

## Guidelines for spaza shops announced

The Department of Small Business Development (DSBD) has announced guidelines for participation in the Spaza Shops and General Dealers support scheme. The scheme, currently run in partnership with Nedbank, opened on Saturday, 18 April.



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 the Small Enterprise Finance Agency (Sefa). Engagements to get other banks on board is continuing.

Given its footprint, Nedbank has availed its desks, which are found at Boxer stores countrywide, to serve as additional service points.

“The support scheme also benefits the general dealers/traditional grocery stores in townships and villages with the applicable licences, which are 100% owned by South Africans,” said the department in a statement.

It further clarified that whereas local hardware stores are also beneficiaries under this scheme, their funding package is being finalised. This is to ensure their ability to operate, as their businesses have been included in the updated list of businesses offering essential services allowed to trade during the course of the nationwide Covid-19 lockdown.

The support for artisans (e.g. plumbers, electricians, mechanics), whose services have been classified as essential, will

also be announced soon.

## Application process

There are several steps to be followed to when applying for support:

- A spaza shop/general dealer owner, who is a South African and holds a valid trading permit (including temporary) or business licence, in the case of a general dealer qualifies to apply.
- The qualifying spazas and general dealer owners 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:
  1. A valid South African ID document, and
  2. A valid and original municipal trading licence/permit to trade or business licence in case of a general dealer (copies are not acceptable). Only permits or licences issued by the municipality, not a councillor.
  3. The qualifying spaza shop/general dealer owner must be willing to accept assistance to register with the Companies and Intellectual Property Commission (CIPC), the South African Revenue Service (Sars) and the Unemployment Insurance Fund (UIF), in the case where the owner is not already registered before approval to participate in the scheme.
  4. At the Nedbank branch/desk, the owners will be assisted to register on the SMMESA database, and complete the applicable application form.
- Participating owners will be required to commit to the following:
  1. To buy products on the department-approved basket of goods, which will change from time-to-time, in particular products produced by South African SMMEs and cooperatives.
  2. To operate a business banking account and will accept participation in the SEDA supported business management support programme, which includes assistance with inventory management and stock control, preparations of management and annual financial statements.
  3. To uphold Environmental Health and Food Safety Standards and the Guidelines of the Department of Health, which will include:
    - Sanitising before and after serving each customers.
    - Disinfecting the service counters.
    - Maintain the applicable social distance between customers, and the customer and service point.
    - No sale of counterfeit goods and stale/expired foodstuff.
    - Not use trading spaces as sleeping quarters.



### Regulations for grocery retail SMMEs and informal food traders during lockdown

7 Apr 2020



## Support available under the scheme

Various forms of support are available under the scheme, including:

- 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, which are distributed country-wide. The list of participating wholesalers will be shared with approved spaza and general dealer owners.
- Business management support, which includes assistance with basic financial management, with the support of financial/business graduates, who will be assigned to give dedicated support to the business over a 24-month period.
- Legal compliance, 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 [Spazasupport@dsbd.gov.za](mailto:Spazasupport@dsbd.gov.za).

Additional information may be obtained at the following websites:

[www.dsbd.gov.za](http://www.dsbd.gov.za); [www.sefa.org.za](http://www.sefa.org.za); [www.seda.org.za](http://www.seda.org.za); [www.mybindu.org.za](http://www.mybindu.org.za)

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