



**the dti**

Department:  
Trade and Industry  
REPUBLIC OF SOUTH AFRICA



# **QUICK GUIDE TO THE APPLICATION PROCESS: PRODUCTION INCENTIVE PROGRAMME (PIP) FY2012/2013**

**VERSION 1**

**04/2012**



## CONTENTS

1. IMPORTANT MATTERS TO NOTE .....	3
2. PIP PROCESS FLOW DIAGRAM .....	4
3. REQUIRED DOCUMENTATION CHECKLIST.....	7
4. CLAIMS PROCESSING DOCUMENTATION CHECKLISTS .....	9
5. REDEMPTION APPLICATION: QUICK GUIDE .....	10
6. TYPICAL WORLD CLASS MANUFACTURING (WCM) MEASURABLES .....	12
7. FICA CHECKLIST .....	13



## IMPORTANT MATTERS TO NOTE

1. The **Indicative Timelines** presented in this document assumes that a complete set of information / documentation has been submitted by the client at the right time.
2. The **Quick guide to the application process** is meant to serve as a simplified, quick reference to some of the key requirements of the PIP and is not intended to replace the PIP Guidelines.
3. An **8 stage process flow** from application to claim processing has been included in the Quick Guide to provide a simplified overview of the programme's processes or stages. Certain documentation checklists also indicate what documentation is required at the different stages.
4. **Both** the benefit ceiling application (**Appendix A of the PIP Guidelines**) and redemption application (**Appendix B of the PIP Guidelines**) have to be submitted together at application stage. The application will be regarded as incomplete if any of the documents are outstanding.
5. A **revised checklist (See page 7)** of the required documentation at **application (Stage 1 & 2)** has been included.
6. A **new checklist** for documentation required at the **claim processing stage (Stage 8)** has been included.
7. The **closing date** for receipt of applications under the 2012/2013 PIP is **31 January 2013**. No late applications will be accepted.
8. FICA is only **valid for one year** and needs to be verified on an annual basis.
9. The CTCP website has gone live. The address is [www.ctcp.co.za](http://www.ctcp.co.za)
10. **The CTCP desk will only disclose information pertaining to an application or claim to the applicant directly.**

## PIP PROCESS FLOW DIAGRAM

### STAGE 1:



- a. New application enquiries.
- b. **Please also refer to the PIP Guidelines: FY2012/2013**



### STAGE 2:

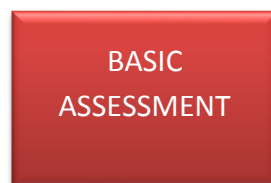


- a. Original applications received through IDC Records Dept.
- b. **No emailed applications will be accepted.**
- c. Acknowledgement SMS to be sent.



**(Max 2 days)**

### STAGE 3:



- a. Application assessed by CTCP Desk to ensure that all required information has been provided.



b. Client is notified of any outstanding information. The application cannot proceed to the next stage until all required information has been received.

(Max 1 week)



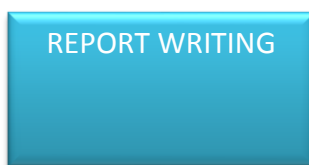
**STAGE 4:**



a. CTCP desk to communicate in advance with regards to the Due Diligence that is to be carried out at the clients business premises.



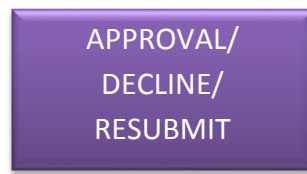
**STAGE 5:**



a. CTCP Desk to communicate to client with regards to application submission cut off times.

(Max 5 weeks)





a. Application submitted to Project Approval Panel (PAP) meeting.

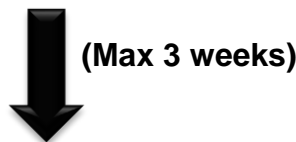
b. SMS sent to inform clients about the outcome of the PAP meeting.



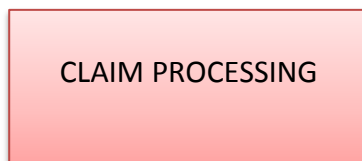
**STAGE 7:**



a. Signed legal agreements to be returned back to the IDC within 7 working days.



**STAGE 8:**



a. Signed claim form on the company's letterhead and supporting documentation to be provided to the CTCF desk

**(Max 2 weeks)**

**b. Please refer to Claims Processing Documentation Checklist on page 8.**



## REQUIRED DOCUMENTATION CHECKLIST (STAGE 1 & 2)

**Where you have ticked the No box, please provide comments**

	YES	NO
1. Benefit Application Form (See Appendix A of the PIP Guidelines)	<input type="checkbox"/>	<input type="checkbox"/>
2. Valid Confirmation of Bargaining Council Compliance.	<input type="checkbox"/>	<input type="checkbox"/>
3. Proof of environmental Regulations Compliance.	<input type="checkbox"/>	<input type="checkbox"/>
4. Valid Tax Clearance Certificate.	<input type="checkbox"/>	<input type="checkbox"/>
5. FICA Documents:	<input type="checkbox"/>	<input type="checkbox"/>
➤ We have attached our FICA checklist. (See Page 12).		
➤ FICA expires after 12 months and needs to be renewed annually.		
➤ Please note that documents have to be originals or original certified copies and must be sent via mail or courier to the IDC.		
Utility bills submitted should not be older than 3 months.		
6. Audited Financial Statements (not older than 15 months)	<input type="checkbox"/>	<input type="checkbox"/>
7. Audited Manufacturing Value Add Calculation on the auditors letterhead.	<input type="checkbox"/>	<input type="checkbox"/>
8. Latest management accounts (not older than 3 months).	<input type="checkbox"/>	<input type="checkbox"/>
9. Completed Redemption Application Form (See Appendix B of the PIP Guidelines)	<input type="checkbox"/>	<input type="checkbox"/>
10. Business Plan	<input type="checkbox"/>	<input type="checkbox"/>
11. World Class Manufacturing (WCM) measurables (See Appendix C of the PIP Guidelines)	<input type="checkbox"/>	<input type="checkbox"/>
12. Completed Employment by Category Form (See Appendix D of the PIP Guidelines)	<input type="checkbox"/>	<input type="checkbox"/>
13. Employment equity plan as submitted to the Department of Labour.	<input type="checkbox"/>	<input type="checkbox"/>

**PLEASE NOTE THAT AS PER THE REVISED 2012/13 PRODUCTION INCENTIVE GUIDELINES, WE ARE UNABLE TO PROCEED WITH YOUR APPLICATION UNLESS ALL REQUIRED DOCUMENTATION IS PROVIDED TO THE IDC.**



## Claims Processing Documentation Checklist (STAGE 8)

**Where you have ticked the No box, please provide comments.**

- |   | YES                      | NO                       |
|---|--------------------------|--------------------------|
| 1. A fully completed claim form on the Entity's <b>letterhead</b> with banking details as per the legal agreement.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Valid invoices incurred <b>after 01 April 2011</b> . Please note that only <b>amounts exclusive of vat</b> will be paid out by the Programme.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. In respect of <b>approved historical qualifying expenditure</b> , please provide valid invoices and proof of payment that is acceptable to the IDC*.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. In respect of <b>approved planned expenditure</b> , please provide valid invoices and ensure that the banking details reflected on the invoices are the same as presented on the claim forms.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. For clients presenting <b>more than 10 invoices</b> for historical qualifying expenditure , please provide an auditors letter verifying the following: <ul style="list-style-type: none"> <li>a. Invoices are dated on or after 01 April 2011</li> <li>b. Invoices are in respect of the approved qualifying expenditure.</li> <li>c. Invoices are exclusive of VAT.</li> <li>d. Funds used for payment were from the business's own cash flow and not through any borrowings from financial institutions or any other borrowings. If funds used are from a financial Institution, please provide settlement amounts.</li> <li>e. Invoices have not previously been presented for payment under the PIP</li> </ul> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Any other outstanding conditions precedent.  | <input type="checkbox"/> | <input type="checkbox"/> |

### COMMENTS

.....

.....

.....

**PLEASE NOTE THAT AS PER THE REVISED 2012/13 PRODUCTION INCENTIVE GUIDELINES, WE ARE UNABLE TO PROCEED WITH YOUR CLAIM PROCESSING UNLESS ALL REQUIRED DOCUMENTATION IS PROVIDED TO THE IDC.**

\*IDC reserves the right to request additional information with regards to proof of payment.





## REDEMPTION APPLICATION: QUICK GUIDE

[Insert Company Name Here] (Pty) Ltd - Intervention Plan and Monitoring and Evaluation									
Investment decision	Qualifying	Investment date/period	Note	Objective	Output Indicators	Base Measurement	Target Measurement Actual and expected	Comments	PI Claim
Capital Upgrade									
Historical Qualifying Expenses									
XXXXXX machines	Yes	Aug-11	1	Increase production	Yield	200Kg monthly	280 kg monthly		
			2	Increase revenue	Revenue	R 5 000 000	R 5 600 000		R 5 000 000
			3	Reduce re-work cost	Rework cost	R20 000 / mth (current)	R10 000/ month (after implementation)		
			4	Reduce maintenance costs	maintenance costs	R25 000 / p.a. (current)	R8 000/ p.a (after implementation)		
			5	Reduce delivery periods	Delivery lead times	5 weeks	2 weeks		
			6	Create Employment	Employment	560 employees	589 employees		
<b>Total Qualifying</b>									<b>R 5 000 000</b>
<b>Benefit Ceiling</b>									R 5 500 000
<b>Available Benefit after this Claim</b>									R 500 000



## Notes

1. Please indicate the actual base measurements **per unit/kg/kw**, etc. and actual/expected measurements as opposed to just providing a percentage increase such as 40% increase.
2. Financial indicators can be included but should not be the only indicators provided. The majority of indicators included should be **operational**.
3. Please indicate what the measurement was before and what it is now as opposed to just stating the percentage change.
4. Please refer to page 11 for Typical World Class Manufacturing (WCM) Measurables.



## TYPICAL WORLD CLASS MANUFACTURING (WCM) MEASURABLES

<b>FINANCIAL INDICATORS</b>	
<b>Indicator</b>	<b>Measure</b>
Turnover	Annual company turnover in Rand value
Value added	Value added in Rand value
Number of employees	Number of employees at (choose a particular date for all)
Cost of sales breakdown	COS contribution divided into overheads, material, and labour
Operating Profit	Profit from operations
Capital investments	Capital investment as a % of sales Return on investments (ROI)
<b>OPERATIONAL INDICATORS</b>	
<b>Market drivers</b>	<b>Operational performance measures</b>
Cost control	Total inventory holding Raw materials inventory holding Work in progress inventory holding Finished goods inventory holding
Quality	Customer return rates Internal rework rates Return rates to suppliers
Value chain flexibility	Customer lead times ex-production Manufacturing throughput times Production downtime due to machine, line, style or quality change over (or merges)
Value chain reliability	On time and in full delivery to customers - Delivery reliability on in-full delivery to customers Downtime due to machine breakdowns Downtime due to materials and people unavailability
Human resource development	Training spend as % remuneration Absenteeism rates Labour turnover rates

## FICA CHECKLIST

The tables below list the documents required by the IDC for FICA purposes for a (Pty) Ltd or a CC. They can be used to assist you with this process, however, if you need clarification please contact us.

Kindly note:

- The IDC only accepts original documents or originally certified copies of documents.
- For Know Your Client (KYC) purposes, certified documents should meet the following requirements:
  - o The document must contain the Commissioner of Oaths' or Notary Public's:
    - Full name/s and surname;
    - Designations; and
    - Physical address
  - o The above information can either appear on a stamp or be handwritten
  - o The Commissioner of Oaths' or Notary Public should record on the copy that it is "certified copy of the original".
  - o Copies of certified documents and copies of faxed documents are not acceptable.
  - o A certified copy of a previously certified copy of a document will not be acceptable.
- The IDC only accepts utility bills that are not older than three months.
- Tax Clearance Certificates or any other SARS-generated document cannot be older than 12 months.
- Utility bills, Company Letterheads and affidavits must show the physical address of the person or the Company, and not the PO Box address.

### (Pty) Ltd / Private Company and Unlisted Public Company

Document to verify information	Attached
Company documents - CM1, CM22 and CM9 (if applicable)	
In respect of companies registered on or after 1 May 2011 – Form CoR 14.1 and Form CoR 14.3	
Proof of physical address of the Company by way of a Signed Company Letterhead, a utility bill, or an affidavit.	
Tax Clearance Certificate, or documents issued by SARS bearing the Income Tax and VAT numbers.	
ID document of the Company Representative.	
Proof of physical address of the Company Representative, by way of a utility bill, or an affidavit.	
Resolution signed by all the Directors or certified a true extract of the minutes of the meeting held by the Board of Directors which is signed by the Company Secretary, or an affidavit confirming authority to act on behalf of the Company.	
Shareholder information : <ol style="list-style-type: none"> <li>1. If a Natural Person               <ul style="list-style-type: none"> <li>- ID document of person</li> </ul> </li> </ol>	



<ul style="list-style-type: none"> <li>- Proof of physical address of the person by way of a utility bill, or an affidavit.</li> </ul>	
<p>2. If a Company/Private Company and unlisted public company</p> <ul style="list-style-type: none"> <li>- Company documents – CM1, CM22 and CM9 (if applicable)</li> <li>- Company documents – CoR 14.1, CoR 14.3</li> <li>- Proof of physical address of the Company by way of a signed Company Letterhead, a utility bill, or an affidavit</li> </ul>	
<p>3. If a Trust</p> <ul style="list-style-type: none"> <li>- Master of the High Court Authorisation Letter</li> <li>- Trust Deed</li> <li>- Proof of physical address of the Trust by way of a utility bill, or an affidavit.</li> </ul>	

CC

Document to verify information	Attached
Company documents – CK1 or CK2A (amended founding statement).	
Conversion of a CC – CoR 18.1 (application to convert a CC) and CoR 18.3 (registration certificate)	
Proof of physical address of the Company by way of a signed Company Letterhead, a utility bill, or an affidavit .	
Tax Clearance Certificate, or documents issued by SARS bearing the Income Tax and VAT numbers.	
ID document of the Company Representative.	
Proof of physical address of the Company Representative, by way of a utility bill or an affidavit.	
Resolution signed by all the members or an affidavit confirming authority to act on behalf of the Company.	
<p>Members information :</p> <ul style="list-style-type: none"> <li>- ID document of each member.</li> <li>- Proof of physical address of each member, by way of a utility bill or an affidavit.</li> </ul>	