



COVID-19 RELIEF MEASURES

For individuals and small businesses

2 APRIL 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
Payment holidays	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.
Monthly credit card repayments	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.
Saswitch fees	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.
Penalty fees on early investment withdrawals	For clients wishing to access fixed-term or notice investments, the early release penalty fee will be waived.	All individual and business clients.
Beyond banking support through SimplyBiz®	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 RELIEF FUNDING / LOAN PACKAGES OFFERED

	Name of initiative	Target market	Type of relief	Application process
1	South African Future Trust (SAFT) <i>Administered by Oppenheimer Generations</i> Total fund: R1bn	SMMEs <ul style="list-style-type: none"> • <R25m turnover. • In good standing as at 29 Feb 2020. • Trading for min 2 years. • Impacted by Covid-19. 	<ul style="list-style-type: none"> • An interest-free, 5-year loan to the business entity. • Exclusively for the purpose of paying permanent employees. • Repayable at the end of the term. NB: <ul style="list-style-type: none"> • Proceeds of the loans will be paid directly into the accounts of the participating employees. • Employees are not liable for repayment of this loan. Funding available: <ul style="list-style-type: none"> • R750 weekly wage per employee for 15 weeks = R11 250 per employee. • No limit to the number of employees per business. 	Small businesses to contact their bank saft@nedbank.co.za
2	Debt Relief Finance Scheme <i>Administered by Department of Small Business</i> Total fund: R200m	Existing businesses negatively impacted by Covid-19. Must be: <ul style="list-style-type: none"> • CIPC-registered companies • 100%-owned by SA citizens • 70% of employees are SA citizens • Registered with SARS; tax-compliant • UIF compliant 	Loan funding @ Prime-5%: Working capital: Stock, bridging finance Purchase order finance Capital requirement finance	<ol style="list-style-type: none"> 1. Register your business on the small-business database https://smmesa.gov.za/ 2. Then complete an application form and upload supporting docs. Contact debtrelief@seda.org.za for assistance with micro-enterprises
3	Business Growth/Resilience Facility <i>Administered by Department of Small Business Development</i> Total fund: R300m	Existing businesses geared to take advantage of supply opportunities resulting from Covid-19 or shortage of goods in local market, especially with regard to medical supplies and critical non-food essentials. Must be: <ul style="list-style-type: none"> • CIPC-registered companies • 100%-owned by SA citizens • 70% of employees are SA citizens • Registered with SARS; tax-compliant • UIF compliant 	Loan funding @ Prime-5%: Working capital: Stock, bridging finance Purchase order finance Capital requirement finance	<ol style="list-style-type: none"> 1. Register your business on the small-business database https://smmesa.gov.za/ 2. Then complete an application form and upload supporting docs. Contact growthfund@seda.org.za for assistance with micro-enterprises
4	Spaza Shop Grant Funding <i>Administered by Department of Small Business in collaboration with SEFA</i> Total fund: R30m	Sole props operating spaza shops	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	Not yet available
5	Informal trade stipends <i>Administered by Department of Small Business</i> Total fund: R100m (not yet funded)	Informal traders		Not yet available

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B COVID-19 RELIEF FUNDING / LOAN PACKAGES OFFERED

	Name of initiative	Target market	Type of relief	Application process
6	Tourism Relief Funding <i>Administered by Department of Tourism</i> Total fund: 200m	Tourism and hospitality industry CIPC-registered and in existence >1 year with t/over ≤R2.5m pa, tax clearance, UIF-registered and proof of min wage compliance.	Funding available to assist SMEs in the tourism and hospitality sector, who are under particular stress due to the new travel restrictions.	Contact Ms Hlengiwe Nhlabathi hnhlabathi@tourism.gov.za
7	IDC Covid-19 Essential Supplies Intervention <i>Administered by Industrial Development Corporation</i> Funding available: R500m	Essential supplies: Companies with mnfr track record. Experience to import at scale. Accredited supplier with contract or purchase order or corporate guarantee.	<ul style="list-style-type: none"> • Short-term loan. • Revolving credit facility. • Guarantees to banks for banking facilities, imports, ordering requirements. • IDC loan and trade finance facilities: P + 1% pa. • Guarantees: 2% pa. 	Submit documents to callcentre@idc.co.za ; or contact Mr Gerrit Claassen at 011 269 3482 ; or Mr Rishel at 011 269 3261 for more info
8	MCEP Covid-19 Programme <i>Administered by Industrial Development Corporation</i> Funding available: R300m	<ul style="list-style-type: none"> • Companies that manufacture and provide essential supplies and have been existence > 1 year. • Valid contract/purchase order or letter of intent. • Companies with BBBEE Level 4 will be encouraged. 	<ul style="list-style-type: none"> • MCEP funding can be standalone or blended with IDC. • 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. 	Submit documents to callcentre@idc.co.za
9	Covid-19 Temporary Employer/Employee Relief Scheme (TRS) <i>Administered by National Disaster Benefit and UIF</i>	Businesses registered with UIF	Replacement of lost income to employees during temporary closure of business and for employees in quarantine. The salary benefits will be capped to a max amount of R17 712 pm 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.	The employer to apply by reporting their closure by email to Covid19ters@labour.gov.za , an automatic response outlining the application process will be received. Contact Covid19ters@labour.gov.za

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C OTHER COVID-19 SUPPORT TO SME'S

1

Name of initiative	Target market	Type of relief	Application process
Covid-19 Business Rescue Assistance (COBRA) <i>Administered by Consortium:</i> <ul style="list-style-type: none"> • Schindlers Attorneys • IQ Business • Engaged 	SMMEs	<ul style="list-style-type: none"> • Free daily (small group) and weekly (large group) webinars to share information/guide business leaders. • COBRA War Room – business support to avoid business rescue (pro bono or discounted fees). • Knowledge base and expert Wiki to consolidate information, policy updates and support for enterprises from external stakeholders (eg banks, Government, CIPC, associations). 	Contact www.cobra.org.za

2

Training Layoff Scheme <i>Administered by CCMA and SETA</i> Training allowance up to 50% of wage with max of R6 239,00 pm	Businesses compliant with statutory obligations	Training allowances by CCMA replacing wages	Contact CCMA to be approached
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Read more ▶

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 www.treasury.gov.za or www.sars.gov.za 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"> • 20% of their employees' tax liability over the next four months; and • a portion of their provisional corporate income tax payments without penalties or interest. 	

*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

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.

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, whereas small and medium enterprises must ensure own compliance.

B6 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.

B7 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:

- 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).

B8 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:

- 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).
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- 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).

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).

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