



Business Tax Incentives and Grants

SAIT Webinar
October 2022

YOUR KEY TO THE TAX COMMUNITY

Presenters:

- Moeketsi Marumo: Independent Consultant at the SAIT
- Mahlatsi Ndlovu: Deputy Director : DTIC
- Marietta Meyburgh: Manager EY Cova



Mahlatsi holds a Masters in Business Administration, she is currently a Manager, responsible for the SPII programme. She has extensive experience in development funding, business and enterprise development well as stakeholder management and relations. She has been instrumental in building and strengthening the current operations and capabilities within the SPII unit to ensure seamless movement of applications pipeline. She is also a member of the black industrialist technical committee.



Marietta is a qualified chartered accountant and experienced government grants and tax incentives manager with 21 years of experience in the corporate environment. Her career has secured a wealth of knowledge in developing, drafting, compiling and packaging a business case, analysing and interpreting financial and non-financial technical information, preparing financial models and project management.

Her most recent role is a project manager for various projects, providing incentive consulting services to clients, whereby EY Cova is acting on behalf clients as consultant, applying for government grants and incentives that are on offer by National Government.

Prior to this, she completed her articles at Deloitte and spend several years as Grants and tax incentives specialist as well as accounting and financial advisor. She has also worked for MultiChoice as Special Projects Manager. Marietta has a passion for the outdoor and to spend time with her family.

Agenda

- Background and Overview
- SPII Incentive Performance
- Key Discussion points
 - SPII background
 - Application process
 - Issues to consider when applying
 - Due Diligence process
 - Effectiveness of the programme
 - Lessons learned
- Closing

Background and Overview: Moeketsi Marumo

- The Department of trade, industry and competition is administering the Support Programme for Industrial Innovation (SPII).
- (SPII) seeks to promote technology development in industry by providing financial assistance in form of grants.
- There has been a downturn in South African R&D investment, and this has pushed South Africa further away from its 1.5% target ratio of R&D investment to GDP.
- Government support for business R&D in South Africa is 14 times lower than the OECD average.
- This is a real concern for a country that is aiming to be involved in the 4IR. We believe that drastic changes are required to increase R&D investment.

SPII Incentive Performance: Moeketsi Marumo

- Despite the economic turndown brought about by the COVID-19 pandemic, the 2020/21 financial year saw 13 approvals valued at R36 million, with an investment multiplier of 1.9, which will see R71 million injected into the economy

Year	Projects Supported	Amount Approved	Projected Investment
2018/19	17	R39 860 225	R74 396 519
2019/20	14	R30 042 824	R55 027 496
2020/21	13	36 996 808	R71 270 314

Key discussion points: Marietta

- Background on SPII
- Incentive benefit
- Qualifying projects
- Qualifying cost

Key discussion points: Marietta

Application process:

- Please can you explain to the listeners what is the process to apply for this grant?

What to consider when submit application

- What are the common pitfalls that results in not so great or unsuccessful SPll application?

Key discussion points: Moeketsi

Effectiveness of the programme:

- The SPII programme is around for some time. One of the incentive programmes that is open for the longest period. It may be speaking of the effectiveness of this programme. What do you believe is your department doing different than other DTIC departments?

Lessons learned

- What tips can you provide to consultants and companies to package a successful application to the DTIC?

SPII Future

Do you have any insights in terms of what the future holds with respect to the SPII programme?

Key discussion points: Marietta

Due Diligence process:

- We understand that a few current applications are awaiting to progress to the next stage which involves the due diligence by a technical consultant. We understand that it is not always easy to find the required skilled technical consultant in a specific sector/industry to evaluate the application. If you are allowed to, please can you share an update when to expect movement on these applications?

Closing Moeketsi Marumo

Areas to consider

- Application timeline
- Technical consultants
- Budget increase



Thank you