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Support to the Tourism/ Hospitality sectors

Please note that as we have received an extensive number of inquiries from businesses that can be broadly categorised as operating within the 'Tourism/Hospitality' sectors, we have developed an initial guiding response on support structures and measures announced to-date. It is our understanding that a number of businesses may have already applied for support via such interventions, but we thought it would be useful to notify you nonetheless.

Please note that the information below has been verified to the extent that it is possible, however **we recommend directly contacting entities managing funds and interventions for guidance** and to ensure the correct application of criteria.

1. **IDC Interventions**

Background to IDC led interventions can be accessed here (although their application to the tourism/hospitality industries, in our interpretation, is limited):
https://www.idc.co.za/2020/03/24/idc-interventions-in-response-to-covid-19/

2. **Tourism Relief Fund for SMMEs**

Kindly find attached an overview of the Tourism Support Fund provided to Wesgro by the Department of Tourism.

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 R 50 000 per entity, grant funding can be utilised to subsidize expenses towards fixed costs, operational costs, supplies and other pressure costs items.

Criteria to qualify for the tourism relief fund:
https://www.supportbusiness.co.za/faq/faq/what-is-the-criteria-to-qualify-for-the-tourism-relief-fund/

3. **Department of Small Business Support to SMMEs: (please ignore this section if your business does not qualify as an SMME)**

The Department of Small Business Development (DSBD) has introduced relief mechanisms for small and medium enterprises (SMME's) impacted negatively, both directly or indirectly, by the COVID-19 Pandemic.

Specifically, the DSBD has published guidelines for application for three intervention measures, namely:

1. Debt Relief Finance Scheme;
2. Business Growth/Resilience Facility; and
3. The sefa-Debt Restructuring Facility.

The fund is currently budgeted at R500 million, but the expectation is that this fund could possibly be increased.

The Debt Relief Finance Scheme (qualifying criteria attached) is aimed at providing relief on existing debts and repayments, to assist SMMEs during the period of the COVID-19 State of Disaster. In essence, the debt relief facility is a soft loan that will provide funding for existing businesses in distress due to the Coronavirus. The relief will be for a period of 6 months, effective 01 April 2020. For SMMEs to be eligible for assistance under the Debt Relief Fund, the applicant must demonstrate direct link of the impact or potential impact of COVID-19 on the business operations.

The Business Growth/ Resilience Facility (qualifying criteria attached is specifically created to enable continued participation of SMMEs in supply value-chains, in particular those who manufacture (locally) or supply various products that are in demand, emanating from the current shortages due to COVID-19 pandemic, in line with the National Treasury Instruction Note No. 8 of 2019/2020. This facility will offer working capital, stock, bridging finance, order finance and equipment finance and the amount required will be based on the funding needs of the business.

The Sefa-Debt Restructuring Facility is geared towards sefa-funded SMMEs that are negatively affected by the pandemic. A payment moratorium/ holiday will be given to the qualifying SMMEs for a period of a maximum of 6 months, in efforts to reduce the instalment burden of loan obligations on the affected SMMEs. These SMMEs will be required to illustrate the direct linkage of their business distress to the pandemic.

The online application form will be available from Thursday, 02 April 2020. It is important to note that only SMMEs that are registered on the database will be considered. Please go to https://smmesa.gov.za/ to register your business.

Guidelines for Application: Debt Relief Finance Scheme: https://www.gov.za/sites/default/files/gcis_documents/Guidelines%20for%20Debt%20Relief%20Application.pdf
https://www.gov.za/sites/default/files/gcis_documents/SMME%20Debt%20Relief%20Scheme.pdf

SMMEs are encouraged to make use of the alternative email at info@dsbd.gov.za or call the Hotline number 0860 663 7867.

Guidelines for Application: Business Growth/ Resilience Facility: https://www.gov.za/sites/default/files/gcis_documents/Guidelines%20for%20Business%20Growth%20Resilience%20Facility%20Application%20%2028%20March.. .pdf

4. **Private sector interventions:**

Please be advised that Wesgro is currently unpacking private-sector led interventions as announced by the Rupert; Oppenheimer and Motsepe families, as well Naspers. We will revert as soon as clear information is available. In the interim, please note the following links which provide some initial guidance:

- Rupert Fund (funding guidelines expected to be provided via Business Partners this week): https://www.cnbcafrica.com/coronavirus/2020/03/29/covid-19-business-partners-to-administer-rupert-familys-r1bn-fund-for-small-businesses/

- Oppenheimer Fund: https://ventureburn.com/2020/03/nedbank-small-businesses-oppenheimers-saft-fund/

- Motsepe Fund: http://motsepefoundation.org/motsepe-family-and-associated-companies-pledge-r1-billion-for-dealing-with-coronavirus-pandemic-and-related-challenges/

- Naspers Fund (does not seem to be focused on business support, rather directly supporting the COVID-19 prevention effort): https://www.naspers.com/home/news/naspers-commits-zar-1,5-billion-to-south-africa%e2%80%99s

5. **Banking sector interventions:**

All banks have now made announcements relating to support measures being undertaken to assist businesses. Through conversations held with regional Heads of banking institutions, Wesgro continues to recommend that you contact your bank directly to understand what package the bank is able to put together to support your business.

The Wesgro team will shortly be uploading a series of FAQs to the www.supportbusiness.co.za website to guide on banking sector interventions.

6. **Supporting your Employees:**

A number of entities have written to us on guidance relating to UIF and TERS. Our team continues to source information relating to how best to access the structures announced. On 28 March the Department of Employment and Labour issued the following update: http://www.labour.gov.za/update-on-employment-and-labour-issues-arising-from-the-lockdowns

A TERS guidance document has also been attached herein "COVID19TERS EasyAid".

Regarding interventions made by National Treasury, please peruse the following guiding note which relates to: (http://www.treasury.gov.za/comm_media/press/2020/20200329%20Explanatory%20Notes%20on%20COVID%2019%20Tax%20measures%20-%2029%20March%202020.pdf)

- Expansion of the Employment Tax Incentive age eligibility criteria and amount claimable
- Deferral of the Payment of employees' tax liability for tax compliant small to medium sized businesses
- Deferral of the payment of provisional tax liability for tax compliant small to medium sized businesses

As you will note from the 'Draft' structure, the legislation is not yet promulgated, but is expected to be promulgated shortly.

7. **Ongoing support:**

We fully understand that the above overview may not provide the exact answers to questions you have, and we will continue to strive to find the answers. Wesgro continues to update the COVID-19 webpage – www.supportbusiness.co.za – with information on key interventions being undertaken by government and private sector. The website is designed to be easily searchable by keyword to guide you towards specific areas where you may require support.

Please also feel free to write to supportbusiness@wesgro.co.za with specific questions you have.

tourism
Department:
Tourism
REPUBLIC OF SOUTH AFRICA

TOURISM RELIEF FUND FOR SMMEs

Funding criteria and the application process

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 R 50 000 per entity, grant funding can be utilised to subsidize expenses towards fixed costs, operational costs, supplies and other pressure costs items.

Guided by the Tourism Broad Based Black Economic Empowerment (B-BBEE) Codes of Good Practices approved by the Minister of Trade and Industries in 2015 (in line with the BBBEE Act No.53 of 2003), the Tourism Relief Fund is administered in line with the objectives of Economic Transformation, and our vision to ensure sustainable and inclusive tourism development.

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

- **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; Attractions
- **Travel and related services**: Tour operators; Travel agents; Tourist guiding; Car rental companies; and Coach Operators.

1. FUND TERMS AND PRIORITY AREAS	
1.1.	The relief funding is a once off grant capped at R50 000 per supported entity – funds will subsidize expenses post COVID – 19 lockdown period operations re-commencement activities and can be utilised on expenses towards fixed costs, operational costs, supplies and other pressure costs items.
1.2.	The relief shall be distributed in a spatially equitable manner to ensure that SMMEs in all provinces benefit.
1.3.	At least 70% of beneficiaries shall be businesses that are Black owned as per the Amended B-BBEE Sector Codes.
1.4.	At least 50% of beneficiaries shall be businesses that are women owned.
1.5.	At least 30% of beneficiaries shall be businesses that are youth owned.
1.6.	At least 4% of beneficiaries shall be businesses that have met a target of at least 2% employment of persons with disabilities.

2. QUALIFYING CRITERIA

2.1 Proof of valid registration with Companies and Intellectual Property Commission (CIPC).

2.2 Turnover must not exceed R2.5 million per year.

2.3 Must have a valid tax clearance certificate or PIN.

2.4 Proof of compliance with the minimum wage requirements.

2.5 Priority will be given to businesses on **LEVEL 1, 2 and 3** according to the Amended B-BBBE Codes.

2.6 Must provide proof of UIF registration for employees employed by the business.

2.7 Be an existing tourism-specific establishment as outlined in the scope of application (suppliers and intermediaries are not eligible).

2.8 Must be in existence for at least one business financial year.

2.9 Proof that the relief is required as a result of the impact of COVID-19.

2.10 Must submit latest statements of financial position, financial performance and cash flows.

2.11 Must submit 6 months bank statements.

2.12 Grading certificate or proof of application to be graded for accommodation establishments.

3. NON- QUALIFYING ACTIVITIES

3.1. Fast food and take away restaurants, nightclubs, bars, gaming and gambling venues,

3.2. Franchised restaurants and those attached to tourism facilities,

3.3. Establishments wholly or partially owned by Government will not be considered

4. FUND APPLICATION PROCESS

4.1 SMMEs can submit funding applications by filling a form accessible online at www.tourismrelief.gov.za, or by email at covidrelief@tourism.gov.za

4.2 Application forms must be submitted with the following pre-qualifying/compulsory documents:

4.2.1 Complete application form.

4.2.2 Registration certificate issued by CIPC.

4.2.3 Certified ID copies of Directors/members.

4.2.4 Six (6) months bank statements.

4.2.5 Latest Annual financial statements – Income, Cash flow statements and statement of financial position.

4.2.6 Business profile – 2(5)-page max.

4.2.7 Relevant industry certification – depending on business focus area. 4.2.8 Latest UIF/U-filing contribution certificate. 4.2.9 Indicate the intended use of the resources – budget breakdown (to be adhered to in the expenditure). 4.2.10 Grading certificate or proof of application to be graded. 4.2.11 Certificate of B- BBEE or Affidavit. 4.2.12 Tax clearance certificate or PIN. 4.2.13 Medical certificate for Persons with Disability where applicable.