



IntegriFin

TAX | BUSINESS | STRATEGY



COVID 19 RELIEF FOR BUSINESS

Presented By:
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NB: The measures reported are currently changing on a daily basis and therefore the information reported is as at 12/04/2020.

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SUKUMA FUND

JOHAN RUPERT FUND – ZAR 1 BILLION)

LIVE FROM 03/04/2020

APPLY ON WWW.BUSINESSPARTNERS.CO.ZA

Sole Proprietors:

- ☐ R25k grant made available
- ☐ Funds paid within 7 days once verified by Deloitte
- ☐ Advised to return part or all of the money once in good financial position
- ☐ No admin costs
- ☐ Purpose of loans is to cover overheads and not settle debts
- ☐ Available on 1st come 1st serve basis

Temporary Closure Notice

As you may be aware, on 6 April we temporarily closed the application platform for the Sukuma Relief Programme. Please note that following:

For business owners with completed applications:

- You should have received your acknowledgement email by now.
- We are processing your application and will be providing feedback over the next 5 – 7 working days.
- In the case of approved applications, we will disburse money within the same period.

For business owners with outstanding information and/or documents for their applications:

- We've been sending emails with a secure link requesting you to complete your application within 5 calendar days.
 - If confused about what information or document could be outstanding in your application, refer to the Frequently Asked Questions (Formal Sole Proprietors FAQs: Page 2 and Close corporations, companies and trusts FAQs: Pages 3 – 4) and compare against the information you have in your application.
 - Applications not completed within this period will be disqualified.
- For business owners eagerly waiting for us to reopen for new applications:
- We can only reopen for new application for the following two reasons:
 - i. Because some of the applicants could not be verified and/or approved; or
 - ii. Because we have managed to secure additional capital.

Please complete the form below in order for us to send you an email when we reopen the application platform.

Sukuma Relief Programme

Documents required:

- ☐ Copy of ID,
- ☐ Proof of Tax Compliance
- ☐ Proof of Funds Flowing through a bank account (bank statement)
- ☐ Verification of bank account details

**SORRY
WE'RE FULL**



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SUKUMA FUND (JOHAN RUPERT FUND)

APPLY ON WWW.BUSINESSPARTNERS.CO.ZA

Companies, Close Corporations, Trusts

❑ R25k grant made available

- ✓ Does not have to be repaid back
- ✓ Advised to return part or all of the money once in good financial position

❑ Loan from R25k to R1million

- ✓ Cover 4 months business expenditure. 0% interest charged for 1st 12months and no obligation to pay back interest and capital in 1st 12months.
- ✓ Thereafter interest charged at prime (currently 7.75%)
- ✓ Unsecured loans and no surety will be required

Application documents required

- Clean credit record
- Proof of ability to pay bills prior to COVID19 (proof of solvency)
- Tax clearance certificate
- Proof of PAYE payments on behalf of employees
- AFS up to Feb 2019
- Management Accounts up to Dec 2019
- Copy of rental statements
- Copies of director IDs
- Funds paid within 7 days once verified by Deloitte

**SORRY
WE'RE FULL**





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SA FUTURE TRUST

(OPPENHEIMER FUND – ZAR 1 BILLION)

- ❑ This is a **loan** not a grant
- ❑ Apply directly through the 4 major banks (Nedbank, ABSA, FNB, Standard Bank)
- ❑ No admin costs
- ❑ Once approved funds will be paid directly to the nominated employee however the liability for the loan remains with the business
- ❑ There are no minimum monthly payments requirements attached to the loan and that it only needs to be settled in full at the end of the term. Employees carry no liability for the repayment of the loan.
- ❑ Qualifying small businesses will get a R750 per qualifying employee per week, over a period of 15 weeks, or R11 250 per permanent employee. The total loan amount is a function of the number of employees to be included.
- ❑ Interest free for a period of 5 years

To qualify, a small business must:

- ❑ Have an annual turnover of less than R25-million.
- ❑ Have been trading for two or more years.
- ❑ Must be in good standing with its bank, statutory creditors and with the bureaus as at the end of February 2020
- ❑ Be able to prove that revenue has been impacted by Covid-19 and therefore requires assistance to pay their permanent staff salaries.





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GIVING FOR HOPE FOUNDATION

**WILLOWTON AND AL BARAKA – INITIALLY ZAR 100 MILLION TO GROW TO 500 MILLION
LIVE FROM 15/04/2020 – APPLY ON WWW.GIVINGFORHOPE.CO.ZA**

- ❑ This is a Fully Shariah compliant
- ❑ Loans are free of interest, profit and admin costs – R1million per applicant
- ❑ Loans are repayable in 12 monthly installments after the 1st year i.e. payable by 31/12/2022
- ❑ Should any profits accrue, these will be donated towards tertiary bursaries
- ❑ Turnover time for applications will be less than a week

Requirements

- ❑ SMMEs with a turnover of less than 10% of the fund
- ❑ i.e. R20 million can apply.
- ❑ Should the fund grow to R500 million then
- ❑ SMMEs with a turnover less than R50 million can apply.
- ❑ Will be regularly updated on the above website
- ❑ Preference will be given to those who will create jobs or those who will preserve jobs
- ❑ More requirements to be announced when the website is launched i.e. 15/04/2020





DEBT RELIEF FINANCE SCHEME

- ❑ Negatively impacted, directly or indirectly due to Covid 19
- ❑ Maximum – R 500 000 structured on cash flow at Prime less 5%
- ❑ Live from 02/04/2020 – Apply on <https://smmesa.gov.za> online application
- ❑ Administered by Department of Small Business Development
- ❑ Registered with CIPC by at least 28/02/2020
- ❑ Company must be 100% South African owned
- ❑ Employees must be 70% South African.
- ❑ Priority given to youth, women and people with disabilities
- ❑ TAX AND UIF COMPLIANT
- ❑ Upload supporting documentation

Requirements

- The company's statutory documents;
- FICA documents (such as municipal accounts, or a letter from a traditional authority for businesses based in rural areas);
- Certified ID copies of the company's directors;
- 3 months of bank statements;
- Latest annual financial statements or latest management accounts not older than three months from date of application;
- The business profile;
- 6 months cash flow projections;
- Copy of lease agreement if applying for rental relief;
- If for payroll relief, details of employees – as registered with UIF and including banking details
- Facility statements of other funders; and
- Breakdown on the application of funds (eg, salaries or rent).



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BUSINESS GROWTH / RESILIENT FACILITY

- ❑ Live from 02/04/2020 – Apply on <https://smmesa.gov.za> online application
- ❑ Administered by Department of Small Business Development
- ❑ For businesses geared to take advantage of supply opportunities resulting from the Coronavirus pandemic or shortage of goods in the local market.

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- ❑ Requirements
 - ❑ Registered with CIPC by at least 28/02/2020
 - ❑ Company must be 100% South African owned
 - ❑ Employees must be 70% South Africans
 - ❑ Priority given to youth, women and people with disabilities
 - ❑ Applicants must demonstrate direct link of impact or potential impact of Covid19





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AGRO-PROCESSING SCHEME (FARMING)

APPLY ON:

[HTTP://WWW.THEDTI.GOV.ZA/FINANCIAL_ASSISTANCE/FINANCIAL_ASSISTANCE.JSP](http://www.thedti.gov.za/financial_assistance/financial_assistance.jsp)

- ☐ Apply on Objective is to stimulate agri-business enterprises
- ☐ Administered by DTI
- ☐ Maximum funding of R20million per entity
- ☐ 20% - 30% grant on capital costs

Requirements

- ☐ Be a registered legal entity
- ☐ Possess a tax clearance certificate
- ☐ Be involved in starting or expanding or upgrading an existing Agro-processing operation





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TOURISM RELIEF FUNDING

- Apply by contacting hnhlabathi@tourism.gov.za
- The fund is for benefit of SMMEs in the tourism sector
- Preference will be given to rural areas, townships, women, youth and people with disabilities
- Turnover must not be more than R2.5 million
 - Guaranteed employment for a minimum number of staff for a period of 3 months
- Funds distributed as follows
 - At least 70% of beneficiaries will be black owned
 - At least 50% of beneficiaries will be women owned
 - At least 30% of beneficiaries will be youth owned
 - At least 4% of beneficiaries will be owned by people with disabilities

- Requirements**
- Must submit Annual Financial Statements or 12 months Management Accounts and bank statements
 - Must also indicate the intended use of the resources
 - Formally registered with CIPC
 - Valid tax clearance certificate
 - Proof of minimum wage compliance
 - Must provide proof of UIF registration for employees employed by the business
 - Must be in existence for at least 1 business financial year





NATIONAL EMPOWERMENT FUND (NEF) LOAN

- ❑ Apply on <https://www.nefcorp.co.za/covid-19-business-funding/>
- ❑ For Black Businesses to purchase machinery, raw materials and other items
- ❑ Charged at 0% interest in year 1 and 2.5% interest thereafter

Requirements

- ❑ Must produce hand sanitisers, disinfectants, hand soaps, facial masks, gloves, medical protective clothing and steel beds, maize meal, flour, beans, cooking oil among other items
- ❑ Must be registered supplier for retailers or institutions that have agreed to purchase the manufactured products
- ❑ Tax compliance and commercial viability is a pre-requisite





TEMPORARY EMPLOYEE RELIEF SCHEME (TERS)

- ❑ Apply by sending blank email to covid19@labour.gov.za / infoTERS@labour.gov.za and application forms will be sent through. Complete application forms and send through to same email address
- ❑ Dedicated line for assistance 012 337 1997
- ❑ www.uifecc.labour.gov.za
- ❑ Access guide on <http://www.labour.gov.za/easy-guide-for-employers-on-covid19>

- ❑ Calculated as follows:
 - ❑ 38% for higher earners
 - ❑ Not clear but our understanding is 38% of R17 712 which is R6 730 per month
 - ❑ 60% for low income earners
- ❑ Balance can be topped up by employer
- ❑ Employer must pay employees within 2 days of receiving the TERS benefit and submit proof to the UIF within 5 days of the payment





TEMPORARY EMPLOYEE RELIEF SCHEME

- ❑ It applies where the company has closed its operations, whether total or partial, for a period of 3 months or less as a direct result of Covid-19
- ❑ The company submits the claim and not the employees
- ❑ The company has to enter into a written agreement with the UIF if it has 10 or more employees
- ❑ The company has to fulfil a number of administrative requirements, e.g. proof of payroll for the last three months
- ❑ The employer must include proof of being registered with UIF, a letter of authority and a signed agreement between the employer and UIF
- ❑ Cannot apply for TERS if you applied for UIF must be either or
- ❑ The employee must have been on the employer's payroll before 27/03/2020 to qualify

Documents required

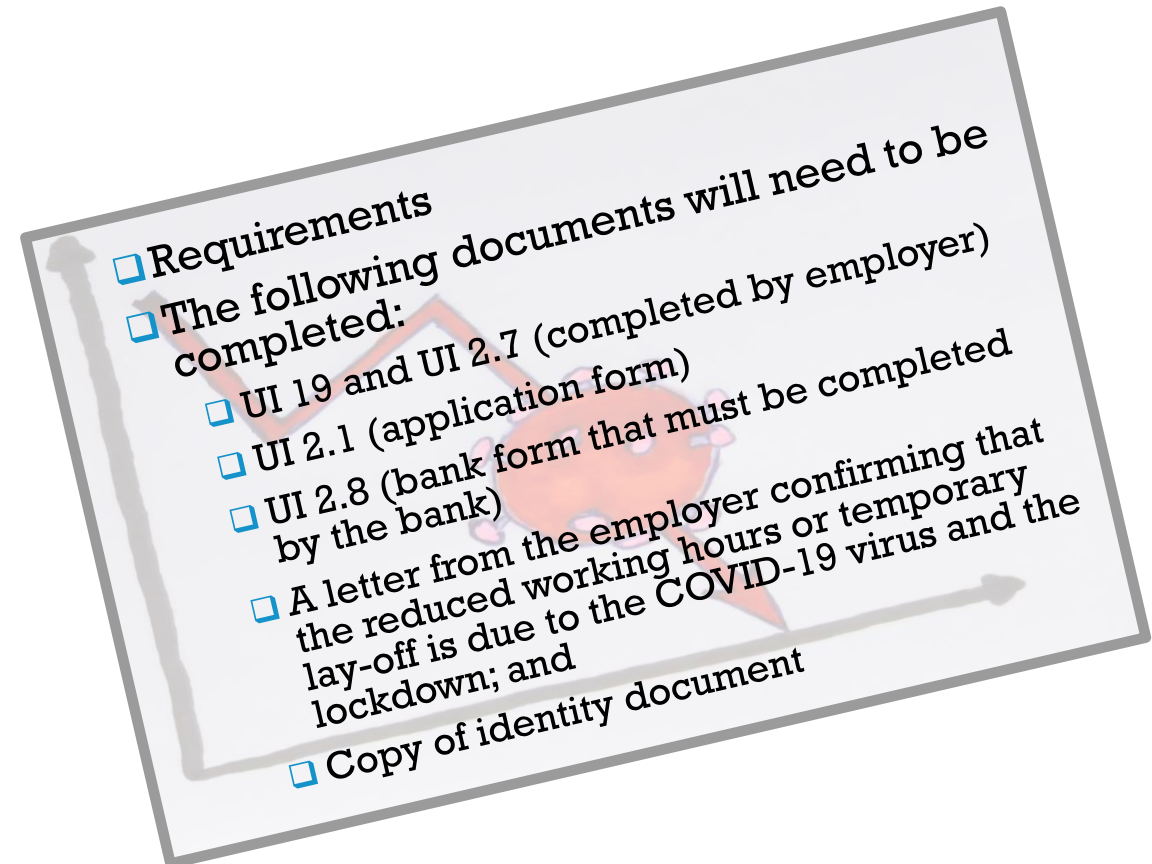
- ❑ Letter of Authority: official company letterhead granting permission to an individual to lodge claim on behalf of company
- ❑ MOA (completion of the agreement between UIF, Bargaining Council and Employer) or electronic acceptance of the standard terms
- ❑ Prescribed template that will require critical information from the employer
- ❑ Evidence/payroll as proof of last three months employees' salaries. Please ensure that the spreadsheet is completed accurately as these will be rejected automatically if not correct as it is imported into their computer system
- ❑ Letter of Undertaking (annex 8)
- ❑ Confirmation of bank account details in the form of certified latest bank statement.





UNEMPLOYMENT INSURANCE FUND (UIF)

- ❑ Can apply on www.ufiling.co.za/uif/unemployment-benefit
- ❑ If an employer has no choice but to close its operations during the lockdown, an employer has the option to temporary lay-off employees. This means that the employees will not receive any income for the duration of temporary lay-off
- ❑ Another option available to employers is to implement reduced working hours leading to the employee only receiving part of his/her monthly income.
- ❑ Responsibility is with employee – Normal UIF process applies – longer turnaround
- ❑ Normal UIF credits apply – unlike TERS





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SARS RELIEF GENERAL PROVISIONS

- ❑ As per Draft COVID – 19 tax relief bills – No relief for Companies > R50m Gross Income
- ❑ However the TAA provides for ways to deal with practical inability to pay taxes without specific new relief provisions:
 - 1.) Apply for Instalment Payment Agreement (S167 of TAA)
 - 2.) Apply for remission of late payment penalties on grounds that COVID 19 is exceptional circumstances (S218 of TAA)
 - 3.) Where difficulty is severe, and business is in distress, a compromise maybe appropriate (S200 of TAA)





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SARS RELIEF PAYE

- ❑ 20% of the PAYE liability can be deferred (not UIF and SDL) for 4 months starting 07/05/2020 (April payroll) – 07/08/2020 (July payroll)
- ❑ Deferred liability must be paid to SARS in **equal installments over 6 months**, commencing August 2020 (1st payment due on 07/09/2020) and ending January 2020 (last payment due 07/02/2020)
- ❑ Submit full amount and pay only 80% of PAYE
- ❑ Certain exclusion may apply – S164 , 167, compliance





SARS RELIEF

PROVISIONAL TAX

- ❑ If year-end is February, then:
 - 1st provisional tax payment
 - 15% of estimated taxable income for the year
 - Normally it is 50%
 - 2nd provisional tax payment
 - 65% of estimated taxable income for the year
 - = Estimated Taxable income x 65% less 1st provisional tax payment
 - Normally it is 100% with leeway of 10%
 - 3rd provisional tax payment
 - 35% (balance) payable 30 September 2021
- ❑ Submit the full amount and pay the relevant percentages

Employment TAX INCENTIVE (ETI)

- ❑ Maximum ETI allowance increased for 4 months (01/04/2020 – 31/07/2020)
 - From R1 000 to R1 500 for 1st 12 months
 - From R500 to R1 000 for 2nd 12 months
 - Allowing a monthly ETI allowance of R500 during these 4 months (01/04/2020 – 31/07/2020):
 - 18 to 29 years old employees who are no longer eligible as employer already claimed ETI on them for 24 months
 - 30 to 65 years old employees who are not eligible due to their age
- ❑ ETI paid out monthly as opposed to twice a year





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“And, behold, *with* every *hardship comes ease*. Verily, *with* every *hardship comes ease*! “[Al-Insharah,5–6]

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