

**TYSYS (PTY) LIMITED**  
SMME DEVELOPMENT & FINANCING

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# COVID-19 RESPONSE

OUR GUIDE TO KEEPING SOUTH AFRICA'S  
SMMEs AFLOAT DURING THESE TRYING TIMES



**TYSYS**  
SMME Development  
Pty (Ltd)





## ABOUT TYSYS (PTY) LIMITED

### WE ARE ABOUT SMALL AND MEDIUM ENTERPRISE DEVELOPMENT AND FINANCING

Tsys (Pty) Limited, a wholly owned subsidiary of Quartile Capital Holdings (Pty) Limited, is a foremost SMME Development & Financing company with extensive collective experience in Preferential Procurement, Enterprise & Supplier Development (ESD) and SMME Financing. We are an Authorised Credit Provider with the National Credit Regulator ("NCR"). Our License Number is NCR CP7724

*“Our goal is to build lasting relationships through partnership and collaboration”*

## OUR SMME COVID-19 INTERVENTIONS

- Access to COVID-19 Relevant Information
- Access to Funding
- Access to Market
- Non-Financial Support
- Training
- Mentorship
- Management Consulting
- Workout & Turnaround Advisory
- Refinancing & Debt Restructuring

**Tel:** +2711 442 5605

**Email:** [esd@tsys.co.za](mailto:esd@tsys.co.za)

**Web:** [www.qcapital.co.za](http://www.qcapital.co.za)

# COVID-19 INTERVENTIONS

## Essential Services

**To qualify as an essential service, your business needs to be in one of the following categories:**

- Postal, courier, transport of medical products
- Private security services
- Air-traffic, Civil Aviation, Cargo Shipping
- Essential mining, Gold, gold refinery, coal
- Hotels, Accommodation, quarantine and isolation
- Supply, critical repair on essential service
- Transport essential staff, good and patients
- Tow trucks, vehicle recovery
- Call Centre for health safety social support
- Harvest and storage agricultural goods
- Health, Medical, Laboratory and medical services
- Emergency services, Disaster, Fire, EMS
- Finance, Banking, JSE/exchangers, insurance
- Production and sale Category A regulations goods
- Grocery stores, Spaza shops
- Electricity, water, gas, fuel supply and maintain
- Care services, social relief of distressed
- Funeral service, mortuaries
- Wildlife, anti-poaching, animal care, veterinary
- Newspaper, broadcasting, telecommunications
- Cleaning, sanitation, sewerage, waste removal
- Hygiene chemicals, medical, pharmaceutical



## Description of the Scheme

- Limited In terms of this scheme, R200 billion will be ultimately made available for new loans to existing customers. The initial phase will be R100 billion.

## The key features of the Covid-19 loan guarantee scheme are:

- Be Covid-19 loans will be available from banks to eligible businesses in good standing with their commercial banks with an annual turnover of less than R300 million.
- Funds borrowed through this scheme can be used for operational expenses such as salaries, rent and lease agreements, contracts with suppliers, etc. Loans will cover up to three months of operational costs and will be drawn down monthly.
- Banks are not obliged to extend Covid-19 loans, and those that do will use their normal risk- evaluation and credit-application processes. A business' owners may be required to sign surety for the loan.
- Each business may accept only one Covid-19 loan.
- Covid-19 loans will be offered at a single, agreed lending rate by all banks participating in the scheme. The rate will track the repo rate.
- A six-month repayment holiday will commence from the first drawdown, although interest will accumulate from the date on which the first drawdown on the loan occurs.
- Repayment of interest and capital starts after six months and businesses have a maximum of 60 months to do so. Borrowers can repay the loan ahead of schedule.

## Contact Details:

- SMEs are encouraged to please contact their bank for further details and eligibility criteria
- [http://www.treasury.gov.za/comm\\_media/press/2020/20200424%20Loan%20guarantee%20National%20Treasury.pdf](http://www.treasury.gov.za/comm_media/press/2020/20200424%20Loan%20guarantee%20National%20Treasury.pdf)



**national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**

# IDC INTERVENTIONS

This is what the IDC will provide financial support for:

- Manufacturing of essential medical products
- Trade finance for the import of essential medical products (R500 million)

In addition, the IDC will be providing working capital support to critical supply businesses which have been affected. See table below.

## IDC Contact Details:

- [covid@idc.co.za](mailto:covid@idc.co.za)
- 0860 693 888
- [www.idc.co.za](http://www.idc.co.za)



## RELIEF FUNDING FOR DISTRESSED BUSINESSES

The IDC is offering assistance for companies that are in distress resulting from the Covid-19 pandemic.

### WHO MAY APPLY?

IDC clients and other businesses operating in sectors within the IDC's mandate that, as a direct or indirect result of the Covid-19 pandemic, are:

- Reasonably unlikely to be able to pay all their debt as it becomes due and payable
- Unable to fund their operating activities

### SECTORS COVERED

- Agro-processing and agriculture
- Chemical products and pharmaceuticals
- Basic and speciality chemicals
- Clothing and textiles
- Heavy manufacturing
- Light manufacturing
- Media and audiovisuals
- New industries
- Tourism
- Automotive transport and equipment
- Industrial infrastructure
- Basic metals and mining

### QUALIFYING CRITERIA

- Existing IDC clients and new clients in distress as a result of Covid-19. These should operate in sectors within the IDC's mandate
- Companies in distress because of the Covid-19 pandemic, not because of mismanagement
- Companies should demonstrate strong business fundamentals and be considered viable
- Relief is only for clients impacted by Covid-19 with a sustainable business plan
- Intervention plans must show the business case recovering within 18 to 24 months
- There must be evidence that concessionary finance will enable the business to trade out of any short- to medium-term financial crisis
- Limited to South African companies and clients
- Risk must be shared with other funders, not just the IDC
- Distressed funding cannot be used to fund bonuses or dividends
- The company's financial needs must be in excess of assistance from the Unemployment Insurance Fund, the Compensation Fund, the IDC's funding and any other support schemes, and the IDC's funding should only be used to fund any shortfall

### EXCLUSIONS

- Normal expansions
- Refinancing of existing facilities
- Share buy-backs
- Payment of non-operational expenditure, e.g bonuses

### TERMS OF FACILITY

- Debt and guarantees only (equity on a case-by-case basis)
- Scheme-related concessionary pricing

# NEF COVID-19 EMERGENCY FUNDING INTERVENTION

## Salient Features of the Fund:

- Limited to R10 million 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, and
- First drawdown must occur within 1 month from approval date.

## To apply, you should have the following:

- 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.
- Be a taxpayer in good standing with a valid tax clearance certificate at assessment as well as before the loan is disbursed.
- Be a current and registered supplier with retailers and other institutions in good standing or have a purchase order/ contract/ letter of intent.
- Require working capital or funds to purchase machinery and equipment.
- The fund WILL NOT service any pre-existing debt or help settle monies owed.
- Have greater than fifty percent (>50%) Black shareholding and management control. Must be directly involved in the day-to-day running of the operation and must have requisite expertise in the sector. Owned by black South Africans as defined by the Broad-Based Black Economic Empowerment (B-BBEE) Act.
- In line with the NEF's transformation mandate, preference will be given to applications that demonstrate meaningful black women ownership, management and control.
- Have a project with a minimum requirement of **R500 000** in working capital, machinery and equipment.
- Must result in retaining or increasing direct jobs.
- Submission of all relevant documents for commercially viable applications.

## NEF Contact Details:

- [www.nefcorp.co.za](http://www.nefcorp.co.za)
- [covidfund@nefcorp.co.za](mailto:covidfund@nefcorp.co.za)
- 011 305-8080



# South African Revenue Service's (SARS) Tax Relief

## Employment Tax Incentive

- An increase in the expanded employment tax incentive amount: The first set of tax measures provided for a wage subsidy of up to R500 per month for each employee that earns less than R6 500 per month. This amount will be increased to R750 per month
- A 35% deferral on the monthly PAYE liability owed to SARS for the months of April, May, June and July. In addition, SARS will not impose any penalty or interest on the deferred PAYE liability amount. This means that employers are still liable to pay the remaining 65% as per normal.
- Gross income increased from 50 to 100 million for businesses qualifying for tax relief

## UIF

- Should an employer as a result of the Covid-19 pandemic close its operations, or a part of its operations, for a 3 (three) months or lesser period affected employees shall qualify for a Covid-19 benefit.
- The salary to be taken into account in calculating the benefits will be capped at a maximum amount of R17,712.00 per month, 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.

## VAT

- Smaller VAT vendors that are in a net refund position will be temporarily permitted to file monthly instead of once every two months, thereby unlocking the input tax refund faster and immediately helping with cash-flow.
- SARS is working towards having its systems in place to allow this in May 2020 for Category A vendors that would otherwise only file in June 2020.

## Excise

- A deferral for the May and June 2020 payments of excise taxes on alcoholic beverages and tobacco products by 90 days

## Skills Development Levy

- A 4 month payment holiday starting May 2020 for employers

## Penalties

- Businesses with gross income of less than R100 million can apply for an additional deferral of payments without incurring penalties.

## For more information

- SARS Contact Centre: 0800 00 7277
- <https://www.sars.gov.za/Media/Pages/Tax-Relief-measures.aspx>
- <https://uifecc.labour.gov.za/covid19/>







small business  
development

Department:  
Small Business Development  
REPUBLIC OF SOUTH AFRICA

# DEBT RELIEF FINANCE SCHEME

The Department of Small Business Development has introduced relief mechanisms for SMME's impacted negatively by the COVID-19 Pandemic

## DSBD Contact Details:

- [www.dsbd.gov.za](http://www.dsbd.gov.za)
- <http://www.dsbd.gov.za/?p=3399> (application forms)
- [info@dsbd.gov.za](mailto:info@dsbd.gov.za)
- [info@mybindu.org.za](mailto:info@mybindu.org.za)
- 0860 663 7867

For everything you'd like to know regarding all of the interventions by the Government, visit the link below:

<http://www.thedtic.gov.za/covid-19/>



EMAIL



HOTLINE

[info@dsbd.gov.za](mailto:info@dsbd.gov.za)

[info@mybindu.org.za](mailto:info@mybindu.org.za)

0860 663 7867 or  
0860 ONE STOP

## SMME RELIEF FINANCE SCHEME

This facility is a Soft Loan Facility, aimed at assisting existing businesses in order to keep them afloat during the COVID-19 pandemic for a period of 6 months, from April 2020.



## BUSINESS GROWTH AND RESILIENCE FACILITY



This facility will fund SMMEs who Produce or Supply health care and related products that are required to combat the spread of COVID-19 pandemic.

## RESTRUCTURING OF SEFA-FUNDED LOANS

A payment moratorium/holiday will be given to sefa funded SMMEs for a period of a maximum of six months to reduce the instalment burden of loan obligations on clients during the COVID-19 period.



## INFORMAL SECTOR

Tailor-made Facilities are being developed in consultation with Organised Informal Business Owners, Spaza Shops and the Self-Employed. These will be announced in due course.

[info@dsbd.gov.za](mailto:info@dsbd.gov.za) | [info@mybindu.org.za](mailto:info@mybindu.org.za) | 0860 663 7867 | <https://smmesa.gov.za>

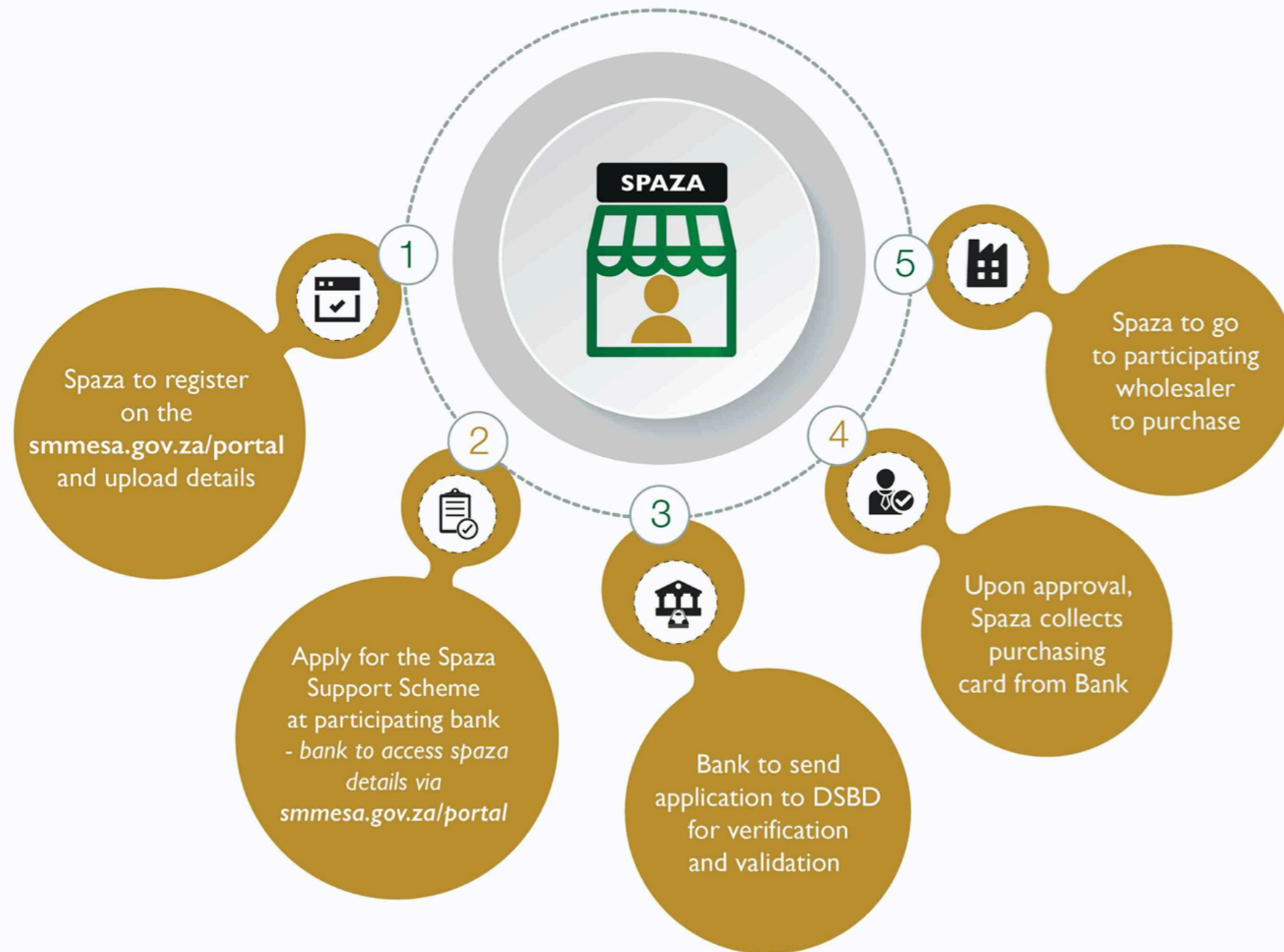




# SPAZA Support Scheme

## Application Process

YOUR BUSINESS CAN BENEFIT FROM THE SPAZA SUPPORT SCHEME THROUGH THE FOLLOWING FIVE EASY STEPS:



# SOUTH AFRICAN BANKS' INTERVENTIONS

## ABSA, FIRST NATIONAL BANK, NEDBANK AND STANDARD BANK

- Contact the individual banks via their banking apps, websites or by visiting a branch

## Relief offered to SMME and Low Income Clients

- They are introducing a "Payment Interruption Scheme" for businesses with turnover less than R20 million annually.
- They are also giving business owners who are a director of a company with less than R20 million annual turnover a three month payment holiday on personal loans for up to 3 months.
- They are additionally helping students who are in debt and low income earners (less than R7500 per month) with financial assistance.
- Waived their SAswitch fee which charges consumers for withdrawing from other bank accounts, only for the lockdown period.
- Credit insurance claim assistance
- Bridge finance facilities on an individual per-case basis.
- Speedpoint(R) device rental fees and minimum merchant fees will be waived for good-standing customers operating in distressed industries

## Additional Assistance via SA FUTURE TRUST - OPPENHEIMER GENERATIONS

FNB, ABSA, Standard Bank and Nedbank. The funds are distributed to qualifying businesses via a 5 year term loan. The purpose of the fund is to assist ailing SME's with cash flow to continue operations and retain employee's.

### Loans will be:

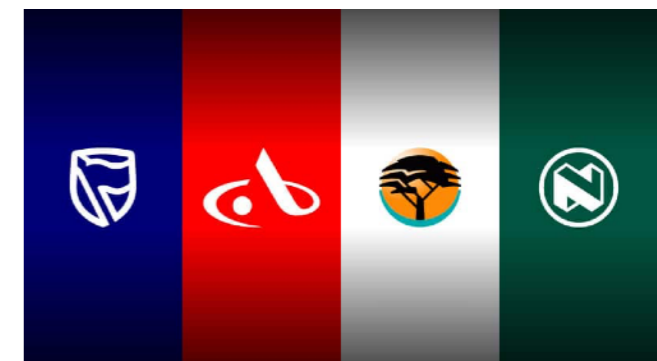
- Interest free
- Subordinated to pre-existing debt

## Debt Relief Qualifying Criteria

- Bank dependent
- Be a client to any of the banks
- Status of accounts to be up to date as of 01 February 2020 and business to have been viable by 29 February 2020

### Additional Documentation for SA Future Trust

- Company identification (Registration number (for CCs), Master's reference number (for trusts), ID number and address (for sole proprietors)
- PAYE number
- Income tax number



# Youth Micro Enterprise Relief Funds

## National Youth Development Agency (NYDA)

The NYDA is going to provide a Relief Fund to youth-owned enterprises for a period of three months. This fund is targeted at youth-owned businesses that meet the following criteria:

- The youth owned enterprise must have been existing and operating for a period of six (6) months prior to the lockdown. Proof of this must be submitted in a form of management accounts (i.e. invoices, orders, etc.)
- The youth owned enterprises must be able to provide financial statement for three (3) months before the lockdown and statements during the lockdown.
- The youth owned enterprise must submit CIPC registration documents except for informal businesses
- The youth owned enterprise must provide proof of banking details that is not older than six (6) months
- Demonstrate how the enterprise has been impacted by COVID-19
- The relief fund will cover operational costs only
- The relief fund will be capped at a maximum of R10,000.00 per youth owned enterprise and this will be a once-off amount
- The application period is from 20 April up to 30 May 2020

## Criteria

- The enterprise is owned by youth between the age of 18 to 35 years
- The owners are South African citizens
- They are residing in South Africa
- <http://nydaweb.site.azurewebsites.net/Latest-News/NYDA-Youth-Micro-Enterprise-Relief-Fund>

## Contact Details

- **Further Funding Details & Application Form:**  
<http://nydaweb.site.azurewebsites.net/Latest-News/NYDA-Youth-Micro-Enterprise-Relief-Fund>
- **Branch Offices and Contact Details:**  
<http://www.nyda.gov.za/Portals/0/Downloads/List%20of%20offices.pdf>
- 087 1586 345 / 5738
- [info@nyda.gov.za](mailto:info@nyda.gov.za)



# Youth Micro Enterprise Relief Funds

## Youth Business Relief Fund

In an attempt to bring relief to the Youth Businesses in the Country, YCCISA has introduced a Relief Fund to assist **young people** in businesses that are already affected by the **corona virus pandemic**. The Fund will assist youth entrepreneurs from operational costs, paying labour costs, rental and etc.

## Criteria

- The enterprise is owned by youth between the age of 18 to 35 years
- Be a South African citizens
- Have an already existing business
- **Business Categories:** All youth businesses are encouraged to **apply** but mostly **informal traders**, whom are not included in other rescuing funding methods put on place by government during this time

## Contact Details

### Further Funding Details & Application Form

- <https://youthbusinessfund.co.za/how-to-apply/>
- [info@youthbusinessfund.co.za](mailto:info@youthbusinessfund.co.za)
- [applications@youthbusinessfund.co.za](mailto:applications@youthbusinessfund.co.za)



# TRAVEL AND TOURISM INTERVENTIONS

## Travel and Tourism Relief Fund

The Tourism Relief Fund provides once-off capped grant assistance to Small Micro and Medium Sized Enterprises (SMMEs) in the tourism value chain to ensure their sustainability during and post the implementation of government measures to curb the spread of Covid-19 in South Africa.

Capped at R50 000 per entity, grant funding can be utilised to subsidise expenses towards fixed costs, operational costs, supplies and other pressure cost items.

## Application Qualifying Criteria

- Must be a formally registered business with Companies and Intellectual Property Commission (CIPC)
- **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 application window for the Tourism Relief Fund will close on 31 May 2020.***

## Contact Details

- [https://www.tourism.gov.za/CurrentProjects/Tourism\\_Relief\\_Fund\\_for\\_SMMEs/Pages/Tourism\\_Relief\\_Fund\\_for\\_SMMEs.aspx](https://www.tourism.gov.za/CurrentProjects/Tourism_Relief_Fund_for_SMMEs/Pages/Tourism_Relief_Fund_for_SMMEs.aspx)
- [www.tourism.gov.za](http://www.tourism.gov.za)
- [callcentre@tourism.gov.za](mailto:callcentre@tourism.gov.za) or [covidrelief@tourism.gov.za](mailto:covidrelief@tourism.gov.za)
- 0860 TOURISM (868 747) weekdays from 08:00 – 22:00



# RETAIL SECTOR - PROPERTY INDUSTRY GROUP RENT RELIEF FUND

## RENT RELIEF

The PI Group has proposed that small and micro retailers are given rental discounts of up to 100% for April, with further substantial rental discounts and interest-free rental deferrals for May and June respectively. The group has also committed to continuing paying its suppliers in full, including cleaning and security providers, and taking on the increased cost of enhanced hygiene to protect against the spread of Covid-19.

The retail tenant assistance and relief guidelines exclude office, logistics, warehousing, industrial, healthcare, hospitality and other tenants.

## Property Industry Group: Retail Tenants Relief Package

- **Industry and purpose:** Intended to assist large retail tenants hardest hit by the Covid-19 lockdown
- **Funding amount:** The value of the relief package is estimated between R2 billion and R3 billion
- **Application Process:** Apply via landlord

## Criteria

- Retail tenants in good standing at February 29, 2020
- Retailers in office or industrial parks qualify
- No funding will be given for rates and taxes, utilities and insurance
- The relief is offered in the form of a rental discount or deferral for April, May and June 2020
- Annual turnover of less than R80 million
- Aims to avoid retrenching staff during the relief period



# AGRICULTURE, LAND REFORM & RURAL DEVELOPMENT INTERVENTIONS

## AGRICULTURAL RELIEF

The department has ring-fenced R1.2 billion for assistance to mainly target financially distressed small-scale farmers. Of the R1.2 billion, R400 million has been allocated for farmers within the Proactive Land Acquisition Strategy (PLAS) programme and the remainder will be channelled towards all other farmers.

## SECTOR FOCUS

- Poultry: Day old chicks, Point of lay chickens, feed, medication and sawdust;
- Other Livestock: Feed and medication.
- Vegetables: Seedlings, fertilizer, pesticides, herbicides and soil correction.
- Other commodity sectors will be evaluated on a case by case basis, as the Department continuously monitors the impact of COVID-19 on the sector at large.

## QUALIFICATION CRITERIA

- South African citizens who have been actively farming for a minimum of 12 months and currently in the production season or cycle.
- Be registered on farmer register, commodity database or provincial database (Those who are not on the Farmer Register will be registered to benefit).
- Communal farmers.
- Smallholder farmers with annual turnover between R20 000 and R1 million.
- The adjudication will prioritise women, youth and people with disabilities.

## Contact Details

- [www.dalrrd.gov.za](http://www.dalrrd.gov.za)
- <https://landbank.co.za/Pages/Home.aspx>
- [applications@dalrrd.gov.za](mailto:applications@dalrrd.gov.za)
- 012 319 6000



agriculture,  
forestry & fisheries

Department:  
Agriculture, Forestry and Fisheries  
REPUBLIC OF SOUTH AFRICA



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