



President Cyril Ramaphosa, the President of South Africa, in his speech to the nation on 21 April 2020:

- Our new economy must be founded on fairness, empowerment, justice and equality. It must use every resource, every capability and every innovation we have in the service of the people of this country.
- Our new economy must open new horizons and offer new opportunities.
- Over the past month, South Africans have opened their hearts to each other.
- Even at this moment when such great sacrifice is demanded of us, we look to a better future with optimism.
- May God bless South Africa and protect her people!

Message from the team at Accounting for Entrepreneurs:

- Let's support each other and look after each other in this time of need.
- Let's all do our part to prevent the spread of the coronavirus.
- Let's use our talents, energy and resources to carve out a great future for all South Africans!

A massive social relief and economic support package of R500 billion, which amounts to around 10% of Gross Domestic Product, as follows:

Firstly, an extraordinary health budget to respond to coronavirus

1. R20 billion for:
 - a. Personal protective equipment for health workers,
 - b. Community screening,
 - c. An increase in testing capacity,
 - d. Additional beds in field hospitals
 - e. Ventilators,

- f. Medicine, and
 - g. Staffing.
2. R20 billion will be made available to municipalities for the provision of:
- a. Emergency water supply,
 - b. Increased sanitisation of public transport and facilities, and
 - c. Providing food and shelter for the homeless.

Secondly, the relief of hunger and social distress

1. R50 billion for a 6-month Coronavirus grant:
- a. Child support grant beneficiaries will receive an extra R300 in May and from June to October they will receive an additional R500 each month.
 - b. All other grant beneficiaries will receive an extra R250 per month for the next six months.
 - c. A special Covid-19 Social Relief of Distress grant of R350 a month for the next 6 months will be paid to individuals who are currently unemployed and do not receive any other form of social grant or UIF payment.
 - i. The Department of Social Development will issue the requirements needed to access and apply for this funding.
2. South African Social Security Agency – SASSA – to implement a technology-based solution to roll out food assistance at scale through vouchers and cash transfers to ensure that help reaches those who need it faster and more efficiently.
3. The Department of Social Development has partnered with the Solidarity Fund, NGOs and community-based organisations to distribute 250,000 food parcels across the country over the next two weeks.

Thirdly, support for companies and workers

1. R100 billion for protection of jobs and to create jobs.
2. R40 billion has been set aside for income support payments for workers whose employers are not able to pay their wages.
3. Assistance – in the form of loans, grants and debt restructuring – to SMMEs, spaza shop owners and other informal businesses:
- a. Assistance to date is over R100 million.
 - b. Additional R2 billion to assist SMEs and spaza shop owners and other small businesses.



4. IDC facility to support companies to procure or manufacture personal protective equipment: R162 million approved to date.
5. Other forms of support to artists, athletes and technical personnel, as well as to waste pickers and public works participants in the environment sector.
6. R200 billion loan guarantee scheme in partnership with the major banks, the National Treasury and the South African Reserve Bank:
 - a. To assist enterprises with operational costs, such as salaries, rent and the payment of suppliers.
 - b. For companies with a turnover of less than R300 million a year.
 - c. Expected to support over 700,000 firms and more than 3 million employees.
 - d. A number of the banks are ready to roll out the product before the end of April 2020.
7. Additional support measures for sectors like the taxi industry.
8. Additional tax relief measures of R70 billion:
 - a. 4-month holiday for companies' skills development levy contributions,
 - b. Fast-tracking VAT refunds, and
 - c. 3-month delay for filing and first payment of carbon tax.
 - d. The turnover threshold for tax deferrals is increased to R100 million a year, and
 - e. The proportion of PAYE payment that can be deferred will be increased to 35 percent.
 - f. Businesses with a turnover of more than R100 million a year can apply directly to SARS on a case-by-case basis for deferrals of their tax payments.
 - g. No penalties for late payments: Must show that have been materially negatively impacted in this period.
 - h. Taxpayers who donate to the Solidarity Fund: Can claim up to an additional 10 percent as a deduction from their taxable income.
9. The Reserve Bank has already cut the repo rate by 200 basis points.
10. Several commercial banks and insurance companies have also assisted:
 - a. Delaying or reducing instalment payments,
 - b. Providing debt relief, and
 - c. Waiving bank fees for grant beneficiaries.

Fourthly, the phased re-opening of the economy

1. A risk-adjusted approach to the return of economic activity:



accounting for
entrepreneurs inc.

Enabling Economic Potential

- a. Balancing the continued need to limit the spread of the coronavirus, with
 - b. The need to get people back to work.
2. President Ramaphosa to address the nation on Thursday, 23 April 2020 about the measures to be taken after the lockdown to re-open the economy.

Government policies post the coronavirus

Economic recovery strategy to stimulate demand and supply interventions:

1. Substantial infrastructure build programme
2. The speedy implementation of economic reforms
3. The transformation of our economy
4. Embarking on all other steps that will ignite inclusive economic growth