

ADVISORY FROM THE LAW SOCIETY OF SOUTH AFRICA

Dear Colleague

The lockdown took everyone by surprise and the Law Society of South Africa (LSSA) believes that the safety and health of the residents of South Africa is of paramount importance and supports the government in its decision.

South Africa is already on day 12 of 21 into the lockdown. The LSSA has had some time to reflect on the situation. We believe that for the 21 days we should have total lockdown and agree that if there is an extension of the lockdown after the 21 days, we will consider asking for the regulations to be relaxed. We would appreciate if legal practitioners send us suggestions on how the regulations may be relaxed in the interest of justice and rule of law (in the event that regulations are implemented that impact on legal practitioners, including any extension of the lockdown). You can send these suggestions to Kris Devan at kris@LSSA.org.za.

We are sensitive to the plight of legal practitioners and understand and accept that it has a huge impact on the sustainability of firms during this period of the pandemic.

We also foresee that once the lockdown has been lifted, it will not be business as usual and we will need to take precautions to stay safe and try to restore the operations and financial viability of practice/firms.

False advertising of online training

The LSSA, which is the publisher of *De Rebus*, has been made aware of fraudulent marketing material using the legal education division (LEAD) of the LSSA's course material and/or indicating it is an official online training accredited by the LSSA.

Also to note is that currently, CPD is not mandatory as the LPC, in consultation with the Minister, must establish the criteria (in the legal fraternity this is referred to as post professional development - PPD).

Therefore, LAWcpd is conducting false advertising on many fronts; they claim to be affiliated to the LSSA and that attorneys will receive CPD points for participating in their courses. Please note that both *De Rebus* and the LSSA are not affiliated with the courses LAWcpd is offering, the names were merely used to legitimise what they are selling.

The LSSA distances itself from the training courses offered by LAWcpd and the LSSA has written to LAWcpd requesting them to remove the *De Rebus* article link to their content as well as the LSSA's name in the subject line of their emails.

The LSSA has instructed its attorneys to ensure the above is adhered to and to protect the image and the intellectual property of the LSSA and to prevent our members falling prey to this unethical conduct.

Financial relief for businesses

In light of the lockdown there has been a significant number of businesses under pressure in terms of cash flow and the ability to pay their employees. The government has announced measures that are in place and still in the process of being implemented to provide some relief for Small and Medium-sized Entities.

We have compiled a list of all the measures presently known to us of what the government is providing to small business to help them through this difficult time. We can only bring to your attention what has been announced by the government.

Assistance from the Debt Relief Finance Scheme

This initiative is from the Department of Small Business Development, the fund will provide assistance to mitigate the impact of the expected economic slowdown on small and medium enterprises (SME) in the country.

The fund value amounts to R500 million

To apply, the business applying must comply with the following criteria:

- Registered with CIPC at 28 February 2020
- 100% owned by SA Citizens
- Should employ at least 70% South African Nationals
- The business applying should be fully tax compliant
- Priority will be given to businesses owned by women, youth and people employed with disabilities.
- Applicants must demonstrate direct link of impact or potential link of impact of Covid-19.

[Click here to apply](#)

Oppenheimer Fund (SA Future Trust)

This fund was established by a R1 billion donation from the Oppenheimer family that is to provide assistance to companies that are affected by the Covid-19 epidemic and lockdown. The fund will be administered through a trust to provide interest free loans to businesses for a period of 5 years.

To apply, the business applying must comply with the following criteria:

- Have an annual turnover of less than R25 million.
- Have been trading for two or more years.
- Must be in good standing with the banks.
- Must be a sustainable business on 29 February 2020.
- The company must be banking with one of the following banks: ABSA, FNB, Nedbank or Standard Bank.
- The business must be able to provide proof of how the lockdown and pandemic has affected the business.

Firms are requested to obtain the necessary information and if the terms are affordable to apply to the above banks if they are clients.

Rupert Fund (Covid-19 SME Fund)

The Rupert fund is established through a R1 billion donation from Anton Rupert to aid small businesses affected by the Covid-19 epidemic and the lockdown. The fund will be administered through Business Partners Limited.

The funding can be utilised to fund working capital. (Salaries, rent, loan instalments, etc). Please note that this is short-term financing, with the following terms:

- Month 1 - 12: 0% interest, with a payment holiday of 12 months
- Month 12 - 60 : Prime interest to be levied on the loan.
- The funding will be provided via monthly disbursements.

Qualifying criteria:

- The business must be tax compliant.
- February 2019 signed annual financial statements must be submitted.
- Ownership does not have to be SA citizens.

More clarity on the above fund is yet to be made public on how to apply.

Unemployment Insurance Fund (Covid-19 TERS)

The Covid-19 TERS is a separate fund from the Unemployment Insurance Fund and is applicable to caring and responsible employers that are unable to pay salaries of workers they send home due to the lockdown and are encouraged to apply for Covid-19 TERS. Only businesses that are closed due to the lockdown, may apply. If shorter hours are worked, UIF must be claimed.

To apply simply send an email to covid19ters@labour.gov.za and an automated response will reply with the requirements and documentation to be completed by the employers.

SARS

When the lockdown was announced by the President, he informed the country that there will be relief received from SARS. The following relief is available:

- For companies with a turnover less than R50 million, they have the option to delay 20% of the company's PAYE liability for a period up to four months starting 1 April 2020 (please note this is not applicable for the March 2020 PAYE that has to be paid by today, 7 April 2020). The PAYE liability that is delayed must be paid to SARS in equal instalments over six months starting 01 August 2020.
- For provisional taxes there is also a delay that will be communicated when the time comes for provisional tax returns. ([The LSSA has previously circulated the guideline from SARS](#))

VAT

No relief has been announced by the government regarding the submission and payment of VAT returns, other than a rebate for customs duty.

Quick links

- <https://sasmefund.co.za/> - Independent Fund

Government relief fund for small business

- Help line number : 0860 663 7867
- <https://smma.gov.za/>
- [SMME Business Growth Resilience Facility Form](#)
- [SMME Debt Relief Scheme Form](#)
- [COVID Finance Relief Application Form](#)

Regards

ANTHONY PILLAY

Acting Executive Director, Law Society of South Africa

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Visit our website - www.LSSA.org.za
Telephone: (012) 366 8800 Email: LSSA@LSSA.org.za