

## NAVIGATING COVID19

### BUSINESS RELIEF MEASURES

In the interest of ensuring that our corporate clients have registered for most of the relief and assistance measures at their disposal, a summary of the most topical information is provided below with the appropriate weblinks. Where possible some context is given to the relief or assistance program. We urge all companies and employers to register for these measures as some of them are provided on a first come first serve basis. These platforms may change dependant on new relief measures or funding being introduced.

#### SMME DEBT RELIEF SCHEME

Fund set up by Department of Small Business Development. This is intended to provide relief to SMME's. This is a loan which the business must qualify for, granted at a concessionary interest rate of Prime less 5%.

Register on <https://smmesa.gov.za/>

The current qualification criteria for this assistance can be found at:

<http://www.dsbd.gov.za/wp-content/uploads/2020/03/SMME-Debt-Relief-Scheme-1.pdf>

#### SMME BUSINESS GROWTH RESILIENCE FACILITY

Fund set up by the Department of Small Business Development to assist businesses who can supply goods in local markets as a result of opportunities created by COVID-19. This is a loan which the business must qualify for, granted at a concessionary interest rate of Prime less 5%.

Register on <https://smmesa.gov.za/>

The current qualification criteria for this assistance can be found at:

<http://www.dsbd.gov.za/wp-content/uploads/2020/03/SMME-Business-Growth-Resilience-Facility.pdf>

For these funds above you will receive a unique reference number after registration. Once you have this number the application form found at the link below must be completed and submitted with the required supporting information.

<http://www.dsbd.gov.za/wp-content/uploads/2020/04/COVID-19-Finance-Relief-Application-BR1.pdf>

#### SA FUTURE TRUST (SAFT)

The South African Future Trust ("SAFT") is an independent trust set up by Nicky and Jonathan Oppenheimer, in partnership with the South African government and private sector. R1bn Oppenheimer donation, providing direct financial support to SMME employees at risk of losing their income, or job loss as a result of COVID-19. This extends to full time employees and excludes contractors and business owners. Businesses must have been financially viable prior to COVID-19 and generate less than R25m in annual turnover.

Apply for the assistance at one of the following bank websites: ABSA, FNB, NEDBANK, STANDARD BANK & MERCANTILE BANK (at this time it is only clients of these banks that can apply, an extended partner network is anticipated). The relevant links to apply are on the banks COVID-19 pages or can be found here: <https://opp-gen.com/saft/#partners>

This is an interest free loan where qualifying businesses will get R750 per qualifying employee per week, over a period of 15 weeks, or R11 250 per permanent employee. No minimum monthly payments requirements attached to the loan and it must be settled in full at the end of the 5-year term by the employer. The loan funds are distributed directly to the qualifying employee's bank account.

The website is very user-friendly and will answer most of the questions you may have:

<https://opp-gen.com/saft/>

## RUPERT AND REMGRO FUNDS – SUKUMA RELIEF PROGRAMME

**IMPORTANT:** Although this fund was oversubscribed initially by R1.8bn, there is a process of diluting applications due to applicants that could not be verified/approved or additional funds being introduced to the scheme. Register on the site below and you will hopefully be contacted if the fund reopens:

<https://finance.businesspartners.co.za/high-volume-temporary-closure/>

Initially this fund was created through a donation of R 1bn which is administered by Business Partners. Entrepreneurs (formal sole proprietors) can get a grant payment of R25k, no repayment required. Businesses including close corporations, companies and trusts can apply for the cash payment of R25k plus a low interest loan of between R250k and R1m. The loan portion will be interest free for 12 months with no repayment obligations during this period. The loan is repayable after 12 months and incurs interest at the prime rate from month 13. The Sukuma-relief-programme is an online portal that allows for the first business payment to be made within 7 days of your application provided all the necessary criteria has been met. The same applies for sole proprietor's however this payment is limited to R25k. Once again applicants must be formally registered, tax and regulatory compliant.

<https://finance.businesspartners.co.za/welcome-to-the-sukuma-relief-programme/>

## IDC

IDC have put together a package together with the Department of Trade, Industry and Competition of more than R3 billion for industrial funding. The assistance is given across various industries and targets specific interventions across Essential Supplies, Mining & Metals, Agri & Agro-processing and the automotive sectors. Trade finance solutions for import of essential medical products will be available. The process and requirements that are posted on the IDC site make mention of detailed due diligence processes and the availability of security for the transaction. For a range of the intervention measures offered by the IDC in support of businesses click on

<https://www.idc.co.za/2020/03/24/idc-interventions-in-response-to-covid-19/>

## UIF BENEFIT RELIEF MEASURES

There are various benefits available to employers and employees to assist with COVID19. These are categorised into benefit types providing for unemployment, illness and reduced work time for permanent, temporary (short time) and forced (lockdown) layoffs. We encourage you to engage your accountant on these measures and request that they supply you with the various documents for completion. Employers that must enforce lockdown as regulated can apply for financial assistance through the COVID19TERS (see below).

### Coronavirus Temporary Employer/Employee Relieve Scheme (COVID19TERS)

Temporary Employee Relief Scheme for employers who have closed operations (temporary laid off employees) for 3 months or less as a result of the COVID 19 pandemic. It is a separate benefit scheme from the normal UIF benefits and cannot be claimed at the same time as the UIF 'reducing work time' benefit.

The application must be completed before the lockdown period is lifted. The site below has two useful documents: Easy Aid for Employers and FAQ's:

<http://www.labour.gov.za/easy-guide-for-employers-on-covid19>

## OTHER TAX RELIEF MEASURES

There are other measures which employers can apply for such as:

- Deferral of Employer's monthly PAYE liability
- Employee Tax Incentive
- Compensation Fund Benefits

Please discuss these with your accountant so that any benefits in this regard are maximised. These incentives have windows in which application must be done and have a variation of guidelines relating to qualification, process and repayment.

**Disclaimer:** Although SIR Group pays maximum attention to checking and verification, it cannot guarantee the accuracy or completeness of the information provided. This information may be changed at any time without warning. We are reliant on government departments for most of the information and they in certain instances change their position or report incorrectly. We encourage you to verify any of the information above with the professionals consulting with your business (such as your labour consultants, attorneys and accounting officers) before acting on it.

## CONTACT

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