



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

PROGRAMME GUIDELINES

ENTERPRISE INVESTMENT PROGRAMME

TOURISM SUPPORT PROGRAMME

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DISCLAIMER:

These guidelines provide the criteria for assessing applications for the investment incentives under the Enterprise Investment Programme (EIP) and the process of applying for the incentive. The guidelines are approved and issued by the Minister of Trade and Industry for purposes of ensuring clarity on the aims and requirements of the incentive programme. **the dti** reserves the right to amend these guidelines as it deems appropriate. Furthermore, **the dti** has a right to, in its sole discretion, provide decisions on the interpretation of these guidelines, in instances where guidelines seem not to be specific. Amendments and interpretive decisions will be published on **the dti** website and in the Government Gazette and will be of immediate effect upon publication on the website.

1. Preamble

- 1.1 The purpose of this document is to provide the policy and guidelines of the Tourism Support Programme (TSP).
- 1.2 The guidelines set out in this document aim to enable enterprises to present their business cases to **the dti**, and provide a framework for **the dti** to evaluate such business cases. The purpose of the incentive is to advance certain policy objectives. It is thus not a guarantee that the incentive will be granted, and **the dti** reserves the right to allow or disallow the incentive, in its sole discretion, and any such decision will be final.
- 1.3 The guidelines for the TSP may be amended from time-to-time, as required. These amendments will be published on **the dti** website and in the Government Gazette, and will be of immediate effect upon publication.
- 1.4 Where the guidelines lend themselves to varying interpretations or do not deal with specific subject matter, the interpretation of **the dti** must be requested and such interpretation will be decisive and final, and may, from time-to-time, be published on **the dti** website.
- 1.5 Approval of applications will be subject to the availability of funds. **the dti** will endeavour to communicate to the public, in good time, should there be a likelihood of the exhaustion of funds available for allocation to new approvals.

Services Delivered by the dti

- 1.6 No fees or charges are levied for the processing or evaluation of any Enterprise Investment Programme (EIP) applications or claims.
- 1.7 Enterprises are welcome to contact **the dti** directly and dti officials will assist them to complete application or claim forms.
- 1.8 Except for agencies owned by **the dti**, **the dti** does not request or appoint any person or business entity external to **the dti** to approach applicants in respect of this programme. Applicants may approach **the dti** for assistance to

apply for or claim on this incentive programme. Although an applicant may make use of the services of a consultant or representative, **the dti** does not accept liability for any loss or damage incurred due to an action or omission, including the giving of advice (with or without the knowledge of the applicant) of an applicant's consultant or representative.

- 1.9 **the dti** will only disclose information to the applicant directly. Authorisation given to a representative outside the business operations of the applicant in respect of communication with **the dti** will not be accepted.

2. Programme Description

2.1 The South African government recognises the important economic role played by the tourism sector and has prioritised tourism for interventions within the Accelerated and Shared Growth Initiative for South Africa (AsgiSA).

2.2 **the dti** has introduced the targeted incentive programme to support the development of tourism enterprises that will stimulate job creation and encourage a geographic spread of tourism investment. Given the fact that tourism is highly concentrated in the metropolitan (metros) areas of Johannesburg, Cape Town and eThekweni, projects located within these metros are excluded from the programme.

It is, however, recognised that not all areas within the municipal boundaries of the three (3) metros are equally developed, and therefore projects located in marginalised areas within the metros will be considered under the programme. Marginalised areas are considered to be those areas with higher than the national average unemployment rate.

2.3 The incentive programme offers a grant of up to 30% towards qualifying investment costs for establishing and expanding existing operations in South Africa. The incentive is available to local- and foreign-owned enterprises and is provided for qualifying investment costs of furniture, equipment, vehicles, land and buildings of up to R200 million (m).

2.4 The investment grant applicable is capped at a maximum of R30m, calculated in relation to the qualifying investment costs, as follows:

2.4.1 Investment projects of R5m and below may qualify for investment grants equal to 30% of their qualifying investment costs, payable over a three- (3)-year period.

2.4.2 Investment projects of above R5m may qualify for an investment grant of between 15% and 30% of their qualifying investment costs, calculated on a regressive scale (as detailed in Section 10), and payable over a period of two (2) years. This investment grant cannot exceed R30m.

2.5 In all cases, grant payment is subject to the approved project achieving the stipulated performance requirements of employment creation, Broad-Based Black Economic Empowerment (BB-BEE), location and investment.

- 2.6 The TSP is offered in conjunction with other instruments already available through the provisions of the Income Tax Act, which the government has implemented to stimulate investment, including the graduated tax rates applicable to small enterprises, and the Tourism Enterprise Partnership of the Department of Environmental Affairs and Tourism (DEAT).
- 2.7 The effective date for receiving applications under this programme is 21 July 2008, for a period of six (6) years, ending in 2014.

3. Mandatory Conditions

- 3.1 The applicant must be a registered legal entity in South Africa in terms of the Companies Act, 1973 (as amended); Close Corporations Act, 1984 (as amended); Co-operatives Act, 2005 (as amended); and Trusts in terms of the Communal Property Act. Section 21 companies or 'not-for-profit or gain' organisations are specifically excluded from applying.
- 3.2 The applicant must be a taxpayer in good standing and must, in this regard, provide a valid tax clearance certificate before the grant is disbursed.
- 3.3 The project being applied for must constitute a **new investment** or the **expansion** of an existing tourism project. The cost of the qualifying investment in furniture and equipment, vehicles, land and buildings, will be capped at R200m.¹
- 3.4 The project activities must be classifiable under tourism activities, as defined in these guidelines. For purposes of this requirement, the applicant must disclose all the activities in which the business will be involved, together with the percentages of revenue generated or projected to be generated from each activity. The project and its activities must comply with all relevant applicable South African legislation that could materially affect the project.

¹ New projects exceeding R200m may apply; however, their additional investment of over R200m will not be taken into consideration when calculating the investment grant.

- 3.5 The projects must create a minimum number of full-time employment opportunities which may include one (1) owner-operator, as stipulated in the table below:

TABLE A: MINIMUM JOB REQUIREMENTS PER SIZE INVESTMENT

Investment size	Minimum number of new jobs	Minimum job requirements for Black-owned enterprises investing below R5m
Below R5m	8 jobs	3 jobs
≥R5m – R10m	10 jobs	
≥R10m – R20m	12 jobs	
≥R20m – R30m	15 jobs	
≥R30m – R50m	20 jobs	
≥R50m – R75m	30 jobs	
≥R75m – R100m	50 jobs	
≥R100m – R150m	70 jobs	
≥R150m – R200m	85 jobs	

- 3.5.1 The wages paid must be in line with or exceed the hospitality sector wages, as determined by the Department of Labour.
- 3.5.2 Black-owned enterprises investing less than R5m and creating a minimum number of three (3) jobs, which may include one (1) owner-operator, will be considered if they comply with all other mandatory conditions.
- 3.6 The project must be at least a level four (4) BB-BEE contributor, achieving a score of 65 or above on the Generic Scorecard in terms of the Codes of Good Practice for BB-BEE.² This requirement takes into account the exemptions in terms of Qualifying Small Enterprises (QSEs) as set-out in terms of the Codes of Good Practice.
- 3.7 The project must be located outside the metropolitan areas of Cape Town, eThekweni and Johannesburg. Projects located in marginalised areas³ within

² *Code of Good Practice for Broad-Based Black Economic Empowerment*, as issued in the Government Gazette 09, February 2007.

³ Marginalised areas are those with unemployment figures higher than 25.5%, as identified in the Statistics South Africa (StatsSA) Census, 2001. A detailed list of eligible locations, and relevant guidelines, are available on the dti website, www.thedti.gov.za.

these metros, as determined by **the dti**, will be eligible to apply. In exceptional cases, projects that create new market segments, which enhance product diversity within developed areas, may be considered by the Adjudication Board.

- 3.8 Projects must apply for and receive approval before acquiring the qualifying investment assets. Projects will not be considered earlier than twelve (12) months, or less than three (3) months, before the planned commencement date of operation. However, if the lead time for delivering specific equipment or other qualifying assets exceeds a twelve- (12)-month period, the application can be considered earlier than twelve (12) months before the commencement date of operation. In this instance, projects will need to submit confirmation from the suppliers of the assets, confirming the lead times and expected delivery dates for these assets.

4. Evaluation Criteria

The evaluation criteria distinguish between applicants with investment projects of R5m and below (referred to as 'small projects'); and those with investment projects of above R5m (referred to as 'medium-to-large projects').

4.1 Small Projects (Investment projects of R5m and below)

4.1.1 The applicant must demonstrate commitment to the planned investment project. For purposes of this requirement, **the dti** will consider:

4.1.1.1 the financing structure of the project;

4.1.2.1 that the finance sourced together with the grant is adequate in relation to the requirements of the project; and

4.1.3.1 that there is evidence of commitment to fund the project from the financiers that form part of the funding structure of the project. (Conditional approval for the TSP grant may be given to qualifying projects that wish to use the grant to leverage other sources of funding).

4.1.2 The project must be financially viable; subject to the projections being realistic and reasonable.

4.1.3 The project must substantiate a need for financial grant assistance and the application must indicate how the grant will be used to improve the financial viability of the planned project.

4.1.4 The applicant must provide business plan information, including the target market, competitive advantage, marketing channels and management.

4.2 Medium-to-Large Projects (investment projects of above R5m)

4.2.1 In addition to the evaluation criteria for small projects, as stipulated in paragraph 4.1 herein, the following criteria will apply for projects of above R5m.

4.2.2 The applicant must demonstrate how the grant is necessary for the project to proceed. Projects are expected to explore other sources of funding before seeking grant funding. The principle is to use the incentive to:

- 4.2.2.1 fill funding gaps where there is insufficient equity capitalisation for the project;
- 4.2.2.2 fill funding gaps where cash flows cannot support more third-party debt;
- 4.2.2.3 influence the location of the project in favour of South Africa, in cases where the investor is considering other countries for locating the project; and
- 4.2.2.4 satisfy the company's internal investment evaluation criterion (Internal Rate of Return (IRR) or Net Present Value (NPV)).

5. Qualifying Activities

Accommodation Services:

Corresponding United Nations World Trade Organization/Central Product Classification (UNWTO/CPC) Codes	Eligible Tourism-Specific Products
63110, 63191, 63192, 63193, 63195	<ul style="list-style-type: none"> Hotels Motels Bed and breakfasts Guest houses Lodges Backpacking accommodation Holiday resorts Self-catering accommodation Fixed tents and caravans
Specific excl.	<ul style="list-style-type: none"> Permanent hostel accommodation primarily utilised by university or other full-time students Non-fixed tents and caravans

Passenger Transport Services – Rail Transport

Corresponding UNWTO/CPC Codes	Eligible Tourism-Specific Products
64111.1, 64111.2, 64112	<ul style="list-style-type: none"> Tourist-specific trains, including scheduled and route-based tourist trains, and scheduled and unscheduled excursion trains
Specific excl.	<ul style="list-style-type: none"> Commuter rail transport services and government-owned rail transport services

Passenger Transport services – Road Transport

Corresponding UNWTO/CPC Codes	Eligible Tourism-Specific Products
64219.1, 64219.2, 64222, 64223, 64224,	<ul style="list-style-type: none"> Teleferics-funicular services Transfer operators dedicated to tourists and attached to dedicated tourism facilities Bus and coach operators dedicated to tourists Man- or bicycle- or animal-drawn vehicles dedicated to tourists, including rickshaws, donkey carts, etc.
Specific excl.	<ul style="list-style-type: none"> Commuter, freight and government-owned road transport services, chauffer-driven vehicles, taxis, etc.

Passenger Transport Services – Water Transport

Corresponding UNWTO/CPC Codes	Eligible Tourism-Specific Products
65111, 65119.3, 65130.1, 65211, 65219.1, 65219.2, 65219.3, 65230	<ul style="list-style-type: none"> Coastal and inland water transport services, such as ferries dedicated to tourists Cruise ship services registered and based in South Africa, which must pay tax in the Republic of South Africa

	<ul style="list-style-type: none"> Rental services of water transport vessels (with operators) dedicated to tourists, including diving or whale-watching charter services Water-based sight-seeing and excursion services, including sun-downer cruises. Boat restaurants and houseboats dedicated to tourists must not be permanently docked
Specific excl.	<ul style="list-style-type: none"> Commuter, freight and government-owned water transport services. Rental services for fishing

Tour Operators

Corresponding UNWTO/CPC Codes	Eligible Tourism-Specific Products
67812	<ul style="list-style-type: none"> Tour operator services

Cultural Services

Corresponding UNWTO/CPC Codes	Eligible Tourism-Specific Products
96411, 96412	<ul style="list-style-type: none"> Privately owned museums, historical sites with buildings commercially operated and dedicated to tourists
Specific excl.	<ul style="list-style-type: none"> Government-owned, leased or non-tourism-related services, art pieces and attraction pieces

Recreation and Entertainment Services

Corresponding UNWTO/CPC Codes	Eligible Tourism-Specific Products
96510, 96520.2, 96520.3, 96520.5, 96590.1, 97230.4, 97230.3, 97230.1, 97230.2,	<ul style="list-style-type: none"> Privately owned sports and recreation services that form part of accommodation establishments and are for the exclusive use of tourists e.g. tennis courts, fitness centres, spas, etc. Investment in these facilities should be matched by at least a 50% investment in accommodation establishments Bungi jumping facilities
Specific excl.	<ul style="list-style-type: none"> Training facilities Sport and recreation facilities that form part of residential developments Government-owned sport and recreation facilities

The Board will consider anchor projects that enhance a destination and create employment, but provide for activities not listed above.

6. Qualifying Assets/Investment Costs

- 6.1 Furniture and equipment (owned or capitalised financial lease), at cost, excluding any office furniture and equipment.
- 6.2 Owned land and buildings, at cost. The investment in land and buildings must constitute newly acquired land and buildings, at cost, whether as part of a new project or expansion, and must be owned by the applying entity. The land costs must be directly associated with the purchase, renovation, or construction of a tourism facility for the investment project under consideration and be located on land that has been zoned for commercial or industrial activity. The value of the land may not exceed 20% of the investment value in buildings for the purpose of the grant calculation. In a case of the under-utilisation of land and buildings, the calculation and payment of the tourism incentive for the land and buildings will be based on a *pro rata* amount of the space utilised.
- 6.3 The leased land and buildings may not exceed 20% of the cost of qualifying furniture and equipment. The cost of leased land is capitalised for the five (5) year-period of the lease. It is calculated at the rental cost for year one (1), multiplied by five (5).
- 6.4 Where the applicant leases land and buildings from a connected party, the value of the premises included as part of the capital investment is calculated at the preparation cost of the land and the erection cost of the buildings, **or** the actual net rental as per lease agreement, capitalised, or the actual net rental paid as per income statement, capitalised, whichever amount is lower. Value-Added Tax (VAT), and rates and taxes, are excluded from this calculation.
- 6.5 Vehicles (owned or capitalised financial lease). Only eligible if such vehicles are for tourist transfers from an accommodation facility, and/or have been specifically modified for particular tourism activities, e.g. tour operator vehicles and game drive vehicles.
- 6.5.1 Investment in vehicles by projects other than tour operators will be capped at 20% of the qualifying investment.

- 6.6 Second-hand (previously-used) furniture and equipment, and vehicles, can be regarded as qualifying investment costs, provided they meet the following conditions:
- 6.6.1 The purchase of these assets must be at arm's length. They must be acquired locally from either existing project(s); a Liquidation Sale; a Public Auction; through an offer directly to the liquidator; or a *bona fide* dealer. The applicant must provide the liquidation order or auctioneer report reflecting the source of the relevant furniture and equipment.
 - 6.6.2 Applying projects that are **black-/women-owned, and all applicants with investment of R5m and below**, may invest up to 100% in second-hand assets, without making an equivalent investment in new assets.
 - 6.6.3 Investments in second-hand vehicles other than by tour operators, may not exceed 20% of qualifying investments.
 - 6.6.4 Investments in second-hand furniture and equipment by **applicants with investments of above R5m**, will be subject to the following additional rules:
 - 6.6.4.1 The entity must invest in new furniture and equipment at a cost equal to 100% of the cost of the qualifying [actual] second-hand furniture and equipment, as approved in the entity's TSP application, before the end of the first full financial year.
 - 6.6.4.2 In calculating the equivalent investment in new furniture and equipment, any investment in new vehicles will be excluded, except for tour operator businesses.

7. Exclusions and Limitations

7.1 Non-Qualifying Activities

- 7.1.1 Fast-food and take-away restaurants, nightclubs, bars, gaming and gambling venues, will not be considered;
- 7.1.2 Franchised restaurants;
- 7.1.3 Restaurants not attached to tourism facilities;
- 7.1.4 Tourism investment, as part of projects that include residential development, where the shareholder is one and the same as the residential developer, will not be considered;
- 7.1.5 Conference facilities not attached to accommodation facilities;
- 7.1.6 No investment in government-owned or partially government-owned (e.g. PPP or Public-Private Partnership) projects will be considered. This exclusion does not apply to concessions where the private sector owns the management company, despite the land being under the management of public sector authorities;
- 7.1.7 No investment in arts and craft facilities will be considered as a separate development; and
- 7.1.8 No retail operations will be considered.

7.2 Non-Qualifying Assets/Investment Costs

The following is a list of investment costs that do NOT qualify under the TSP.

- 7.2.1 Assets acquired by way of an operational lease agreement;
- 7.2.2 Damaged assets or assets not utilised for the qualifying activities;
- 7.2.3 VAT and finance charges on assets;
- 7.2.4 Re-valuated assets;
- 7.2.5 Sports cars;
- 7.2.6 Commercial vehicles (e.g. trucks, tractors, *bakkies*, etc.);
- 7.2.7 Imported second-hand assets; and
- 7.2.8 Refurbished⁴ existing operations.

7.3 General Exclusions and Limitations

- 7.3.1 Entities that are already receiving incentives approved on recommendation of the Manufacturing Development Board (MDB), and those that have approved TSP projects, do not qualify for additional TSP incentives until the latter of the end date of the incentive grant period, set out in the relevant incentive

⁴ Refurbishments will be considered in future competitiveness promotion incentives.

agreement, or the last date for submission of the final claim under the relevant incentive agreement.

- 7.3.2 Entities already receiving incentives approved on recommendation by the MDB, may not attempt to convert the existing incentive approval to the TSP incentive.
- 7.3.3 An entity may only apply for one project, be it a new project or expansion per district municipality or metropolitan municipality area. Entities planning a number of investments within a three- (3)-year period across different metropolitan areas or district municipalities, should discuss their investment proposals with **the dti**, prior to submitting an application in order to determine the eligibility of these projects.
- 7.3.4 The project must notify **the dti** in writing within thirty (30) days of the commencement of operations, as indicated in the approval letter. **the dti** must be notified in writing of any changes in the commencement date of production. The new commencement date of production must be within sixty (60) days of the original approved commencement date.
- 7.3.5 **the dti** reserves the right to withhold, reject or terminate approval for projects that are seen to be circumventing the rules of the incentive programme. The entity may not change the facts in its application, such as the business set-up or how its operations work, in order to have the entity's project meet the prerequisites for qualification, where these actually do not qualify. If **the dti** finds that the entity tried to circumvent or circumvented these guidelines, the entity will automatically be disqualified, and if an agreement has already been signed, **the dti** will terminate that TSP agreement and institute action to reclaim any moneys that may already have been paid.
- 7.3.6 Non-Governmental Organisations (NGOs), foreign governments, partnerships and sole proprietors, are explicitly excluded from participating in this programme directly or indirectly.
- 7.3.7 Applicants that have majority shareholding held by public-owned enterprises or state institutions are not eligible. However, shareholding by Development Finance Institutions will be considered on a case-by-case basis.
- 7.3.8 Applications concerning a project within a division, a branch or profit centre of an entity, must be submitted by their headquarters, and financial information must be provided for both the entity (headquarters) and the project.
- 7.3.9 Capital work-in-progress is excluded until taken into operation.
- 7.3.10 Financial lease assets must be capitalised in the balance sheet in order to be considered for purposes of the incentive.
- 7.3.11 Grant approval will cease if the applicant goes into liquidation.

8. Conditions Applicable to Expansion Projects

The incentive support is intended for projects involving substantial increase in capacity on current operations of an existing project. To be approved as a qualifying expansion project, an application must meet the following conditions:

- 8.1 The project must increase capacity of current operations by 35% in year one (1).
- 8.2 The entity must show an increase (over and above the total qualifying historic costs) of at least 35% in qualifying investment in furniture and equipment. The increase in investment must be made in year one (1) and must be maintained for the duration of the incentive agreement. Except for tour operators, any increase in investment in commercial vehicles is excluded for the purpose of calculating the increase in investment.
- 8.3 The base year furniture and equipment of the existing entity or project cannot have a zero-Rand cost. In other words, the existing entity or project must be actively involved in providing tourism services with assets, e.g. an entity or project may qualify for an expansion, if the existing entity or project (at its base year) had R100,000 of furniture and equipment for a bed-and-breakfast, and revealed R135,000 as the cost of qualifying furniture and equipment for year one (1) of the expansion project in the balance sheet. This would demonstrate a 35% increase in qualifying furniture and equipment.
- 8.4 The expansion must demonstrate an increase in projected revenue of 15% in the first year of operation, and a 25% increase in the second year of operation above the revenue, as reflected in the base-year financial statements.
- 8.5 The entity must achieve both the minimum number of total jobs for the project and minimum net increase in new full-time employment opportunities from the base year, as stipulated in Table B below.⁵

⁵ In other words, an expansion project below R5m, which has three (3) employees in the base year, has to employ minimum additional five (5) employees to be considered; **and** a similar project with six (6) employees has to employ minimum additional four (4) employees to be considered.

TABLE B: MINIMUM JOB REQUIREMENTS FOR EXPANSION PROJECTS

Expansion investment size	Minimum number of jobs to be achieved by project	Minimum net new additional number of jobs to be created	Minimum job requirements for Black-owned enterprises investing below R5m	Minimum net new additional number of jobs to be created
Below R5m	8 jobs	4	3 jobs	2
≥R5m – R10m	10 jobs	5		
≥R10m – R20m	12 jobs	6		
≥R20m – R30m	15 jobs	7		
≥R30m – R50m	20 jobs	10		
≥R50m – R75m	30 jobs	15		
≥R75m – R100m	50 jobs	25		
≥R100m – 150m	70 jobs	35		
≥R150m – 200m	85 jobs	45		

8.6 An existing entity can only submit one application for an expansion.

8.7 The period of the base year for the expansion and the end of its first full financial year may not exceed twenty-four (24) months.

9. Incentive Grant Calculation

- 9.1 The incentive grant on offer is up to a maximum of R30m for applicants investing R200m.
- 9.2 The incentive grant is calculated proportionally on a regressive scale in relation to the qualifying investment cost, as follows:
- 9.2.1 Investment projects of R5m and below qualify for an investment grant equal to 30% of their qualifying investment cost when achieving mandatory requirements and complying with conditions of the grant.
- 9.2.2 Investment projects of above R5m, achieving the mandatory requirements, qualify for a Tourism grant payable over two (2) years, as stipulated below:
- **Projects above R5m but less than R30m** qualify for a grant on a regressive scale between 15% and 30 %;
 - **Projects above R30m** qualify for a grant of 15%;
- 9.2.3 In exceptional cases, the Adjudication Board may consider a higher grant up to a maximum of 20% of qualifying investment costs for large projects that:
- i. have high IRR requirements; or
 - ii. are foreign direct investments in tourism considering competing locations, and
 - iii. where the 15% grant is not sufficient to influence an investment decision for the investor.
 - a. These projects must have considerably higher economic spin-offs – such as the potential for opening-up market competition, diversifying tourism products or having a technological demonstration effect. The sum of the grants awarded cannot exceed 5% of the annual programme allocation.
- 9.2.4 The grant offered cannot exceed **the dti's** assessment of the funding gap or funding shortfall in the project.
- 9.2.5 The TSP grant offered is tax-exempt in terms of Section 10(1)(y) of the Income Tax Act, No. 58 of 1962, as amended.

10. Grant Scale

TABLE C: GRANT SCALE TABLES

Summary

Investment	≤ R5m	> R5m to ≤ R30m	≥ R30m
Grant	30%	30% - 15%	15%
Grant Ceiling	R1.5m	R4.5m	R30m

Grant Scale for Projects between R1m and R20m

Investment R m	0.00	1.00	2.00	3.00	4.00	5.00	6.00	7.00	8.00	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	17.00	18.00	19.00
Grant R m	0.00	0.30	0.60	0.90	1.20	1.50	1.62	1.74	1.86	1.98	2.10	2.22	2.34	2.46	2.58	2.70	2.82	2.94	3.06	3.18
Grant %	30.00	30.00	30.00	30.00	30.00	30.00	27.00	24.86	23.25	22.00	21.00	20.18	19.50	18.92	18.43	18.00	17.63	17.29	17.00	16.74

Grant Scale for Projects between R21m and R40m

Investment R m	21.00	22.00	23.00	24.00	25.00	26.00	27.00	28.00	29.00	30.00	31.00	32.00	33.00	34.00	35.00	36.00	37.00	38.00	39.00	40.00
Grant R m	3.42	3.54	3.66	3.78	3.90	4.02	4.14	4.26	4.38	4.50	4.65	4.80	4.95	5.10	5.25	5.40	5.55	5.70	5.85	6.00
Grant %	16.29	16.09	15.91	15.75	15.60	15.46	15.33	15.21	15.10	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00

Grant Scale for Projects between R41m and R60m

Investment R m	41.00	42.00	43.00	44.00	45.00	46.00	47.00	48.00	49.00	50.00	51.00	52.00	53.00	54.00	55.00	56.00	57.00	58.00	59.00	60.00
Grant R m	6.15	6.30	6.45	6.60	6.75	6.90	7.05	7.20	7.35	7.50	7.65	7.80	7.95	8.10	8.25	8.40	8.55	8.70	8.85	9.00
Grant %	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00

Grant Scale for Projects between R61m and R80m

Investment R m	61.00	62.00	63.00	64.00	65.00	66.00	67.00	68.00	69.00	70.00	71.00	72.00	73.00	74.00	75.00	76.00	77.00	78.00	79.00	80.00
Grant R m	9.15	9.30	9.45	9.60	9.75	9.90	10.05	10.20	10.35	10.50	10.65	10.80	10.95	11.10	11.25	11.40	11.55	11.70	11.85	12.00
Grant %	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00

Grant Scale for Projects between R81m and 100m

Investment R m	81.00	82.00	83.00	84.00	85.00	86.00	87.00	88.00	89.00	90.00	91.00	92.00	93.00	94.00	95.00	96.00	97.00	98.00	99.00	100.00
Grant R m	12.15	12.30	12.45	12.60	12.75	12.90	13.05	13.20	13.35	13.50	13.65	13.80	13.95	14.10	14.25	14.40	14.55	14.70	14.85	15.00
Grant %	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00

Grant Scale for Projects between R101m and R120m

Investment R m	101.00	102.00	103.00	104.00	105.00	106.00	107.00	108.00	109.00	110.00	111.00	112.00	113.00	114.00	115.00	116.00	117.00	118.00	119.00	120.00
Grant R m	15.15	15.30	15.45	15.60	15.75	15.90	16.05	16.20	16.35	16.50	16.65	16.80	16.95	17.10	17.25	17.40	17.55	17.70	17.85	18.00
Grant %	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00

Grant Scale for Projects between R121m and R140m

Investment R m	121.00	122.00	123.00	124.00	125.00	126.00	127.00	128.00	129.00	130.00	131.00	132.00	133.00	134.00	135.00	136.00	137.00	138.00	139.00
Grant R m	18.15	18.30	18.45	18.60	18.75	18.90	19.05	19.20	19.35	19.50	19.65	19.80	19.95	20.10	20.25	20.40	20.55	20.70	20.85
Grant %	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00

Grant Scale for Projects between R141m and R160m

Investment R m	141.00	142.00	143.00	144.00	145.00	146.00	147.00	148.00	149.00	150.00	151.00	152.00	153.00	154.00	155.00	156.00	157.00	158.00	159.00
Grant R m	21.15	21.30	21.45	21.60	21.75	21.90	22.05	22.20	22.35	22.50	22.65	22.80	22.95	23.10	23.25	23.40	23.55	23.70	23.85
Grant %	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00

Grant Scale for Projects between R161m and R180m

Investment R m	161.00	162.00	163.00	164.00	165.00	166.00	167.00	168.00	169.00	170.00	171.00	172.00	173.00	174.00	175.00	176.00	177.00	178.00	179.00
Grant R m	24.15	24.30	24.45	24.60	24.75	24.90	25.05	25.20	25.35	25.50	25.65	25.80	25.95	26.10	26.25	26.40	26.55	26.70	26.85
Grant %	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00

Grant Scale for Projects between R181m and R200m

Investment R m	181.00	182.00	183.00	184.00	185.00	186.00	187.00	188.00	189.00	190.00	191.00	192.00	193.00	194.00	195.00	196.00	197.00	198.00	199.00
Grant R m	27.15	27.30	27.45	27.60	27.75	27.90	28.05	28.20	28.35	28.50	28.65	28.80	28.95	29.10	29.25	29.40	29.55	29.70	29.85
Grant %	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00

11. Grant Disbursement

11.1 Grant Payment Schedule and Performance Requirements

11.1.1 The grant is disburseable on a bi-annual basis, subject to the approved project meeting the prescribed performance requirements, as set out below.

11.1.2 At each grant claim stage, the project may be eligible to be paid a grant that is the full value of the actual investment made at that stage. However, this may not exceed the maximum approved grant for that financial year.

TABLE D

Year	Claim Stages	Disbursement (Under R5m)	Disbursement (Above R5m)	Performance Requirements
YEAR ONE (1)	Stage 1: End of six (6) months from date of commencement of operations	Grant % of actual investment made, limited to 33.3 % of total approved grant	Grant % of actual investment made limited to 50% of total approved grant	<ul style="list-style-type: none"> ▪ Minimum investment of 30% of the total approved qualifying investment for projects above R5m ▪ Minimum investment of 15% of the total approved qualifying investment for projects below R5m ▪ Achieve and maintain the mandatory conditions of BB-BEE, and location ▪ Achieve 80% of stipulated employment levels ▪ Achieve at least 10% of projected turnover in year one (1)

	<p>Stage 2: End of 1st full financial year</p>	<p>Grant % of actual investment made, limited to 33.3% of the total approved grant less amount paid at Stage 1</p>	<p>Grant % of actual investment made limited to 50% of the total approved grant less amount paid at Stage 1</p>	<ul style="list-style-type: none"> ▪ Minimum of 60% of the total approved qualifying investment must be made for projects of over R5m ▪ Minimum investment of 30% of the total approved qualifying investment for projects below R5m ▪ Achieve 100% of stipulated employment levels for projects above R5m ▪ Achieve 80% of stipulated employment levels for projects below R5m ▪ For projects over R5m, achieve at least 70% of the turnover projected for year one (1) ▪ For projects below R5m, achieve at least 50% of the projected turnover for year one (1) ▪ Achieve and maintain the mandatory conditions of BB-BEE, and location
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">YEAR TWO (2)</p>	<p>Stage 3: End of six (6) months of 2nd financial year</p>	<p>Grant % of actual investment made limited to 33.3 % of total approved grant.</p>	<p>Grant % of the actual investment made limited to 50% of total approved grant.</p>	<ul style="list-style-type: none"> ▪ Minimum of 60% of the total approved qualifying investment must be made for projects above R5m ▪ Minimum investment of 30% of the total approved qualifying investment for projects of below R5m ▪ Achieve 100% of stipulated employment levels for projects above R5m ▪ Achieve 80% of stipulated employment levels projected for year one (1) ▪ For projects above R5m, achieve at least 70% of the projected turnover for year one (1) ▪ For projects below R5m, achieve at least 50% of the projected turnover for year one (1) ▪ Achieve and maintain the mandatory conditions of BB-BEE, and location

	<p>Stage 4: End of 2nd full financial year</p>	<p>Grant % of actual investment made, limited to 33.3% of the total approved grant, less amount paid at Stage 3.</p>	<p>Grant % of actual investment made, limited to 50% of total approved grant. less amount paid at Stage 3.</p>	<p>Minimum of 80% of the total approved qualifying investment must be made for projects above R5m</p> <p>Minimum investment of 60% of the total approved qualifying investment for projects below R5m</p> <ul style="list-style-type: none"> ▪ Achieve 100% of stipulated employment levels for all projects ▪ Achieve at least 80% of the projected turnover for year two (2) ▪ Achieve and maintain the mandatory conditions of BB-BEE, and location
<p>YEAR THREE (3)</p>	<p>Stage 5: End of six (6) months of 3rd financial year</p>	<p>Grant % of actual investment made. limited to 33.3 % of total approved grant.</p>	<p>Monitoring</p>	<ul style="list-style-type: none"> ▪ Minimum of 80% of the total qualifying investment must be made for projects above R5m ▪ Minimum of 60% of the total qualifying investment made for projects below or equal to R5m ▪ Maintain 100% of stipulated employment levels ▪ Maintain at least 80% of the projected turnover ▪ Achieve and maintain the mandatory conditions of BB-BEE, and location
	<p>Stage 6: End of 3rd full financial year</p>	<p>Grant % of actual investment made, limited to 33.3% of the total approved grant less amount paid at Stage 5.</p>	<p>Monitoring</p>	<ul style="list-style-type: none"> ▪ Minimum of 80% of the total qualifying investment must be made ▪ Maintain 80% of projected employment levels for year three (3) ▪ Maintain at least 80% of the projected turnover ▪ Maintain 100% of stipulated employment levels ▪ Achieve and maintain the mandatory conditions of BB-BEE, and location

- 11.1.3 Projects that do not meet the minimum performance requirements for stage 1 above or do not have audited financial statements at Stage 1, may wait until Stage 2 (i.e. the end of their first full financial year) before they submit their first claim.
- 11.1.4 Audited financial statements of Stage 2 may be used when submitting a claim at Stage 3. A full reconciliation will then need to be submitted at Stage 4 with full audited financial statements. The same principle applies to Stages 5 and 6.
- 11.1.5 Any relaxation of minimum requirements or conditions in this document, is based on merit and at the sole discretion of **the dti**. The decision of **the dti** will be final.

12. Claims Submission

It is the responsibility of the applicant to provide complete and accurate information to **the dti** in order to enable speedy and correct processing of the grant. To claim for the TSP grant, an applicant must submit the following documents to the Programme Manager at **the dti**:

- 12.1 An originally completed Claim Form, duly signed by the entity and an independent external auditor:
 - 12.1.1 Audited financial statements for the entity and audited management accounts for the project;
 - 12.1.2 Project Monitoring Report;
 - 12.1.3 Audited asset list(s) of total assets of the project;
 - 12.1.4 Audited average number of employees per month;
 - 12.1.5 An original valid tax clearance certificate for the entity;
 - 12.1.6 A cancelled cheque and a Credit Order Instruction as a written confirmation of the bank details where payment must be made; and
 - 12.1.7 A certificate of compliance with the Code of Good Practice for BB-BEE, where the entity's turnover is more than R5m, or such amount as determined by **the dti** from time-to-time.

12.2 Conditions Regarding Grant Disbursement

- 12.2.1 Grant disbursement is subject to satisfactory verification of qualifying investment expenditure items and may include the physical on-site inspection by **the dti** at every claim stage or whenever necessary.
- 12.2.2 The commencement date of claims may not precede the commencement date of operation, and must be within a period of fifteen (15) months from the commencement date of operation.
- 12.2.3 The claim period of each project should coincide with the financial year. If the date of commencement of operation is less than six (6) months before the end of the financial year, then the claim date for the project should start at the start of the following financial year. In instances where the date of commencement of operation is greater than six (6) months before the end of the financial year, the project claim period should start in the same financial year as the project start date. No change in the financial year will be allowed.
- 12.2.4 Failure to submit a valid claim within fifteen (15) months from commencement of tourism operation will result in the automatic termination of the TSP grant agreement.
- 12.2.5 Claims must be submitted within three (3) months after the end date of the specified claim period or end of the relevant financial year. Where bi-annual

claims are not made in time, an entity must submit a claim for the full financial year at financial year-end.

- 12.2.6 Payments shall be made directly into the bank account of the approved beneficiary only. The name of the account holder must be the same as the name of the applicant.
- 12.2.7 Should there be material changes to the main business, under which the grant was approved, the grant approval will be cancelled and the entity be responsible for reapplying to **the dti**.

12.3 Additional Legal Conditions

- 12.3.1 The following are *inter alia* considered a circumvention of TSP guidelines and will lead to the rejection of an application or claim:
- 12.3.2 Changing the business set-up, composition, structure or operations, processes or tourism products in order to meet the prerequisites for the project to qualify.
- 12.3.3 Restructuring the business internally, forming a new entity or project, phasing in or segmentation of investment to avoid exceeding maximum or differentiating levels.
- 12.3.4 More than one business in reasonable proximity, owned by connected person(s), offering generically the same or similar products, or delivering generically the same or similar services – without, in the sole opinion of **the dti**, any real commercial reason for the separation.
- 12.3.5 Manipulation of inter- company assets, offerings and services.
- 12.3.6 Any other action that, in the sole discretion of **the dti**, can be regarded as circumvention to allow the enterprise, which otherwise would not have qualified, to qualify.

12.4 Criminal, Misleading, Dishonest and/or Irregular Activities

- a. **the dti** may, upon suspicion of any such activities, suspend payments that may be due or may become due to an applicant. **the dti** shall not be liable for any damages or interest, pending the finalisation of any forensic investigation and any criminal proceedings brought as a result of the investigation.
- b. Findings of a forensic investigation indicating such activities will be sufficient to allow **the dti** to cease all payments and reclaim any payments already made, with *mora* interest.
- c. **the dti** subscribes to the principles set out in the Prevention and Combating of Corrupt Activities Act, 12 of 2004 (PRECCA). Applicants are requested to

contact **the dti** fraud hotline on 0800 701 701 should they wish to report any suspicious behaviour.

- d. 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/cancellation/suspension of the application/claim.

13. Application Process

13.1 The application process is as follows:

TABLE E: APPLICATION PROCESS

Project Application:		the dti Approval Process:	
Project Appraisal	<ul style="list-style-type: none"> ▪ Applicant sends completed application form (prior to the investment taking place) to the dti by mail or via the dti’s TSP website ▪ Applicant may obtain further information about the criteria telephonically or by meeting with TSP staff at the dti <p>NB Applicants are not required to use a consultant to prepare or submit an application</p>	Project Appraisal	<ul style="list-style-type: none"> ▪ Project fatal flaw and business plan analysis ▪ Project and entity financial viability analysis. ▪ Analysis of funding gap. ▪ Economic benefit analysis.
Basic Assessment	<ul style="list-style-type: none"> ▪ Application checked for completeness. ▪ Letter/e-mail requesting additional information sent to applicant. ▪ Fully completed application is scheduled for evaluation. 	Verification Inspection	<ul style="list-style-type: none"> ▪ Project verification inspection at applicant’s premises may be conducted ▪ Inspector verifies that project meets all requirements and submits to the Adjudication Board.
		Adjudication	<ul style="list-style-type: none"> ▪ Adjudication Board reviews report from project evaluator. ▪ Application approved, rejected or returned for additional information. ▪ The decision of the Adjudication Board is final. ▪ Letter confirming agreement with applicant.

Grant Disbursement
<ul style="list-style-type: none"> ▪ The approved grant is disbursed on achievement of predetermined performance requirements, as set out in Section 11. ▪ On completion of a milestone, the client completes a claim form with required attachments. ▪ Inspector may visit client to verify that all requirements have been met.

Monitoring
<ul style="list-style-type: none"> ▪ the dti will collect project monitoring information at each claim stage and will require clients to complete a Project Monitoring Report at the end of each financial year to measure the outputs and outcomes of the project. ▪ In order to evaluate the impact of the programme, the dti requires that for a period of two (2) years after completion of the project, the client completes the Project Monitoring Report annually. This requirement forms part of the legal agreement between the dti and the applicant.

The following information is required when submitting the application form:

13.1.1 Information about the applying entity:

- Contact details of parent company;
- Details of registration in South Africa;
- Copies of Certificates of Incorporation;
- Valid Tax Clearance Certificate; and
- Written guarantees for financing, where applicable.

13.1.2 Details about the planned investment project:

- Planned date of commencing operations;
- Business activities, products and services;
- Expected revenue streams and markets to be served; and
- Employment opportunities to be created by the project.

13.1.3 Investment expenditure and expansion plans.

13.1.4 Projected Cash Flow Statements, Income Statements and Balance Sheets.

14. Monitoring, Reporting and Impact Assessment

All approved projects will be monitored in order to assess their performance and that of the TSP.

the dti may conduct a site visit to projects at application stage and/or claim stage. A set of all financial statements, invoices and other relevant records must be retained and kept in a fire-proof safe, according to South African Bureau of Standards (SABS) specifications, for at least five (5) years after submission of the claim to which it relates. Such records must be made available to **the dti** inspector upon request, failing which the agreement automatically terminates.

All approved expansion projects will be required to complete the project baseline monitoring report at the start of the project.

Project Monitoring Reports for approved projects must be submitted at the end of each financial year, including for an additional two (2) financial years following their final claim (i.e. two (2) years after the incentive period).

TABLE F: SUMMARY OF MONITORING AND EVALUATION

Monitoring Level	Indicators at Project Level	Indicators at Programme Level
Input	<ul style="list-style-type: none"> ▪ Completed application form 	<ul style="list-style-type: none"> ▪ No. of project applications approved/declined
Output	<ul style="list-style-type: none"> ▪ Total capital investment ▪ Total grant disbursed ▪ Increased turnover 	<ul style="list-style-type: none"> ▪ No. and value of new projects per sector, BEE, location & project size ▪ No. and value of expansion projects per sector, BEE, location and project size ▪ No. and value of upgrading projects per location, BEE and project size ▪ Amount of funds committed and disbursed
Outcome	<ul style="list-style-type: none"> ▪ % change in investment ▪ % change in employment ▪ % change in sales ▪ % change in profitability ▪ % change in capacity utilisation 	<ul style="list-style-type: none"> ▪ Value of increase in investment ▪ Increase in tourism growth ▪ Change in occupancy or capacity utilisation
Economic Impact		<ul style="list-style-type: none"> ▪ The net addition to the economy (outcome minus the counterfactual)
Cost-Benefit / Effectiveness		<ul style="list-style-type: none"> ▪ Economic impact vs project costs

Annexure A: Glossary of Terms and Definitions

- a. *'Entity' or 'Applicant'*: Means a business registered as a legal entity in South Africa. The word entity is used here to refer to a business that is applying, has qualified for the incentives, or is claiming TSP incentives.
- b. *'New tourism facility or new business' or 'new project' or 'new investment'*: Includes where the entity was non-existent prior to the operation date; where the entity was not tourism orientated, and made a change over to tourism services or adding a new tourism offering different from the existing one, that complements the existing tourist facility.
- c. *'Expansion' or 'Expansion project'*: Includes a minimum of 35% increased capacity on current operations and 35% increased investment in total qualifying furniture, equipment and vehicles above the existing investment in total qualifying furniture, equipment and vehicles at cost as reflected in the base year financial statements, made in year one and maintained for year two and year three. In respect of employment the net increase in employment and minimum employment requirements have to be achieved.

'Expansion' or 'Expansion project': Excludes existing businesses with a 0 base year in respect of the TSP application. These projects may apply as a new project, provided that they comply with these guidelines and that the entity can substantiate why it has a 0 base year.
- d. *'Existing business'*: Includes minimal changes in staff, furniture and equipment, location, stocks, creditors, debtors e.g. where a business closes its doors on day 1 and opens its doors within twelve (12) months as under new management or with new owners or new entity. The base year statements for this project will be as handed over to the new owner by the previous owners. An entity that is in operation; an entity which is not in operation but has no liquidation actions or orders against it, i.e. it can start operating at any time.
- e. *'Acquired assets'*: Assets that have been bought, ordered, commissioned, erected, or where there is an agreement or a memorandum of understanding to obtain certain assets. Turnkey projects are considered to be acquired assets and such projects must apply before entering into a turnkey agreement. 'Acquiring the qualifying investment assets' will have a corresponding meaning.
- f. *'At cost'*: Actual asset price at purchase time. For purposes of the incentive programme, the investment grant will be calculated and paid based on the lower of the actual historical cost paid for the asset; cost price of the asset; the market value of the asset; or a valuation by an independent valuator.
- g. *'Base year'*: A period of 12 months reflected in audited financial statements and is the last financial year prior to the investment in the fixed (not current) assets of the new expansion.
- h. *'Capacity'*: Bed nights; seats; covers; spaces.
- i. *'SIC code'*: Standard Industrial Classification of all economic activities.
- j. *'Bi-annual claim'*: A claim covering the first six (6) months of the entity's financial year, and which may not be more, nor less than six (6) consecutive calendar months.
- k. *'Black-owned'*: 51% owned by South African black people.
- l. *'Capital work in progress'*: Assets that are not yet ready for use and are still being prepared for use in the tourism facility.

- m. *'Connected party/persons/non-arm's length transactions'*: Connected, as described in the Income Tax Act, 1962 (Act No. 58 of 1962). And in relation to this definition, "arm's length transactions" will mean the opposite.
- n. *'Commencement date of operation'*: The date on which physical operation or service offering started.
- o. *'Counterfactual'*: The forecast of the contribution that the project would have made to the economy in the absence of the grant.
- p. *'Vehicles'*: Motor vehicles that are constructed for carriage of persons and that are used for the approved project only, Man-or-bicycle-or-animal drawn vehicle. Luxury 4x4, double cab, sports and commercial vehicles are excluded for incentive purposes. Other than for tour operators, vehicles will not be used in any calculation as forming part of furniture and equipment and specifically will not be used in calculating the required percentages relating to furniture and equipment.
- q. *'E-Applicant'*: Applicants who have submitted and/or accepted applications and/or other documents electronically on **the dti's** TSP website.
- r. *'Full-time Employment/Employees'*: Persons that work at least forty (40) hours a week for the same employer and receive wages that are in line with hospitality sector rates as determined by the Department of Labour. For the purposes of this definition, only one owner will be counted as an employee.
- s. *'Financial year'*: The period referred to in the entity's financial statements and as is registered with the Companies and Intellectual Property Registration Office (CIPRO), irrespective of the calendar period thereof.
- t. *'Independent external auditor'*: An individual or enterprise/practice, registered as an auditor with the Independent Regulatory Board for Auditors (IRBA).
- u. *'Furniture and Equipment'*: Furniture, equipment, implements, utensils or articles considered to be of a long-term use. *Furniture and Equipment* does not include *inter alia* vehicles; office furniture; or office equipment.
- v. *'Material Changes'*: Changes that, if known at the application stage, could affect the approval of the project, for example changes in the services offered or structure of the project.
- w. *'Medium to large project'*: *Projects with investments of over R5m, or for purposes of this definition, investments are the total investment to be made for the project, excluding working capital and works in progress.*
- x. *'Tourism activity'*: For purposes of the TSP incentive, means as listed in Section 5 of these guidelines. Niche products not included in Section 5 may qualify and the applicant would then be requested to approach **the dti** for guidance prior to submitting an application for TSP.
- y. *'Second-hand'*: Refers to an asset that has been in operation, and a new asset refers to an asset that has never been in operation. An asset that has been upgraded, refurbished, modernised, or reconstructed is regarded as second-hand.
- z. *'Shareholding'*: Reference to 'shareholding' includes reference to shareholding in a Company; membership in a Closed Corporation; Trustees of a Trust; members or owners in a Co-operative.
- aa. *'Small Projects'*: Projects with investments below R5m. For purposes of this definition, investment is total investment, excluding working capital and works in progress.

- bb.* *'Total qualifying investment costs' or 'total qualifying assets'*: in respect of new projects means the investment, qualifying and non-qualifying to be made in the project, and in respect of expansions refers to all additional investment already made as well as the qualifying and non-qualifying investment to be made in the expansion.