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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

PROGRAMME GUIDELINES

MANUFACTURING SUPPORT PROGRAMME (MSP)

APRIL 2024

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Physical Address
the dtic Campus
77 Meintjies Street
Sunnyside
Pretoria
0002



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Abbreviations and Acronyms

MSP	Manufacturing Support Programme
B-BBEE Act	Broad-Based Black Economic Empowerment Act, 2003 (Act No. 56 of 2003)
IRBA	Independent Regulatory Board for Auditors
PFMA	Public Finance Management Act
POPIA	Protection of Personal Information Act
SARS	South African Revenue Services
SOE's	State Owned Entities
SAPS	South African Police Service
SIC	Standard Industrial Classification
the dtic	Department of Trade, Industry and Competition
VAT	Value-Added Tax



1. Preamble

- 1.1 The purpose of this document is to detail the guidelines for the Department of Trade, Industry and Competition's (**the dtic's**) Manufacturing Support Programme (MSP).
- 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 dtic** 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 MSP 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 MSP applications or 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. Objectives of the Manufacturing Support Programme (MSP)

- 3.1 The objective of the Manufacturing Support Programme (MSP) is to:
- 3.1.1 Promote operational efficiency and competitiveness in new or expansion manufacturing projects.
 - 3.1.2 Encourage transformation through supporting enterprises owned by Black persons, Women, Youth and People with Disabilities.
 - 3.1.3 Create and sustain employment.
 - 3.1.4 Promote localisation through the use of locally produced inputs/raw materials and machinery directly related to production.
- 3.2 The objectives will be supported through the following components of the programme:
- Competitiveness Improvements
 - Green Technology and Resource Efficiency Improvements
 - Production Capacity Expansion or New Projects
- 3.3 The MSP is available to South African registered entities engaged in manufacturing Standard Industrial Classification (SIC 3).

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 compliant with the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 56 of 2003) (B-BBEE Act) and Codes of Good Practice on Broad-Based Black Economic Empowerment 2019 (Codes of Good Practice).
 - 4.1.2.1 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.
 - 4.1.3 Be a registered taxpayer in good standing.



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- 4.1.4 Undertake an expansion or upgrading investment project, which should result in retaining and/or creating direct employment. For new projects, applicants must undertake an investment project, which should result in the creation of new employment.
- 4.1.5 Adhere to sectorial minimum wage and legislative requirements and compliance requirements governing the sector.
- 4.1.6 Demonstrate that at least 50% of the inputs¹ will be sourced from South African producers and at least 10% of the inputs will be sourced from Black South African producers in particular and/or Government Departments, State Owned Entities (SOEs) or similar Government Institutions.
 - 4.1.6.1 Where inputs cannot be produced locally, applicants may source from suppliers outside of South Africa. In this regard, full details of establishment points and details of suppliers as well as indisputable evidence of no local supplier must be provided.
- 4.2 Commencement date of production must take place within 180 days after the application has been approved by **the dtic**.
- 4.3 The effective date of these guidelines is 1 April 2024.

5. Eligibility 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.
 - 5.1.1 For small enterprises, budget plans and projected income statement and balance sheet must be for a period of at least one (1) year.
- 5.2 The application must be submitted within the designated application window period, prior to the start of processing/beneficiation or undertaking activities being applied for. Any assets bought and taken into commercial use or competitiveness

¹ Raw material from a manufacturing industry into another manufacturing industry for further processing into a valued added product that can be put into market or be used into a value chain of a greater value added final product with an exception of pack houses where the input may be limited to packaging materials.



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improvement costs incurred before applying for the incentive will be considered as 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 of the incentive by **the dtic**.

- 5.2.1 If there is no response from **the dtic** within 30 calendar days after submission of a complete application, such applicant may take into commercial production its qualifying investment assets for commercial use or undertake implementation of competitiveness improvement activities, and such investment assets or competitiveness improvement activities will not be disqualified on the basis of having been in commercial use or being undertaken before approval. However, if a project commences prior to receiving an outcome from **the dtic**, the applicant would have commenced the project at their own risk.
- 5.3 Existing entities should also submit the latest financial statements not older than eighteen (18) months, reviewed by an independent external auditor or accredited person.
- 5.4 An applicant must demonstrate that the project will result in base year employment levels being maintained at each claim stage for an expansion project.
 - 5.4.1 For expansion projects, any reduction in the total number of employees over the duration of the incentive, will disqualify the applicant. Any claims not yet evaluated or paid will immediately lapse and no obligation will accrue to **the dtic** on such claims.
 - 5.4.2 For new projects, new jobs must be created.
- 5.5 The total approved project and activities should be implemented within a two (2) year period.

6. Grant Offering

- 6.1 The MSP offers a reimbursable grant of up to twenty percent (20%) for projects. The maximum grant offering is R10 million over a two-year investment period with the last claim to be submitted within six (6) months after the final approved milestone.



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- 6.2 the dtic will provide a thirty percent (30%) reimbursable grant for projects that are fifty one percent (51%) owned and controlled/managed by Women, and/or Youth(s) and/or Person(s) with Disabilities.
- 6.3 For applicants requiring competitiveness improvements, the grant related to consultant fees/costs may not exceed R1 million.
- 6.4 The approved grant may be utilised on any of the activities described in Section 7 provided the applicant illustrates a sound business case for the proposed investment activities.

7. Qualifying Assets and Investment Costs

The maximum approved grant may be utilised on a combination of investment costs. The MSP offers support on a cost-sharing basis towards:

7.1. Machinery and Equipment

- 7.1.1. Support of new machinery and equipment at cost, in order to start, expand or modernise production and will also include green technology, energy and resource efficiency equipment.

7.2 Tools, Jigs and Dies

- 7.2.1 Support of new tools, jigs and dies at cost, developed and used to produce improved product and setting up, installing and upgrading of laboratory and testing equipment to meet domestic and export certification requirements.

7.3 Raw Materials

- 7.3.1 This component is aimed at encouraging and assisting exporters to increase and diversify the value and volume of exports from South Africa and will support the following costs and is limited to a maximum grant amount of **five hundred thousand rand (R500 000)**

7.3.1.1 Support of the purchase of raw materials to service an export contract in place.

- 73.1.2 Have an export contract in place to supply for a duration of at least a period of twelve (12) months or a contract of at least two million Rand (R2 million) in value.



7.4 Commercial Vehicles

7.4.1 New commercial vehicles (owned or capitalised financial lease) are only eligible if such vehicles are to be used for commercial purposes linked to the production process. This includes vehicles such as collection, delivery and distribution vehicles.

7.4.2 Commercial vehicles must be registered in the name of the applicant.

7.4.3 Investments in commercial vehicles may not exceed 25% of the qualifying investment in machinery and equipment (owned or capitalised financial lease), tools, and forklifts and are limited to a maximum grant amount of **one million Rand (R1 million)**.

7.5 Buildings

7.5.1 The investment in buildings must not exceed the qualifying investment in machinery and equipment (owned or capitalised financial lease), tools, and forklifts and is limited to a maximum grant amount of **one million Rand (R1 million)**.

7.5.1.1 Where an applicant is operating in a leased building and incurs costs to improve the building in order to bring it to a condition fit for purposes of the operational needs of the business or any improvements deemed a necessity for the facility, such leasehold improvements may qualify as **Buildings**. However, leasehold improvement costs will only be considered for reimbursement by MSP on condition they are capitalised in the Balance Sheet. Costs incurred on Building improvements will be disqualified if they are expensed in the Income Statement.

7.6 Competitiveness Improvements Costs

Focus Area	Qualifying Costs	Qualifying Activities
Conformity assessment	<ul style="list-style-type: none">○ Costs of Installing or improving quality management systems;○ Costs for preparations for certification and pre/initial assessment costs.	<ul style="list-style-type: none">○ Quality management improvement (e.g. ISO 9001),○ Environmental management improvement,○ Process capability improvement and



Focus Area	Qualifying Costs	Qualifying Activities
	<ul style="list-style-type: none"> ○ Costs for preparations for accreditation and pre-/initial assessment ○ Cost of testing equipment ○ Cost of testing products ○ Costs for preparations for certification and pre/initial assessment costs. 	<ul style="list-style-type: none"> ○ Product quality improvement (e.g. ISO 13485 etc.) ○ Accreditation e.g. ISO 50 001 – Energy Management standard ○ Certification ○ GMP accreditation (Cosmetics)
Registration and Validation Requirements and Licensing	<ul style="list-style-type: none"> ○ Cost of Product CE Mark (South African Health Products Regulatory Authority registration requirements) 	<ul style="list-style-type: none"> ○ Phase I: Initiation / Opportunity & Risk Analysis ○ Phase II: Formulation / Concept & Feasibility Design Controls: Design Inputs, Outputs, Plan ○ Phase III: Design and Development e.g. verification, validation, clinical trials, technical and medical device file, regulatory submission and Notified Body (NB) assessments. ○ Phase V: Product Launch / Post-Launch Assessment e.g. Use training, marketing, post market surveillance and continued clinical validation. ○ Acquisition of licenses
Information technology systems	<ul style="list-style-type: none"> ○ Acquisition of software for integrated production management information systems 	<ul style="list-style-type: none"> ○ Acquisition and deployment of systems
Process improvement/optimisation	<ul style="list-style-type: none"> ○ Costs of Introduction of new improved processes e.g. 	<ul style="list-style-type: none"> ○ Introduction of new improved processes



Focus Area	Qualifying Costs	Qualifying Activities
	world –class manufacturing practices.	
Product Improvements	<ul style="list-style-type: none"> ○ Pattern-making, prototyping, grading, sizing and counter-sampling ○ Costs for improving product ranges and product adaptations for new markets ○ Improvement of production techniques ○ Marketing of new or improved products to focus groups before product launch to market ○ Design costs 	<ul style="list-style-type: none"> ○ Product design improvements ○ Product development improvements ○ Product efficiency ○ Consumer acceptability studies ○ Packaging design
Logistics improvements	<ul style="list-style-type: none"> ○ Improvement of logistics efficiencies e.g. introducing logistic systems 	<ul style="list-style-type: none"> ○ Logistics arrangement and systems
Technology Transfer	<ul style="list-style-type: none"> ○ Transfer and technology costs for improved product and processes performance 	<ul style="list-style-type: none"> ○ Transfer and technology improved process performance
Cleaner Production improvement	<ul style="list-style-type: none"> ○ Consultation costs and services for preparations for certification and pre/initial assessment costs 	<ul style="list-style-type: none"> ○ Cleaner production technology ○ Certification, measurement and verification costs
Waste Management	<ul style="list-style-type: none"> ○ Consultants fee, equipment to measure energy and water consumption, engineering intern support, management time allocated to implementation support and internal awareness raising and competency training expenses 	<ul style="list-style-type: none"> ○ Technology for recycling, re-use of waste and recovery of energy from waste or other beneficial use of waste.
Energy Efficiency Improvement	<ul style="list-style-type: none"> ○ Introduction of new improved processes that leads to energy savings ○ Improved energy efficiency technology. 	



Focus Area	Qualifying Costs	Qualifying Activities
Renewable Energy		<ul style="list-style-type: none">○ Manufacturing and localisation of renewable energy products and services development○ Establishment of renewable energy infrastructure and services at plant level.○ Support of localisation of renewable energy equipment and technology acquisition.
Water Usage Improvements		<ul style="list-style-type: none">○ Water re-use improvement technology e.g. industrial water and waste water treatment facilities.

N.B. Please note that should there be any costs not listed in the table above, such costs may be considered based on merit and at the discretion of the dtic.

8. Non-Qualifying Costs

8.1 The following is a list of costs that do NOT qualify under the MSP:

8.1.1 Land acquisition in any manner whatsoever.

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

8.1.3 Vehicles (such as sedans, luxury 4X4s, SUVs and People Carrier Minibuses, even if registered in the entity's name).

8.1.4 VAT and finance charges on assets.

8.1.5 Rental, Rates and Taxes.

8.1.6 Training that is not related to the manufacturing operations of the entity.

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

8.1.8 Litigation costs.

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



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- 8.1.10 Projects related to the production/processing of beer, spirits and tobacco.
- 8.1.11 Financial Audit Costs.
- 8.1.12 Consultant costs incurred that do not pertain directly to the implementation of competitiveness improvement costs.
- 8.1.13 Applicants that are already receiving support from other dtic grants, do not qualify for support under the MSP.

9. Grant Disbursements

9.1 Grant Payment Schedule

- 9.1.1 Disbursements will be made as per the approved milestones and will be based on actual costs incurred.
- 9.1.2 Approval of assets/costs applied for will be provisional pending the dtic inspection or consulting engineer's assessment and recommendation at the claim assessment phase.
- 9.1.3 All claim payments are subject to the availability of funds.

9.2 Conditions for Grant Disbursement

- 9.2.1 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 of payment or forfeiture of a specific claim.
- 9.2.2 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.
- 9.2.3 The first claim must be submitted within six (6) months from the date of the start of production of the project.
- 9.2.4 Failure to submit a valid claim six (6) months after the start date of production will result in the revocation of the MSP grant approval.
- 9.2.5 Payments shall be made directly into the bank account of the approved entity.



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- 9.2.6 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.
- 9.2.7 The following supporting documents must be submitted together with a completed claim form:
- 9.2.7.1 Latest authorised management accounts for projects of R5 million and below. For investment projects above R5 million, latest independently reviewed/audited financial statements from the applicant.
- 9.2.7.2 A Factual Findings Report from a registered Auditor.
- 9.2.7.3 A valid B-BBEE certificate or a sworn affidavit with minimum B-BBEE level 4 contributor status.
- 9.2.7.4 A valid SARS pins to confirm tax clearance of the entity.
- 9.2.7.5 A bank confirmation of the account details of the approved applicant.

10. Legal Conditions

- 10.1 The following are *inter alia* considered circumvention of the MSP Guidelines and will lead to the rejection of an application or claim:
- 10.1.1 Changing the business set-up, composition, structure or operations, processes or products in order to make the project qualify.
- 10.1.2 Manipulation of inter-company assets, products, services and processes in order to make the project qualify.
- 10.1.3 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 MSP.
- 10.1.4 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 grant.



- 10.2 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.

11. Decision Review / Appeal Process

- 11.1 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.
- 11.2 An appeal must be lodged within thirty (30) days of the date of issue as set out in the notification letter.
- 11.3 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.
- 11.4 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.
- 11.5 Although there is no prescribed format for the submission for an appeal, the applicant/appellant must:
- 11.5.1 Submit the letter of appeal with supporting documents in duplicate, if submitted physically.
 - 11.5.2 Attach a letter communicating the decision appealed against.
 - 11.5.3 If longer than 15 typed pages (excluding annexures), contain an executive summary of no more than two pages, indexed and paginated.
 - 11.5.4 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.
- 11.6 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:



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

- 11.7 Receipt of the appeal will be acknowledged in writing within five (5) working days of such receipt.
- 11.8 The appeal/decision review committee appointed by Minister will hear the appeal.
- 11.9 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.
- 11.10 The outcome of the appeal will be communicated to the applicant/appellant by the Secretary responsible for the appeal/decision review committee.

12 Criminal, Misleading, Dishonest and/or Unlawful Activities

- 12.1 **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
- 12.2 **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 brought as a result of the investigation.

- 12.3 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.
- 12.4 **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.
- 12.5 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.

13. Monitoring and Reporting

- 13.1 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.

14. Protection of Personal Information

- 14.1 **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.
- 14.2 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).



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- 14.3 **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.
- 14.4 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.
- 14.5 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
- 14.6 **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 MSP.
b.	'At cost' : This refers to the actual asset price (cost) at purchase time, including capitalised development costs as certified by the external auditor.
c.	<p>"Black": Black people refer to African, Coloured and Indian persons who are natural persons and:</p> <p>a. "Are citizens of the Republic of South Africa by birth or descent; or</p> <p>b. Are citizens of the Republic of South Africa by naturalisation before the commencement date of the Constitution of the Republic of South Africa Act of 1993; or</p> <p>c. Became citizens of the Republic of South Africa after the commencement date of the Constitution of the Republic of South Africa Act of 1993, but who, had it not been for the Apartheid policy, would have qualified for naturalisation before then.</p> <p>The definition of "Black people" now includes South African Chinese people as per the Pretoria High Court ruling on the 18th June 2008."</p>
d.	'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.
e.	
f.	'Designated application window period' : - the dtic will determine windows of applications and such will be announced on the dtic website.
g.	'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.
h.	'Existing Companies' : Companies that are currently in operation.
i.	'Employment' : This term refers to contract/seasonal/temporary employees. One full-time employee will be the equivalent to 1 920 hours worked per year.
j.	'Financial Year' : This denotes the period referred to in the entity's financial statements, and as registered with the Companies and Intellectual Property Commission (CIPC), irrespective of the calendar period thereof.
k.	<p>'Independent external auditor' or 'accredited person':</p> <ul style="list-style-type: none"> - In respect of a Company, this means the independent external auditor. - In respect of a Close Corporation, this means practising members of the Commercial and Financial Accountants of South Africa (CFA-SA); practising members and Associate General Accountants (AGAs) of the South African Institute of Chartered Accountants (SAICA) and/or AGAs; and individuals or enterprises/practices registered as auditors with the Independent Regulatory Board for Auditors (IRBA).



l.	'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 <i>inter alia</i> commercial vehicles, office furniture, or office equipment.
m.	'Material changes' : These are changes that, if known 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.
n.	'MSP Approval' : document from the dtic to the applicant, setting out the terms and conditions of the MSP incentive being offered to the applicant, which will by implication include the terms and conditions set out in these guidelines ('implied terms').
o.	'New production facility' or 'new business' or 'new project' or 'new investment' : Includes where the entity was non-existent prior to the production date; where the entity was services orientated, and made a changeover to production or manufacturing; where a new product line is pursued, which product line may not be generically linked (same SIC code, raw materials and production process) to the original product line, and which product line must be financially (separate income statement, balance sheet and cash flow statements) and physically separated from the previous product line.
p.	'Shareholding' : This refers to shareholding in a Company, membership in a Close Corporation, or membership/ownership of a Co-operative.
q.	'SIC code' : Standard Industrial Classification of all economic activities.
r.	'Total qualifying investment costs' or 'total qualifying assets' : In respect of new projects, this refers to the investment, qualifying and non-qualifying, to be made in the project. In respect of expansions, this refers to all additional investments already made, as well as the qualifying and non-qualifying investments to be made in the expansion.
s.	'Small Enterprises' : "Small Enterprises as defined in the Revised Schedule 1 of the National Definition of Small Enterprise in South Africa, 15 March 2019 - means a separate and distinct business entity, together with its branches or subsidiaries, if any, including cooperative enterprises, managed by one owner or more predominantly carried on in any sector or subsector of the economy mentioned in column 1 of the Schedule and classified as a micro, a small or a medium enterprise by satisfying the criteria mentioned in columns 3 and 4 of the Schedule.
t.	'the dtic' refers to the Department of Trade, Industry and Competition and Industry; Block A, 77 Meintjies Street, Sunnyside, Pretoria; Private bag X84, Pretoria, 0001.
u.	'Reimbursable grant' : Companies need to do an investment first and the dtic will be reimbursed for such.

Approved by:

Name: _____

Signature: _____

Position: _____

Date: _____