OFFICIAL GUIDE TO South Africa 2020/21

ECONOMY AND FINANCE

NATIONAL TREASURY

National Treasury's legislative mandate is based on Section 216(1) of the Constitution of the Republic of South Africa of 1996, which calls for the establishment of a national treasury to ensure transparency, accountability and sound financial controls in the management of the country's public finances.

This role is further elaborated in the Public Finance Management Act (PFMA) of 1999. The department is mandated to:

- promote national government's fiscal policy and the coordination of macroeconomic policy;
- ensure the stability and soundness of the financial system and financial services;
- coordinate intergovernmental financial and fiscal relations;
- manage the budget preparation process; and
- enforce transparency and effective management of national revenue and expenditure, assets and liabilities, public entities, and constitutional institutions.

Entities under National Treasury

National Treasury is responsible for the following entities:

- The **Development Bank of Southern Africa** is a development finance institution with the primary purpose of promoting economic development and growth. The bank also promotes human resources development and building institutional capacity by mobilising financial and other resources from the national and international private and public sectors for sustainable development projects and programmes in South Africa and regions in the rest of Southern Africa. The bank continues to support infrastructure development in municipalities aimed at addressing backlogs, and expediting the delivery of essential social services in support of sustainable living conditions and improved quality of life within communities.
- The **Land and Agricultural Development Bank of South Africa** is a development finance institution mandated to address agricultural and rural development in South Africa. The bank operates in the primary agriculture and agribusiness sectors, and is regulated by the Land and Agricultural Development Bank Act of 2002 and the PFMA of 1999. Accordingly, the bank is expected to play a pivotal role in advancing agriculture and rural development.
- The **South African Revenue Service (SARS)** is, in terms of the SARS Act of 1997, mandated to collect all revenue due to the State and administer trade to support government in meeting its key developmental objectives for growth. This involves facilitating legitimate trade, protecting South Africa's ports of entry, and eliminating illegal trade and tax evasion. As its principal contribution to South

Africa's economic and social development, the revenue service's focus over the medium term will continue to be on providing government with more than 90% of the revenue it requires to meet its policy and delivery priorities. It aims to do this by modernising its information and communications technology systems to encourage eFiling, improving taxpayers' experience, monitoring compliance, and making tax collection more efficient. The revenue service's focus over the medium-term period is to achieve voluntary compliance through making taxpayers and traders aware of their tax obligations, making it reasonably easy and less costly to meet these obligations, and instituting a credible threat of detection and consequences for those who do not comply with their obligations.

- The **Accounting Standards Board** develops uniform standards of generally recognised accounting practice for all spheres of government. It also promotes transparency in and the effective management of revenue, expenditure, assets and liabilities of the entities to which the standards apply.
- The **Cooperative Banks Development Agency** provides for the registration and supervision of deposit-taking financial services cooperatives, and savings and credit cooperatives, collectively referred to as cooperative financial institutions. The agency also facilitates, promotes and funds the education and training of these institutions.
- The **Financial and Fiscal Commission** advises the relevant legislative authorities on the financial and fiscal requirements for the national, provincial and local spheres of government.
- The **Financial Intelligence Centre (FIC)**, among other things, identifies the proceeds of unlawful activities, combat money-laundering activities, combat the financing of terrorist and related activities, exchange information with law-enforcement and other local and international agencies.
- The **Financial Services Board** is an independent institution established by statute to oversee the South African non-banking financial services industry in the public interest.
- The **Government Pensions Administration Agency** provides pensions administration services to the Government Employees Pension Fund (GEPF).
- The **Government Technical Advisory Centre** assists organs of state in building their capacity for efficient, effective and transparent financial management.
- The **Independent Regulatory Board for Auditors** develops and maintains auditing and ethical standards that are internationally comparable, provides an appropriate framework for the education and training of properly qualified auditors, inspects and reviews the work of registered auditors, and investigates and takes appropriate action against registered auditors who do not comply with standards and are guilty of improper conduct.
- The **Office of the Ombud for Financial Services Providers** considers

and disposes of complaints against financial services providers, primarily intermediaries selling investment products.

- The **Office of the Pension Funds Adjudicator** investigates and determines complaints lodged in terms of the Pension Funds Act of 1956. The office ensures a procedurally fair, economical and expeditious resolution of complaints in terms of the Act.
- The **Public Investment Corporation** is one of the largest investment managers in Africa, managing more than R2 trillion worth of assets in a well-diversified portfolio of investment. It manages the assets of the GEPF, social security funds and other smaller funds.
- The **South African Special Risks Insurance Association** is mandated to support the insurance industry by providing cover for special risks such as riots, strikes, political unrest, terrorist attacks, civil commotion, public disorder and labour disturbances.

South African Reserve Bank (SARB)

The primary mandate of the SARB is to protect the value of the currency in the interest of balanced and sustainable economic growth. In addition to this, the SARB has a statutory mandate to enhance and protect financial stability in South Africa.

The SARB is also responsible for:

- issuing and destroying banknotes and coin;
- regulating and supervising financial institutions;
- managing the official gold and foreign reserves of the country;
- managing the national payments system;
- administering the country's remaining exchange rate control systems;
- acting as the banker to government; and
- acting as lender of last resort to provide liquidity assistance in exceptional cases.

The independence and autonomy of the SARB are entrenched in the Constitution. The SARB has the independence to use any of the monetary policy instruments at its disposal to achieve its monetary policy goal. However, the selection of a monetary policy goal is the responsibility of government.

The Governor of the SARB holds regular discussions with the Minister of Finance and meets periodically with members of the Parliamentary Portfolio and Select Committees on Finance.

In terms of Section 32 of the SARB Act of 1989, the Bank publishes a monthly statement of its assets and liabilities and submits its annual report to Parliament. The Bank is therefore ultimately accountable to Parliament.

Tax administration

National Treasury is responsible for advising the Minister of Finance on tax policy issues. As part of this role, National Treasury must design tax instruments that can optimally fulfil a revenue-raising function. These tax instruments must be aligned to the goals of government's economic and social policy.

These instruments are then administered by SARS. A single, modern framework for the common administrative provisions of various tax Acts administered by SARS, excluding Customs, was established by the Tax Administration Act of 2011, which commenced on 1 October 2012. The Act simplifies and provides greater coherence in South African tax administration law.

It eliminates duplication, removes redundant requirements, and aligns disparate requirements that previously existed in different tax Acts administered by SARS. The Act provides for common procedures across the various tax Acts, and strives for an appropriate balance between the rights and obligations of SARS and the rights and obligations of taxpayers in a transparent relationship.

The Office of the Tax Ombud is intended to provide taxpayers with an impartial and low-cost mechanism to address service, procedural or administrative difficulties that taxpayers have not been able to resolve through SARS's complaints management channels.

South African tax system

South Africa has a residence-based income tax system. Residents are, subject to certain exclusions, taxed on their worldwide income, irrespective of where their income was earned. Non-residents are taxed on their income from a South African source, subject to relief under Double Taxation Agreements. Foreign taxes are credited against South African tax payable on foreign income.

Personal Income Tax

PIT is one of government's main sources of income. Income tax is levied on residents' worldwide income, with appropriate relief to avoid double taxation. Non-residents are taxed on their income from a South African source.

Tax is levied on taxable income that, in essence, consists of gross income less exemptions and allowable deductions. (Taxable capital gains also form part of taxable income).

Individuals generally receive most of their income as salary/wages, pension/retirement payments and investment income (interest and dividends). Some individuals may also have business income which is taxable as personal income (for example, sole proprietors and partners).

Corporate Income Tax (CIT)

CIT is a tax imposed on companies resident in South Africa, which are incorporated under the laws of, or which are effectively managed in, the country, and which derive income from within or outside the country. Non-resident companies which operate through a branch or which have a permanent establishment within South Africa are subject to tax on all income from a source within the country.

Dividends Tax (DT)

DT is a tax on shareholders (beneficial owners) when dividends are paid to them, and, under normal circumstances, is withheld from their dividend payment by a withholding agent (either the company paying the dividend or, where a regulated intermediary is involved, by the latter).

A dividend is in essence any payment by a company to a shareholder in respect of a share held in that company, excluding the return of contributed tax capital (i.e. consideration received by a company for the issue of shares). It is triggered by the payment of a dividend by any South African tax resident company or foreign company whose shares are listed on a South African Exchange.

Air Passenger Tax (APT)

In 2000 the Minister of Finance announced that an APT was to be instituted on chargeable passengers on a chargeable aircraft departing from an airport in South Africa to a destination outside the country. This is also applicable to charter companies.

The tax is not applicable to domestic flights. It is only applicable to chargeable passengers leaving on an international flight. Operators (airline), registered agents (those acting on behalf of an operator) or charter companies will be liable for the payment of the APT to SARS monthly after reconciliation of the passenger manifests. Non carrying passenger airlines (cargo) are required to register for APT purposes but are not liable for APT payments.

Capital Gains Tax (CGT)

CGT is not a separate tax but forms part of income tax. A capital gain arises when you dispose of an asset on or after 1 October 2001 for proceeds that exceed its base cost.

The relevant legislation is contained in the Eighth Schedule to the Income Tax of 1962. Capital gains are taxed at a lower effective tax rate than ordinary income. Pre-1 October 2001 CGT capital gains and losses are not taken into account. Not all assets attract CGT and certain capital gains and losses are disregarded.

A withholding tax applies to non-resident sellers of immovable property (Section 35A). The amount withheld by the buyer serves as an advance payment towards the seller's final income tax liability.

CGT applies to individuals, trusts and companies. A resident, as defined in the Income Tax Act 58 of 1962, is liable for CGT on assets located both in and outside South Africa.

A non-resident is liable to CGT only on immovable property in South Africa or assets of a "permanent establishment" (branch) in the country. Certain indirect interests in immovable property such as shares in a property company are deemed to be immovable property. Some persons such as retirement funds are fully exempt from CGT. Public benefit organisations (PBOs) may be fully or partially exempt.

Diamond Export Levy

The Diamond Export Levy on unpolished diamonds exported from South Africa was introduced on 1 November 2008. SARS is mandated to administer and collect this levy in terms of the Diamond Export Levy Act of 2007.

All producers, dealers, beneficiators and holders of permits must pay this levy when exporting such diamonds.

The aim of the Diamond Export Levy is, among others, to promote the development of the local economy by encouraging the local diamond industry to process diamonds locally, develop skills and create employment.

Skills Development Levy (SDL)

The SDL is a levy imposed to encourage learning and development in South Africa and is determined by an employer's salary bill. The funds are to be used to develop and improve skills of employees. Employers paying annual remuneration of less than R500 000 are exempt from the payment of this levy.

The following employers are exempt from paying SDL:

- Any public service employer in the national or provincial sphere of government. (These employers must budget for an amount equal to the levies due for training and education of their employees).
- Any national or provincial public entity, if 80% or more of its expenditure is paid directly or indirectly from funds voted by Parliament. (These employers must budget for an amount equal to the due for training and education of their employees).
- Any PBO, exempt from paying Income Tax in terms of Section 10(1) (cN) of the Income Tax Act of 1962, which only carries on certain educational, welfare, humanitarian, healthcare, religion, belief or philosophy public benefit activities

or only provides funds to these PBOs and to whom a letter of exemption has been issued by the Tax Exemption Unit.
- Any municipality to which a certificate of exemption is issued by the Minister of Higher Education and Training.
- Any employer whose total remuneration subject to SDL (leviable amount) paid/ due to all its employees over the next 12 month period won't exceed R500 000. If this is the reason for exemption, these types of employers are not required to register to pay SDL.

Unemployment Insurance Fund (UIF)
The UIF gives short-term relief to workers when they become unemployed or are unable to work because of maternity, adoption and parental leave or illness. It also provides relief to the dependants of a deceased contributor.

All employees, as well as their employers, are responsible for contributions to the UIF. However, an employee is excluded from contributing to the UIF if he or she is:
- employed by the employer for less than 24 hours a month;
- employed as an officer or employee in the national or provincial sphere of government;
- the President, Deputy President, a Minister, Deputy Minister, a member of the National Assembly, a permanent delegate to the National Council of Provinces, a Premier, a member of an Executive Council or a member of a provincial legislature; or
- a member of a municipal council, a traditional leader, a member of a provincial House of Traditional Leaders and a member of the Council of Traditional Leaders.

Donations tax
A donation is any gratuitous (free or at no charge) disposal of property including any gratuitous waiver or renunciation of a right. If the person (donee) receiving the donation gives anything in return, it is not a donation.

A donation takes effect when all legal formalities for a valid donation have been complied with. Donations tax is levied at a rate of 20% on the aggregated value of property donated not exceeding R30 million, and at a rate of 25% on the value exceeding R30 million.

Donations tax applies to any person (for example: individual, company or trust) that is a resident and non-residents are not liable for donations tax. The person making the donation (donor) is liable to pay the donations tax, however if the donor fails to pay the tax within the payment period the donor and donee are jointly and severally liable.

Estate Duty

When a natural person (taxpayer) dies, that person is called a 'deceased person' and all his or her assets on date of death will be placed in an estate. This estate is called an estate of a deceased person (commonly known as a 'deceased estate').

Assets in a deceased estate can amongst other things include immovable property (house), movable property (car, furniture, etc), cash in the bank, etc. The person who administers a deceased estate is called an 'Executor'. Once the Executor has finalised all the administration in the deceased estate, the remaining assets (after paying all the debts) will be distributed to the beneficiaries.

A beneficiary can consist of either heirs and/or legatees. A legatee is a person who receives a specific asset from the deceased estate. An heir is a person who receives the balance of the estate (that is, after all disposals to a legatee are finalised).

Estate Duty is levied on the worldwide property and deemed property of a natural person who is ordinarily resident in South Africa and on South African property of non-residents. Various deductions under Section 4 of the Estate Duty Act of 1955 are allowed to determine the net value of the estate.

An abatement of R3.5 million is allowed against the net value of the estate to determine the dutiable value of the estate. The Estate Duty is levied on the dutiable value of an estate at a rate of 20% on the first R30 million and at a rate of 25% on the dutiable value of the estate above R30 million.

Securities Transfer Tax (STT)

STT is levied at the rate of 0,25% on every transfer of a security, which means any share or depository in a company or member's interest in a close corporation, and any reallocation of securities from a member's bank restricted stock account or a member's unrestricted and security restricted stock account to a member's general restricted stock account.

Transfer Duty

Transfer Duty is a tax levied on the value of any property acquired by any person by way of a transaction or in any other way. For the purpose of Transfer Duty, property means land and fixtures and includes real rights in land, rights to minerals, a share or interest in a "residential property company" or a share in a share-block company. All conveyancers are requested to register with SARS.

Value-Added Tax (VAT)

VAT is an indirect tax on the consumption of goods and services in the economy. Revenue is raised for government by requiring a business, that carries on an enterprise to register for VAT. In doing so, the business will charge VAT on supplies of goods and services made by it, on the importation of goods and on imported services (subject to certain conditions).

The business will also be entitled to deduct any VAT charged to it, or under limited circumstances from a business that is not registered for VAT, in respect of a supply made to it. VAT is therefore non-cumulative, meaning that a credit/deduction is allowed for VAT paid in previous stages, within the production and distribution chain.

The business is required to pay the difference between the VAT charged by it and the VAT charged to it, or claim a VAT refund where the VAT charged to it exceeds the VAT charged by it.

VAT is therefore, charged at each stage of the production and distribution process and it is proportional to the price charged for the goods and services.

It is compulsory for a person to register for VAT if the value of taxable supplies made or to be made, is in excess of R1 million in any consecutive 12 month period.

The standard rate of VAT is 15%, and there is a limited range of goods and services which are subject to VAT at the zero rate or are exempt from VAT.

Fuel taxes

The basic fuel price is related to the costs of purchasing petroleum products from international markets, and the costs related to shipping these products to South Africa. This cost is largely influenced by the international price of crude oil and the R/$ exchange rate.

Environmental levies

The South African Government has responded to the serious global challenge of environmental pollution and climate change by introducing several environmental taxes that are intended to modify behaviour of the country's citizens for sustainable development of the economy.

Plastic Bag Levy

The Plastic Bag Levy was introduced to reduce litter and encourage plastic bag reuse. It is charged at 25 cents per bag as from 1 April 2020.

Electricity Generation Levy

The electricity generation levy was Introduced to encourage sustainable electricity generation and use. The levy is applied to electricity generated from non-renewable sources and costs 3.5 cents per kWh.

Incandescent Bulb Levy

The electric filament lamp levy was introduced to promote energy efficiency by discouraging the use of incandescent light bulbs. It is charged at R10 a bulb from 1 April 2020.

CO2 Motor Vehicle Emissions Levy

The CO2 motor vehicle emissions levy on passenger and double- cab vehicles was introduced to encourage the manufacture and purchase of more energy efficient motor vehicles. It is charged at R120 for every gram above 95gCO2/km for passenger vehicles and R160 for every gram above 175gCO2/km for double cab vehicles.

Tyre Levy

The tyre levy on new pneumatic tyres was introduced to encourage efficient tyre use. Although the tyre levy is not earmarked, it indirectly supports the responsible recycling of obsolete tyres. The levy was implemented in 2017 and the current rate is R2.30/kg.

Health Promotion Levy

The Sugary Beverages Levy took effect on 1 April 2018 and the current rate is 2.21 cent/ gram of the sugar content that exceeds 4g/100 ml. The levy applies to specific sugary drinks and concentrates used in the manufacture of sugary drinks to combat obesity and promote healthier consumer beverage choices.

Diamond Export Levy

A Diamond Export Levy on unpolished diamonds exported from South Africa was introduced, effective from 1 November 2008 at a rate of 5% of the value of such diamonds.

Southern African Customs Union

SACU consists of Botswana, Lesotho, Namibia, South Africa and Eswatini. The SACU Secretariat is located in Windhoek, Namibia. SACU was established in 1910, making it the world's oldest Customs Union. Negotiations to reform the 1969 Agreement started in 1994, and a new agreement was signed in 2002.

The member states form a single customs territory in which tariffs and other barriers are eliminated on substantially all the trade between the member states for products originating in these countries; and there is a common external tariff that applies to non-members of SACU.

Excise duties

Excise duties are levied on certain locally manufactured goods and their imported equivalents. Specific excise duties are levied on tobacco and liquor products. Ad valorem excise duties are levied on products such as motor vehicles, cellular telephones, electronics and cosmetics.

Customs duty

Customs duties are imposed by the Customs and Excise Act of 1964. Ordinary customs duty is a tax levied on imported goods and is usually calculated on the value of goods imported and collected by the customs unit within SARS.

Customs duty rates in Part 1 of Schedule No. 1 and trade remedies relating to the importation of goods such as anti-dumping, countervailing and safeguard duty are set out in Schedule No. 2 of the Schedules to the Act and are determined through trade policy in terms of the International Trade Administration Act of 2002 administered by the International Trade Administration Commission.

Other taxes

Rates on property

Property-related taxes include municipal rates and charges for refuse and sewerage, which are collected by municipalities.

Payment channels

The majority of taxpayers are now using electronic payment platforms which significantly improve turnaround times. Cash collections at branches have been reduced as have the risks associated with them. From 1 May 2020, cheque payments in South Africa may not be in excess of R50 000.

Payment methods other than branch payments are:

- eFiling: this required a taxpayer to register as an eFiling client in order to make electronic payments using this channel; and
- Payments at banks: taxpayers can make either an internet banking transfer or an over the-counter deposit.

Voluntary Disclosure Programme (VDP)

A permanent VDP was introduced in terms of the Tax Administration Act of 2011, from 1 October 2012. The permanent VDP is part of a package of compliance measures aimed at encouraging non-compliant taxpayers to regularise their tax affairs.

DEPARTMENT OF PUBLIC ENTERPRISES (DPE)

The DPE is government's shareholder representative for the state-owned companies (SOCs) in its portfolio. The department's mandate is to fulfil oversight responsibilities at these companies to ensure that they contribute to the realisation of government's strategic objectives, as articulated in the National Development Plan, government's 2019-2024 Medium Term Strategic Framework and the reimagined industrial strategy. SOCs are crucial to driving the state's strategic objectives of creating jobs, and enhancing equity and transformation.

The department does not directly execute programmes but seeks to use state ownership in the economy to support the achievement of these objectives.

The DPE oversees the following seven SOCs, which are key drivers of economic growth:

- **Alexkor** – It was established in terms of the Alexkor Limited Act of 1992 to mine marine and land diamonds in Alexander Bay, Northern Cape. Over the medium term, the company planned to focus on normalising operations in the wake of the COVID-19 pandemic.
- **Denel** – It was incorporated as a private company in 1992 in terms of the Companies Act of 1973, with the South African Government as its sole shareholder. It operates in the military aerospace and landward defence environment, and provides strategic defence equipment. The company's broad focus over the medium term will be on restructuring, which entails optimising its cost structure and reviewing its business model to improve its global competitiveness. Emphasis will also be placed on the company's internal cost structure, efficiency, effectiveness, disposal of non-core businesses, improved supply chain policies, and alignment of IT infrastructure with its new organisational structure. The company commenced with its restructuring process in 2019/20 and is in the process of identifying strategic equity partners.
- **Eskom** – Eskom is governed by the Eskom Conversion Act of 2001 and is mandated to generate, transmit and distribute electricity to industrial, mining, commercial, agricultural and residential customers and redistributors. In response to the company's persistent financial, operational and structural challenges, in 2019 it was announced that Eskom will be unbundled into three subsidiaries (generation, transmission and distribution) under a holding company, Eskom Holdings. This announcement led to the drafting and adoption of the 2019 roadmap for Eskom in a reformed electricity supply industry. The roadmap outlines actions to overcome challenges, defines key steps in transforming the electricity supply system, addresses steps to restore the company's finances, identifies measures to reduce the company's cost structure, and details the restructuring process. Although some progress has been made, Eskom's operational performance remains inadequate, with persistent technical and plant

faults. The company aims to address supply constraints through interventions set out in the Nine-Point Plan to improve generation, which are short-term, medium-term and long-term in nature.These interventions primarily involve repairing new plant defects, reducing trips and full load losses, accelerating the return of serviced units on long-term forced outages, repairing partial load losses and boiler tube leaks, rebuilding coal stockpiles, increasing diesel stocks, and recruiting critical staff for the generation division.

- **South African Forestry Company** – It was established in 1992 in terms of the Management of State Forests Act of 1992. It is mandated to ensure the sustainable management of plantation forests, increase downstream timber processing, and play a catalytic role in rural economic development and transformation. Over the medium term, the company planned to continue fulfilling its commitments to communities near its operations, and diversify its product offering by increasing its production of timber for public facilities, poles for the electricity distribution sector, and furniture.
- **South African Airways (SAA)** – It operates a full-service network in the international, regional and domestic markets. The airline is responsible for promoting air links with South Africa's key business, trading and tourism markets across the world and contributing to key domestic air linkages. Over the medium term, the SAA planned to focus on operationalising the restructured airline to enable interconnectivity within South Africa and the Southern African Development Community, including the expansion of regional air services capability.
- **Transnet** – It provides and operates freight transportation services and infrastructure. The company's current operating model is geared towards lowering the cost of doing business in South Africa. By mid-2021, the DPE continues was investigating viable options to corporatise the National Ports Authority, as required by the National Ports Act of 2005. Initial studies have indicated adverse ramifications for the South African economy and the company's operating divisions. As a result, the department will continue to investigate possible options without compromising the economic competitiveness of South Africa's transport sector.

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION (THE DTIC)

The dtic (formerly the Department of Trade and Industry) works to promote industrialisation and transformation, and responds to unemployment, poverty and inequality. The department will continue with the development and implementation of various sectoral master plans as part of the reimagined industrial strategy.

In addition, as part of its role in implementing key interventions of the South African Economic Reconstruction and Recovery Plan (ERRP) in the wake of the COVID-19 pandemic, over the medium term, the department will focus on providing industrial finance, developing industrial infrastructure, and enhancing competition oversight.

Providing industrial finance

In support of the ERRP, some of the initiatives are aimed at growing sustainable and competitive enterprises through providing direct or indirect access to industrial finance. Initiatives include the economic distress programme and economic recovery support, which consists of loans administered by the Industrial Development Corporation and the National Empowerment Fund, and manufacturing development incentive grants.

Over the period ahead, the department will continue to implement the automotive incentive scheme, the black industrialist programme, the agro-processing support scheme, the strategic partnership programme and the aquaculture development enhancement programme.

DEPARTMENT OF SMALL BUSINESS DEVELOPMENT (DSBD)

The DSBD is tasked with the responsibility of leading an integrated approach to the promotion and development of small businesses and cooperatives by focusing on economic and legislative drivers that stimulate entrepreneurship to contribute to radical economic transformation. The realisation of this mandate will lead to increased employment, poverty reduction and reduced inequality.

Key elements of the NDP emphasise the importance of the contribution of small, medium and micro enteprises (SMMEs) and cooperatives to inclusive economic growth and employment. This is given expression by Priority 1 (economic transformation and job creation) of government's 2019-2024 MTSF, with which the work of the DSBD is directly aligned. Accordingly, over the medium term the department plans to focus on increasing support for small enterprises and developing cooperatives.

Increasing support for small businesses and developing cooperatives

The department provides direct and indirect support to small businesses through the Small Enterprise Development Agency, and support programmes such as the Black Business Supplier Development Programme and the National Informal Business Upliftment Scheme. Accordingly, over the medium term, the DSBD aimed to focus on establishing a one-stop SMME platform for businesses to access financial and non-financial support; and improving access to finance by implementing the blended finance model in the Township Entrepreneurship Fund, and extending blended finance to SMMEs and cooperatives.

Applying the model entails the mixture of grants and loans that ultimately lower the cost of capital for borrowers, and ensuring access to finance for SMMEs and cooperatives.

In terms of developing cooperatives, over the medium term the department planned to oversee the implementation and monitoring of the integrated cooperatives strategy, which is intended to ensure the successful establishment of sustainable cooperatives through funding, training and providing access to markets.

Developing the Small Enterprise Development Master Plan

To ensure the development of an enabling policy, legal and regulatory environment for small enterprises the department planned to develop the Small Enterprise Development Master Plan which will enable small enterprises to realise their full potential.

The master plan aims tos ensure the delivery of an integrated, targeted and effected support interventions aimed at promoting entrepreneurship as well as providing financial and non-financial support to qualifying small enterprises, using the life-cycle approach.

Johannesburg Stock Exchange (JSE)

The JSE is the largest exchange on the African continent and the 19th largest in the world. In keeping with international practice, the JSE regulates its members and ensures that markets operate in a transparent way, ensuring investor protection. The JSE roles include regulating applications for listing and ensuring that listed companies continue to meet their obligations.

South African Anti-Money Laundering Integrated Task Force (SAMLIT)

SAMLIT was established in 2019 by the FIC, as a public-private partnership between the banking sector and sector regulatory authorities. SAMLIT provides a platform for members to centralise information sharing, with a view to ensuring that necessary steps be taken to prevent, detect, investigate, and prosecute priority crimes in the financial sector.

SAMLIT is aimed at enhancing collaboration and coordination in combating financial crime, money laundering and terrorist financing.

Across the globe, these types of partnerships have increasingly been hailed as the best suited response to address financial crimes.