

BLACK INDUSTRIALISTS SCHEME (BIS)

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

Could your business benefit?

Do you qualify?

Who can apply for this scheme:

Certain New and Existing South African registered companies and close corporations (including co-operatives) engaged in manufacturing which are owned at least 50% by Black Persons as defined in the BBEE Act.

Exclusions:

Sole Proprietors, Partnerships or Trusts

What is available?

A cash grant of between 30% and 50% of the cost of qualifying expenditure based on ownership and points based on certain economic benefit criteria attainment capped at R50m per applicant.

The BIS grant of 30-50%(1) can be used for:

- Capital Investment Costs
 - Capital investment in plant, tools, jigs, dies and forklifts.
 - Factory Buildings Owned or (capitalized) leased.
 - Commercial vehicles.
- Feasibility studies (max 3% of projected investment)
- Post Investment Support (max R50000)
- Business Development services (max R2m)

(1) Grant Computation table

EBC Points	% Black ownership	% Black ownership	% Black ownership
	50%-75%	>75%-90%	>90%-100%
4-6	30% grant	35% grant	40% grant
7+	40% grant	45% grant	50% grant

Note:

1. Assets acquired from connected parties are excluded.
2. Only companies which have a R30m asset base are eligible to apply for this scheme.

3. Certain of the provisions of the guidelines are vague and require clarification, which have been sought and are presently awaited.
4. While every effort has been made to be accurate, we cannot be held liable for any information contained herein which is subject to change without prior notice. Seeking advice specific to your own companies' circumstances is accordingly advised. Seeking advice specific to your own companies' circumstances is accordingly advised.

When to apply:

At least 90 days ahead of the intended assets or intervention being acquired.

Note:

Applicants, in addition to the black ownership requirement, must achieve a level 4 B-BBEE contributor status.

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