

NEF COVID-19 Economic Distress Fund

Giving a lifeline to black business



The COVID-19 pandemic has struck the heart of the South African economy. Black businesses, which historically have been constrained by access to affordable capital, have been dealt a devastating blow since the pandemic began. That is why the National Empowerment Fund, in partnership with the Department of Trade, Industry and Competition (**the dtic**) has established an **Economic Distress Fund** to provide concessionary funding to black-owned and managed businesses that are under financial distress as a result of the pandemic. This is to help them achieve recovery, sustain existing jobs and improve their productive capacity.

For business loans of between **R250 000 up to a maximum R10 million**, applicants must:

1. Demonstrate the need for economic relief as a result of distress from COVID-19;
2. Be a registered legal entity in South Africa in terms of the Companies Act and related legislation.
3. Be a taxpayer in good standing and must, in this regard provide a valid tax clearance certificate at application.
4. Be involved in the productive sectors of the economy.
5. Businesses to provide a turnaround plan that demonstrates recovery within 24 months;
6. Employment to be preserved in the businesses;
7. Defer the payments of Director's emoluments.
8. Defer payments to inter-related companies, connected companies and payment of royalties.
9. Reduce the salaries of Executives and Senior Management.
10. Commit to local procurement.

 **NATIONAL
EMPOWERMENT
FUND**
Growing Black Economic Participation

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