

PROGRAMME GUIDELINES

BLACK INDUSTRIALISTS SCHEME

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© Department of Trade, Industry and Competition,

Physical Address

the dtic Campus

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Pretoria

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Abbreviations and Acronyms

B-BBEE Act	Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)
BIFF	Black Industrialists Financing Forum
BIS	Black Industrialists Scheme
DFIs	Development Finance Institutions
PFMA	Public Finance Management Act
POPIA	Protection of Personal Information Act
PRECCA	Prevention and Combating of Corrupt Activities Act
SAPS	South African Police Service
SARS	South African Revenue Services
the dtic	Department of Trade, Industry and Competition
VAT	Value-Added Tax

1. Preamble

- 1.1 The purpose of this document is to provide guidelines for the Black Industrialists Scheme (BIS), incentive programme of the Black Industrialists Policy. It aims to unlock the potential within black industrialists that operate in the South African economy through deliberate, targeted and well-defined financial and non-financial interventions.
- 1.2 The guidelines set out in this document are intended to enable enterprises to present their applications to **the dtic**, and provide a framework for the Black Industrialists Financing Forum (BIFF) to evaluate such applications.
- 1.3 Granting of the incentive or approval of the application will only be for entities that meet the objectives of the BIS as set out by these guidelines.
- 1.4 The guidelines may be amended from time-to-time, as deemed necessary by **the dtic**. These amendments will be published on **the dtic** website, and will be of immediate effect upon publication thereof.
- 1.5 Where the guidelines lend themselves to varying interpretations or do not deal with specific subject matter, the interpretation of **the dtic** must be requested, and such interpretation will be decisive and final; and may, from time-to-time, be published on **the dtic** website.
- 1.6 Approval of applications will be **subject to the availability of funds** and compliance with the incentive guidelines and relevant provisions of the Public Finance Management Act, 1999 (Act No.1 of 1999) (PFMA).
- 1.7 **the dtic** retains the sole discretion to approve or reject an application.
- 1.8 The approval of an incentive application does not give the applicant any right to payment. An approval merely allows the applicant to submit a claim for payment in accordance with the requirements and conditions of the incentive guidelines.

2. Services Offered by the dtic

- 2.1 No fees or charges are levied by **the dtic** for the processing or evaluation of any BIS application claims.

- 2.2. Applicants are welcome to contact **the dtic** directly and the relevant officials will provide guidance on how to complete the application or claim forms.
- 2.3 It is the responsibility of the applicant to ensure that the application submitted to **the dtic** is accurate and complete.

3. Description of the Black Industrialists Scheme (BIS)

- 3.1 The objectives of the BIS are to:
- a. Accelerate the quantitative and qualitative increase and participation of black industrialists in the national economy, selected manufacturing sectors and value chains; as reflected by their contribution to growth, investment, exports and employment; and
 - b. Create multiple and diverse pathways and instruments for black industrialists to enter strategic and targeted manufacturing sectors and value chains.
- 3.2 A black industrialist refers to a juristic person, which includes co-operatives incorporated in terms of the Companies Act, 2008 (as amended) that are owned, managed and controlled by black people as defined by the Broad-Based Black Economic Empowerment (B-BBEE) Act, that creates and owns value-adding industrial capacity and provides long-term strategic and operational leadership to a business. A black industrialist can be a natural person.
- 3.3 The following are characteristics of a black industrialist:
- a. high levels of ownership (>51%);
 - b. dominant black ownership and management control may be considered for projects that are deemed strategic by **the dtic**, but may need to include other shareholders to attract relevant skills, finance and scale-up the investment opportunities;
 - c. exercises control over the business;
 - d. takes personal risk in the business;
 - e. does business in the manufacturing sector with particular reference to Industrial Policy Action Plan (IPAP) and Re-imagined Industrial Strategy focus areas; and
 - f. makes a long-term commitment to the business and is a medium- to long-term investor

- 3.4 Black people is a generic term which means Africans, Coloureds and Indians—
- a. who are citizens of the Republic of South Africa by birth or descent; or
 - b. who became citizens of the Republic of South Africa by naturalisation— (i) before 27 April 1994; or (ii) on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalisation prior to that date.
- 3.5 The key focus areas of the programme will be on the following manufacturing and productive sectors:
- a. Blue/ocean economy, including vessel building and repair¹
 - b. Oil and gas²
 - c. Clean technology and energy³
 - d. Mineral beneficiation
 - e. Aerospace, rail and automotive components
 - f. Industrial Infrastructure
 - g. Information communication technologies⁴
 - h. Agro-processing
 - i. Clothing, textiles/leather and footwear
 - j. Pulp, paper and furniture
 - k. Chemicals, pharmaceuticals and plastics
 - l. Nuclear
 - m. Manufacturing-related logistics
 - n. Designated sectors for localisation
- 3.5.1 These sectors will be reviewed from time to time, in line with government priorities. Interpretation of the support areas within each sector will be at the discretion of **the dtic**.
- 3.5.2 Other manufacturing activities may be considered based on economic impact in terms of job creation, geographic spread and strengthening supply chains.

¹ Includes all economic activities closely linked to the ocean resources and environment and/or dependent to some meaningful degree on the ocean (as defined in the Ocean Economy Master Plan).

² Refers to petroleum, natural gas and other related hydrocarbons or minerals or any of them and all other substances produced or extracted in association therewith. The upstream sector of the value chain contains the exploration and production section of gas fields. The processes and activities involved in the upstream sector are exploration, field development and production operations. The midstream sector of the value chain is focused on transportation, processing and storage of natural gas, while the downstream sector involves distribution of natural gas to the end market.

³ Support provided into such economic activities, manufacturing, assembly, production processes, infrastructure and assets that allow for: reduced carbon emissions and pollution; and enhanced energy and resource efficiency.

⁴ Including Electrotechnical and White Goods Industries.

- 3.6 Interpretation of the focus areas within each sector will be at the discretion of **the dtic**. Manufacturing/beneficiation activities will be considered based on economic impact in terms of job creation, geographic spread and strengthening of supply chains.

4. Mandatory Conditions

- 4.1 The applicant must:

- 4.1.1 Be a registered legal entity in South Africa in terms of the Companies Act, 2008 (as amended); the Close Corporations Act, 1984 (as amended) or the Co-operatives Act, 2005 (as amended).
- 4.1.2 Be a registered taxpayer in good standing.
- 4.1.3 Be involved in starting a new operation or in expanding or upgrading an existing operation or the acquisition of an existing business/operation.
- 4.1.4 Be aligned to the productive sectors of the economy within the identified sectors as outlined in section 3.5 above.
- 4.1.5 Have more than 51% Black shareholding and management control.
- 4.1.6 Be compliant with the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003) (B-BBEE Act) and Codes of Good Practice on Broad-Based Black Economic Empowerment 2019 (Codes of Good Practice).
 - 4.1.6.1 The applicant must achieve a minimum B-BBEE level 4 Contributor status; and submit a valid B-BBEE certificate of compliance or a sworn affidavit at application and claim stage.
- 4.1.7 Be directly involved in the day-to-day running of the operation and must have requisite expertise in the sector.
- 4.1.8 Have a project with a minimum investment of R30 million.
- 4.1.9 Undertake an expansion or upgrading investment project, which should result in retaining and/or creating direct new employment. For new projects, applicants must

undertake an investment project, which should result in the creation of new employment.

4.1.10 Adhere to sectorial minimum wage and legislative requirements governing the sector and the compliance requirements governing the sector.

4.2 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:

TABLE 1: Economic Benefit Criteria

Criteria	Description	Points
A. Market Share	<u>New business/operations:</u> Securing market share for the entity; or	1
	<u>Existing business/operations:</u> Increase market share for the Entity	1
B. Quality Improvement	Reduction of relative prices and/or increasing the quality of products to consumers	1
C. 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
D. Localisation	Increasing the localisation of production activities (diversification)	1
E. Regional Spread	Projects should be located in rural areas or areas with unemployment higher than 25% ⁵	1
F. Personal Risk	Demonstrate own financial and/or non-financial contribution to the business	1
G. Empowerment	Achieve at least a level three B-BBEE contributor status as per revised B-BBEE Codes of Good Practice published in October 2013 (as amended)	1

⁵ As per latest National Census Figures

- 4.3 The effective date of commencement of these guidelines is the date of publication on **the dtic** website.

5. Application Criteria

- 5.1 An applicant must submit a completed application form and business plan with detailed manufacturing/beneficiation activity(ies), budget plans and projected income statement and balance sheet, for a period of at least three (3) years for the project.
- 5.2 Assets bought and taken into commercial use or competitiveness improvement costs incurred before applying for the incentive will be considered non-qualifying. **the dtic** retains the sole discretion to consider as qualifying assets which have been secured by means of payment of a deposit, however such assets may not have been taken into commercial use prior to receipt or submission of the application to **the dtic**.
- 5.2.1 If there is no response from **the dtic** within 60 calendar days after submission of a complete application, such applicant may take into commercial production its qualifying investment assets for commercial use or undertake the implementation of competitiveness improvement activities, and such investment assets or competitiveness improvement activities will not be disqualified based on having been in commercial use or being undertaken before approval. If a project commences prior to receiving an outcome from **the dtic**, the applicant would have done so at their own risk.
- 5.3 Existing entities that demonstrate a positive cash flow and a balanced financial structure or are able to meet their financial obligations without any defaults or difficulty or have benefitted from various incentives from **the dtic** may be considered for funding based on government economic imperatives.
- 5.4 Applicants should declare their source of co-funding at the application stage, the source of funding will be verified before consideration of approval. The applicant may use self-funding or private funding as part of bridging finance as a partial funding/contribution towards the project, this will apply in the event of any shortfall that may occur. Applicants may be offered an opportunity to switch funding sources from one commercial bank to another and from one DFI to another. Should there be any changes in co-funding, including any significant adjustments to the project, the applicant must notify **the dtic** in writing. Any significant/material

changes/modifications to the project, whether they pertain to the co-funder, related party bridging funding, or the project structure, should be submitted to **the dtic** in writing for review and approval.

6. Grant Offering

- 6.1 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.
- 6.2 The BIS offers support on a cost-sharing basis towards:
 - a. capital investment costs;
 - b. feasibility studies towards a bankable business plan which will be limited to **R3 million** only;
 - c. post-investment support (to the maximum of **R500 000**); and
 - d. business development services (to the maximum of **R2 million**).
- 6.3 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).
- 6.4 Black industrialist entities wishing to apply for funding should contact **the dtic** for guidance on completing the assessment form and supporting documents. Fully completed assessment forms must be submitted to **the dtic** for pre-assessment and consideration for approval before the commencement of the investment project.
- 6.5 Should there be no financial closure for the black industrialist project within 90 days after grant approval, the grant approval will be cancelled or withdrawn.

7. Non-Eligible Applicants

7.1 An application is non eligible if:

- 7.1.1 It is expected to displace existing jobs within South Africa, for example by way of relocating an existing facility, in full or part, within South Africa.
- 7.1.2 The applicant is still in the process of claiming grant assistance from **the dtic** incentives.

8. Qualifying Assets and Investment Costs

8.1 Capital Investment

- 8.1.1 Machinery and equipment (owned or capitalised lease), tools, jigs and dyes and forklifts at cost, including green technology, energy and resource-efficiency equipment. The applicant must submit a quotation from the service providers for the machinery and equipment.
- 8.1.2 Owned and leased (capitalised lease) factory buildings at cost. The investment in qualifying buildings must either constitute newly acquired buildings or the acquisition of an existing building at cost. Building costs must be directly associated with the purchase or construction of a new production facility for the investment project under consideration, and must be located on land that has been zoned for either industrial, agricultural or commercial activity. Calculation of the investment grant, with respect to buildings, will be based on the amount of the factory and administrative space utilised.
- 8.1.3 Commercial vehicles (owned or capitalised lease) are only eligible if such vehicles are to be used for commercial purposes linked to the production process. This includes vehicles such as for collection, delivery and distribution of goods. The applicant must submit a quotation from the service providers for the commercial vehicles.
 - 8.1.3.1 Commercial vehicles must be registered in the name of the approved entity and must be in the asset register for a period of 3 years.
 - 8.1.3.2 The cost of vehicles to be supported will be limited to **three million (R3 million)** and

the number of the horse and trailer vehicles supported will be limited to two only.

8.1.4 Assets purchased from a connected party and business development services, including feasibility studies and post-investment support sourced from a connected party will be excluded from qualifying costs.

8.1.4.1 Assets purchased from a connected party that is a technical partner that has shareholding in the proposed investment will be considered to be included in the qualifying costs on a case by case basis, with the exclusion of buildings.

8.2 Buildings

8.2.1 The investment in buildings must not exceed the qualifying investment in machinery and equipment (owned or capitalised lease), tools, forklifts and is limited to a maximum grant amount of **five million Rand (R5 million)**. The cost of building enhancement on a leased property will also be limited to **five million (R5 million)** Rands only.

8.3 Investment Support

8.3.1 Feasibility Studies

8.3.1.1 The objective of this component is to offer support for project feasibility studies and relate assessments that have a positive impact on developmental aspects, including job creation skills development and black business empowerment.

8.3.1.2 The feasibility studies will include quality assurance, conformity assessments and standards.

8.3.1.3 The appointed service provider(s) for the feasibility studies must be sourced from the DFIs list of accredited service providers following due procurement processes and procedures.

8.3.2 Post-Investment Support

8.3.2.1 Specialised technical training will be supported in selected areas identified by the BI with the assistance of the DFI's.

8.3.2.2 Mentorship guidance will include financial management, operations and production planning, human resource development, administration, marketing and business continuity services.

8.4 Business Development Services

8.4.1 Qualifying Assets and Investment Costs

Focus areas	Categories	Consulting fees and expenses
Product Development	Product design	Pattern-making, prototyping, grading, sizing and counter-sampling
	Product development	Introducing product ranges and product adaptations for new markets
	Conformity assessment of products e.g. testing, inspection, certification	Costs for conformity assessment of products
	Consumer acceptability studies	Marketing new products to focus groups before product launch to market
	Packaging design	Consultancy and design costs
Conformity assessment certification	Quality management improvement, Environmental management improvement, process capability improvement and Product quality improvement	- Cost of Installing or improving quality management systems; - Costs for preparations for certification and pre/initial assessment costs
	Accreditation	Costs for preparations for accreditation and pre-/initial assessment
Logistics	Logistic arrangements and systems	Introducing logistic systems
Information technology systems	Acquisition and deployment of systems	Acquisition software for integrated production management information systems
Procurement process improvement	Introducing improved and efficient procurement processes	Cost of introducing new procurement processes
Patents Costs	Registration of Patents	Legal costs

9. Non-Qualifying Costs

9.1 The following is a list of costs that do NOT qualify under this scheme:

9.1.1 Land acquisition in any manner whatsoever.

9.1.2 Passenger vehicles such as sedans, luxury 4x4s, SUVs and People Carrier Minibuses, even if registered in the entity's name

9.1.3 VAT and finance charges on assets

9.1.4 Rates and taxes

9.1.5 Training that is not related to the manufacturing operations of the entity

9.1.6 Staff wages and salaries, and staff-related costs incurred in implementing any of the above projects

9.1.7 Increase in investment cost as a result of exchange rate fluctuations and submitted after acknowledgement of the application or claim.

9.1.8 Projects related to the production/processing of Beer, wine, spirits and tobacco.

9.1.9 Licencing.

9.1.10 Ammunition.

9.1.11 Second-hand vehicles and second-hand machinery.

9.2 **the dtic** incentive does not cover the acquisition of an existing business/operation but only covers the expansion or upgrading of the acquired operation. The DFIs that are partners of **the dtic** in the implementation of the BIS cover the acquisition of an existing business/operation.

10. Grant Calculation

- 10.1 The quantum of the grant will depend on the level of Black ownership and points achieved on the economic benefit criteria as per the table below:

Table 2: Cost-Sharing Grant Percentage

Points on the Economic Benefit Criteria	Percentage Black Ownership		
	51% - 75%	>75% - 90%	>90% - 100%
4 to 6 points	30%	35%	40%
7 points	40%	45%	50%

- 10.2 The maximum grant contribution that **the dtic** can make to the entity will be capped at an amount of **R50 million** and may be revised subject to the availability of funds.

11. Grant Disbursements

11.1 Grant Payment Schedule

- 11.1.1 Claims for disbursements should be submitted as per the approved milestones and payments will be based on actual costs incurred and performance criteria being met.
- 11.1.2 The final claim for disbursement should be submitted at the completion of the project as approved by **the dtic**. The final disbursement will be made only when the full investment has been brought into commercial production/implementation.
- 11.1.3 If part of the funding is sourced from the Development Finance Institutions (DFIs), **the dtic** may align its disbursement(s) with that of the DFIs.

11.2 Conditions for Grant Disbursement

- 11.2.1 It is the responsibility of the entity to submit a completed, duly signed claim form and provide accurate information to **the dtic** in order to enable prompt evaluation and processing of the investment grant claim. The submission of incomplete claim form/s (incl. supporting documents) or inaccurate information may result in the rejection of the claim for payment or forfeiture of a specific claim.

- 11.2.2 Grant disbursement is subject to the satisfactory verification of qualifying cost items and may include a physical on-site inspection by **the dtic** at every claim stage or whenever necessary.
- 11.2.3 The first claim must be submitted within six (6) months from the approval date.
- 11.2.4 Failure to submit a valid claim six (6) months after the approval date will result in the revocation of the BIS grant approval.
- 11.2.5 Payments shall be made directly into the bank account of the approved entity.
- 11.2.6 Should there be material changes to the main activities of the entity under which the grant was approved; the grant approval will be terminated or cancelled.
- 11.2.7 The following supporting documents must be submitted together with a completed claim form:
- 11..2.7.1 A Factual Findings Report from a registered Auditor.
 - 11.2.7.2 A valid B-BBEE certificate or a sworn affidavit with status.
 - 11.2.7.3 A valid SARS pins to confirm tax clearance of the entity.
 - 11.2.7.4 A bank confirmation of the account details of the approved applicant.

12. Monitoring and Evaluation

- 12.1 Supported projects may be requested to complete surveys in order to obtain information relating to the performance of the incentive. If contacted, supported projects are required to complete the information and provide it to the department within the requested time period.
- 12.2 The Beneficiary must in writing inform **the dtic** immediately in an event where a decision is made to engage in business rescue proceedings due to financial difficulties or the entity is placed under provisional/final liquidation. This requirement shall remain in force for a period of three (3) years post the expiry of the BIS disbursement contract period. Failure to inform **the dtic** may result in the refusal of any future grant funding applications requested by the Beneficiary, or any of its shareholders/owners, directors from **the dtic** for any new projects whether presented directly, or indirectly through another legal person for this or any other scheme.

13. Application Procedure

13.1 The following information is required with the assessment form, applicants are requested to contact **the dtic** before completing the assessment form:

- a. a fully completed and signed assessment form
- b. valid B-BBEE Certificate of compliance or sworn affidavit
- c. completed business plan
- d. tax clearance certificate
- e. incorporation certificate
- f. latest audited annual financial statements, for existing entities
- g. financial projections for three years

13.2 The following information will be required with the claim form:

- a. latest audited/independently reviewed financial statements for the entity not older than 18 months;
- b. an original valid tax clearance certificate of the entity;
- c. written confirmation of the bank details where payment must be made; and
- d. a certificate of compliance with the Codes of Good Practice for B-BBEE or a sworn affidavit.

13.3 Contact details

Enquiries: enquiries@thedtic.gov.za

14. Legal Conditions

14.1 The following are *inter alia* considered circumvention of the BIS Guidelines and will lead to the rejection of an application or claim:

14.1.1 Changing the business set-up, composition, structure or operations, processes or products in order to make the project qualify.

14.1.2 Manipulation of inter-company assets, products, services and processes in order to make the project qualify.

- 14.1.3 Applicants receiving financial grant support from other government source(s) for the same assets and competitive improvement costs as those for which assistance is sought from the BIS.
- 14.1.4 Any other action that, at the sole discretion of **the dtic**, can be regarded as circumvention to allow the entity, which otherwise would not have qualified, to qualify for assistance under the BIS grant.
- 14.2 Should the applicant have any pending litigation against it, the outcome of which may have a material impact on the company's financial position, then this needs to be brought to the attention of **the dtic** at the time of application or claim stage.

15. Decision Review Process

- 15.1 Any dispute relating to a decision (including the rejection of an application and/or claim and/or cancellation/revocation of an approved project) by **the dtic** may be subjected to an internal appeal.
- 15.2 An appeal must be lodged within thirty (30) days of the date of issue as set out in the notification letter.
- 15.3 An applicant (hereinafter referred to as "the appellant) who is aggrieved by any decision taken by **the dtic** is limited to one (1) appeal in respect of that decision as the same matter may not be referred back for appeal unless the matter has been referred back for further information/investigation.
- 15.4 The appeal must be accompanied by a written explanation setting out the decision appealed against and the issues to be considered and any documentary evidence upon which the appeal is based.
- 15.5 Although there is no prescribed format for the submission for an appeal, the applicant/appellant must:
- 15.5.1 Submit the letter of appeal with supporting documents in duplicate, if submitted physically.
- 15.5.2 Attach a letter communicating the decision appealed against.

15.5.3 If longer than 15 typed pages (excluding annexures), contain an executive summary of no more than two pages, indexed and paginated.

15.5.4 Sign the appeal letter and provide full details of the Appellant or his/her/its representative and, in the case a representative signing and submitting the appeal, include proof of mandate to lodge the appeal on behalf of the applicant/appellant.

15.6 An appeal must be lodged with the Director: Legal Services: Incentive Branch at the following email address: Appeals@thedtic.gov.za or hand delivered at:

Department of Trade, Industry and Competition
the dtic Campus, 77 Meintjies Street
Block A
Sunnyside, Pretoria, 0002
Attention: Director: Legal Services
Incentives Branch

15.7 Receipt of the appeal will be acknowledged in writing within five (5) working days of such receipt.

15.8 The appeal/decision review committee appointed by Minister will hear the appeal.

15.9 The appeal/decision review committee may, having regard to all documentary evidence presented and submissions made, dismiss the appeal and confirm the decision appealed against or uphold the appeal and where applicable, approve the application or claim. The appeal/decision review committee, may also refer the appeal back to the committee or official that made the initial decision for reconsideration in cases where new facts are presented to the appeal/decision review.

15.10 The outcome of the appeal will be communicated to the applicant/appellant by the Secretary responsible for the appeal/decision review committee.

16. Criminal, Misleading, Dishonest and/or Unlawful Activities

- 16.1 **the dtic** shall, in the case of criminal/misleading/dishonest activities/information, or activities/information that contravenes any law of the Republic of South Africa be entitled to exercise any rights that it may have in terms of the common law or statutory law.
- 16.2 **the dtic** may, upon a suspicion of any of the criminal/misleading/dishonest activities/information, suspend payments that may be due or may become due to an applicant. **the dtic** shall not be liable for any damages or interest, pending the finalisation of any investigation and any civil or criminal proceedings that may be brought as a result of the investigation.
- 16.3 Findings of an investigation indicating such criminal/misleading/dishonest activities will be sufficient to allow **the dtic** to cease all payments and reclaim any payments already made, with *mora* interest.
- 16.4 **the dtic** subscribes to the principles set out in the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004). Applicants are requested to contact **the dtic** fraud hotline on 0800 701 701 should they wish to report any suspicious behaviour.
- 16.5 A duty rests on the applicant and/any other person that may benefit from the scheme to disclose everything that may have an influence on the adjudication of the application and/or claim. Failure thereof will lead to termination or cancellation/revocation or suspension of the application/claim and criminal prosecution and or civil claim.

17. Protection of Personal Information

- 17.1 **the dtic** processes personal information as defined in the Protection of Personal Information Act, 2013 (Act No. 04 of 2013) in lieu of the business activities that it performs. The department uses this information to assess and evaluate applications/claims.
- 17.2 In the majority of instances personal information will be collected directly from the Applicant/Claimant/Recipient through application/claims forms and other means. **the dtic** may, however, also supplement information received from other governmental

bodies such as the SARS; or information provided by the applicant through third parties such as National Treasury and the South African Police Service (SAPS).

- 17.3 **the dtic** may disclose personal information to other Government departments/entities or third parties in line with the purpose for which the information was collected.
- 17.4 Any person has the right of access to their personal information in the possession of **the dtic** and the right to request that **the dtic** correct any errors relating to the information that **the dtic** has on record.
- 17.5 Any person who is dissatisfied with the manner in which **the dtic** is processing his/her/its personal information is entitled to lodge a complaint with the Information Regulator, whose contact details are:
JD House, 27 Stiemens Street, Braamfontein, Johannesburg, 2001
P.O Box 31533, Braamfontein, Johannesburg, 2017
Complaints email: complaints.IR@justice.gov.za
- 17.6 **the dtic's** detailed Privacy Policy can be obtained at: <http://www.thedtic.gov.za/wp-content/uploads/Privacy-Policy.pdf>

Annexure A: Glossary of Terms and Definitions

a.	'Applicant' or 'Entity' : This refers to a business registered as a legal entity in South Africa. The word 'entity' is used here to refer to an applying business, or one that has qualified for the incentive, or one which is claiming from the BIS.
b.	'Black' : Black people is a generic term which means Africans, Coloureds and Indians— a. who are citizens of the Republic of South Africa by birth or descent; or b. who became citizens of the Republic of South Africa by naturalisation— (i) before 27 April 1994; or (ii) on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalisation prior to that date.
c.	'Connected party/persons/non-arm's length transactions' : A 'connected party', as described in the Income Tax Act, No. 58 of 1962, which, as at April 2007, could be defined, in relation to a natural person, as any relative, and any trust of which such natural person or such relative is a beneficiary. In relation to this definition, 'arm's length transactions' will mean the opposite.
d.	'Employees' : These are persons who work a minimum of forty (40) hours a week for the same employer and are on the employer's payroll.
e.	'Employment' : This term refers to contract/seasonal/temporary employees. One full-time employee will be the equivalent to 1 920 hours worked per year.
f.	'Manufacturing/beneficiation' : entails changing the form of a product originating from that sector
g.	'Machinery and equipment and tools' : These are the machinery, implements, tools, utensils or articles used in a qualifying production process. 'Machinery and equipment' does not include inter alia commercial vehicles, office furniture, or office equipment.
h.	'Manufacturing' . Manufacturing is defined as the physical or chemical transformation of materials or compounds into new products, whether the work is performed by power-driven machines or by hand, whether it is done in a factory or in the worker's home and whether the products are sold wholesale or retail. The assembly of products from component parts is considered to be Manufacturing, except in cases where the activity is appropriately classified under Construction. The assembly and installation of machinery and equipment in mining, manufacturing, commercial and other business establishments is classified under the same group of Manufacturing as the manufacture of the item installed. Excluded is the assembly on site of prefabricated, integral parts of bridges, water tanks, storage and warehouse facilities, railway and elevated pedestrian bridges, and lift, escalator, plumbing, sprinkler, central heating, ventilating, air-conditioning, lighting and electrical wiring systems for buildings and mines and all kinds of structures which are construction activities if undertaken as a specialised activity. Establishments specialising in the installation of household appliances, such as stoves and ranges, refrigerators, washing machines and driers, are classified under the appropriate retail trade group. The manufacture of specialised components and parts of and accessories and attachments to machinery and equipment is, as a general rule, classified under the same group as the manufacture of the machinery and equipment for which the parts and accessories are intended. However, the making of specialised components and accessories by moulding or extruding plastic materials is included in subgroup 33800 (Manufacture of plastic products). The manufacture of unspecialised components and parts of machinery and equipment, e.g. engines, pistons, electric motors, electrical assemblies, valves, gears and roller bearings, is classified under the appropriate group of Manufacturing, without regard to the machinery and equipment in which these items may be included. (<i>Statistics South Africa</i>)
i.	'Material changes' : These are changes that, if known by the dtic at application stage, could have affected approval of the project e.g. changes in business set-up, location, composition, structure of operations, processes or products as well as a change in the physical address/location of the approved project.
j.	'Shareholding' : This refers to shareholding in a Company, membership in a Close Corporation, or membership/ownership of a Co-operative.

k.	<i>'the dtic'</i> refers to the Department of Trade, Industry and Competition and Industry, Block A, 77 Meintjies Street, Sunnyside, Pretoria; Private bag X84, Pretoria, 0001.
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