

NAVIGATING COVID19

COVID-19 LOAN SCHEME PHASE II

The Covid-19 Loan Scheme has been revised into a Phase II. The initial Scheme was focused on assisting SME's with an annual turnover below R300 million. This second phase of support provides COVID-19 Term Loans of up to R100 million for all qualifying businesses, regardless of turnover.

As COVID-19 Phase II is effectively an expansion of Phase I, the new scheme will replace the previous offering for new applications, but existing loans granted under Phase I will run concurrently with Phase II.

If you received a COVID-19 loan under the initial phase, but still require emergency relief as a result of the extended lockdown, you may apply to the same Bank for a second COVID-19 loan. The total of the first and second loan may not exceed the maximum amount of R100m, or the maximum requirement of 6 months' operating expenses.

Loan Details:

- 66 months loan term
- Capital & interest moratorium for the first 6 months from payout
- From month 7 the loan will amortise over the balance of the loan period (month 7 to 66)
- The interest for the first six months will be capitalised to the loan and form part of the repayment from month 7 onwards
- There are no early settlement penalties
- The interest rate on the loan is priced at the prime lending rate by all participating banks (currently 7% as at 24 July 2020)
- Business owners will need to sign surety.
- Shareholder loans and dividends cannot be paid until the COVID loan is repaid in full

ELIGIBILITY

Sole proprietors, professional practices, SMMEs, SMEs and commercial companies who are in good standing with their bankers as of 31 December 2019.

Applicants must:

- Be registered with SARS
- Have no existing capacity to borrow for relief funding
- Have experienced financial distress as a result of lockdown and COVID-19
- Require the loan for operational expenditure including supply of goods and materials (domestic & foreign)

WEBLINKS

Standard Bank is an online process, you can complete the online application form here:

<https://www.standardbank.co.za/southafrica/business/covid-19/support/covid-19-business-term-loan>

First National Bank qualifying clients can apply for support via the COVID-19 Loan Scheme through their relationship banking channels.

The Business Desk can be contacted on 087 736 224

Nedbank has an application form which needs to be downloaded and completed from:

<https://www.nedbank.co.za/content/nedbank/desktop/gt/en/business/covid-19-relief1/Loanschemephasell.html>

Investec has an application form which needs to be downloaded and completed from:

https://www.investec.com/en_za/business-banking/private-business-accounts/covid-19-loan-scheme.html

Please contact us should you require assistance with the compilation of the documentation required by the participating banks.

CONTACT