

Support to business

The following information was compiled from South African government website and can be found at <https://www.gov.za/Coronavirus/support-business>

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1. Tourism Relief Fund

Categories eligible to apply for the Tourism Relief Fund include the following:

- Accommodation establishments: Hotels; Resort properties; Bed and Breakfast (B&B's); Guest houses; Lodges 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.

Visit our website www.tourism.gov.za for comprehensive information on the Fund terms and qualifying criteria. SMMEs can submit funding applications by completing a form accessible online at:

www.tourism.gov.za/Pages/COVID19tourismrelieffund.aspx

Inquiries on the fund can be emailed to:

callcentre@tourism.gov.za or covidrelief@tourism.gov.za.

Alternatively contact our call centre telephonically on 0860 TOURISM (868 747) weekdays from 08:00 – 22:00.

2. Debt Relief Finance Scheme

For small and medium businesses which are negatively affected, directly or indirectly, due to the Coronavirus 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;
- Seda will assist micro-enterprises to comply and request for assistance must be emailed to debtreliief@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 simplified online application platform;

- 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 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.

Application process

- Register on <https://smmesa.gov.za/>
- Complete online Application Form (to be released on Thursday, 02 April 2020);
- Upload Required Supporting Documents

For more information:

info@dsbd.gov.za / info@mybindu.org.za | 0860 663 7867 or 0860 ONE STOP

3. Business Growth/Resilience Facility

For small, medium and micro businesses geared to take advantage of supply opportunities resulting from the Coronavirus pandemic or shortage of goods in the local market.

Qualifying criteria

- a. The business must have been registered with CIPC by at least 28 February 2020.
- b. Company must be 100% owned by South African Citizens;
- c. Employees must be 70% South Africans;
- d. Priority will be given to businesses owned by Women, Youth and People with Disabilities;
- e. Be registered and compliant with SARS and UIF;
- f. For non-compliant Micro businesses, Seda will assist them to comply and request for assistance must be sent to: growthfund@seda.org.za;
- g. Registration on the National SMME Database: <https://smmesa.gov.za/>
- h. Complete the simplified online application form available from www.dsbd.gov.za; www.sefa.org.za; www.seda.org.za
- i. CIPC Registration Documents;
- j. FICA documents (e.g. Municipal accounts, letter from traditional authority);
- k. ID Copies of Directors/ members;
- l. 3 months Bank Statements;
- m. Latest Annual Financial Statements or Management Accounts not older than three months from date of application;
- n. Business Profile;
- o. 6 months Cash Flow Projections – where applicable
- p. Relevant Industry Certification – where applicable;
- q. Estimations for funding requested.

Application Process

- a. Register on <https://smmesa.gov.za/>
- b. Complete online Application Form (to be released on Thursday, 02 April 2020);
]Upload Required Supporting Documents

For more information:

info@dsbd.gov.za/ info@mybindu.org.za | 0860 663 7867 or 0860 ONE STOP

4. Tax measures to combat the COVID-19 pandemic

Government has implemented interventions to assist with job retention and assist businesses that may be experiencing significant distress. These measures include:

- The introduction of a tax subsidy to employers of up to R500 per month for the next four months for those private sector employees earning below R6,500 under the Employment Tax Incentive. This will help over 4 million workers;
- The South African Revenue Service to accelerate the payment of employment tax incentive reimbursements from twice a year to monthly to get cash into the hands of compliant employers as soon as possible;
- Tax compliant businesses with a turnover of R50 million or less will be allowed to delay 20% of their employees' tax liabilities over the next four months and a portion of their provisional corporate income tax payments without penalties or interest over the next six months. This intervention is expected to assist 75 000 small and medium term enterprises.

The above measures will be given legal effect in terms of two bills to be tabled when Parliament re-convenes later this year for retrospective enactment. These bills are the Disaster Management Tax Relief Bill and the Disaster Management Tax Relief Administration Bill. The draft bills alongside their draft explanatory memorandum, will be published for public comment on the National Treasury and SARS websites by 1 April 2020.

Together with the Commissioner of SARS, National Treasury will also be considering additional exceptional adjustments to assist with COVID-19 relief efforts and to the tax treatment of newly formed funds in this regard.

The draft explanatory notes regarding the COVID-19 tax measures can be found on the National Treasury (www.treasury.gov.za) and SARS (www.sars.gov.za) websites. Comments on the draft explanatory notes can be made to 2020AnnexCProp@treasury.gov.za.

Proposal to expand Employment Tax Incentive programme

In order to minimise the loss of jobs during this critical period, Government proposes expanding the ETI programme for a limited period of four months, beginning 1 April 2020 and ending on 31 July 2020 as follows:

- Increasing the maximum amount of ETI claimable during this four month period for employees eligible under the current ETI Act from R1 000 to R1

500 in the first qualifying twelve months and from R500 to R1 000 in the second twelve qualifying months.

- Allowing a monthly ETI claim in the amount of R500 during this four month period for employees 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.
- Accelerating the payment of employment tax incentive reimbursements from twice a year to monthly as a means of getting cash into the hands of tax compliant employers as soon as possible.

This expansion will, however, only apply to employers that were registered with SARS as at 1 March 2020. Further to the above, the current compliance requirements for employers under sections 8 and 10(4) of the ETI Act will continue to apply.

Proposal of deferral of the payment of employees' tax liability for tax compliant small to medium sized businesses

Tax measures for tax compliant small to medium sized businesses, for a limited period of four months, beginning 1 April 2020 and ending on 31 July 2020:

- Deferral of payment of 20 per cent of the PAYE liability, without SARS imposing administrative penalties and interest for the late payment thereof.
- The deferred PAYE liability must be paid to SARS in equal instalments over the six month period commencing on 1 August 2020, i.e. the first payment must be made on 7 September 2020.

For the purposes of this proposal, small or medium sized business is defined to mean any business with an annual turnover not exceeding R50 million. The above-mentioned proposals will not apply to an employer or representative employer that:

- has failed to submit any return as defined in section 1 of the Tax Administration Act, 2011 (TAA) on the basis required by section 25 of the TAA; or
- has any outstanding tax debt as defined in section 1 of the TAA, but excluding a tax debt
 - in respect of which an agreement has been entered into in accordance with section 167 or 204 of the TAA;
 - that has been suspended in terms of section 164 of the TAA; or
 - that does not exceed the amount referred to in section 169(4) of the TAA.

- However, interest and penalties will apply if the employer has understated the PAYE liability for any of the four months.

Proposal of deferral of the payment of provisional tax liability for tax compliant small to medium sized businesses

Government proposes the following tax measures for tax compliant small to medium sized businesses, for a period of twelve months, beginning 1 April 2020 and ending on 31 March 2021:

- Deferral of a portion of the payment of the first and second provisional tax liability to SARS, without SARS imposing administrative penalties and interest for the late payment of the deferred amount;
- The first provisional tax payment due from 1 April 2020 to 30 September 2020 will be based on 15 percent of the estimated total tax liability, while the second provisional tax payment from 1 April 2020 to 31 March 2021 will be based on 65 percent of the estimated total tax liability;
- Provisional taxpayers with deferred payments will be required to pay the full tax liability when making the third provisional tax payment in order to avoid interest charges.

For the purposes of this proposal, a small or medium sized businesses is defined as any company conducting a trade with an annual turnover not exceeding R50 million. The eligibility criteria for individuals carrying on a business have yet to be finalised, but one possibility is that they will be eligible if their turnover is less than R5 million and no more than 10 per cent of their turnover is derived from interest, dividends, foreign dividends, rental from letting fixed property and any remuneration received from an employer.

The above-mentioned proposals will not apply to a provisional taxpayer that:

- has failed to submit any return as defined in section 1 of the Tax Administration, 2011 (TAA) as required by section 25 of the TAA; or
- has any outstanding tax debt as defined in section 1 of the TAA, but excluding a tax debt
 - in respect of which an agreement has been entered into in accordance with section 167 or 204 of the TAA;
 - that has been suspended in terms of section 164 of the TAA; or
 - that does not exceed the amount referred to in section 169(4) of the TAA.

However, interest and penalties will apply in instances where, upon assessment, it is discovered that a taxpayer does not qualify for relief under the proposed amendments.

More information

- [Explanatory notes for COVID-19 tax measures, 29 Mar 2020](#)

- [SMME debt relief finance scheme, 28 Mar 2020](#)
- [Business growth/ resilience facility - Guidelines for application, 28 Mar 2020](#)
- [Debt Relief Finance Scheme: Guidelines for application, 28 Mar 2020](#)