



BIS- Black Industrialists Scheme

The Department of Trade and Industry (DTI) has launched an incentive scheme called the Black Industrialist Scheme (BIS). The objective of the scheme is to unlock potential of black industrialists within the SA economy through financial interventions.

The key focus areas of the programme will be on the following productive sectors:

- Blue/ocean economy, including vessel building and repair
- Oil and gas
- Clean technology and energy
- Mineral beneficiation
- Aerospace, rail and automotive components
- Industrial Infrastructure
- Information communication technologies
- Agro-processing
- Clothing, textiles/leather and footwear
- Pulp, paper and furniture
- Chemicals, pharmaceuticals and plastics
- Nuclear
- Manufacturing-related logistics
- Designated sectors for localisation

Grant offering:

The BIS offers a cost-sharing grant ranging from 30% to 50% to approved entities to a maximum of R50 million. The quantum of the grant will depend on the level of black ownership and management control, the economic benefit of the project and the project value.

The BIS offers support on a cost-sharing basis towards:

- Capital investment costs;
- Feasibility studies towards a bankable business plan (to the maximum of 3% of projected investment project cost);
- Post-investment support (to the maximum of R500 000); and



- Business development services (to the maximum of R2 million).

The maximum grant of R50 million may be fully utilised on capital investments or can be split between capital investment and other support measures (i.e. investment support, business development services and working capital).

Mandatory conditions

The applicant must:

- Be a registered legal entity in South Africa in terms of the Companies Act, 1973 (as amended) or the Companies Act, 2008 (as amended); the Close Corporations Act, 1984 (as amended) or the Co-operatives Act, 2005 (as amended).
- Be a taxpayer in good standing and must provide a valid tax clearance certificate at assessment and before the grant is disbursed.
- Be involved in starting a new operation or in expanding or upgrading an existing operation or the acquisition of an existing business/operation.
- Be aligned to the productive sectors of the economy within the identified sectors as outlined in section 3.4 above.
- Have more than 50% shareholding and management control.
- Have a valid B-BBEE certificate of compliance.
- Be directly involved in the day-to-day running of the operation and must have requisite expertise in the sector.
- Have a project with a minimum investment of R30 million.
- Undertake a project that should result in securing or increasing direct employment.



In addition to the mandatory conditions, the black industrialist will have to achieve at least four of the following criteria to participate in the programme:

Economic Benefit Criteria

Criteria	Description	Points
A. Employment	Securing/retaining or increasing direct employment	1
B. Market Share	<u>New business/operations</u> : Securing market share for the entity; or <u>Existing business/operations</u> : Increase market share for the entity	1
C. Quality Improvement	Reduction of relative prices and/or increasing the quality of products to consumers	1
D. Green Technology and Resource Efficiency Improvements	Savings or better use of energy or materials and/or cleaner production improvement and/or waste management improvement and/or water usage improvement and/or use of renewable energy	1
E. Localisation	Increasing the localisation of production activities (diversification and exports)	1
F. Regional Spread	Projects should be located in rural areas or areas with unemployment higher than 25% ¹	1
G. Personal Risk	Demonstrate own financial and/or non-financial contribution to the business	1
H. Empowerment	Achieve at least a level four B-BBEE contributor status as per revised B-BBEE Codes of Good Practice published in October 2013 (as amended)	1

Documents needed when applying:

- Company Registration
- Tax Clearance Certificate
- BEE Certificate
- Asset Register
- Company Profile
- Invoices/ Quotes of Equipment purchased/ Expansion



INCENTIVES SA

Helping Your Business Grow

- Financial Statements (2 years)
- Employee List (including gender, position, race)
- Directors' ID Copies and Shareholding Structure
- Manufacturing Process of 3 main products
- Lease Agreement (if applicable)
- Export countries' list (if any)
- Contracts from customers/ Letters of Intent/ Off-take agreements

For more information please contact Incentive SA on the following numbers:

Cape Town: 021 671 4400

Johannesburg: 011 026 2680

Durban: 031 836 0841

www.incentivesa.co.za