees.
- Email applying documents to covid19ters@labour.gov.za.

SA Future Trust (SAFT)



- Salary support for SMEs < R25 million annual revenue.
- Must be under stress directly due to Covid-19 outbreak and in strong financial position prior to crisis.
- Interest-free loan with 5-year term, paid directly to employees from banks.
- R750 per qualifying employee per week, over a max period of 15 weeks, or R11 250 per permanent employee
- Standard Bank, Nedbank, FNB and Absa to manage applications and weekly payment.
- More information available at <https://opp-gen.com/saft/>

AND YES, THERE IS SOME TAX RELIEF...



PAYE

Businesses with a turnover of less than ZAR 50 million will be allowed to delay 20% of their pay-as-you-earn (PAYE) liabilities over the next 4 months.

ETI

All businesses, regardless of size, can apply for extended and increased Employment Tax Incentive (ETI) claims. ETI payouts changed to monthly.

Provisional Tax

For IRP601 return (1st provisional tax return of 2020/ 2021) You will be required to pay only 15% of your total estimated provisional tax

Tax Subsidy

Employees who earn R6,500 or less will receive a tax subsidy of R500 per month over the next four months.

More details on VAT relief on essential goods and imports available on the SARS website www.sars.gov.za

Emergency Hotline: 0800 029 999
WhatsApp Support Line: 0600-123456



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Designed and developed by the Fraser Consulting team

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