

Applications open for Rupert family's R1bn fund, here's how to apply

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By Ben Bierman, Managing Director at BUSINESS/PARTNERS

Positioned to provide widespread and sustainable support for small and medium enterprises (SMEs) that are financially impacted by COVID-19, the newly-established Sukuma Relief Programme comprises two distinct and separate relief offerings – one for formal sole proprietors and another for other business entities, namely close corporations, companies, and trusts.

The financial aid and assistance will comprise grants and low-interest-bearing loans with a 12-month repayment holiday.

SA's banks reveal how small businesses can apply for the R1bn Oppenheimer fund

Three of South Africa's major banks have revealed to CNBC Africa how small businesses can apply for funding from the South Africa Future Trust. This is what they had to say.

The Sukuma Relief Programme is structured to provide relief against the economic fallout of the COVID-19 pandemic, while leveraging further support as far as possible. Qualifying formal sole proprietors will receive a non-repayable grant of R25 000. Formal close corporations, companies and trusts will be eligible for an unsecured loan ranging between R250 000 and R1 000 000, with no repayment obligations or interest incurred for the first 12 months, in addition to a R25 000 grant.

In terms of necessary criteria, he says that close corporations, companies or trusts must be registered, tax- and regulatory-compliant South African businesses that can prove viability prior to the arrival of the pandemic. "When applying, these entities will therefore be required to submit documents and supporting evidence to corroborate that it is a viable business that was impacted by COVID-19. This proof can be a demonstration of a decrease in turnover, erosion of working capital, or inability to pay salaries.

Similarly, formal sole proprietors will need to provide proof of an active bank account to show business activity prior to the outbreak of the pandemic and provide evidence of tax compliance.

Given the gravity of the unprecedented COVID-19 disruption, Bierman says there will be a focus on swift application, approval and disbursement processing to ensure the relief is made available to qualifying SMEs as quickly as possible. We understand that many businesses are currently in need of immediate financial relief. Disbursements will therefore be made within seven days after applying for the assistance, provided the supporting evidence is supplied and verified.

For business owners wishing to apply, Bierman says applications will open Friday, 3 April 2020, on the BUSINESS/PARTNERS website (www.businesspartners.co.za). To apply, all you need to do is visit the website and follow the simple steps to fill in an application and upload the required supporting documents.

BUSINESS/PARTNERS is responsible for ensuring that every cent contributed to the fund ends up in the hands of business owners. This is a permanent vehicle to support South African SMEs in distress, and we intend to help support as many businesses as possible.

It should be noted, in this regard, that BUSINESS/PARTNERS will not be profiting from the funding in any way, and no fees will be charged in relation to the Sukuma Relief Programme. The donors will also not be paid back at any point.

The repayment of the loan portion is an appeal to the beneficiaries of the programme to "pay it forward" once their businesses are back on their feet, in order to allow for the continuing support of other SMEs into the future.

While the fund has been originated to provide SMEs with financial aid to assist them in weathering the COVID-19 storm, the plan is for it to run on a sustainable basis over the long term and continue to help SMEs during challenging times like this in the future.