



Ministry of Foreign Affairs

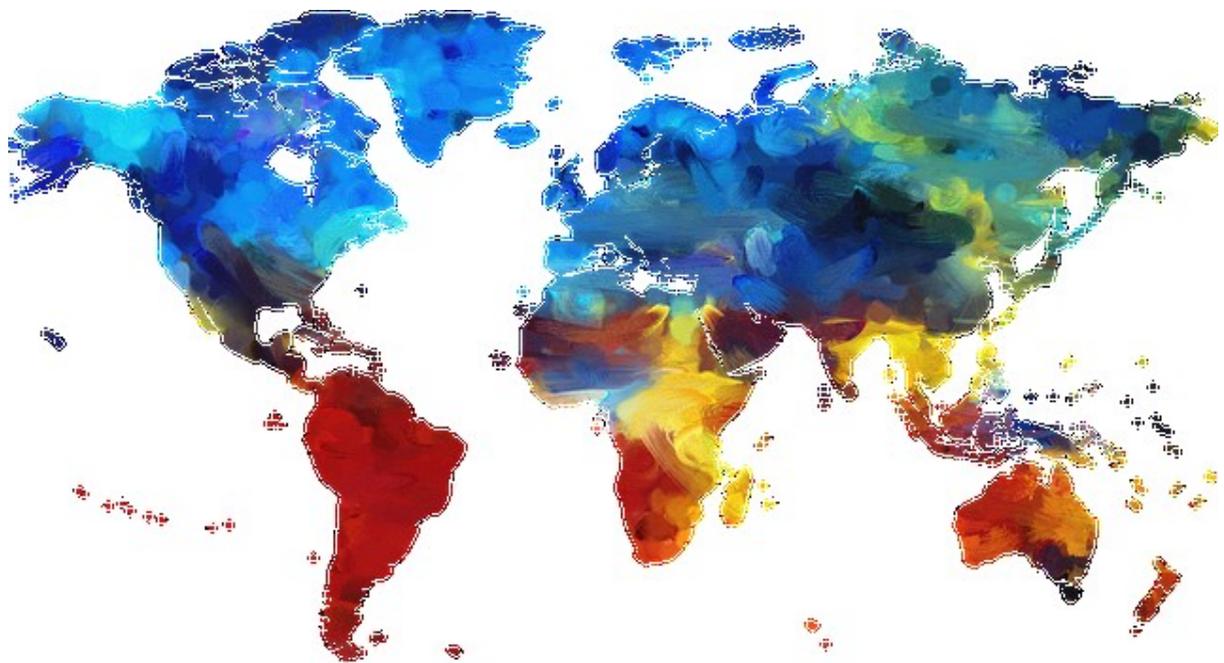
# FREQUENTLY ASKED QUESTIONS DOING BUSINESS IN SOUTH AFRICA DURING COVID-19

*Commissioned by the Netherlands Enterprise Agency*

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International.*

**FREQUENTLY ASKED QUESTIONS  
DOING BUSINESS IN SA DURING COVID-19**

1. WHICH SUPPORT MEASURES ARE AVAILABLE TO ASSIST MY BUSINESS IN SOUTH AFRICA?
2. HOW WILL COVID-19 LEGISLATION IMPACT MY BUSINESS IN SOUTH AFRICA?
3. HOW CAN I CONTRIBUTE AND MAKE A DIFFERENCE?
4. HOW CAN I CONTACT THE EMBASSY IN PRETORIA AND THE CONSULATE-GENERAL IN CAPE TOWN?



## 1. WHICH SUPPORT MEASURES ARE AVAILABLE TO ASSIST MY BUSINESS IN SOUTH AFRICA?

### South African business support measures:

- Tax Relief Measures  
National Treasury and SARS announced a set of measures to help businesses focus on staying afloat and paying their employees and suppliers. For more information, please see the South African Revenue Service's [website](#), which has detailed information as well as a useful page on frequently asked tax relief questions. It might be advisable to use a professional service provider to leverage these benefits optimally. Please contact [pre-trade@minbuza.nl](mailto:pre-trade@minbuza.nl) if you would like to be put in contact with service providers.
- Temporary Employee Relief Scheme (TERS)  
The COVID19-TERS scheme compensates employees who are affected by the closure of their employer's operations or part of its operations as a result of COVID -19. Relief in the form of a wage payment enables companies to pay employees directly during this period and avoid retrenchment. Employees and employers who contribute to the Unemployment Insurance Fund (UIF) can apply. The scheme is administrated through the UIF. Minimum and maximum benefits apply.  
For more information, please see the Department of Labour's [guide for employers](#).
- SMME Debt Relief Scheme  
The SMME Debt Relief Scheme supports businesses that are negatively affected due to the Coronavirus pandemic with the payment of employees, rates and taxes and working capital. Relief is provided in the form of a loan at prime less 5%. Company must be 100% owned by South African Citizens; 70% of employees must be South Africans. The scheme is administered by the Department of Small Business. For more information please see the [information guide](#).
- Business Growth & Resilience Facility  
This facility targets businesses geared to take advantage of supply opportunities resulting from the Coronavirus pandemic or shortage of goods in the local market, especially with regard to medical supplies and critical non-food essentials. Support is provided in the form of a loan at prime less 5%. Company must be 100% owned by South African Citizens; 70% of employees must be South Africans. The scheme is administered by the Department of Small Business. For more information, please see the [information guide](#).
- Reduced worktime benefit and illness benefit  
According to the Unemployment Insurance Fund Act, a contributor employed in any sector who loses his or her income due to reduced working time, despite still being employed, is entitled to benefits if the contributor's total income falls below the benefit level that the contributor would have received if he or she had become wholly unemployed. Employees have to apply in their personal capacities and cannot claim both via TERS and the normal UIF process. For more information, please see the Department of Labour's [Easy Use Guide for Employers on UIF benefits](#).
- Tourism Relief Fund

The Tourism Relief Fund provides once-off capped grant assistance to Small Micro and Medium Sized Enterprises (SMMEs) in the tourism sector to mitigate the impact of COVID-19 in order to ensure their sustainability. Capped at R50 000 per entity, grant funding can be utilised to subsidise expenses towards fixed costs, operational costs, supplies and other pressure cost items. For more information, please see the Department of Tourism's [information guide](#).

- The IDC COVID-19 Essential Supplies Intervention  
Provides funding to companies for the acquisition and/or the manufacturing of essential supplies on an urgent basis to combat the Covid-19 pandemic that is facing South Africa. Essential supplies should include products on the comprehensive list published by the Treasury Department (which may be updated) and include other products that are critical to the treatment and curtailment of the spread of the disease. Companies should have a track record of manufacturing comparable products. For more information, please see the Industrial Development Corporation's [information guide](#).
- South African Trust Fund  
The aim of (private sector-led) SAFT is to provide interest-free loans to qualifying SMMEs, exclusively for the purpose of paying a specified amount of money to their permanent employees who are at risk of losing their jobs or suffering loss of income due to COVID-19. For more information, please see <https://saft.africa/> or any of the participating commercial banks such as Absa, Standard Bank or Investec.
- Dutch Good Growth Fund  
The DGGF invests in several 'fund of funds' in South Africa which specifically aims to provide financial support to local businesses. These include Grofin; Spear Capital; and Alithea. Please consult these organisations for their specific funding benefits and application criteria.

#### **Dutch business support measures**

- RVO  
The Netherlands Enterprise Agency (RVO) provides a range of financial instruments to assist Dutch business to start and expand their operations in South Africa. These include tools for mitigating business risks, encourage innovation, support start-ups as well as private sector ecosystem development for South African partners. Tools have received additional capacity and budgets to provide support to Dutch businesses abroad. Contact: the Netherlands Enterprise Agency at [www.rvo.nl](http://www.rvo.nl) or e-mail [pre-trade@minbuza.nl](mailto:pre-trade@minbuza.nl)
- Business Partner Scan  
Request a [Business Partner Scan \(Zakenpartnerscan\)](#) from the Netherlands Enterprise Agency in cooperation with the Embassy and Consulate-General. The Business Partner Scan will provide you with a detailed overview of potential business partners in South Africa. This extensive service carries a fee of 500 Euro. Contact: the Netherlands Enterprise Agency at [www.rvo.nl](http://www.rvo.nl) or e-mail [pre-trade@minbuza.nl](mailto:pre-trade@minbuza.nl).
- Demonstration projects, feasibility studies and Investment preparations (DHI)  
The [DHI](#) (Demonstratie Projecten, Haalbaarheidsstudies en investeringsvoorbereiding) subsidy is an RVO instrument for Dutch MKB (medium enterprises) who want to enter a

foreign market and reduce their trade or investment risk. More information is provided on the RVO website [www.rvo.nl](http://www.rvo.nl) and for further questions you are welcome to contact the South Africa network on [pre-trade@minbuza.nl](mailto:pre-trade@minbuza.nl).

○ Partners International Business (PIB)

A group of companies can acquire supply chain 'trade and investment promotion' support through a consortium of [Partners International Business \(PIB\)](#). This is one of the most promising post-COVID19 instruments to give your business a boost and improve market-entry. A consortium consists of a minimum of five Dutch companies (or knowledge institutes), who want to enter a promising market, that has a positive impact on the Dutch economy. The government budget is mirrored by the Dutch consortium (either by budget or commitment of time). The consortium will promote the subsector, identify business leads, communicate, go to exhibitions/fairs, organise matchmaking, create business-prospects and achieve deals. This support includes active participation by the economic team of the Embassy and consulate. More information is provided on the RVO website [www.rvo.nl](http://www.rvo.nl) and for further questions you are welcome to contact the South Africa network on [pre-trade@minbuza.nl](mailto:pre-trade@minbuza.nl).

## 2. HOW WILL COVID-19 LEGISLATION IMPACT MY BUSINESS IN SOUTH AFRICA?

○ Business Restrictions

In March, South Africa announced a national state of disaster in accordance with the Disaster Management Act, 2002 (Act No. 57 of 2002) and implemented a countrywide lockdown, which limited economic activity to essential services. On May 13, South African President Cyril Ramaphosa announced the government's intention to ease restrictions according to a Risk Adjusted Strategy: a 5-level system of alerts aimed at defining permissible levels of general movement, travel and economic activity. South Africa is currently on level 2. The system allows the government to place different parts of the country on different levels based on localised Covid19 infection rates. For a detailed overview of the different levels and the economic and social activity allowed, please see SA's dedicated COVID-19 website <https://sacoronavirus.co.za/>.

○ Obligations & Guidelines

There are several pieces of COVID-19 related legislation and/or directives issued by the SA government, which impose obligations on companies operating in the country during the state of disaster. For example, prior to operating from their premises, businesses must develop a "COVID-ready" Workplace Plan and must designate a COVID-19 Compliance Officer to oversee the implementation of the plan and to ensure adherence to the standards of hygiene and health protocols at each office/location. There are also several directives that relate to labour relations which should be taken note of. Please see the comprehensive list of legislation, directives and guidelines on the [SA Government](#) website. The [Return2Work](#) Initiative offers businesses clear and simple step by step guidance on re-opening and staying open, incorporating the key legal requirements and tools to minimise infection and maximise compliance.

○ International travel

Under the lockdown regulations both domestic and international air travel are restricted. While business travel was 'phased in' during Level 3 and domestic leisure travel in Level 2, it

is expected that international travel will only be permitted at level 1. It is as of now impossible to predict when we will reach level 1. You must therefore be prepared for a prolonged period of time without regular air connections to The Netherlands. Dutch citizens or holders of residence permits who want to be repatriated to The Netherlands are advised to check the social media outlets of the Embassy ('Kingdom of the Netherlands in South Africa' on Facebook) and of KLM to keep abreast of developments.

### 3. HOW CAN I CONTRIBUTE AND MAKE A DIFFERENCE?

- Contact the Embassy or Consulate General  
The Embassy and Consulate General have long-term civil society partners whom have rolled-out various initiatives across the country, designed to reduce the impact of COVID-19 on the livelihoods of vulnerable communities. Please send an email to [PRE-PCM@minbuza.nl](mailto:PRE-PCM@minbuza.nl) should you wish to support these initiatives.
- Contribute to solidarity fund  
The Solidarity Fund was created on 23 March 2020 to respond to the COVID-19 crisis in South Africa. It is a platform for the general public, civil society and the public and private sector to contribute to the consolidated effort to fund various initiatives. The Fund works closely with government and business, but it is independent of both of them. It is responsible for and controls the funds donated and is accountable to them with Old Mutual administering the funds on a pro bono basis. The Fund will make public all donations and payments from the Fund on a regular basis. They will be administered by Tshikululu Social Investments to ensure transparency, monitoring and impact measurement. To donate please see the [Solidarity Fund](#) website.
- Donations to provincial task forces  
Every province has set up a task force to manage the country's COVID-19 response. Donations of PPE equipment for example and in-kind support such as expertise can be directed through these teams. Please contact the Embassy or Consulate General if you would like to be introduced.
- Orange Corners  
Orange Corners, an initiative of the Netherlands government and funded by Dutch companies in South Africa, provides support to local entrepreneurs. Many of the current cohort have seen massive disruptions to their small businesses. Donations such as ICT equipment to allow these amazing entrepreneurs to continue their operations can be channeled via the Embassy.

### 4. HOW CAN I CONTACT THE EMBASSY IN PRETORIA AND THE CONSULATE-GENERAL IN CAPE TOWN?

- For more information on the use of RVO business tools or other Dutch trade and investment support we invite you to contact us via [PRE-TRADE@minbuza.nl](mailto:PRE-TRADE@minbuza.nl)
- If you have any other questions, or just want to have a chat about the situation, share events, link with other companies, etc. please do not hesitate to contact the economic team

HOW CAN WE  
**#COCREATESANL**  
*The Netherlands & You*

of the Embassy in Pretoria at [PRE-EA@minbuza.nl](mailto:PRE-EA@minbuza.nl) or the Consulate-General in Cape Town at [KAA-RSVP@minbuza.nl](mailto:KAA-RSVP@minbuza.nl). We are here for you.

This is a publication of  
Netherlands Enterprise Agency  
Prinses Beatrixlaan 2  
PO Box 93144 | 2509 AC The Hague  
T +31 (0) 88 042 42 42  
E klantcontact@rvo.nl  
www.rvo.nl

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