

Coronavirus SME relief guide



**We believe in
small businesses.**

Your Business Funding and Support Options

Government and private sector have launched interventions to support your business during the coronavirus outbreak.

Here's an overview of the relief available to your SMME.

- **UIF payments** [click here](#)
- **Deferred tax payments** [click here](#)
- **Government funds** [click here](#)
- **Private funds** [click here](#)

Get UIF benefits

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SMEs can apply to the Unemployment Insurance Fund's COVID-TERS benefit to cover salaries.

Type of support:

- Employees are paid on a sliding scale between 38% to 60% of their salaries.
- The lower the salary the higher the COVID-19 benefit.
- Companies apply on behalf of employees.

Eligibility:

- Partial or full closure as a result of COVID-19
- SMEs need to be registered with the UIF to qualify.
- No applications will be accepted once the lockdown is lifted.
- The scheme will not affect normal UIF benefits.

How to apply:

- Companies can email COVID19ters@labour.gov.za.
- You will receive an automated email response detailing the next steps in the process.
- Next, submit completed applications and supporting documents to Covid19UIF@labour.gov.za Or, apply online on the UIF [COVID-19 TERS Registration](#) portal.

What do I need to apply:

- Letter of Authority, on an official company letterhead granting permission to an individual specified to lodge a claim on behalf of the company
- MOA (completion of the agreement between UIF, Bargaining Council and Employer) · Prescribed template that will require critical information from the employer
- Evidence/payroll as proof of last three months employee(s) salary(ies)
- Confirmation of bank account details in the form of certified latest bank statement.

Here's the UIF's [COVID-19 TERS guide](#)

For more information, contact **012 337 1997**.



Defer your tax payments

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Another way to increase cash flow is to defer your provisional and PAYE payments.

Provisional tax

Type of support:

1. You can pay 15% of your total estimated taxable income for the tax year for your first payment. This is due from 1 April 2020 to 30 September 2020.
2. You can pay 65% of your tax payment for the second provisional tax payment. This is due between 1 April 2020 and 31 March 2021.

Eligibility:

- Any SME with a gross turnover of less than R100 million can defer their provisional payments over the next four months
- Turnover amount relates to the year of assessment when you are seeking relief
- Gross income cannot include more than 10% passive income
- Passive income sources include interest, dividends, foreign dividends, and rental income
- SMEs must be tax compliant and up to date with all your SARS payments

How to apply:

If you meet the requirements, you automatically qualify and can make the payments accordingly. If SARS later realise that you did not meet the requirements, they will charge penalties and interest accordingly, so it is up to you to make sure that you qualify.

Defer your tax payments

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PAYE

Type of support:

- SMES can defer 35% of their PAYE liability, starting with the payment due on 7 May 2020 and ending with the payment due on 7 August 2020.
- SMEs will need to pay the deferred tax liability to SARS in equal instalments over six months. The first payment must be made on 7 September 2020

Eligibility:

- Any SME with an annual turnover of less than R100 million can defer their PAYE payments over the next four months.
- Turnover amount relates to the year of assessment when you are seeking relief.
- Gross income cannot include more than 10% passive income.
- Passive income sources include interest, dividends, foreign dividends, and rental income.
- SMEs must be tax compliant and up to date with all your SARS payments.
- You must have been registered as an employer with SARS by 1 March 2020.

How to apply:

- If you meet the requirements, you automatically qualify and can make the payments accordingly. If SARS later realise that you did not meet the requirements, they will charge penalties and interest, so it is up to you to make sure that you qualify.

This [video](#) from SARS provides more detail about the tax relief.

Government funds

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A range of government departments have introduced coronavirus funds.

Department of Small Business Development

The Department has two funds: the SMME Relief Scheme and the Business Growth Facility.

Debt/SMME Relief Scheme

The Department of Small Business Development's **SMME Relief Scheme** aims to help businesses cover expenses during the outbreak.

Type of support:

- Soft-loan facility for six months
- You can apply for funds to pay salaries, rent, buy raw materials or municipal accounts
- It opened in April 2020

Eligibility:

SMEs that can prove a link between the COVID-19 pandemic and business distress.

- 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

Government funds

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How to apply:

Register on <https://smmesa.gov.za/>. You will receive a reference number via SMS within seven days.

Complete application form

Gather supporting documents

Complete and send to smmerelief@sefa.org.za

What you need to apply:

Here's the most important documents you need.

- 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 Prole;
- 6 months Cash Flow Projections – where applicable;
- Copy of Lease Agreement or Proof ownership if applying for rental relief;
- Details of three most recent clients
- Detail on your business recovery plan

Here's a [PDF](#) from the Department of Small Business Development with more detail on the Relief Scheme



Government funds

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Business Growth/Resilience Facility

Type of support:

- The facility covers funds for working capital, stock, bridging finance, purchase order finance, and capital equipment finance.
- The interest rate is at prime less % pa.
- Terms will depend on SME cash flow.

Eligibility:

SMMEs that produce or supply healthcare and related products needed to curb the spread of COVID-19, e.g., hand sanitisers. SMMEs that produce essential goods that are in low supply because of the coronavirus's effect on the global market.

An overview of the 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

How to apply:

- Register on <https://smmesa.gov.za/>
- Complete **application form**
- Attach supporting documents
- Send to bizgrowth@sefa.org.za

Government funds

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What do I need to apply:

Here's the most important documents you need.

- CIPC Registration Documents;
- FICA documents (e.g. Municipal accounts, letter from traditional authority);
- ID Copies of Directors/members;
- 3 months Bank Statements;
- Latest Annual Financial Statements or Management Accounts not older than three months from date of application;
- Business Prole;
- 6 months Cash Flow Projections – where applicable;
- Relevant Industry Certification – where applicable;
- Estimations for funding requested.

Here's a [PDF](#) from the Department of Small Business Development with more detail on the Relief Scheme.



Government funds

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Department of Tourism

The Department of Tourism has allocated R200 million to its COVID-19 Tourism Relief Fund.

Type of support:

- The COVID-19 Tourism Relief Fund is once-off grant funding, capped at R50,000 per entity.
- Funding can be used for fixed costs, operational costs, and supplies.
- This fund is open from 7 April to 30 May.

Eligibility:

- **Accommodation establishments:** hotels, lodges, bed and breakfast (b&b's), guest houses and backpackers.
- **Hospitality and related services:** restaurants (not attached to hotels); conference venues (not attached to hotels); professional catering; and attractions
- **Travel and related services:** tour operators; travel agents; tourist guiding; car rental companies; and coach operators.

The qualifying criteria includes:

- Turnover must not exceed R2.5m
- Must be trading for at least one year
- Should be able to show a link between COVID-19 and business distress



Government funds

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Department of Agriculture

The Department of Agriculture has established an Agriculture Disaster Support Fund for smallholder farmers.

Type of support:

- Grant funding capped at R50,000 per farming operation
- Funding can be used to complete current production cycle
- This fund is open until 22 April.

Eligibility:

- Turnover between R20 000 and R1 million
- Already farming
- Farming operation able to create permanent and/or seasonal jobs
- Proof of access to water for irrigation in case of fruits, vegetables and winter crops

How to apply:

- To apply, you will need to obtain forms at national or provincial agriculture departments. For more information and contact details, please visit the [Department of Agriculture, Forestry, and Fisheries' website](#).

What do I need to apply:

- Complete application form
- South African Certified ID copy
- Confirmation of land tenure/ownership (title deeds, Tribal Resolution, Permission to Occupy, minimum 5 years lease agreement)

For more information, see this [press release on the Agriculture Disaster Support Fund](#).

Private funds

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The Rupert and Oppenheimer families have each donated R1 billion rand to help South African SMEs. Because the Rupert fund is no longer accepting applications, we will focus on the Oppenheimer fund, the South Africa Future Trust.

Eligibility:

Here's an overview of the criteria:

- SMEs must be an existing client of the fund's partner banks: Absa, Nedbank, FNB, Standard Bank, and Mercantile Bank.
- Annual turnover must be below R25 million per year
- SMEs must be trading for at least two years
- Should demonstrate link between business distress and COVID-19

Type of support:

- Payments will be made directly into employees' bank accounts.
- Loans are available for 15 weeks from 3 April.
- No interest will be levied. Loans must be repaid on 31 December 2025.
- You decide on the frequency of installments.

How to apply:

- Through your bank.

What do I need to apply:

- Registration number (if a company or a close corporation) or Master's reference
- number (if a trust) identity number and business address (if a sole proprietor)
- PAYE number (if applicable)
- Income tax number
- The following information in respect of each Qualifying Employee:
 - Full name
 - Identity number
 - Contact details
 - Bank account details
 - Confirmation from SMME that each Qualifying Employee was a permanent employee on 29 February 2020

For more information, please visit the [SAFT website](#).

