

7 April 2020

NWDC partners with Department of Small Business Development to provide support to SMME Relief Fund applicants

The North West Development Corporation in its capacity as provincial economic development agency, engaged in a partnership with the National Department of Small Business to provide support to small businesses through the establishment of a provincial hotline that will aid the national hotline.

The NWDC will be assisting in fielding national calls for the SMME *Debt Relief Finance Scheme* and *Business Growth/Resilience Facility*.

Calls received at the centralised national call centre will be relayed to trained staff from the NWDC's Small Business Development Unit. This will be done to expand the capacity of the call centre to assist applicants with their queries.

Applicants for the available financial relief programmes can reach the call centre on **0860 663 7867**.

The call centre is operational and will be open for calls on business days between 08:00 and 16:30

The available programmes what will be supported by the call centre are:

- 1. SMME Relief Finance**
- 2. Business Growth Facility**
- 3. Restructuring of SEFA-funded SMMEs**
- 4. UIF Payroll Fund.**

(Refer to the addendum for the full specifications and requirements for each)

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For SMMEs to be eligible for assistance under the debt relief fund, the applicant must demonstrate the direct link of the impact or the potential impact of Covid-19 on business operations.

This facility will also assist entities to acquire raw material, pay labour and operational costs. All these interventions will be structured to match the patterns of the SMMEs cash flows, as well as the extent of the impact suffered.

The application process in brief summary:

1. Register as a first step on <https://smmesa.gov.za/>
2. Receive a confirmation sms (takes 1 -2 days)
3. Complete the online application form
4. Upload required supporting documents

SMMEs may also visit the information portal on www.nwdc.co.za for a collection of downloadable documents on support funds and other related applications.

Applicants are encouraged to exercise patience when calling the line, as a high volume of calls are expected in the first few weeks.

The North West Development Corporation is a provincial entity under the Department of Economic Development, Environment, Conservation and Tourism (DEDECT)

[ends
ADDENDUM FOLLOWS]

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ADDENDUM – RELIEF FUND DESCRIPTIONS & REQUIREMENTS

FUNDING	DESCRIPTION	REQUIREMENTS
SMME Relief Finance	<ul style="list-style-type: none"> The facility will offer working capital only – strictly direct costs which should be auditable; Maximum R500k per SMME will be considered depending on requirements; The term of the funding will be determined by the business cash flow with a maximum 6 months' moratorium; Loan facilities will be at an interest rate of Prime less 5%. It must be emphasized that the business needs will be assessed to ensure that the fund is not used for what is not intended for; Soft loan funding that will keep the existing businesses afloat during the COVID 19 pandemic for 6 months from April 2020; In case of any misuse of Funds the business or individual responsible will be liable for repayment at Prime plus 10%; 	<p>SMME submits funding application with www.smmesa.gov.za registration number and supporting documentation to dedicated sefa email address info@sefa.org.za</p> <p>Company must be 100% owned by South African Citizens; Employees must be 70% South Africans; Be registered and compliant with SARS; For non-compliant Micro businesses, Seda will assist them to comply</p>
Business Growth Facility	<p>Registration on the National SMME Database 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 (Statement of Financial Performance and Statement of Financial Position) – where applicable Business Profile 6 months Cash Flow Projections (with clear assumptions) – where applicable Copy of Lease Agreement or Proof ownership Facility Statements of Other Funders - where applicable Detail breakdown on application of funds including salaries, rent etc.</p>	<p>Micro Business: Up to R250 000</p> <p>Small Business: Up to R2 500 000</p> <p>Medium Business: Up to R5 000 000</p>
Restructuring of sefa-funded SMMEs	<p>A payment moratorium/holiday will be given to sefa funded SMMEs for a period of a maximum of six months to reduce the instalment burden of loan obligations on clients during the COVID-19 period (if COVID-19 pandemic goes beyond the six months' period, re-evaluation of the moratorium will be made);</p> <p>Deferments of Capital or both Capital and Interest. The interest accrued will not be capitalised into the loan facility over the proposed 6-month maximum period;</p> <p>Funded SMMEs must submit proof of the negative impact of COVID 19;</p> <p>This will be implemented using the sefa Post Investment team and signed off by the Executive – Post Investment</p>	<p>The additional funding will be offered at prime less 5%. This will ensure that the already funded SMMEs are protected from high interest rates and are offered an opportunity to survive post the COVID 19 pandemic.</p>
Payroll Fund	<p>UIF registered companies should send application directly to the Department of Labour even if their documents are not up to date they are encouraged to apply.</p>	<p>Attached is COVID 19 SMME Frequently asked Questions as Annexure A</p>

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[END OF RELEASE & SUPPORTING DOCUMENT]