

# 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 from **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

For more info, go to [www.nefcorp.co.za](http://www.nefcorp.co.za)  
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