



# COVID-19 RELIEF MEASURES

For individuals and small businesses

4 MAY 2020

see money differently

**NEDBANK**

## INTRODUCTION

At Nedbank our primary focus is to ensure that we can provide you with uninterrupted service through our physical and digital channels, while also keeping our staff safe. We continue to work with our clients, regulators, industry bodies and government to mitigate the impact of Covid-19 and will provide further guidance to you on these matters as they evolve.

A range of aid packages, relief initiatives and non-financial support have been mentioned in the media, and as your bank, we have also communicated several of our own measures to you in recent days. For easier reference, we have summarised all the options that are available right now. We will keep you informed as other initiatives are launched.

### Disclaimer

This document has been collated and distributed to make you aware of the various aid packages, relief initiatives and non-financial support, that may be of benefit to your personal and/or business circumstances. It is a reflection of what is available in the media right now and will be updated as and when other initiatives are launched. Although we have taken great care, the document is not intended to be a detailed exposition of the subject matter or to replace professional advice. Consequently, Nedbank will not be held liable for inaccuracy of information, or for any action taken or not taken on the strength of this document.

## A COVID-19 RELIEF OFFERED BY NEDBANK

The following measures have been put in place to offer much needed cashflow relief to our clients. Please be mindful that temporary payment holidays provide short-term cashflow relief, however, interest will continue to accrue. It is therefore in your own best financial interest to meet debt obligations for as long as you can.

Topic	Description	Applicable to
<b>Payment holidays</b>	You can delay your loan repayments through a three-month payment holiday. Applications will be assessed case-by-case. Please speak to your relationship banker.	All individual and business clients, with existing loan agreements, and who are in good standing. Apply to home loans, vehicle and asset finance, NedBonds and term loans.
<b>Monthly credit card repayments</b>	Your monthly minimum repayment has been reduced from 5% to 2,5% of your outstanding balance, with immediate effect.	All individual and business credit cardholders.
<b>Saswitch fees</b>	Effective 28 March, you can withdraw cash from any bank's ATM without being charged the additional Saswitch fee. Please note that normal withdrawal fees, if applicable, will still apply.	All individual and business clients.
<b>Penalty fees on early investment withdrawals</b>	For clients wishing to access fixed-term or notice investments, the early release penalty fee will be waived.	All individual and business clients.
<b>Beyond banking support through SimplyBiz®</b>	From motivation and guidance from experts, business opportunities for product and services suppliers relevant to the crisis, competitions to equip your business remotely and more, join a community of business owners.	For business owners, professionals and sole proprietors.
<b>Covid-19 SME Loan Scheme</b>	An initiative by government, in partnership with banks, to support the SME sector impacted by Covid-19.	All business types, but specifically excluding individuals, state-owned entities, listed companies and companies with capital market funders or funding instruments.

## B COVID-19 RELIEF FUNDING / LOAN PACKAGES OFFERED

	Name of initiative	Target market	Type of relief	Application process
1	<p><b>South African Future Trust (SAFT)</b></p> <p><i>Administered by Oppenheimer Generations</i></p> <p><b>Total fund:</b> R1bn</p>	<p><b>SMMEs</b></p> <ul style="list-style-type: none"> <li>• &lt;R25m turnover.</li> <li>• In good standing as at 29 Feb 2020.</li> <li>• Trading for min 2 years.</li> <li>• Impacted by Covid-19.</li> </ul>	<ul style="list-style-type: none"> <li>• An interest-free, 5-year loan to the business entity.</li> <li>• Exclusively for the purpose of paying permanent employees.</li> <li>• Repayable at the end of the term.</li> </ul> <p><b>NB:</b></p> <ul style="list-style-type: none"> <li>• Proceeds of the loans will be paid directly into the accounts of the participating employees.</li> <li>• Employees are not liable for repayment of this loan.</li> </ul> <p><b>Funding available:</b></p> <ul style="list-style-type: none"> <li>• R750 weekly wage per employee for 15 weeks = R11 250 per employee.</li> <li>• No limit to the number of employees per business.</li> </ul>	<p>Small businesses to contact their bank</p> <p><b>saft@nedbank.co.za</b></p>
2	<p><b>Debt Relief Finance Scheme</b></p> <p><i>Administered by Department of Small Business</i></p> <p><b>Total fund:</b> R200m</p>	<p><b>Existing businesses negatively impacted by Covid-19.</b></p> <p>Must be:</p> <ul style="list-style-type: none"> <li>• CIPC-registered companies</li> <li>• 100%-owned by SA citizens</li> <li>• 70% of employees are SA citizens</li> <li>• Registered with SARS; tax-compliant</li> <li>• UIF compliant</li> </ul>	<p>Loan funding @ Prime-5%: Working capital: Stock, bridging finance Purchase order finance Capital requirement finance</p>	<ol style="list-style-type: none"> <li>1. Register your business on the small-business database <a href="https://smmesa.gov.za/">https://smmesa.gov.za/</a></li> <li>2. Then complete an application form and upload supporting docs.</li> </ol> <p>Contact <b>debtrelief@seda.org.za</b> for assistance with micro-enterprises</p>
3	<p><b>Business Growth/ Resilience Facility</b></p> <p><i>Administered by Department of Small Business Development</i></p> <p><b>Total fund:</b> R300m</p>	<p><b>Existing businesses geared to take advantage of supply opportunities resulting from Covid-19</b> or shortage of goods in local market, especially with regard to medical supplies and critical non-food essentials.</p> <p>Must be:</p> <ul style="list-style-type: none"> <li>• CIPC-registered companies</li> <li>• 100%-owned by SA citizens</li> <li>• 70% of employees are SA citizens</li> <li>• Registered with SARS; tax-compliant</li> <li>• UIF compliant</li> </ul>	<p>Loan funding @ Prime-5%: Working capital: Stock, bridging finance Purchase order finance Capital requirement finance</p>	<ol style="list-style-type: none"> <li>1. Register your business on the small-business database <a href="https://smmesa.gov.za/">https://smmesa.gov.za/</a></li> <li>2. Then complete an application form and upload supporting docs.</li> </ol> <p>Contact <b>growthfund@seda.org.za</b> for assistance with micro-enterprises</p>
4	<p><b>Spaza Shop Grant Funding</b></p> <p><i>Administered by Department of Small Business in collaboration with SEFA</i></p> <p><b>Total fund:</b> R30m</p>	<p><b>Sole props operating spaza shops</b></p>	<p>R10 000 (with a possible R5 000 being made available as a second phase) for purchasing a basket of essential goods at a discounted price for a period of three months from participating wholesalers</p>	<p>Not yet available</p>

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## B COVID-19 RELIEF FUNDING / LOAN PACKAGES OFFERED

	Name of initiative	Target market	Type of relief	Application process
5	<p><b>Tourism Relief Funding</b></p> <p><i>Administered by Department of Tourism</i></p> <p><b>Total fund:</b> 200m</p>	<p>Tourism and hospitality industry</p> <p>CIPC-registered and in existence &gt;1 year with t/ over ≤R2.5m pa, tax clearance, UIF-registered and proof of min wage compliance.</p>	<p>Funding available to assist SMEs in the tourism and hospitality sector, who are under particular stress due to the new travel restrictions.</p>	<p>Contact Ms Hlengiwe Nhlabathi <b>hnhlabathi@tourism.gov.za</b></p>
6	<p><b>IDC Covid-19 Essential Supplies Intervention</b></p> <p><i>Administered by Industrial Development Corporation</i></p> <p><b>Funding available:</b> R500m</p>	<p><b>Essential supplies:</b> Companies with mnfr track record. Experience to import at scale. Accredited supplier with contract or purchase order or corporate guarantee.</p>	<ul style="list-style-type: none"> <li>• Short-term loan.</li> <li>• Revolving credit facility.</li> <li>• Guarantees to banks for banking facilities, imports, ordering requirements.</li> <li>• IDC loan and trade finance facilities: P + 1% pa.</li> <li>• Guarantees: 2% pa.</li> </ul>	<p>Submit documents to <b>callcentre@idc.co.za</b>; or contact Mr Gerrit Claassen at <b>011 269 3482</b>; or Mr Rishel at <b>011 269 3261</b> for more info</p>
7	<p><b>MCEP Covid-19 Programme</b></p> <p><i>Administered by Industrial Development Corporation</i></p> <p><b>Funding available:</b> R300m</p>	<ul style="list-style-type: none"> <li>• Companies that manufacture and provide essential supplies and have been existence &gt; 1 year.</li> <li>• Valid contract/purchase order or letter of intent.</li> <li>• Companies with BBBEE Level 4 will be encouraged.</li> </ul>	<ul style="list-style-type: none"> <li>• MCEP funding can be standalone or blended with IDC.</li> <li>• Limited to R30 million per applicant in total.</li> <li>• Priced at a fixed rate of 2.5% per annum.</li> <li>• Maximum term is 48 months, including moratorium.</li> <li>• First drawdown must occur within one month from approval date.</li> <li>• Raising and commitment fees are excluded.</li> <li>• All other standard fees are applicable.</li> </ul>	<p>Submit documents to <b>callcentre@idc.co.za</b></p>
8	<p><b>Covid-19 Temporary Employer/Employee Relief Scheme (TERS)</b></p> <p><i>Administered by National Disaster Benefit and UIF</i></p>	<p>Businesses registered with UIF</p>	<p>Replacement of lost income to employees during temporary closure of business and for employees in quarantine.</p> <p>The salary benefits will be capped to a max amount of <b>R17 712 pm</b> per employee and an employee will be paid in terms of the income replacement rate sliding scale (38 % -60%) as provided in the Ui Act.</p>	<p>The employer to apply by reporting their closure by email to <b>Covid19ters@labour.gov.za</b>, an automatic response outlining the application process will be received.</p> <p>Contact <b>Covid19ters@labour.gov.za</b></p>
9	<p><b>COVID-19 Black Business Fund</b></p> <p><i>Administered by National Empowerment Fund</i></p>	<p>Companies that are</p> <ul style="list-style-type: none"> <li>• CIPC registered</li> <li>• SARS registered and compliant</li> <li>• Registered as a supplier of essential supplies with purchase order, contract or letter of intent</li> <li>• &gt;50% black SA shareholding and management</li> </ul>	<ul style="list-style-type: none"> <li>• Loan limited to R10m for working capital, machinery and equipment</li> <li>• Up to 12 months payment moratorium at 0% fixed interest rate</li> <li>• After 12 months a fixed interest rate of 2,5% will apply</li> <li>• Maximum term is 60 months, including moratorium</li> </ul>	<p>Submit documents and application form to <b>covidfund@nefcorp.co.za</b></p>
10	<p><b>Sukuma Relief Programme</b></p> <p><i>Administered by Business/Partners</i></p> <p><b>Already oversubscribed</b></p>	<p><b>SA businesses:</b></p> <ul style="list-style-type: none"> <li>• Viable business prior to COVID-19</li> <li>• Tax and regulatory compliant</li> <li>• CIPC registered or registered with relevant authorities (sole proprietors/trusts) and regulatory compliant</li> </ul>	<ul style="list-style-type: none"> <li>• Non-repayable grant of R25k per qualifying business</li> <li>• Close corporations, companies, and trusts: unsecured loan of between R250k and R1m structured over 5 years</li> </ul>	<p>Visit Business Partners website: <b>businesspartners.co.za</b> and follow the steps to complete an online application.</p>

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## C OTHER COVID-19 SUPPORT TO SME'S

	Name of initiative	Target market	Type of relief	Application process
1	<p><b>Covid-19 Business Rescue Assistance (COBRA)</b></p> <p>Administered by Consortium:</p> <ul style="list-style-type: none"> <li>• Schindlers Attorneys</li> <li>• IQ Business</li> <li>• Engaged</li> </ul>	SMMEs	<ul style="list-style-type: none"> <li>• Free daily (small group) and weekly (large group) webinars to share information/guide business leaders.</li> <li>• COBRA War Room – business support to avoid business rescue (pro bono or discounted fees).</li> <li>• Knowledge base and expert Wiki to consolidate information, policy updates and support for enterprises from external stakeholders (eg banks, Government, CIPC, associations).</li> </ul>	Contact <a href="http://www.cobra.org.za">www.cobra.org.za</a>
2	<p><b>Training Layoff Scheme</b></p> <p>Administered by CCMA and SETA</p> <p>Training allowance up to 50% of wage with max of R6 239,00 pm</p>	Businesses compliant with statutory obligations	Training allowances by CCMA replacing wages	Contact CCMA to be approached
3	<p><b>National Disaster Benefit</b></p> <p>Administered by Department of Labour</p>	<ul style="list-style-type: none"> <li>• Employers who are registered with UIF and make monthly contributions</li> <li>• Employees who have been temporarily laid-off due to the COVID19 pandemic</li> </ul>	R3 500 pm to employees for the duration of the shutdown or three months, whichever the lesser	Employers must complete the UI 19 Form stating the last date of termination and the reason thereof. The forms can be submitted through the following methods: <ul style="list-style-type: none"> <li>• Online at <a href="http://www.ufiling.co.za">www.ufiling.co.za</a> for illness benefits</li> <li>• Email to the nearest UIF processing Centre for illness, reduced work time or death benefits.</li> </ul>
4	<p><b>Compensation for Occupation Injuries and Diseases Act</b></p> <p>Administered by Department of Labour</p>	<p>Diagnosis linked to:</p> <ul style="list-style-type: none"> <li>• COVID-19 related per WHO</li> <li>• Official trip and travel history to high risk COVID-19 countries and areas</li> <li>• Work exposure</li> </ul>	75% of the employee's earnings up to a maximum prescribed by the Minister for a maximum of 30 days	Documentation must be submitted to the Compensation Commissioner <a href="mailto:covid19claims@labour.gov.za">covid19claims@labour.gov.za</a> or online through the CompEasy system or the Mutual Association Claims systems

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## D TAX RELIEF MEASURES

Name of initiative	Target market	Type of relief	Application process
Covid-19 Tax relief  <i>Administered by SARS</i>	Tax-compliant SMEs < R50m and their employees eligible under the current ETI Act	Tax subsidy to employers of up to R500 pm for the next four months for employees earning below R6 500 under the Employment Tax Incentive (ETI)*.	More info available at <a href="http://www.treasury.gov.za">www.treasury.gov.za</a> or <a href="http://www.sars.gov.za">www.sars.gov.za</a>  Effective 1 April 2020
	Tax-compliant SMEs < R50m	Accelerated payment of employment tax incentive (ETI) reimbursement from twice a year to monthly to get cash into the hands of compliant employers asap.	
	Tax-compliant SMEs < R50m	SMEs will be allowed to delay: <ul style="list-style-type: none"> <li>• 20% of their employees' tax liability over the next four months; and</li> <li>• a portion of their provisional corporate income tax payments without penalties or interest.</li> </ul>	

### \*Current draft guidelines

- Increasing the maximum amount of ETI claimable during the four-month period (1 April 2020 to 31 July 2020) for employees eligible under the current ETI Act from R1 000 to R1 500 in the first qualifying 12 months and from R500 to R1 000 in the second 12 qualifying months.

Allowing a monthly ETI claim in the amount of R500 during this four-month period for employees earning below R6 500, from the ages of

- 18 to 29 who are no longer eligible for the ETI as the employer has claimed ETI in respect of those employees for 24 months; and
- 30 to 65 who are not eligible for the ETI due to their age.
- This expansion will, however, only apply to employers who were registered with SARS as at 1 March 2020, and current compliance requirements for employers under sections 8 and 10(4) of the ETI Act will continue to apply.
- "Essential goods" will be subject to a VAT exemption on importation during the Covid-19 pandemic

# A6 Covid-19 SME Loan Scheme



## What is available?

This loan scheme, announced by the President on 21 April 2020, is an initiative by government in partnership with banks to support the SME sector impacted by Covid-19.

The scheme offers five-year-term loans at the prime lending rate to cover the next three months of business operating expenses.

Nedbank is now open to receive applications, however, approvals will only be communicated to the applicant once the agreements between National Treasury, the SARB and the participating banks have been finalised and signed (to be advised).

## Details of loan offering (subject to change)

The following **loan constructs** are offered to qualifying SMEs:

- Term loan (66 months/5,5 years).
- Priced at prime interest rate.
- No payments due for the first six months (but interest accrues).
- After six months the loan is to be repaid through equal monthly instalments over five years.
- Loans can be repaid earlier in full without penalties.

The **loan amount** is determined by the operating expenses of the business:

- The loan covers up to three months' full operating expenses.
- There is no upper limit, but the amount is driven by business needs and affordability.
- Operating expenses include salary and wages; rental and lease cost; utilities; supply chain related (e.g. transport, warehousing); and other operating expenses (eg security, cleaning cost, insurance).

**Loan terms and conditions** include the following:

- Businesses will be prohibited from paying dividends or repaying shareholder loans until the Covid-19 SME loan has been repaid in full.

Please refer to the full loan agreement for more detail (not yet available).



## Qualifying criteria (subject to change)

Applicants must meet all the **following criteria** to be considered for this loan:

- Operating entities – all business types, but **specifically excluding** individuals, state-owned entities, listed companies and companies with capital market funders or funding instruments.
- Turnover <R300 million per year.
- Registered with SARS.
- In good standing as at 29 February 2020 (ie up to date on all credit agreements, good credit history).
- Ability to demonstrate direct impact by Covid-19.
- Has exhausted its capacity to borrow from the bank under normal credit conditions.



## Supporting information required

### Document checklist

	Required document	Detail
1	<b>Application form</b> – completed	Please download the form from our website and complete
2	Latest <b>audited Annual Financial Statements</b>	
3	<b>Management Accounts</b> up to 29 Feb 2020	Only required if Annual Financial Statements older than 29 Feb 2020
4	Post Covid-19 <b>Cashflow Projections</b> for next 12 months	

# A6 Covid-19 SME Loan Scheme



## How to apply

Please note that businesses can only apply to their **main/primary bank**.

To apply please do the following:

1. Visit <https://www.nedbank.co.za/content/nedbank/desktop/gt/en/business/covid-19-relief/COVID19LoanScheme.html>
2. Complete the loan application form
3. Prepare all documentation listed on the document checklist

Once you have familiarised yourself with the detail and requirements of the scheme, **please contact your dedicated relationship banker or business manager at Nedbank** to submit your applications or discuss any questions you may have.

Nedbank is open to **receive applications with immediate effect** however loan approvals and payouts are subject to finalisation of the scheme. The scheme is scheduled to remain open for applications until the end of July.



# B1 South African Future Trust (SAFT)



## What is available?

- An interest-free, five-year loan to the business entity.
- Exclusively for the purpose of paying employees.
- Repayable at the end of the term.
- No minimum monthly instalments.
- Loan size: R750 per qualifying employee per week for 15 weeks = R11 250 per employee.
- No limit in terms of number of employees.



## NB:

- All loans will be paid directly into the accounts of the participating employees.
- Employees are not liable for repayment of this loan.



## Qualifying criteria

- Any SMME with turnover <R25m per annum.
- Company types: Sole props; partnerships; operating trusts; CC; (Pty) Ltd.
- Trading for 24 months or more.
- In good standing with the statutory creditor.
- Good credit history.
- Impacted by Covid-19.



## Supporting information required

- Application form and declaration.
- Annexure A - Employee details.
- Extract of minutes.
- Signed contract (if loan approved).



## How to apply

1. Visit [Nedbank.co.za](https://nedbank.co.za) > Business > Covid-19 Relief > SAFT.
2. Download the relevant forms.
3. Complete and submit to [saft@nedbank.co.za](mailto:saft@nedbank.co.za).

## B2 Debt Relief Finance Scheme



### What is available?

Benefitting SMEs: Businesses that are negatively affected, directly or indirectly, due to the Covid-19 pandemic.



### Qualifying criteria

- The business must have been registered with CIPC by at least 28 February 2020; company must be 100%-owned by South African citizens.
- Employees must be 70% South Africans.
- Priority will be given to businesses owned by women, youth and people with disabilities; be registered and compliant with SARS and UIF.



### Supporting information required

- Proof that the business is negatively affected by Covid-19 pandemic.
- Company statutory documents.
- FICA documents (eg municipal accounts, letters from traditional authority).
- Certified ID copies of directors.
- Three months' bank statements.
- Latest annual financial statements or latest management accounts not older than three months from date of application – where applicable.
- Business profile.
- Six-month cashflow projections – where applicable.
- Copy of lease agreement or proof ownership if applying for rental relief.
- If applying for payroll relief, details of employees – as registered with UIF and including banking details – will be required as payroll payments will be made directly to employees.
- SMME employers who are not compliant with UIF must register before applying for relief.
- Facility statements of other funders.
- Detail breakdown on application of funds including salaries, rent, etc.
- Registration on the National SMME Database – <https://smmesa.gov.za>.



### How to apply

- Register on <https://smmesa.gov.za>.
- Complete online application form (to be released on Thursday, 2 April 2020).
- Upload required supporting documents.
- Seda will assist micro-enterprises to comply, and request for assistance must be emailed to [debtrelief@seda.org.za](mailto:debtrelief@seda.org.za), whereas small and medium enterprises must ensure own compliance.

## B5 Tourism Relief Funding



### What is available?

The fund will be administered to benefit SMMEs in all nine provinces and various tourism subsectors. There will be a degree of bias towards rural areas, townships, women, young people, and people with disabilities.



### Qualifying criteria

- Formally registered with CIPC.
- Turnover must not be more than R2,5 million per annum.
- Valid tax certificate.
- Proof of minimum wage compliance.
- Must provide proof of UIF registration for employees employed by the business.
- Be an existing tourism-specific establishment as outlined in the scope of application (suppliers and intermediaries are not eligible).
- Must have been in existence for at least one business financial year.
- The relief will be distributed in a spatially equitable manner to ensure that all provinces benefit.
- At least 70% of beneficiaries will be businesses that are black-owned.
- At least 50% of beneficiaries will be businesses that are women-owned.
- At least 30% of beneficiaries will be businesses that are youth-owned.
- At least 4% of beneficiaries will be businesses that are owned by people with disabilities.
- Guaranteed employment for a minimum number of staff for a period of three months.



### How to apply

- The eligible businesses must prove that the relief is required as a result of the impact of Covid-19.
- Must submit statements of financial position – over 12 months' bank statements, balance sheet, income statements, cashflow statements.
- Indicate the intended use of the resources.

# B6 IDC Covid-19 Essential Supplies Intervention



## What is available?

The IDC Covid-19 Essential Supplies Intervention is established to provide funding to companies for the acquisition and/or the manufacturing and supply of essential supplies on an urgent basis to combat the Covid-19 pandemic that is facing South Africa. Financial support to be provided by the IDC includes the following:

- Support for the manufacturing of essential medical products.
- R500 million for trade finance to import essential medical products.
- A short-term loan to companies for once-off contract or import funding.
- Revolving credit facilities.
- Guarantees to banks for banking facilities, imports and ordering requirements.
- Interest rate and pricing:
  - IDC loan and trade finance facilities: P + 1% pa.
  - Guarantees: 2% pa.
- Term limited to a maximum of three months for all facilities.



## Qualifying criteria

- Companies that have a track record of manufacturing comparable products, capable of delivering on the contract in terms of capacity, resources and experience.
- For imports – the lack or insufficiency of local manufacturing should be confirmed, and capacity and experience to import at the required scale should be demonstrated.
- Company should be an accredited supplier (where applicable) if contract or purchase order is with government, retailers or multinationals.
- Company should demonstrate profitability as per historical financial statements.
- Contract or purchase order with either the South African Government or a strong customer for essential supplies.
  - In the absence of a contract or purchase orders, a corporate guarantee from a company with investment.



## Supporting information required

Documents and requirements to be submitted to [callcentre@idc.co.za](mailto:callcentre@idc.co.za):

- Applicant's background detailing historical and existing manufacturing, and trading facilities and capabilities (summary of business model, products and why IDC should fund them – commercial merits).
- Letter of standing from the bank (and all other financiers).
- Bank statements for the last 12 months.
- Confirmation and copies of all other financing facilities.
- FICA documentation and PEP status.
- Tax clearance certificate.
- CVs of management
- Financial statements (annual audited or reviewed and interim management accounts not older than two months).
- Analysis of stock, debtors and creditors.
- Budgets including the contract.
- Description of project and products to be manufactured.
- Copy of contract or purchase order from government or reputable strong customer, ie retailer, or multinational.
- Documentary evidence of product accreditation where required by government or customer.
- Quotations to support application of funds.
- Motivation/Validation of applicant's supplier to determine its credibility and ability to deliver the contracted supplies.
- Payment terms of suppliers.
- Supply chain arrangements, ie how the product will be shipped, and after how long.
- Security available.
- Personal balance sheets and balance sheets of guarantor.
- Legal documents (permits, licenses, agreements, MOI, etc).

# B7 MCEP Covid-19 Programme



## What is available?

The MCEP Covid-19 Programme will focus exclusively on qualifying manufacturing companies that provide essential products that have become scarce due to high demand caused by the outbreak of the Covid-19 pandemic.

Funding will be considered in terms of instruments and pricing as per below:

- Limited to R30 million per applicant in total.
- Priced at a fixed rate of 2,5% per annum.
- Maximum term is 48 months, including moratorium.
- First drawdown must occur within one month from approval date.
- Raising and commitment fees are excluded.
- All other standard fees are applicable.
- Working capital and plant and equipment requirements are what will be provided.
- Funding provided can be stand-alone MCEP funding or blended with IDC.



## Qualifying criteria

- Available to companies that have been operational for at least a year.
- Companies must have a valid contract/purchase order or letter of intent.
- Applicable to manufacturers of targeted priority products.
- Companies with BBBEE Level 4 will be encouraged.



## How to apply

Documents and requirements to be submitted to [callcentre@idc.co.za](mailto:callcentre@idc.co.za):

- Applicant's background detailing historical and existing manufacturing, and trading facilities and capabilities (summary of business model, products and why IDC should fund them – commercial merits).
- Letter of standing from the bank (and all other financiers).
- Bank statements for the last 12 months.
- Confirmation and copies of all other financing facilities.
- FICA documentation and PEP status.
- Tax clearance certificate.
- CVs of management
- Financial statements (annual audited or reviewed and interim management accounts not older than two months).
- Analysis of stock, debtors and creditors.
- Budgets including the contract.
- Description of project and products to be manufactured.
- Copy of contract or purchase order from government or reputable strong customer ie retailer, or multinational.
- Documentary evidence of product accreditation where required by government or customer.
- Quotations to support application of funds.
- Motivation/Validation of applicant's supplier to determine its credibility and ability to deliver the contracted supplies.
- Payment terms of suppliers.
- Supply chain arrangements, ie how the product will be shipped, and after how long.
- Security available.
- Personal balance sheets and balance sheets of guarantor.
- Legal documents (permits, licenses, agreements, MOI, etc).

# B9 COVID-19 Black Business Fund



## What is available?

In partnership with the DTIC, NEF will facilitate funding for black entrepreneurs to manufacture and supply a range of products to help the country flatten the curve of this deadly global virus. A total R200m has been set aside for the purpose. This is in line with the NEF's mandate as a development financier to champion inclusive growth while responding innovatively to the challenges facing the country.

The NEF has dedicated teams of seasoned investment professionals to help expedite approval for eligible black entrepreneurs and to ensure a turnaround of two weeks from application to disbursement, following receipt of all relevant documents for commercially viable applications.

Loans are available, limited to R10m per applicant for working capital, machinery and equipment:

- Up to 12 months payment moratorium at 0% fixed interest rate.
- After 12 months a fixed interest rate of 2,5% will apply.
- Maximum term is 60 months, including moratorium.



## Qualifying criteria

- The business must be a registered legal entity in South Africa in terms of the Companies Act, 2008 (as amended); the Close Corporations Act, 1984 or the Co-operatives Act, 2005.
- The business must be a taxpayer in good standing with a valid tax clearance certificate at assessment as well as before the loan is disbursed.
- The business must be a current and registered supplier with retailers and other institutions in good standing or have a purchase order, contract or letter of intent.
- The business must require working capital or funds to purchase machinery and equipment.
- The fund will not service any debt or help settle monies owed.
- The business must have greater than 50% black South African shareholding and management control, who are directly involved in the day-to-day running of the operation and must have requisite expertise in the sector.
- Preference will be given to applications that demonstrate meaningful black women ownership, management and control.
- The business must have a project with a minimum requirement of R500 000 in working capital, machinery and equipment.
- The business must result in retaining or increasing direct jobs.



## Supporting information required

- Declaration on BBBEE status and size of business.
- NEF application form (accessible on NEF website: [www.nefcorp.co.za](http://www.nefcorp.co.za))
- Summary of production in the last 3 months.
- Copy of the historical financial statements (up to 3 years if available).
- Signed copy of the contract, purchase order or letter of intent from the applicant's client(s).
- Financial forecast for the duration of the contract, order or letter of intent. The forecast should include income statement, cash flow statement and balance sheet for the duration of the funding.
- Additional information that would be necessary to enhance the application may be requested by the NEF as and when deemed necessary.



## How to apply

- Visit [nefcorp.co.za/covid-19-business-funding/](http://nefcorp.co.za/covid-19-business-funding/) to download the application form
- Submit all required documentation to [covidfund@nefcorp.co.za](mailto:covidfund@nefcorp.co.za)

## C2 Training Layoff Scheme



### What is available?

Companies facing economic distress and contemplating retrenchments have an option to consider training layoffs, which are financed by the NSF and SETAs. Companies would keep the staff in employment during the economic downturn, but re-skill them as an investment for the future economic recovery. A training layoff is a temporary suspension of an employee or group of employees and that period is used for training purposes. A training allowance is paid to the employee instead of their normal wage.

- The training allowance may be up to 50% of the worker's normal wage up to a maximum of R6 239,00 per month or R1 440,00 per week.



### Qualifying criteria

To qualify there must be full layoff lasting a continuous period of at least four weeks or partial layoff (short-term) lasting at least two days a week (or 16 days) and contemplated to last for at least eight weeks.

The scheme is limited to:

- employers facing economic distress and contemplating retrenchment of workers;
- employers that are in the position to benefit from the short-term relief and re-absorb workers at the completion of the layoff training;
- employers that are compliant with statutory obligations; and
- employers whose workers are earning up to R180 000 per year (this threshold is flexible, but the training allowance cap is not) and who may be at risk of retrenchment are eligible, subject to certain conditions.



### Supporting information required

- TERS terms and conditions
- TERS request to participate
- TERS agreement to participate
- List of employees identified to participate



### How to apply

To participate, the CCMA must be approached either directly by the employer or the process can emerge as an alternative to retrenchment during a CCMA process.

If the CCMA commendation is positive, it facilitates the process to conclude a Training Layoff Agreement.

- The Training Layoff Agreement is perused for compliance and then forwarded, along with the advisory award and other documents, to the DoL Committee and the affected SETA.
- The DoL Committee considers the CCMA's recommendation and funds the cost of the training, which funds are transferred to the SETA.
- The SETA facilitates the provision of training for workers participating in the scheme. They engage with individual companies regarding type, cost, provider and duration of training and apply to the DoL Committee for funding of the training allowances.
- The SETA transfers the funds to employers and training providers (which funds were received from the DoL Committee).

## C3 National Disaster Benefit



### What is available?

The intention is to provide temporary relief so that employers can pay employees that are laid off due to the company closing as a direct result of the coronavirus.

An employer or employee cannot apply for the National Disaster Benefit and any other UIF benefit simultaneously. This benefit will be de-linked from the UIF's normal benefit structure.

This benefit will be a monthly payment of R3 500 per employee for the duration of the shutdown or three months, whichever period is the shortest. If an employee is ill, temporary lay-off or unemployed for longer than three months, the normal UIF benefits will apply.



### Qualifying criteria

- Employers must be registered with UIF and make monthly contributions.
- Employees who have been temporarily laid-off due to the COVID19 pandemic, where companies have decided to close their business and are unable to pay their employees.



### Supporting information required

Required forms and documents:

- UI19 and UI2.7 (completed by employer).
- UI 2.1 (application form).
- UI 2.8 (bank form completed by the bank).
- A letter from the employer confirming company shutdown or employee's "temporary lay-off" is due to the Corona virus.
- Copy of employee's ID document.



### How to apply

For more information, visit

[www.gov.za/sites/default/files/gcis\\_documents/corona-uif.pdf](http://www.gov.za/sites/default/files/gcis_documents/corona-uif.pdf)



# C4 Compensation for Occupation Injuries and Diseases Act



## What is available?

This fund will compensate qualifying employees who are temporarily disabled from working as a result of COVID-19 for a period of up to 30 days from the date of diagnosis. If an employee dies as a result of complications from COVID-19, the Compensation Fund shall pay out reasonable burial expenses, and widow and dependent's pensions, where applicable.

Compensation in respect of Temporary Total Disablement or incapacitation is only payable if the employee is booked off duty for more than three days. It is calculated on the employee's salary as at the time and includes all normal allowances, for example a 13th cheque. Compensation is paid at the rate of 75% of the employee's earnings up to a maximum prescribed by the Minister.



## Qualifying criteria

To qualify for benefits from the Compensation Fund, the following criteria must be met:

- The diagnosis must be as a result of occupational exposure to a known source of COVID-19.
- The COVID-19 must be diagnosed as per the World Health Organisation guidelines.
- The COVID-19 diagnosis must be linked to an approved official trip and travel history to high risk areas or countries on a work assignment or linked to a presumed high-risk work environment where transmission of COVID-19 is inherently prevalent.
- A chronological sequence must exist between the work exposure and the development of COVID-19 symptoms.



## Supporting information required

- Employer's report of an occupational disease (W.cl.1).
- Notice of an occupational disease and claim for compensation (W.cl>14).
- Exposure and medical questionnaire.
- First medical report in respect of an occupational disease (W.cl.22) indicating U07.1 as the ICD-10 code for COVID-19.
- Exposure history (W.cl>110) and/or any other appropriate employment history which may include any information that may be helpful to the Compensation Commissioner.
- The office of the Compensation Commissioner shall consider the application and adjudicate upon the liability of all claims.
- The medical officers in the Compensations Commissioners' office are responsible for medical assessment of the claim and for the confirmation of the acceptance or rejection of the claim.
- When submitting medical reports online through the CompEasy system or Mutual Association Claims systems, medical service providers must use the emergency Covid-19 ICD-10 code: U07.1 as proposed by the World Health Organization (WHO).



## How to apply

Supporting documentation must be submitted to the Compensation Commissioner at [covid19claims@labour.gov.za](mailto:covid19claims@labour.gov.za) or online through the CompEasy system or the Mutual Association Claims systems.

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135 Rivonia Road Sandown Sandton 2196 South Africa  
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**FOR MORE INFORMATION PLEASE VISIT**  
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