

COVID-19

IDC DISTRESSED FUNDING

RELIEF FUNDING FOR DISTRESSED BUSINESSES

The IDC is offering assistance for companies that are in distress resulting from the Covid-19 pandemic.

WHO MAY APPLY?

IDC clients and other businesses operating in sectors within the IDC's mandate that, as a direct or indirect result of the Covid-19 pandemic, are:

- Reasonably unlikely to be able to pay all their debt as it becomes due and payable
- Unable to fund their operating activities

SECTORS COVERED

- Agro-processing and agriculture
- Chemical products and pharmaceuticals
- Basic and speciality chemicals
- Clothing and textiles
- Heavy manufacturing
- Light manufacturing
- Media and audiovisuals
- New industries
- Tourism
- Automotive transport and equipment
- Industrial infrastructure
- Basic metals and mining

QUALIFYING CRITERIA

- Existing IDC clients and new clients in distress as a result of Covid-19. These should operate in sectors within the IDC's mandate
- Companies in distress because of the Covid-19 pandemic, not because of mismanagement
- Companies should demonstrate strong business fundamentals and be considered viable
- Relief is only for clients impacted by Covid-19 with a sustainable business plan
- Intervention plans must show the business case recovering within 18 to 36 months
- There must be evidence that concessionary finance will enable the business to trade out of any short- to medium-term financial crisis
- Limited to South African companies and clients
- Funding cannot be used to fund bonuses or dividends
- Must demonstrate reasonable efforts to engage other funders and shareholders must have made efforts to fund the business
- The company's financial needs must be in excess of assistance from the Unemployment Insurance Fund, the Compensation Fund, the IDC's funding and any other support schemes, and the IDC's funding should only be used to fund any shortfall

EXCLUSIONS

- Normal expansions
- Refinancing of existing facilities
- Share buy-backs
- Payment of non-operational expenditure, e.g bonuses

TERMS OF FACILITY

- Debt and guarantees only (equity on a case-by-case basis)
- Scheme-related concessionary pricing

TOGETHER, LET'S FIGHT COVID-19 TO SAVE LIVES – AND JOBS.

For more information, visit the IDC website: www.idc.co.za
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