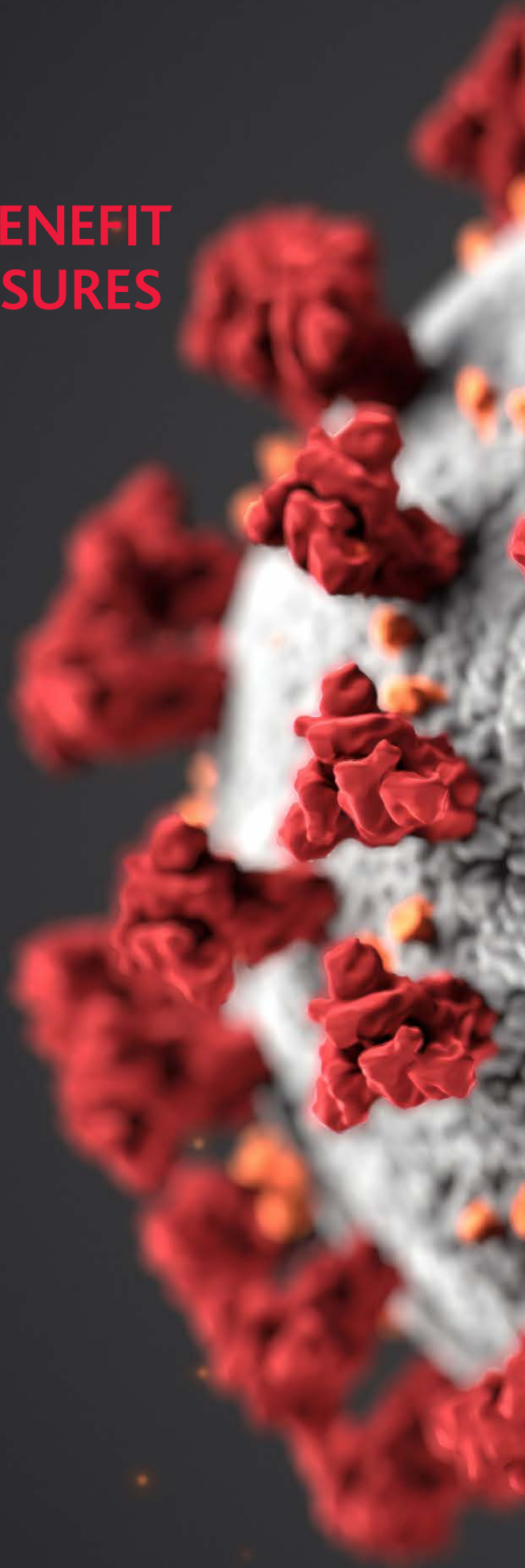


COVID-19 TAX BENEFIT AND RELIEF MEASURES

SOUTH AFRICA | APRIL 2020



THE SA STIMULUS MEASURES FOR BUSINESSES

Solidarity Fund

The Solidarity Fund, established by President Ramaphosa will be a rapid response vehicle through which individuals and organisations will be able to support South Africa's mobilisation against COVID-19 through secure, tax-deductible donations.

- ▶ Website: www.solidarityfund.co.za
- ▶ For any general information on the Solidarity Fund: info@solidarityfund.co.za

For corporates and for foundations: o Email: corporate@solidarityfund.co.za

- ▶ Email: foundation@solidarityfund.co.za
- ▶ Phone: 0860 001 001

Covid-19 Temporary Employee/Employee Relief Scheme

The Department of Employment and Labour has approved a temporary employer/employee relief scheme (TERS). This enables employers to pay employees with funds made available by the UIF as a TERS allowance. Certain conditions must be met for the UIF to pay the amount to the employer. The maximum TERS allowance payable for each employee, is R17,242 per month.

Department of Labour: <http://www.labour.gov.za/>

SMME Relief Finance Scheme

Debt Relief Finance Scheme will offer loan funding for to qualifying SMMEs which are negatively affected, directly or indirectly due to the COVID-19 pandemic. Online application form available from 2 April 2020 and only SMMEs registered on www.smmesa.gov.za will be considered.

Business Growth Resilience Facility

Soft loan funding available to qualifying SMMEs that are manufacturing or producing what could be considered essential goods. Refers to businesses geared to take advantage of supply opportunities resulting from the Coronavirus pandemic or shortage of goods in the local market. Online application form available from 2 April 2020 and only SMMEs registered on www.smmesa.gov.za will be considered.

Assistance from banks

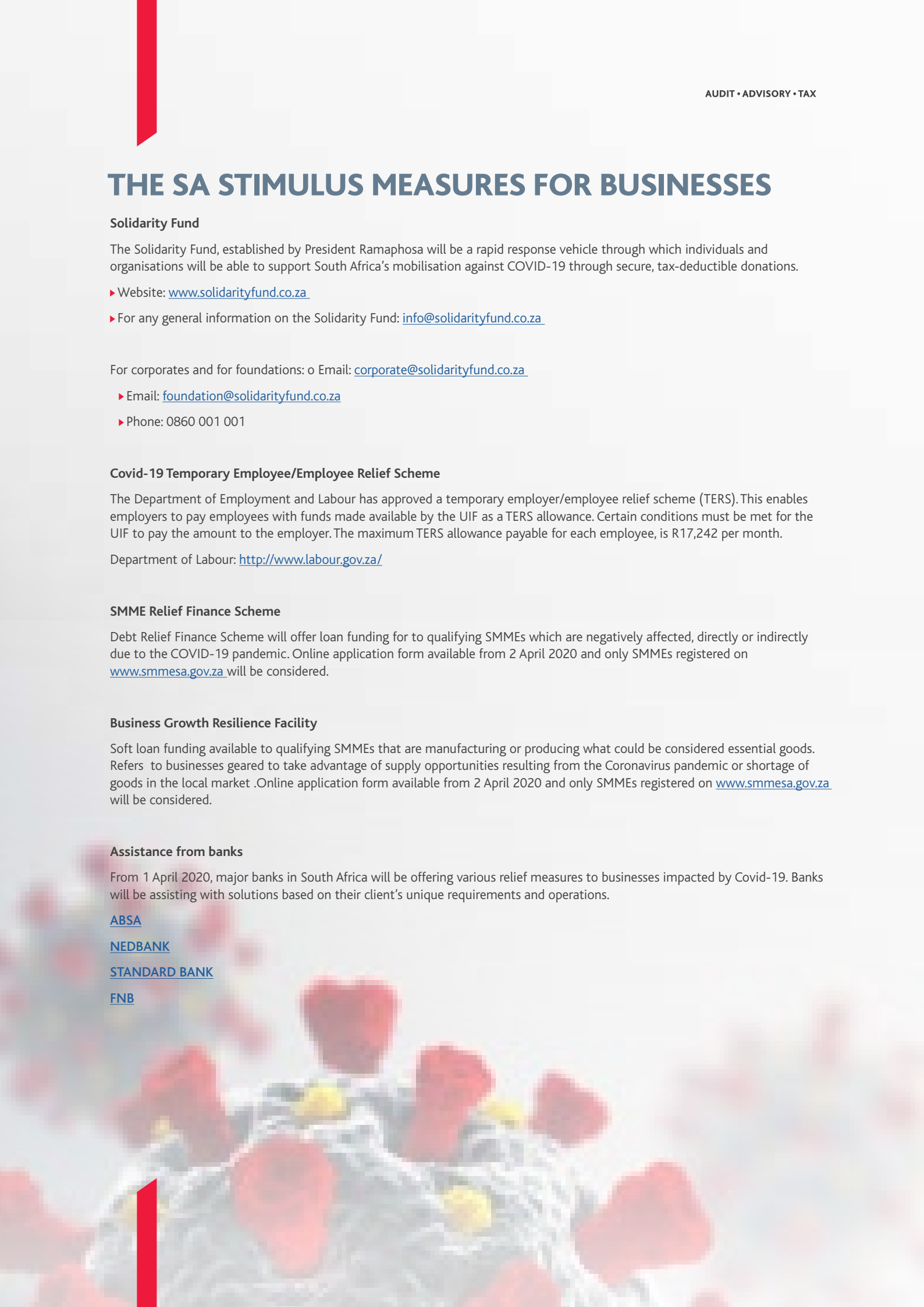
From 1 April 2020, major banks in South Africa will be offering various relief measures to businesses impacted by Covid-19. Banks will be assisting with solutions based on their client's unique requirements and operations.

[ABSA](#)

[NEDBANK](#)

[STANDARD BANK](#)

[FNB](#)



Employment Tax Incentive (ETI) reimbursements

Government will extend its existing Employment Tax Incentive (ETI) programme, aimed at young workers, to all ages. Companies will be able to claim R1 500 per month for every worker who earns less than R6 500 and is younger than 30 years for the first year of employment and R1 000 in the second year of employment from SARS. Furthermore, companies will get R500 for all workers up to the age of 65 who earn less than R6 500 a month.

BDO South Africa: <https://www.bdo.co.za/en-za/services/tax>

Delayed PAYE payments

Small to medium sized businesses with an annual turnover of less than R50 million will be able to defer payment of 20% of their employees' tax (PAYE) liabilities due and payable for the period 1 April 2020 to 31 July 2020, without penalties and interest. The relief will be available to tax-compliant businesses. The 20% deferral will be payable in equal instalments over six months from 1 August 2020, ie the first instalment must be paid by 7 September 2020.

BDO South Africa: <https://www.bdo.co.za/en-za/services/tax>

Delay of provisional tax payment

Deferral of a portion of the payment of the first and second provisional tax liability to SARS for tax compliant small to medium sized businesses, without SARS imposing administrative penalties and interest for the late payment of the deferred amount. The first provisional tax payment due from 1 April 2020 to 30 September 2020 will be based on 15% of the estimated total tax liability, while the second provisional tax payment from 1 April 2020 to 31 March 2021 will be based on 65% of the estimated total tax liability. Provisional taxpayers with deferred payments will be required to pay the full tax liability when making the third provisional tax payment in order to avoid interest charges.

BDO South Africa: <https://www.bdo.co.za/en-za/services/tax>

Customs duty and VAT concessions on importation of "essential goods"

There will be certain customs duty and VAT concessions on the importation of "essential goods". Importers will be able to claim a full rebate of customs duty and VAT exemption on the importation of certain goods. A list of the qualifying goods is available on the International Trade Administration Commission (ITAC) website. In order to claim customs duty relief, the importer will need to obtain an import certificate (permit) from ITAC.

BDO South Africa: <https://www.bdo.co.za/en-za/services/tax>

Deductible donations made to COVID-19 disaster relief fund

During the limited period of four months, donations made to a COVID-19 disaster relief trust will qualify for tax deduction in the hands of the donor. The donation will be subject to the limitation of 10 per cent of the taxable income under section 18A.

Exclusion from PAYE withholding obligation

Where a loan is made by the COVID 19 disaster relief fund to the SMME and the amount of the loan is not paid directly to the SMME, but payment is made to the employees these payments do not give rise to PAYE withholding obligation by the SMME. These payments will be treated as income in the hands of the employees and will be subject to tax.

BDO South Africa: <https://www.bdo.co.za/en-za/services/tax>

Your SARS debt

SARS have stated that businesses are required to be fully tax compliant and should keep their tax obligations up-to-date, however, in instances where businesses are not compliant and have outstanding tax debt they should contact SARS for assistance before it is overdue. Contact details for debt compromise can be found at:

<https://www.sars.gov.za/ClientSegments/Individuals/How-Pay/Pages/Owing-SARS-Money.aspx>

<https://www.sars.gov.za/ClientSegments/Individuals/What-If-Not-Agree/Pages/Query-my-debt.aspx>

THE SA STIMULUS MEASURES FOR INDIVIDUALS

Solidarity Fund

The Solidarity Fund, established by President Ramaphosa will be a rapid response vehicle through which individuals and organisations will be able to support South Africa's mobilisation against COVID-19 through secure, tax-deductible donations.

- ▶ Website: www.solidarityfund.co.za
- ▶ For any general information on the Solidarity Fund: info@solidarityfund.co.za

For members of the public or if you are acting in your personal capacity

- ▶ Email: individual@solidarityfund.co.za
- ▶ Phone: 0860 001 001

Covid-19 Temporary Employee/Employee Relief Scheme

The Unemployment Insurance Fund (UIF) and the Department of Employment and Labour have launched the new Covid-19 temporary employee relief scheme (TERS), which will assist workers who have been affected by Covid-19 across several sectors of the economy and provide income support to workers who have been temporarily or permanently sent home due to the Covid-19 outbreak.

Department of Labour: <http://www.labour.gov.za/>

Assistance from banks

South Africa's major banks have introduced measures to assist consumers who are impacted financially by Covid-19. The assistance comes in the form of payment holidays on loans ranging from mortgages to credit card balances. Some consumers will automatically receive these payment holidays, while others have to apply to their banks.

[ABSA](#)

[NEDBANK](#)

[STANDARD BANK](#)

[FNB](#)

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#stayhome #stayhealthy #socialdistance #coronavirusSA #covid19SA

#COVID19SA:

KEY RESOURCES

THE BDO CLARITY REPORT: THE BUSINESS IMPACTS OF COVID-19

- ▶ BDO collection of insights: [click here](#)

IMPORTANT ANNOUNCEMENTS

- ▶ President Cyril Ramaphosa announces lockdown - [read announcement](#), [watch video](#).
- ▶ Essential services and businesses allowed to operate under lockdown - [link](#).

OFFICIAL GOVERNMENT REGULATIONS AND GUIDELINES ON COVID-19

- ▶ All official government regulations and guidelines are available at <https://www.gov.za/coronavirus/guidelines>

SOUTH AFRICAN LINKS

- ▶ SA Government info page: www.gov.za/NovelCoronavirus.
- ▶ SA Government official statements - [link](#)
- ▶ The National Institute for Communicable Diseases: www.nicd.ac.za
- ▶ Health Department's Resource Portal - sacoronavirus.co.za
- ▶ SMME Debt Relief - register your business at www.smmesa.gov.za for financial assistance if impacted by the lockdown, read more.
- ▶ Wesgro business advice and support - www.supportbusiness.co.za.

IMPORTANT NUMBERS

- ▶ Emergency Hotline: 0800 029 999
- ▶ WhatsApp Support Line: send "hi" to 0600-123456 or view using [WhatsApp Web](#).
- ▶ Regional numbers and hospitals for managing the Covid-19 cases - <https://www.gov.za/Coronavirus>.

COVID-19 STATISTICS

- ▶ www.worldometers.info/coronavirus
- ▶ www.covidvisualizer.com
- ▶ www.bing.com/covid
- ▶ mediahack.co.za
- ▶ graphicsreuters.com

SOUTH AFRICAN NEWS SOURCES

- ▶ [Bizcommunity special section](#)
- ▶ [Google news](#)
- ▶ [Twitter #Covid19SA](#)
- ▶ [News24 news - live updates](#)
- ▶ [IOL](#)
- ▶ [Eyewitness News](#)
- ▶ [Mail & Guardian](#)
- ▶ [BusinessTech](#)
- ▶ [MyBroadband](#)
- ▶ [The Citizen](#)

WORLD HEALTH ORGANISATION RESOURCES

- ▶ [Getting your workplace ready](#)
- ▶ [Mythbusters](#)
- ▶ [Healthy parenting](#)
- ▶ [When and how to use masks](#)

MEDICAL RESOURCES

- ▶ [Discovery Health](#) and [DrConnect](#)
- ▶ [Mediclinic](#)
- ▶ [Netcare](#)
- ▶ [Life Healthcare](#)
- ▶ [Sanlam](#)
- ▶ [Bonitas](#)

Doctors-on-Call

- ▶ COVID-19 HELPLINE – 087 055 0234 (8am – 5pm)

Doctors-on-Call is a philanthropic, doctor-led COVID-19 helpline who will take calls from the public to answer their questions about coronavirus. Callers are screened and if they need further testing or medical care, the doctor will guide them on how to access services in their area.

Doctors' advice is free but calls charged at local call rates.

OF INTEREST

- ▶ How the Czech Republic halted the growth of new cases with #Masks4All - [video](#)

LISTEN TO FINANCIAL AND LEGAL ISSUES

- ▶ [Podcast: No work no pay?](#)
- ▶ [Podcast: Business closure?](#)
- ▶ [Podcast: Money worries?](#)
- ▶ [Podcast: Contracts, cancellations and confusion](#)

WE TAKE IT PERSONALLY. FOR FURTHER
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