



Spaza Shop Support Fund



small business
development
Department:
Small Business Development
REPUBLIC OF SOUTH AFRICA



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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA



NATIONAL
EMPOWERMENT
FUND
Growing Black Economic Participation



SEDFA
SMALL ENTERPRISE DEVELOPMENT
AND FINANCE AGENCY

Objectives of the Spaza Shop Support Fund

The aim is to support township Community Convenience Shops, including spazas. The funding will be utilised for the refurbishment of businesses and facilitating wholesale aggregation. Such businesses will be provided with financial and non-financial support in terms of technical skills, support for regulatory compliance and capacity building.

The objective is to:

- increase the participation of South African owned Spaza Shops in the townships and rural areas' retail trade sector
- provide safe and affordable products and services to Township and Rural Community residents
- strengthen and support locally-owned spaza shops by building capacity, enhancing operational efficiency, and enabling access to competitive pricing through partnerships
- help Spaza shops tap into bulk purchasing benefits and business support to boost their sustainability and competitiveness

Eligibility Criteria

Qualifying Criteria	Description
100% South African Ownership	The owner of the Spaza Shop must be a South African citizen or naturalised as a South African citizen prior to 1994.
Location	Spaza shops must operate within South Africa in rural and township areas and serve local communities.
Municipal Registration	The Spaza Shop must be registered with the local municipality in accordance with the relevant by-laws and business licensing requirements.
CIPC Registration	Registration with the Companies and Intellectual Property Commission (CIPC) will be optional based on the enterprise's funding requirement. <ul style="list-style-type: none">• For enterprises receiving funding above R80 000 registration with CIPC will be required within a period of 6 (six) months.
SARS Registration	SARS Registration: The business must have a valid registration with the South African Revenue Service (SARS) or alternatively be allowed a six-month transitional period. This includes: <ul style="list-style-type: none">• Income Tax Registration: The business must be registered for income tax, ensuring that all earnings are reported and taxed appropriately.• VAT Registration: If the business' turnover exceeds R1 million, it must also be registered for Value Added Tax (VAT), ensuring compliance with tax regulations.
Compliance with Legislation	The Spaza Shop must comply with all other relevant legislative and registration requirements necessary for its operation. (e.g. food preparation and health and safety standards)
Owner Management	The owner must actively manage the Spaza Shop and adhere to a set of conduct that ensures the effective functioning of the programme.
Priority Groups	<ul style="list-style-type: none">• Youth: Funding will prioritize entrepreneurs aged 18-35.• Women: Female-owned spaza shops will receive priority consideration.• People with Disabilities: Businesses owned by individuals with disabilities will be given priority.

The CIPC and SARS registration process will be facilitated by both NEF and SEDFA regional offices. The registration will have to take into account the informality of the sector and the registration will be facilitated over a period of time linked to education, training and awareness and associated benefits of registration.



Support Package

Funding up to R100 000

This package is a split of debt and grant

Package Component	Description	Value
Stock	For the initial purchase of stock via delivery channel partners.	Maximum R40 000
Assets and Infrastructure	For the upgrading of building infrastructure, systems, refrigeration, shelving, security	Maximum R50 000
Non-financial Support/ Business Management Training	Training programmes will include Point of Sale devices, business skills, digital literacy, credit health, food safety, business compliance. The training will be modular based	R10 000
Total Financial Package		R100 000



Local Procurement

Funding should go towards purchasing of goods and services from accredited local suppliers whose goods and services are compliant with relevant regulatory requirements, especially for setup and operational costs. Initiatives will be implemented to support the local suppliers to ensure that their goods are also accredited with Proudly South Africa campaign.

Non-eligible expenses

- Funding may not be used for non-business-related expenses or personal costs unrelated to business development.
- Funding may not be used for the sale of alcoholic beverages.



Application process

In order to access the funding, applicants need to apply to NEF and SEDFA through the prescribed application process outlined on the relevant institution's website.

Spaza Shop Support Fund
www.spazashopfund.co.za

Spaza Shop Support Fund Call Centre
011 305 8080 | Spazafund@nefcorp.co.za

NEF
www.nefcorp.co.za

NEF Call Centre
0861 843633

SEDFA
<https://www.sefa.org.za>

SEDFA Call Centre
012 748 9600 or helpline@sefa.org.za

SEDFA
<https://systems.sefa.org.za/SMMEPortal/>