



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

Frequently Asked Questions on the Automotive Investment Scheme (AIS)

1. Which projects are considered for assistance under AIS?

Component manufacturers and automotive tool manufacturers who have a contract to supply components and/or tooling to the Original Equipment Manufacturers (OEMs) supply chain OEMs that have or can prove they will achieve 50 000 units per plant per annum within 3 years of production.

2. Do second hand machinery, equipment and tooling qualify for the incentive?

*Second hand machinery, equipment and tooling would be considered for the grant based on **the dti** appointed Consulting Engineer confirming that this technology is at an acceptable level and that the assets were never incentivised by any of **the dti** incentives and/or programmes administered by the International Trade Administration Commission (ITAC).*

3. Is a warehouse considered a qualifying asset?

A warehouse that is part of the factory for storage of material and finished components would be considered for the incentive. It must be located in the same premises where manufacturing takes place.

4. After approval, when can claims be submitted?

A detail of the claiming schedule (claim periods and submission dates) is attached to the approval letter sent to each approved applicant.

Claim periods are as follows:

- *First Claim: Start of Commissioning to 1 day prior to Start of Production*
- *Second Claim: Start of Production + 12 months*
- *Third Claim: Start of Production + 24 months*

All claims have to be submitted within six months after the end of a claim period.

5. When should applications be submitted?

*Completed applications should reach the offices of **the dti** no later than 120 days prior to commencement of production for OEMs and 90 days prior to commencement of production for component manufacturers, deemed component manufacturers and /or tooling companies.*

6. Which productive assets and investment costs may qualify for incentives under the AIS?

- *Owned buildings and/or improvements to owned buildings;*
- *New plant, machinery, equipment and tooling; and*
- *Second-hand, refurbished and upgraded plant machinery and tooling.*

Only assets used in the entity's South African operations may qualify