

Funding Black Business to fight COVID-19



Funding of black SMEs for up to **R10 million** per applicant with a 12-month repayment holiday

As South Africa intensifies the fight against COVID-19, the global pandemic that must be defeated, the Department of Trade, Industry and Competition (DTIC) in partnership with NEF call upon black businesses to come forward for funding geared at supporting the manufacture of various medical supplies. The features of the facility include:

- Limited to **R10 million** per applicant for working capital, machinery and equipment,
- 12 months' payment break at 0 % fixed rate,
- After 12 months a fixed rate of 2.5% will apply,
- Maximum term is 60 months, including the 12-month moratorium, and
- First drawdown must occur within 1 month from approval date;

The funding criteria for applicants are as follows:

1. Be a registered legal entity in South Africa in terms of the Companies Act, 2008 (as amended); the Close Corporations Act, 1984 or the Co-operatives Act, 2005.
2. Be a taxpayer in good standing with a valid tax clearance certificate at assessment as well as before the loan is disbursed.
3. Be a current and registered supplier with retailers and other institutions in good standing or have a purchase order/contract/letter of intent.
4. Be requiring working capital or funds to purchase machinery and equipment.
5. The fund WILL NOT service any existing debt or help settle monies previously owed.
6. Have greater than fifty percent (>50%) Black shareholding and management control. Must be directly involved in the day-to-day running of the operation and must have requisite expertise in the sector.
7. Have a project with a minimum requirement of **R500 000** in working capital, machinery and equipment.
8. Must result in retaining or increasing direct employment/creating jobs.