

Small Business Development announces guidelines for participation in spazashops and general dealers Coronavirus COVID-19 support scheme

18 Apr 2020

Department of Small Business Development announces guidelines for participation in the spazashops and general dealers support scheme in partnership with Nedbank which opened on Saturday, 18 April 2020

To improve access to the Spaza shops and General Dealers Support Scheme, the Department of Small Business Development wishes to clarify the following:

- a) The support scheme also benefits the general dealers/ traditional grocery stores in townships and villages with applicable licenses that are 100% owned by South Africans.
- b) Whereas the local hardware stores are also beneficiaries under this scheme, their funding package is being finalised to ensure their ability to operate as their businesses have been included in the updated list of businesses offering essential services. The support for artisans (e.g.: plumbers, electricians etc.) whose services have been classified as essential will also be announced during the week.
- c) The Department has finalised an Agreement with NEDBANK to support Spaza shops and general dealers on the back of the Khula Credit Guarantee Scheme of SEFA. Engagements to on-board the other banks continuing. Support through NEDBANK and its channels became available from Saturday, 18 April 2020.
- d) Given their footprint, NEDBANK has availed the NEDBANK Desks that are found in all the BOXER stores countrywide to serve as additional service points.

1. How to apply for support under the spazas and general dealers support scheme

1.1 A spaza shop/ general dealer owner who is a South African and holds a valid trading permit (including temporary) or business license in the case of a general dealer qualifies to apply.

1.2 The qualify spazas and general dealer owner must go to their nearest Nedbank Branch or Nedbank desk at their nearest BOXER store for assistance to apply. The following documents will be required:

- a) A valid South African ID document
- b) A valid and original municipal trading license/ permit to trade or business license in case of

a general dealer (COPIES ARE NOT ACCEPTABLE). Only permits or licenses issued by the municipality, NOT a councillor are valid

1.3 The qualifying Spazashop/ General Dealer owner must be willing to accept assistance to register with CIPC, SARS and UIF, in the case were the owner is not already registered before approval to participate in the scheme.

1.4 At the NEDBANK branch/ desk, the owners will be assisted to register on the SMMESA database, and complete the applicable application form.

1.5 The participating owners will be required to commitment and undertake to the following:

- a) To buy products on the department approved basket of goods that will change from time-to-time, in particular products produced by South African SMMEs and cooperatives;
- b) To operate a business banking account and will accept to participate in the SEDA supported business management support programme that includes assistance with inventory management and stock control, preparations of management and annual financial statements.
- c) To uphold Environmental Health and Food Safety Standards and the Guidelines of the Department of Health, which will include:
 - i. Sanitizing before and after serving each customers;
 - ii. Disinfecting the service counters;
 - iii. Maintain the applicable social distance between customers and customer and service point;
 - iv. No sale of counterfeit goods and stale/ expired foodstuff;
 - v. Not use trading spaces as sleeping quarters.

2. What is the support available under the scheme

2.1 Access to working capital investment and revolving credit facility that is backed by the Khula Credit Guarantee scheme of SEFA in partnership with NEDBANK. The facility is available at participating wholesalers that are distributed country-wide. The list of participating wholesalers will be shared with approved spaza and general dealer owners.

2.2 Business Management support that includes assistance with basic financial management with support of Financial/ Business graduates that will be assigned to give dedicated support to the business over a 24-month period.

2.3 Legal compliance that includes assistance to register with CIPC, SARS and UIF, and other compliance requirements that may be necessary for participation in the scheme.

For additional assistance or enquiries, spaza shop and general dealer owners may call 0860 663 7867 or e-mail to Spazasupport@dsbd.gov.za

Additional information may be obtained from any of our official websites:

www.dsbd.gov.za;

www.sefa.org.za;

www.seda.org.za;

www.mybindu.org.za

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