



STATEMENT BY MINISTER NTSHAVHENI ON GOVERNMENT MEASURES FOR SMMEs IN RESPONSE TO THE COVID-19 PANDEMIC.

The President on the 23rd of March 2020 announced that there will be a nation-wide lockdown for 21 Days with effect from the 26th of March 2020, at midnight. The lockdown is enacted in accordance with the Disaster Management Act. As a result, all shops and businesses will be closed, with the exception of pharmacies, laboratories, banks, essential financial and payment services, supermarkets, petrol stations and healthcare providers.

The impact of COVID-19 on SMMEs has been prevalent long before the announcement of the State of National Disaster by the President and will worsen owing to the lockdown which was announced in an effort to curb the spread of the virus. SMMEs and the Informal Sector will be affected on a multifront, and the government continues to announce multiple interventions to alleviate the economic impact of COVID-19 against SMMEs and the Informal Sector.

The Department of Small Business Development has introduced three intervention measures to support SMMEs affected by the COVID-19 pandemic:

- Business Growth and Resilience Facility
- SMME Relief Finance Scheme
- Sefa-Debt Restructuring Facility.

The Business Growth and Resilience Facility

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.

The SMME Relief Finance Facility

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.

The Sefa-Debt Restructuring Facility

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 installment burden of loan obligations on the affected SMMEs. These SMMEs will be required to illustrate the direct linkage of their business distress to the pandemic.

Qualifying criteria for the Business Growth and Resilience Facility and the SMME Relief Finance Scheme

- 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;
- Seda will assist micro-enterprises to comply and request for assistance must be emailed to debtrelief@seda.org.za;
- Whereas small and medium enterprises must ensure own compliance;
- Registration on the National SMME Database – <https://smmesa.gov.za>
- Proof that the business is negatively affected by COVID-19 pandemic;
- Complete the simpleed online application platform; <https://smmesa.gov.za/>
- Company Statutory Documents;
- FICA documents (e.g. Municipal accounts, letter from traditional authority);
- Certified ID Copies of Directors;
- 3 months Bank Statements;
- Latest Annual Financial Statements or Latest Management Accounts not older than three months from date of application – where applicable;
- Business Profile;
- 6 months Cash Flow Projections – where applicable;
- Copy of Lease Agreement or Proof of 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.

To obtain the cover-19 relief fund application form please visit the websites below:

www.mybindu.org.za

www.sefa.org.za

www.seda.org.za

www.smmesa.gov.za

APPLICATION PROCESS

Register on <https://smmesa.gov.za/> Complete online Application Form and Upload Required Supporting Documents

Physical address

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