

SMEs Financial Support 2020

Summary of business support measures announced by the Mauritian Government in the wake of the COVID-19 crisis, as at 20 April 2020.

In light of the global COVID-19 outbreak, a series of support measures have been introduced by our government to help businesses and protect employment.

The COVID-19 'Plan de Soutien' Cell has been set up and comprises the State Investment Corporation Limited (SIC),

Investment Support Programme Limited (ISP), SME Equity Fund Ltd (SEF) and Development Bank of Mauritius Ltd (DBM).

We invite all members to closely review all the support measures that have been announced as at 20th of April 2020, in order to best understand them, their application and benefits, should

they benefit to your businesses.

For every employee with basic salary in March 2020	Basis	Assistance per employee (Rs)
From 9,700 to Rs 25,000	15-days wages	From Rs 4,850 to Rs 12,500
From Rs 25,000 to Rs 50,000	Fixed Amount	Rs 12,500
Above Rs 50,000	Nil	Nil

How to apply: Employers need to fill in the following form:

[Wage Assistance Scheme](#)
[Communique of the MRA](#)

A. Financial Support

1. Bank of Mauritius Special Relief Programme

Special Relief Amount of Rs 5 Billion to meet cash flow and working capital requirements of economic operators which are being directly impacted by COVID-19.

- available through commercial banks.
- interest rate of 1.5% per annum and (reduction from 2.5%)
- there will be a moratorium of six months on capital
- and interest repayments,
- 2 years loan repayment period

2. Reduction of Cash Reserve Ratio

The Cash Reserve Ratio applicable to commercial banks has been reduced from 9% to 8%.

3. Easing of Banking Guidelines

The Bank of Mauritius has put on hold the Guideline on Credit Impairment Measurement and Income Recognition, which was effective since January 2020.

4. 2020 Savings Bond

2.5% Two-Year Bank of Mauritius 2020 Savings Bond for an amount of Rs 5 billion from 23rd of March 2020

5. Special Foreign Currency (USD) Line of Credit

- Targeting operators having foreign currency earnings, including SMEs.
- This line of credit of USD 300 million available through commercial banks.
- Funds will be made available to commercial banks at 6-month USD Libor for this facility.
- This line of credit will be available from the 24th March 2020 until the 30th June 2020 and repayment will be over a period of 2 years from the effective date of disbursement.

6. Swap Arrangement to Support Import Oriented Businesses

USD/MUR swap arrangement with commercial banks for an initial amount of USD 100 million.

- support import-oriented businesses, except for the State Trading Corporation
- effective as from the 24th March 2020 until the 30th June 2020.
- How to Apply for all the above:
 - Enterprises may have access to those support through their Commercial Banks
 - Any clarification or additional information may be addressed to the Bank of Mauritius on communications@bom.mu

[Communique of the Bank of Mauritius](#)

7. State Investment Corporation Equity Participation Scheme

Assist enterprises with annual turnover exceeding Rs 250 million

8. Investment Support Programme Limited (ISP)

- SME Factoring Scheme
Enterprises with annual turnover of up to Rs 50 million
 - reduced interest rate of from 2.5% instead of 3.9%
- Leasing Equipment Modernisation Scheme (LEMS I, II, III)
Enterprises with annual turnover ranging between Rs 50 million and Rs 1.5 billion
 - reduced interest rate ranging between 2.5% and 3.35% per annum.
- Corporate Guarantees to banks
ISP Ltd will issue corporate guarantee to banks to enable them to grant loans to companies affected by COVID-19, on a case to case basis.

9. SME Equity Fund Ltd

- Equity Financing
Reduced minimum return dividend rate requirement on equity /quasi-equity financing from 6% to 3% up to 31 December 2020. Thereafter, normal conditions and dividend rate of 6% will be applicable.

10. Development Bank of Mauritius Ltd

- Enterprise Modernisation Scheme (EMS)
Enterprises with annual turnover of up to Rs 10 million
 - reduced interest rate 2.5% instead of 3.5% up to 31st December 2020 and
 - a grant of 15% up to a maximum of Rs 150,000.
- Revolving Credit Fund
A Revolving Credit Fund of Rs 200 million:
 - Companies with turnover of up to Rs 10 million
 - To ease cash flow difficulties up to Rs 1 million
 - With repayment over 2 years. Interest will not be payable if loan is repaid within 9 months. Otherwise, interest will be at a rate of 6% per annum.

How to apply for all the above (Sec.10):

- Enterprises may have access to those support through the COVID-19 'Plan de Soutien' Cell which comprise the State Investment Corporation Limited (SIC), Investment Support Programme Limited (ISP), SME Equity Fund Ltd (SEF) and Development Bank of Mauritius Ltd (DBM)

- Enterprises should fill the following form:

- [Plan de Soutien FORM_COVID-19.pdf](#)
- [Communique of the State Investment Corporation](#)

- Double Tax Deduction on Investment Enterprises being affected by COVID-19 will be entitled to a double tax deduction on their investment in Plant and Machinery for the period 1st March 2020 to 30th June 2020.

- Labour

All work permits that will expire this year will be extended automatically up to 31st December 2021. Government will give full support to promote the Work at Home Scheme that was announced in the 2018-2019 Budget Speech.

- Contributions/Donation – Deduction from Taxable Income

To encourage public and enterprises to donate/contribute to the Fund, Government will allow them to deduct the amount donated/contributed from their taxable income.> [Communique Tax Deduction](#)

DETAILS		
	Type of SME	Maximum working capital loan amount
WORKING CAPITAL LOANS <ul style="list-style-type: none"> • Minimum borrowing MUR50,000 • Maximum MUR1,000,000 • Control on application of the funds: <ul style="list-style-type: none"> - To meet cash flow and working capital requirements • Purpose: protect local businesses, sustainable growth of our economy and employment • Eligibility criteria: <ul style="list-style-type: none"> - Positive EBITDA and operating cash flow prior to Coronavirus - Cash balance within bank credit limits on day of application 	Micro SMEs (turnover less than Mur1 Million)	Up to Mur250,000
	Segment A SME (MUR1Million < Turnover ≤ Mur5Million)	Up to Mur500,000
	Segment B SME (MUR5Million < Turnover ≤ Mur20Million)	Up to Mur1Million
SPECIAL CONDITIONS: <ul style="list-style-type: none"> • 3 to 6 months interest only is payable • No repayment of capital required during the moratorium • No personal guarantee or collateral • Validity: Up to 31st May 2020 • Conditions apply* 	Type of SME	Maximum moratorium period
	Micro SMEs (turnover less than Mur1 Million)	3 to 6 months interest only
	Segment A SME (Mur1Million < Turnover ≤ Mur5Million)	
	Segment B SME (Mur5Million < Turnover ≤ Mur20Million)	
Term	24 to 36 months including the moratorium	
Interest rate	Capped at 8%	
Success fee	2% of amount raised	
Administration fee	No fee applicable on monthly repayments	
Early repayment	No fee will be applicable on early repayments	
Eligibility criteria	<ul style="list-style-type: none"> • Incorporated in Mauritius • Minimum 2 years in operation (to be confirmed by BRN) unless borrower can evidence prior experience in as a entity in the same trade 	
Projects financing	Hybrid financing from individual and institutional investors	
KYC documents on application	Sole trader	SME
	<ul style="list-style-type: none"> • BRN • Proof of address • National Identity Card 	<ul style="list-style-type: none"> • BRN • Extract of file • Proof of address • National Identity Card of Directors of the Company
Financial information to submit on application	Sole trader	SME
	<ul style="list-style-type: none"> • Description and purpose of the loan • Last 6 months bank statement • Latest MRA return if available – ideally past 2 years MRA return • Financial statements for past 2 years (if available) – some sole traders do have FS • 12 months cash flow projection if available • Business Information Questionnaire 	<ul style="list-style-type: none"> • Description and purpose of the loan • Last 2 years financial statements of 2018 and 2019 • Latest management accounts • Last 6 months bank statement • Business plan if available
* Conditions of the offer	<ul style="list-style-type: none"> • Offer subject to the approval of the project by Fundkiss Credit Committee • Financing to be disbursed to the borrower at the condition that 100% of the amount is raised from the lenders registered on fundkiss.mu 	
Fundkiss Technologies Limited operates under a Regulatory Sandbox License issued by the Economic Development Board (EDB).		
<p>WARNING: Investing through the Fundkiss platform entails financing Small and Medium Enterprises and making unsecured loans to borrowers. As a lender, you could lose part or all of your investment. We advise all investors through the platform to spread their investments over several projects to limit risks. If in doubt, you should seek independent financial advice before investing.</p>		



INTERNAL CAPABILITY DEVELOPMENT SCHEME (ICDS)

L'acquisition d'expertise sur l'amélioration de la Productivité, le Mentoring, l'accréditation aux normes internationales, l'enregistrement officiel des marques et la propriété intellectuelle, le code bar, la formation technique entre autres.

Valeur du soutien financier :
80% jusqu'à un maximum de Rs 150,000



TECHNOLOGY AND INNOVATION SCHEME (TINNS)

L'acquisition de logiciel de comptabilité, développement d'applications mobile et de sites web, intégration sur les réseaux sociaux et la communication, l'acquisition de Technologies et celles liées au recyclage, l'installation de panneaux photovoltaïques et du traitement d'eau usée entre autres.

Rs 50,000 pour l'achat d'équipements productifs aux jeunes et aux femmes de moins de 29 ans.

Valeur du soutien financier :
80% jusqu'à un maximum de Rs 150,000



SME MARKETING SUPPORT SCHEME (MSS)

Remboursement des coûts liés aux développements des catalogues en ligne, des conférences sur la formation à l'étranger, du matériel de marketing et des coûts administratifs liés aux exportations, au factoring et au Leasing.

Valeur du soutien financier :
80% de la valeur totale jusqu'à un maximum de Rs 150,000

Frais administratifs : 80% par projet jusqu'à un maximum de Rs 15,000



INCLUSIVENESS AND INTEGRATION SCHEME (INC)

Incitations liées à la collaboration et partenariat d'affaires entre PME.

Valeur du soutien financier :
15% de la valeur totale des coûts du service de sous-traitance jusqu'à un maximum de Rs 100,000



SME UTILITY CONNECTION ASSISTANCE SCHEME (UCA)

Participation financière aux frais liés à la connexion des réseaux du CEB et de la CWA ainsi que l'achat de réservoirs d'eau (capacité maximum de 10,000 litres).

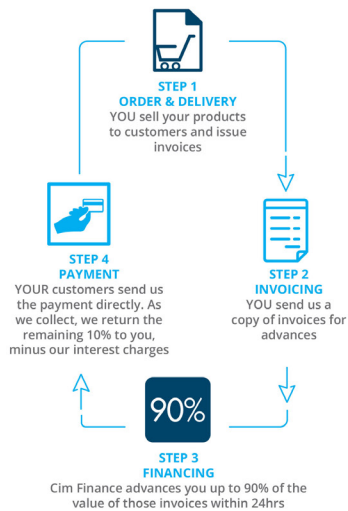
Valeur du soutien financier :
80% jusqu'à un maximum de Rs 150,000

La totalité d'aides financières d'un ou de plusieurs plans de soutien choisis sera d'un maximum de Rs 150,000 par PME

Pour plus de détails, appelez SME Mauritius sur le 202 0040 ou complétez en ligne le formulaire d'application <https://smemu.org>

Cim Finance, the preferred partner for Small and Medium Enterprises in Mauritius. Cim Finance provides its customers with solutions that help them to access the working capital needed to support their business growth. Our dedicated team works as part of your team to supply a dedicated and professional service.

How does factoring work?



SME Factoring Scheme

Cim Finance, in collaboration with the Investment Support Programme Ltd now offers you the opportunity to improve your cash flow by using this type of financing facility.

The role of Investment Support Programme Ltd:

- ▶ The Investment Support Programme (ISP) Limited, in collaboration with other Support Institutions, provides professional assistance for capacity building to SMEs Companies
- ▶ This SME Factoring Scheme has been introduced by ISP, to enable SMEs to ease up their cash flow by factoring their invoices
- ▶ SME Factoring scheme is operated by Non-Bank Financial Institution in that instance Cim Finance Ltd

Key Features*

- ▶ An annual interest rate of 2%**
- ▶ Factoring fee not exceeding 1.50% of invoice amount
- ▶ A maximum single Client Funding Limit of Rs 10M
- ▶ A maximum single Debtor Factoring Limit of Rs 2M
- ▶ A maximum credit invoice period of 90 days
- ▶ Maximum % financing: 90% of invoice amount
- ▶ Remaining 10% kept in a Reserve Account and released to the beneficiary (less accrued interests and any outstanding charges) once the invoice is paid in full
- ▶ Upfront fee of Rs 5,000 for businesses with a turnover below Rs 10M
- ▶ Upfront fee of Rs 10,000 for businesses with a turnover between Rs 10M and Rs 50M

**Valid until 30th September 2020

Minimum Eligibility Criteria*

- ▶ SMEs with an annual turnover not exceeding Rs 50 million
- ▶ SMEs in operation for at least one year
- ▶ Selling products and services to other businesses i.e., B2B on credit terms not exceeding 90 days (3 months)
- ▶ Holding a valid BRN operating in Mauritius Sales on Business to Business (B2B)

Advantages of SME Factoring Scheme

- ▶ Improvement in cash flow
- ▶ Competitive factoring fee as well as interest rates
- ▶ Free from hassle of monitoring and chasing debtors
- ▶ Debt collection ensured by a professional team
- ▶ No floating charge or additional need for security
- ▶ Credit insurance to protect you against debtors' insolvency

