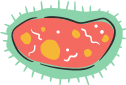


# SMME CORONAVIRUS DEBT RELIEF FUND

BY STEFAN ENSLIN

## WHAT IS IT?



To assist SMME's during the Coronavirus period in South Africa, the Department of Small Business Development has launched a debt relief fund. The fund is aimed at providing relief on exiting debt and repayments as well as assisting businesses in acquiring raw materials, pay salaries and cover running costs.



## CLEARING UP SOME CONFUSION ON WHO QUALIFIES:

There was huge confusion earlier in the week, following screenshots of documents from the Department of Small Business Development which indicated that the funding was only available for 51% black-owned businesses.

Addressing the media on Tuesday, Minister of Small Business Development, Khumbudzo Ntshavheni emphasized that all small businesses would be eligible to receive financial assistance.

Businesses wanting to apply for funding need to meet the following criteria:

- Must be 100% South African owned
- Must employ at least 70% South African nationals
- Must be registered with SARS and fully tax compliant

The Minister added that the fund has demographic as well as geodemographic spread and priority will be given to businesses owned by females, the youth and people with disabilities.

To find out if your business qualifies as an SMME, it would depend mostly on the level of turnover and the sector that you operate in. You can refer to the table in the following website to see where your business falls under.

<https://www.businessinsider.co.za/micro-small-and-medium-business-definition-update-by-sector-2019-3>

## HOW DO I APPLY FOR MY BUSINESS?

To access the SMME funding you need to register your business on the following website: <https://smmesa.gov.za/>

The complete the application is very straightforward, and you would need the following information to complete the application:

- Company type
- Company name
- CIPC registration number
- VAT number (if applicable)
- UIF number
- CDS Number (if applicable)
- This is the number for the Central Supplier databases if you are registered on it and the number will start with "MAAA"
- Annual turnover
- Ownership details such as % holding, female owned and disabled owned
- Employee numbers
- differentiating between male, female, black, disabled, youth and South African citizens.
- Contact details of responsible person and address of Company

There is a section on Sub Sector and Food Products which you can ignore if not applicable. Once submitted it will indicate that your application has been saved.

All indications are that SMME's will not receive "free" money but rather qualify for a loan at prime minus 5%. No further details have been published and I would urge companies to make sure that they are at least registered for now.

The Edge Group of Companies are committed to the growth and development of the SMME market in South Africa and will keep you updated on any new developments.

