

COVID-19 SMME Relief Fund

The Department of Small Business Development has, under the direction of President Cyril Ramaphosa, set up a Debt Relief Fund and Business Growth Facility which offers qualifying SMMEs much-needed repayment relief during the Coronavirus pandemic. Simply put, this fund will assist with existing debts and repayment.

Who qualifies?

Businesses that are able to prove that they are negatively affected by COVID-19 pandemic and meet the following criteria:

- 100% South African owned businesses registered with CIPC by at least 28 February 2020. Priority will be given to businesses owned by Women, Youth and People with Disabilities.
- Registered and compliant with SARS and UIF.
- Employees must be 70% South Africans.
- Registered on the National SMME Database.
- Company Statutory Documents.

What documentation is required?

- FICA documents (e.g. Municipal accounts or a letter from the relevant traditional authority)
- Certified ID Copies of Directors
- 3 months bank statements
- Latest annual financial statements or latest management accounts not older than three months – where applicable
- Business profile
- Six months cash flow projections – where applicable
- Copy of lease agreement or proof ownership if applying for rental relief
- Details of employees as registered with UIF, including banking details if applying for payroll relief
- Facility statements of other funders
- Detailed breakdown on application of funds including salaries, rent etc.

NB: SMME employers who are not compliant with UIF must register before applying for relief.

While small and medium enterprises are expected to ensure that they comply, the Small Enterprise Development Agency (Seda) will assist micro-enterprises with compliance. For assistance, micro-enterprises must email their request to debtrelief@seda.org.za.

For more information on this and to apply, visit www.mybindu.org.za/debt-relief-finance-scheme or call 0860 663 7867.

COVID -19 Temporary Relief Scheme (COVID-19 TERS)

Minister of Employment and Labour, Thembelani Nxesi recently introduced this scheme which provides for the payment of your staff during the lockdown. It applies to employees who cannot work from home during the lockdown period and therefore can't be paid by their employers for services rendered.

It is important to note that this benefit is only for the cost of employees' salaries during the temporary closure of your business operations.

The benefits are capped at a maximum amount of R17 712.00 per month, which will be paid in terms of the income replacement rate sliding scale (38%-60%), as provided for in the Unemployment Insurance Act. The maximum benefit amount that an employee will be entitled to is R6730.56 per month. If your employee's calculated benefit is below the minimum wage, the employee will be paid a replacement income equal to the minimum wage (currently R 3500).

Who qualifies?

Businesses that are able to prove that they are in financial distress due to the COVID-19 pandemic and are registered with the UIF.

What documentation is required?

- Letter of authority.
- Signed Memorandum of Agreement from the employer with the UIF.

For more information on this and to apply, send an email to Covid19ters@labour.gov.za or call 012 337 1997.

For more useful COVID-19 resources and updates from government, visit www.sacoronavirus.co.za .