



the dti EMIA Funding – Summary

The Department of Trade and Industry's (**the dti**) Export Marketing and Investment Assistance Scheme (**EMIA**) partially compensates exporting South African registered companies, for costs incurred in respect of activities aimed at developing export markets **internationally** for **South African** products & services and to recruit new foreign direct investment into South Africa:

- **Individual Offerings** (*i.e. events relevant to your product and target market*):-
 - ✓ Primary Market (**PMR**) Research and Foreign Direct Investment Scheme (**FDI**)
 - Patent Funding (Registration of a product in a foreign market)
 - ✓ Individual Inward-Bound Mission (**IIBM**)
 - ✓ Individual Exhibitions (**IE**) and In-Store Promotions (**IP**)
 - ✓ Sector-Specific Assistance Schemes (**SSAS**)
- **Group Offerings**
 - ✓ National Pavilion (**NP**) (*paid for and organised by the dti with input from Export Councils*)
 - ✓ Outward Selling Mission (**OSM**) & Group Inward Buying Mission (**IBM**) (*organised by the dti, Export Councils or Industry Associations*)

EMIA assistance is limited to six (6) applications per calendar year.

Mandatory conditions of applicant:

- Must have traded for more than **one** financial year;
- Must be a registered legal entity in SA in terms of the Companies Act, 1973 (as amended), or the Close Corporations Act, 1984 (as amended) or Co-operatives Act, except in case of a sole proprietor and partnerships.
- Must be a **taxpayer in good standing** and provide a valid tax certificate.

Who can apply?

Are you and SMME (Small Medium and Micro Enterprise Definition)?, if so you qualify for more financial assistance from the dti

SMME's must be privately, independently or co-operatively owned and managed, and must meet any two of the following criteria:-

- Total annual turnover must be less than R40 million
- Total assets excluding fixed property must be less than R15 million
- Less than 200 full time employees

What is the SMME criterion?

HDI – Historically Disadvantaged Individual

An SMME (as above) where at least 51% of the business is owned by black person(s), women or disabled person(s) of South African nationality.

Are you outsourcing your manufacturing process? What is local content?

EMIA criteria: - The Manufacturing entity, which is outsourced to, must submit a letter from its MD / CEO / Owner (on the official company letterhead) confirming its manufacturing capacity and the **local content** of the product being manufactured on behalf of the outsourcer.

What is local content?

Value-added product / Local content

EMIA Scheme: DTI Definition March 2011

That the rule be expanded to stipulate the following:

When a product is manufactured, a minimum of 35% value added should be applied throughout the production process in South Africa and **can include the following:**

- Production costs
- Overheads
- Direct labour
- Materials

This however **excludes the following:**

- Royalties / licensing fees
- Packaging
- Cartage / transport
- Marketing / selling costs
- Profit
- Commissions / taxes / duties

The minimum requirement is that the last process of manufacturing / production should be performed in SA, but that it should include value addition. This rule excludes SA services.

- **Individual Offerings** (i.e. events relevant to your product and target market):-
 - ✓ Primary Market (**PMR**) Research and Foreign Direct Investment Scheme (**FDI**)
 - Patent Funding (Registration of a product in a foreign market)
 - ✓ Individual Inward-Bound Mission (**IIBM**)
 - ✓ Individual Exhibitions (**IE**) and In-Store Promotions (**IP**)
 - ✓ Sector-Specific Assistance Schemes (**SSAS**)

Primary Marketing Research (PMR) and Foreign Direct Investment Research (FDI)

Applications to be handed into the dti 3-4 months prior the start date of the event

PMR:- developing **new exporting markets**; **FDI:-** recruiting new FDI into SA through personal contact by visiting potential investors in foreign countries the dti pays for the following irrespective of the size of the company participating:

- Daily subsistence allowance - R 2 300 per day (maximum of 10 days) – **2 CONFIRMED APPOINTMENTS PER DAY – IF APPOINTMENTS ARE MISSED, ALLOWANCE DOES NOT APPLY**
- Transport of promotional material (excess baggage only) – R 1 000
- Marketing material (designing and printing of export brochures, promotional videos or CD's) - R10 000 per annum

SMME / HDI companies receive the following additional funding:

- Economy class airfare – 100% of the cost to a maximum of R 17 000

Note: - Assistance is extended towards attending **conferences** with the aim or lobbying or bidding for international projects or hosting international events.

Entities may attend a relevant **exhibition** in the same market – assistance limited to **two (2)** days for exhibition.

Developing new exporting markets?

Recruiting new foreign investment?

Patent Funding (Such as international patent and quality mark registration) - Applied for under PMR

- Testing would only be considered if this clearly forms part of the required activities to register a quality mark or patent in a foreign market. Only invoices dated six months prior and twelve months after the date approval will be considered for re-imburement.

50% of the actual costs to a maximum of R 200 000 per annum

Individual Inward-Buying Mission (IIBM)

Assistance is granted to South African entities organising an inward buying/mission to enable a prospective buyer/investor to make contact with them to conclude export orders or attract foreign direct investment.

- Daily subsistence allowance - R 2 300 per day (maximum of 5 days)
- Rental of vehicle – R200 per day to max. 5 days
- SMME / HDI: Economy call return airfare (including domestic travel in SA) – 100% of the costs to max. of R17 000
- Other size: Economy call return airfare (including domestic travel in SA) – 50% of the costs to max. of R6 500

Would you like to invite decision makers to conclude contracts?

Individual Exhibition (IE) Funding

Applications to be handed into the dti 3-4 months prior the start date of the event

The dti pays for the following irrespective of the size of the company participating:

- 100% of the cost of the exhibition stand to a maximum of R 50 000 (incl. foreign VAT)
- 100% of the design and print cost of marketing materials to a maximum of R 7 000
 - ✓ Rental of exhibition space.
 - ✓ Construction of stand, excluding interior design.
 - ✓ Telephone installation, excluding phone calls.
 - ✓ Internet connection installation, excluding usage.
 - ✓ Listing in official exhibition directory or Registration Fees.
 - ✓ Rental of furniture and equipment.
 - ✓ Electrical costs.
 - ✓ Cleaning and security fees.
 - ✓ Interpreting fees to a maximum of R 2 500 to qualifying countries.

SMME / HDI companies receive the following **additional** funding:

- Transport of promotional material (including samples) – maximum of R 17 500
- Economy class *airfare* – 100% to the maximum of R 17 000

Daily subsistence allowance - R 2 300 for the duration of the exhibition and one day prior for setup.

Would you like to showcase your product/s internationally?

North, East & West Africa:- Exhibition costs:- 100% to a max of R75 000

In-Store Promotion (*Assistance is granted to groups of five or more SMME or HDI manufacturers to showcase specific South African-manufactured products in targeted retail outlets abroad. Assistance is provided for one representative per registered exporter per an in-store promotion. Export Trading Houses, Commission Agents and Industry Associations are **excluded** from assistance under this offering.*)

Applications to be handed into the dti 3-4 months prior the start date of the event

SMME / HDI 's only:

- Economy class airfare – 100% to the maximum of R 17 000
- Daily subsistence allowance - R 2 300 for the duration of the promotion – max. 15 days
- Transport of promotional material (including samples) – maximum of R 17 500
- Development of marketing materials – maximum of R15 000

Do you have a signed agreement with a international retail outlet. Do you want to showcase your products in-store?

Sector-Specific Assistance (SSAS) – General:- Emerging Exporters (group to consist of 5-20 EE's)

Applications to be handed into the dti 3 months prior the start date of the exhibition

6. Scheme specific qualifying criteria

6.1 Participating enterprises must:

- have been in operation for more than 12 months
- comply with statutory requirements including registration with SARS for tax clearance certificate, export registration with custom and excise and CIPRO
- be participating in a structured export development programme
- be an SMME owned by person/s of South African nationality;
- have an EMIA qualifying product or services;
- have traded locally for at least 12 months;
- have been involved in limited or no exports.

and must further meet at least one of the following qualifying criteria:

- At least 51 % of the business must be owned by black person(s), woman and/or disabled (HDIs);
- The company or individual should have an annual turnover of less than R25 million;

the dti pays:

- Economy class airfare – 100% of the total cost
- Daily subsistence allowance – 100% of the total cost (dinner, B&B, ground transport)
- Transport of promotional material- 100% of the total cost as per normal EMIA benefits
- Development of marketing materials – 80% of the total cost (as per the Mission brochure)

This funding applies to groups of 5-20 SMME EE's who have not traded in the targeted market before.

• **Group Offerings**

- ✓ National Pavilion (**NP**) (*paid for and organised by the dti with input from Export Councils*)
- ✓ Outward Selling Mission (**OSM**) & Group Inward Buying Mission (**IBM**) (*organised by the dti, Export Councils or Industry Associations*)

National Pavilion (a South African pavilion at an international exhibition, organised and paid for by the dti with input from Export Councils)

Applications to be handed into the dti 6 months prior the start date of the exhibition

The dti pays upfront for the following irrespective of the size of the company participating:

- The cost of the exhibition stand
- The cost of the transport of samples

SMME / HDI companies receive the following **additional** funding:

- Economy class airfare – 100% to the maximum of R 17 000
- Daily subsistence allowance- R 2 300 for the duration of the exhibition and one day prior for setup.

If the exporter cancels participation after signing the Approval Letter, the exporter will be liable to the dti for an amount of R 50,000 AS A CANCELLATION FEE.

Outward Selling Mission (OSM) & Group Inward Buying Mission (IBM)

Applications to be handed into the dti 3 months prior the start date of the exhibition

The dti pays for the following irrespective of the size of the company participating:

- Economy class airfare – 50% of the cost to a maximum of R 6 500
- Daily subsistence allowance - R 2 300 for the duration of the mission to a maximum of 15 days, excluding weekends
- Transport of promotional material (excess baggage only) – R 1 000

SMME / HDI companies receive the following funding:

- Economy class airfare – 100% of the cost to a maximum of R 17 000

Groups of SA manufacturers visit international companies who want to invest in SA.
OR
Groups of international buyers

<ul style="list-style-type: none"> Daily subsistence allowance - R 2 300 for the duration of the mission to a maximum of 15 days, excluding weekends Transport of promotional material (excess baggage only) – R 1 000 <p>Group Inward Buying Trade Missions (IBM) Rules as per OSM above, but includes:</p> <ul style="list-style-type: none"> Rental of vehicle – R200 per day to max. 5 days. 	<p>visit SA manufacturers.</p>
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Harmonised System (HS) Code & Standard Industrial Classification (SIC) Codes

<p>Harmonised System (HS) Code Eg: Chapter 33: Essential Oils and Resinoids; Perfumery Cosmetics or Toilet Preparations HS 3301: Essential oil, including concretes and absolutes..</p> <p>An international code used to classify products that are imported and exported. The HS code or tariff heading can be obtained from Customs and Excise. http://www.foreign-trade.com</p> <p>Standard Industrial Classification (SIC) Code A United States government system for classifying industries by a four-digit code. http://www.osha.gov/pls/imis/sicsearch.html (Search on this site using keywords, i.e. cosmetics, essential oils etc).</p>	<p>What is an HS Code?</p> <p>Where do I find these for my products?</p> <p>What is a SIC Code?</p>
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Limitations and Exclusions

<ul style="list-style-type: none"> <u>Individual Participation (Individual Exhibitions, Primary Market Research & Foreign Direct Investment and Individual Inward bound missions</u> of assistance is limited to four (4) applications per calendar year. Any assistance provided by the EMIA scheme is at the discretion of The Enterprise Organisation (TEO) Adjudication Committee. No limitation in terms of number of years of assistance for a specific market, each application is considered on merit. Information on export sales and sales leads achieved as a result of previous EMIA Assistance will be required after a three-year period. Participation in countries, which are members of the South African Customs Union (Botswana, Lesotho, Swaziland, and Namibia), is excluded from EMIA assistance. Approved entities are required to submit the 6-month report back questionnaires; failure to comply shall entitle the dti to exclude the applicant from future participation. <u>EMIA incentives are not available for events taking place in the period 10 December up to and including 10 January of each year.</u> <u>Only one representative per business will qualify for support.</u> The representative should be a senior executive, and in authority to conclude contracts on behalf of the firm. The decision maker should be on full-time at the exhibition stand. Assistance under EMIA will be restricted to exporters or export agents for the export of value-added products that will enhance the export capacity of South Africa. A product must have a <u>local content of at least 35%</u> to qualify for assistance. EMIA applicants must disclose information on <u>related parties</u> where the one party can exercise 'significant/ insignificant/substantial/ insubstantial influence' over another party in making financial and operating decisions or can exercise control or joint control over the other party. Assistance to these parties is to the sole discretion of the Adjudication committee. Participation in private exhibitions is excluded. 	<p>Any assistance provided by the EMIA scheme is at the discretion of The Enterprise Organisation(TEO) Adjudication Committee.</p> <p>Participation in countries, which are members of the South African Customs Union (Botswana, Lesotho, Swaziland, and Namibia), is excluded from EMIA assistance.</p>
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What supporting documents must accompany my application for funding?

<ul style="list-style-type: none"> An original valid tax clearance certificate. This certificate must accompany all applications and claims for assistance under all EMIA programmes. Applications will not be considered if a valid/ original tax clearance certificate is not submitted with all applications and claims. Comprehensive colour brochure or CD ROM of the relevant products marketed by the company. Please note that a faxed copy of the brochure will not be accepted. Please note the brochure must be printed on good quality paper (art gloss stock, minimum 135 gsm). The brochure must contain the following information: <ul style="list-style-type: none"> ✓ The name and logo of the company ✓ International contact details ✓ Carefully edited pictures of the products ✓ Description of the products and the international specifications. Applicants are required to provide an original of the latest audited financial 	<p>Documents for different applications may vary. CHECK!</p> <p>Do I need originals or certified copies? CHECK!</p>
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statements, or in the case of sole proprietors, bank statements for the last three months.

The latest audited financial statements must be prepared and signed off by registered accountants.

If the latest financial statements are not available, the registered accountant must provide the reasons for non-availability and confirming the entities turnover and operational assets. In addition to this the applicant should provide EMIA with audited financials pertaining to the previous financial year.

OR

In instances where entities are recently constituted and the latest (audited where applicable) financial statements are not yet available, entities must submit a set of interim financial statements accompanied by a letter from their auditors verifying the interim financial statements.

- **Certificate of registration issued by the Commissioner of Customs and Excise.** (Exporters Registration Certificate)
- **Certified copy of the certificate of Incorporation and certified copies of all name changes effected.** The documentation should include a certified copy of the original certificate of incorporation and certificate/s of all name changes effected.

In the case of a sole proprietor a certified copy of a South African identity document.

- Original **Credit Order Instruction form.**

Claims:- How do I get my money back and how long do I have claim?

- The claim form and all supporting documentation, together with the relevant post-event questionnaire must be completed and submitted to EMIA within **three months** after the date of event from the approved business destination.
- Incomplete claims and claim items received after the three months **will be rejected without exception.**
- Claims, in respect of which claim items/documentation are outstanding after three months, will be cancelled.
- Rejected/Appeals on any decision of EMIA must be lodged in writing to TEO within **three months** from the date of communication to the claimant.

DOCUMENTS TO ACCOMPANY THE CLAIM FORM

Invoices:-

- All invoices and proofs of payment must be made in the name of the approved entity.
- Invoices must show VAT numbers, company registration numbers, telephone and fax number, address.
- Only invoices in English or in a foreign language translated into English by a sworn translator.
- For exhibitions, full details of deposit refunds and cost statement for materials purchased for the exhibition and their subsequent disposal must be provided.

Air ticket and proof of payment:-

- Original or certified copies of the air ticket must be accompanied by an invoice and proof of payment. (Also keep your boarding passes).
- Clients will not be reimbursed for air tickets where Voyager miles were utilized.

Passport:-

- Certified copy of the passport showing, personal particulars (photo), **departure and re-entry stamp into and out of South Africa.** (If scanned and not stamped by customs, boarding passes must be submitted as proof of entry/exit)

Tax Clearance:-

- If you do not have a **Master File** – **original and valid** Tax Clearance must be submitted with the claim.

Credit Order Instruction:-

- If you do not have a **Master File** – completed original **Credit Order Instruction form** with a bank stamp.

Documents for the transport costs of samples:-

- A copy of the SARS Export Release Notification or Bill of Entry and a copy of the Airway bill/Bill of Lading.
- Certified copies of the proof of payment.

ALL PROOF OF PAYMENTS SHOULD BE IN THE FORM OF AN ORIGINAL OR CERTIFIED COPY OF THE BANK STATEMENT SHOWING THE PAYMENT AND NAME OF THE ENTITY (posted bank statements are not accepted – over the counter, stamped by the bank statements only)

IMPORTANT:

- If there are documents missing at the time of the claim, include a note to inform the dti that the documents will follow.

How long do I have to claim?

What documents must accompany the claim form?

Must the documents be originals?

Are e-tickets for flights accepted?

This summary of the dti's EMIA funding scheme was compiled by CECOSA using the dti EMIA Rules and Guidelines.

This document is for reference only. For a full set of the Rules, email admin@cecosa.co.za

