RELEVANT INCENTIVES FOR RBIDZ INVESTORS

INCENTIVE SCHEME	DESCRIPTION	OBJECTIVES	WHAT THE SCHEME OFFERS	WHO BENEFITS / IS ELIGIBLE
Automotive Incentive Scheme (AIS)	The AIS is a taxable cash grant incentive designed to grow and develop the automotive sector through investment in new and/or replacement models and components that will increase plant production volumes, sustain employment and/or strengthen the automotive value chain.	The AIS was designed to grow and develop the automotive sector through investment in new and/or replacement models and components that will: ▪ increase plant production volumes ▪ sustain employment ▪ strengthen the automotive value chain.	▪ The AIS provides for a ***taxable*** cash grant of 20% of the value of qualifying investment in productive assets approved by **the dti** disbursed over three years. ▪ An additional taxable cash grant of 5 or 10% may be available to projects that are found to be strategic by **the dti**. ▪ An additional taxable cash 5% of the value of qualifying investment in productive assets may be available to projects that meet the requirements as stated in the guidelines (paragraph 7.2).	The applicant must: ▪ be a light motor vehicle or automotive component manufacturer. ▪ be a registered legal entity in South Africa in terms of the Companies Act, 1973 (as amended); or the Close Corporations Act, 1984 (as amended), and must undertake manufacturing in South Africa. ▪ be a taxpayer in good standing and must in this regard, provide a valid tax clearance certificate before the AIS grant is disbursed. *Light Motor Vehicle Manufacturers* ▪ Should have achieved or can demonstrate that it will achieve, within three years, a minimum of 50 000 annual units of production per plant. ▪ Should demonstrate that it will achieve within three years a

				minimum of 50 000 annual units of production per plant. *Component Manufacturers or Deemed Component Manufacturers* ▪ A component manufacturer that can prove that a contract is in place and/or a contract has been awarded and/or a letter of intent has been received for the manufacture of components to supply into the light motor vehicle manufacturer supply chain locally and/or internationally; ▪ A component manufacturer that can prove that after this investment it will achieve at least 25% of total entity turnover or R10m annually by the end of the first full year of commercial production, as part of a light motor vehicle manufacturer supply chain locally and/or internationally.
Business Process Outsourcing and	The BPO&O incentive programme is one of the elements of a holistic	The objective of the incentive is to attract BPO&O investments that create	The BPO&O Investment Incentive comprises an Investment Grant ranging	▪ The incentive is offered to local and foreign investors establishing projects that aim

Off-shoring (BPO& O)	value proposition to position South Africa as a preferred location for BPO&O operations, alongside the sector skills development initiatives, a dedicated investor-friendly set up process, and a programme to improve industry service standards.	employment opportunities.	between R37 000 and R60 000 per seat and a Training Support Grant towards costs of company specific training up to a maximum of R12 000 per agent.	primarily to serve offshore clients. ▪ **the dti** determines whether an applying project is eligible to benefit from the incentive on the basis that: - A project may involve starting a new operation or expanding an existing one to perform business process outsourcing and off-shoring activities; and can include more than one physical location. - The investment project must, by the end of its second year in operation be adding to the South African productive capacity for BPO&O to an extent that it will establish an operation of at least 100 seats, and be creating at least 200 additional jobs, defined as full-time equivalents of 'agents' directly working on the project. - The investment project must commence its commercial operations within one year from envisaged date of BPO incentive grant approval.

				- The investment project can be a cost center of an existing operation, a branch of an existing entity, a joint venture between entities. In a joint venture arrangement at least one of the parties must be registered in South Africa as a legal entity. - The investment project must operate activities classifiable as that of business process outsourcing and off-shoring and must generate at least 90% of its revenue from activities that service offshore clients. - Projects locating in a Designated Area will be excluded from the 90% off-shoring requirements mentioned above.
Capital Projects Feasibility Programme (CPFP)	The incentive is a cost-sharing programme providing a contribution to the cost of feasibility studies that are likely to lead to projects outside South Africa that will increase local exports and	▪ The primary objective is to facilitate feasibility studies that are likely to lead to projects that will increase SA exports and stimulate the growth of the local capital goods and services sector and	▪ The programme's contribution is in the form of a cost sharing grant up to a maximum of 50% of the total feasibility study costs for projects outside Africa and 55% for projects in Africa.	▪ Feasibility Study and Feasibility Study Promoter Criteria. Studies that fulfill the following criteria will be eligible to apply for an advance through the programme: - Studies must be undertaken by South African

	stimulate the market for South African capital goods and services.	allied industries. ▪ The secondary objectives include: - Attracting higher levels of domestic and foreign investment. - Strengthening the international competitive-ness of South African businesses. - Creation of jobs in South Africa. - Stimulation of project development in Africa and particularly in the Southern Africa Development Community (SADC) countries. - Support for the objectives of the new Partner ship for Africa's Development. - Promoting linkages with and development of small, medium and micro enterprises and black economic empowerment business.	▪ The size of the grant falls within the range of R100 000 to R5 million.	companies - Although it should be aimed at achieving local content of 50% in the feasibility study and project in terms of goods and professional services, this percentage will remain at the discretion of the Adjudication Committee. ▪ Project Criteria: The project must fulfill the following non-financial criteria: - New projects, expansion of existing projects and rehabilitation of existing projects; - All capital goods sectors are eligible for programme funding; - The project that is anticipated to lead from the study must fulfill the objectives of the programme; - The minimum local content of the project should be 50%, but in cases where this is not achieved, the application will be evaluated as described in the programme guidelines; - Projects can be situated

				anywhere in the world • (excluding South Africa), while projects in Africa will be encouraged; - The project must have an adequate chance of being declared a success.
Critical Infrastructure Programme (CIP)	▪ The Critical Infrastructure Programme (CIP) is a non-refundable, cash grant that is available to the approved beneficiary upon the completion of the infrastructure project. ▪ The scheme covers between 10% and 30% of the total development costs of the qualifying infrastructure. ▪ The infrastructure for which funds are required is deemed to be 'critical' if: - the investment would not take place without the CIP	▪ The CIP is an incentive for projects that support infrastructure necessary for the establishment of investment projects. The key objectives of the programme are to: - support the competitiveness of South African industries by lowering business costs and risks. - provide targeted financial support for physical infrastructure that will leverage strategic investment with positive impact on the economy. - Stimulate upstream and downstream linkages, taking into account government	The approved beneficiary will be reimbursed in two phases upon receipt of such claims from the entity. The approved amount to be claimed in each of the phases will be determined by the beneficiary.	▪ Private sector enterprises that are legal entities, incorporated and registered in terms of the Companies Act (Act No. 69 of 1984, as amended), and any external legal entity registered in terms of Chapter XIII of the Companies Act (Act No. 61 of 1973, as amended). ▪ Public sector enterprises (i.e. public entities). ▪ Private-Public Partnerships (PPP) comprising: - Local government and a private legal entity; - Local government and a public enterprise; - Public enterprise and a private legal entity; - Combination of any of the

	funding contribution; - the infrastructure projects would be executed without the CIP contribution; - it can be proven that it would be of a smaller scale or lower quality; - it would be established at a later stage than at the period when it was intended.	priorities such as growth and employment, BEE, Integrated Rural Development, Urban Renewal Strategies and Spatial Development. ▪ The CIP supports only the construction of the infrastructure that enables the investment project or the expansion of existing fixed investment. Under no circumstances will the CIP fund the investment itself unless the infrastructure is the investment itself.		above.
Co-operative Incentive Scheme (CIS)	The Co-operative Incentive Scheme is a 90:10 cost-sharing cash grant for registered co-operatives. The maximum grant that can be offered to one co-operative entity under the scheme is R300 000. This is an incentive for cooperative enterprises in	▪ Promote co-operatives through the provision of a cost-sharing grant. ▪ Improve the viability and competitiveness of co-operative enterprises by lowering the cost of doing business. ▪ Assist co-operatives to	▪ Business development services ▪ Feasibility studies / market research ▪ Production efficiency ▪ Technological improvement projects. ▪ Plant and machinery costs ▪ Start-up requirements at the discretion of CIS Adjudication Committee.	Eligible entities should: ▪ be incorporated and registered in South Africa in terms of the Co-operatives Act of 2005; ▪ be operating or will operate in the emerging sector; ▪ adhere to co-operative principles; ▪ be an emerging co-operative

	the emerging economy to acquire competitive business development services.	acquire their start up requirements. · Build an initial asset base for emerging co-operatives to enable them to leverage other support. · Provide an incentive that supports Broad-Based Black Economic Empowerment (BBBEE).	· Working capital requirements limited to the initial trading stock requirements of start-ups.	owned by historically disadvantaged individuals; · be rural and semi-urban biased; · be biased towards women, youth and people with disabilities.
Enterprise Investment Programme (EIP)	***Manufacturing Investment Programme [MIP]*** The MIP is an investment incentive designed to stimulate investment growth, in line with the South African government's National Industrial Policy Framework.	· To stimulate investment within the manufacturing industry. Qualifying investment costs would comprise machinery, equipment, land and buildings, and commercial vehicles. · To enhance the sustainability of manufacturing investment projects by small enterprises and to support large-to-medium-sized investment projects in manufacturing that	· The MIP offers an investment grant of up to 30% of the value of qualifying investment costs in machinery, equipment, commercial vehicles, land and buildings, required for establishing a new production facility; expanding an existing production facility; or upgrading production capability in an existing clothing and textile production facility. · Investment projects of R5	· Small Projects (investment projects of R5m and below). · Medium-to-Large Projects (investment projects of above R5m).

		would otherwise not be established without the grant.	million and below may qualify for an investment grant equal to 30% of their total qualifying investment cost, payable over a three year period. ▪ Investment projects of above R5m may qualify for an investment grant of between 15% and 30% of their qualifying investment costs, and payable over a two year period This investment grant cannot exceed R30m. ▪ Foreign investment projects may qualify for an additional grant for the cost of transporting their qualifying machinery and equipment to South Africa. The additional grant is the lower of 15% of the value of qualifying imported machinery and equipment or the actual transport costs of relocating qualifying new machinery and equipment from	

			abroad to a maximum of R10m.	
Export Marketing and Investment Assistance (EMIA)	The EMIA scheme develops export markets for South African products & services and to recruit new foreign direct investment into the country.	The purpose of assistance under the EMIA scheme is to partially compensate exporters for costs incurred in respect of activities aimed at developing export markets for South African products & services and to recruit new foreign direct investment into South Africa.	***1. Individual Participation Incentive Schemes*** ▪ **Individual Exhibition Participation:** exhibition costs, including rental of exhibition space, construction of stand, interpretation fees, internet connection, telephone installation and registration fees up to a maximum of R45 000. ▪ **Primary Market Research & Foreign Direct Investment:** exporters will be compensated for	▪ The following enterprises qualify for assistance on condition that have been operating and trading for more than one financial year: - South African product manufacturers; - South African export trading houses representing at least three SMMEs or HDI owned businesses; - South African commission agents representing at least three SMMEs or HDI owned businesses; - South African Export Councils, Industry Associations and Joint Action Groups representing at least five South African entities. ▪ Entities in the following service sectors: - Capital equipment services; - Consulting engineering services;

			costs incurred recruiting new Foreign Direct Investment into South Africa through personal contact by visiting potential investors in foreign countries · **Individual Inward Missions:** assistance under this scheme is extended towards capacity building and skills transfer. ***2. Group Participation Incentive Schemes*** *(*Group Inward Buying & Group Inward Investment Missions, National Pavilions, Outward Selling Mission Assistance & Outward Investment Mission	- Civil engineering contractors; - Film production; - Pre-qualified Tourism services, only for Investment purposes excluding real estate agents; - Pre-qualified ICT services; - Business Process Outsourcing services.

			Assistance)	
Film Production Incentive The South African government offers a package of incentives to promote its film production industry. The incentives consist of *the Foreign Film and Television Production Incentive* to attract foreign-based film productions to shoot on location in South Africa and the *South African Film and Television Production Incentive*, which aims to assist local film producers in the production of local	***1. Location Film & TV Production Incentive***	To encourage and attract large budget films and television productions that will contribute towards South Africa's economic development and international profile and increase foreign direct investment.	▪ This incentive scheme is only available to foreign owned qualifying productions with Qualifying South African Production Expenditure (QSAPE) of R12 million and above. ▪ Eligibility requirements for the shooting schedule for productions with QSAPE of R12 million to R99,999,999: - At least 50% of the principal photography schedule must be filmed in South Africa; - A minimum of four weeks of the principal photography must be filmed in South Africa.	▪ An applicant must be a Special Purpose Corporate Vehicle (SPCV) incorporated in the Republic of South Africa solely for the purpose of the production of the film or television project. ▪ An applicant must be the entity responsible for all activities involved in making the production in South Africa and must have access to full financial information for the whole production worldwide. ▪ Only one entity per film production, television drama or documentary series can be eligible for the incentive. ▪ The following formats are eligible: feature films, tele-movies, television drama series, documentaries and animation.

content.				
	2. SA Film & TV Production and Co-production	To support the local film industry and to contribute towards employment opportunities in South Africa.	▪ The SA Film & TV Production and Co-Production Incentive is only available to qualifying South African productions and official treaty co-productions with total production budgets of R2,5 million and above. ▪ This incentive provides financial assistance to local productions in the form of a rebate of up to 35% of the Qualifying South African Production Expenditure (QSAPE). The rebate will be capped at R10 million.	▪ An applicant must be a Special Purpose Corporate Vehicle (SPCV) incorporated in the Republic of South Africa solely for the purpose of the production of the film or television project. The SPCV and parent company (ies) must have a majority of South African shareholders of whom at least one shareholder must play an active role in the production and be credited in that role. ▪ An applicant must be the entity responsible for all activities involved in making the production in South Africa and must have access to full financial information for the whole production. ▪ Only one film production, television drama or documentary series per entity is eligible for the incentive. ▪ The following formats are

				eligible: feature films, tele-movies, television drama series, documentaries and animation.
Sector Specific Assistance Scheme (SSAS)	The Sector Specific Assistance Scheme is a reimbursable 80:20 cost-sharing grant whereby financial support is granted to Export Councils, Joint Action Groups and Industry Associations. The Sector Specific Assistance Scheme comprises Project Funding and Generic Funding.	The aims of SSAS are to achieve **the dti**'s overall objective to: - Develop an industry sector as a whole. - Develop new export markets. - Stimulate job creation. - Broaden the export base. - Propose solutions to factors inhibiting export growth. - Promote broader participation of black owned and SMME's to the economy	· Export development costs such as market research, consultancy fees and other expenses. · Export promotion costs such as consultancy fees and other expenses. · Product development costs such as consultancy fees and other expenses. · Company development costs such as consultancy fees and expenses towards installing or improving Quality Management Systems. · Service development such as consultancy fees and other expenses. · Advertising and publicity	· Qualifying sectors are: - Aerospace, Rail and Marine - Agro-processing - Automotive - Business Process Outsourcing services - Capital Equipment and Allied Services - Chemical Allied Industries - Creative Industries; - Electro-technical - Film production - Metals and Allied Industries - Pre-qualified ICT services - Pre-qualified Tourism services, only for investment purposes excluding real estate agents - Textile and Clothing · An applicant who receives funding from **the dti** cannot apply for this financial.

			(international).	· An eligible industry must be a registered tax paying entity or non-profit organization. · Activities of entities seeking SSAS incentive should fall within the South African industry sectors or sub-sectors prioritised for development and promotion by **the dti**. · Industries applying for the incentive should be distinct and independent with regard to their operations and ownership.