



## **ECONOMIC MITIGATION AND RELIEF MEASURES**

### **What measures are being taken to protect jobs and livelihoods and support the economy during the COVID-19 epidemic?**

#### *Access to credit and financial markets:*

- The Reserve Bank has reduced interest rates by 100 basis points, making it easier for consumers and firms to access credit.
- A range of measures have been taken to support market liquidity and protect the banking system.

#### *Support for businesses:*

- The Employment Tax Incentive has been expanded to include all employees earning below R6,500 with a subsidy of R500, relieving the burden on businesses as they face a decline in revenue due to the lockdown.
- Businesses with a turnover of less than R50 million will be allowed to delay their PAYE tax payments over the next four months, and their provisional corporate income tax payments over the next six months, without penalties.
- The Department of Small Business Development has allocated R500 million to assist SMEs whose operations are affected by COVID-19.
- The Industrial Development Corporation has allocated R3 billion in funding for firms who produce essential goods to scale up their operations.
- The South Africa Future Trust has been established to provide a further R1 billion in zero-interest loan funding to SMEs in distress.
- All major banks have announced options for payment holidays and debt restructuring for SMEs and individuals who cannot meet their obligations.

#### *Support for workers and individuals:*

- The Unemployment Insurance Fund has created a special COVID-19 Temporary Employer/Employee Relief Scheme with over R30 billion to provide income support to workers where employers are unable to pay their full salaries due to the lockdown.
- The Department of Social Development, working with community-based organisations and the Solidarity Fund, is scaling up its food distribution programme for households in need.

## **I am a business owner. How can I access support during the lockdown?**

*If you cannot pay the full salaries of your employees:*

- Apply for the Unemployment Insurance Fund's COVID-19 TERS benefit by sending an email to [covid19ters@labour.gov.za](mailto:covid19ters@labour.gov.za). You will receive an automated reply with instructions on how to proceed. The fund will contribute a portion of the employee's salary up to a maximum of R17,712 per month for each employee.

*If you are in financial distress and require grant or loan funding:*

- You must register on <https://smmesa.gov.za/> to be eligible for funding from the Debt Relief Finance Scheme. Once you have registered, you can download the application form on <https://smmesa.gov.za/> or [www.sefa.org.za](http://www.sefa.org.za) and email it to [smmerelief@sefa.org.za](mailto:smmerelief@sefa.org.za).
- Apply for relief funding from the South Africa Future Trust directly through your bank. If you have an account with Standard Bank, FNB, Absa or Nedbank, contact your bank to find out how to access this facility. Visit <https://opp-gen.com/saft/> for more information about the scheme.
  - If you have an account with Nedbank, visit <https://www.nedbank.co.za/content/nedbank/desktop/gt/en/business/covid-19-relief1/SAFT1.html>. If you have an account with Standard Bank, visit <https://www.standardbank.co.za/southafrica/business/covid-19/south-african-future-trust>.
- Contact the bank where you have an existing account to enquire about payment holidays and options for debt restructuring.

*If you produce an essential good or service and require funding to scale up your operations:*

- Apply to the Industrial Development Corporation for working capital, loan or trade finance to support your operations. Email [covid@idc.co.za](mailto:covid@idc.co.za), call 0860 693 888, or visit <https://www.idc.co.za/2020/03/24/idc-interventions-in-response-to-covid-19/> for more information.