



Tuesday 31 March 2020

## NICKY AND JONATHAN OPPENHEIMER ESTABLISH THE SOUTH AFRICAN FUTURE TRUST – TO SUPPORT SMMEs THROUGH THE COVID-19 CRISIS AND BEYOND

As announced in [President Cyril Ramaphosa's address](#) to the nation last week, [we have pledged R1bn](#) to extend a financial lifeline to employees of South African Small, Medium, and Micro-sized Enterprises (“SMMEs”). Our aim is to mitigate the immediate economic impact of the COVID-19 crisis by keeping companies in business and protecting jobs, in order to fast-track South Africa’s economic recovery after this pandemic.

Our response, in collaboration with the South African Government and private sector, is to create a structure that will **extend direct financial support to SMME employees who are at risk of losing their jobs or will suffer a loss of income because of COVID-19.**

We are proud to announce that **the South African Future Trust (“SAFT”) was formally established for this purpose with the initial R1bn commitment.**

We wish to take this opportunity to recognise our President’s bold leadership in these difficult times and express our gratitude to the various Government departments who have worked tirelessly, and with remarkable efficiency, to enable these much-needed funds to flow to SMME employees without delay.

### ***How SAFT support will work***

SAFT will transfer funds directly to employees of participating SMMEs, via interest-free loans where employees themselves carry no liability.

Our aim is to enable SMMEs to significantly reduce their cash outgoings and continue operations during this time of crisis, while retaining their employees – affording these companies much-needed breathing room to make long-term decisions.

We are delighted to confirm a partnership between SAFT and four of South Africa’s leading banks in administering this scheme: ABSA, FirstRand Bank, Nedbank and Standard Bank. They have pulled out all the stops to make this scheme possible in a very short timeframe, to ensure SMMEs can apply for funding from **Friday 3<sup>rd</sup> April.**

The scheme is currently available to clients of these four banks whose businesses were financially sustainable prior to the COVID-19 crisis. SMMEs should register their interest directly via one of these banks. We are working hard to extend this partnership to other banking institutions and invite their participation.

Our partner banks have waived their normal fees in relation to managing the SAFT scheme during this period of national disaster, to maximise the funds available to recipients.

Please visit <https://opp-gen.com/saft> for further information and updates on SAFT.

### ***Our commitment to South Africa’s future***

Beyond the immediate crisis, SAFT will have an ongoing role in accelerating economic growth. Any further donations, and loans repaid by participating SMMEs, to SAFT will remain within this non-profit structure. They will be used to support initiatives with a focus on employment creation, until all funds are ultimately disbursed.

It is our hope and belief that other individuals and institutions, both public and private, will join us in investing in South Africa’s future.



We want to applaud the extraordinary efforts already made by South Africans across all walks of life in the battle against COVID-19. Most notably, the creation of the [Solidarity Response Fund](#), which will focus on combating the spread of the

virus and support the most vulnerable in our society. We have also been encouraged by the creation of other important initiatives in providing targeted relief to SMMEs, such as [those planned by the Department of Small Business Development](#), as well as commitments made by other South African families. Because it is focused exclusively on supporting SMME employees, SAFT will operate separately yet seek to complement and amplify these initiatives.

Our country is at a difficult juncture. The national lockdown came into effect on Thursday night, 26 March 2020. It will have been met with apprehension among many of our fellow citizens. And yet while coronavirus has separated us physically, it has united us in our shared humanity and identity as South Africans. We have faith in our collective ability to overcome this challenge and emerge stronger than before.

**- Nicky and Jonathan Oppenheimer**

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***Oppenheimer Generations** represents the global interests of the Nicky and Jonathan Oppenheimer family. We are a diverse community of commercial ventures and not-for-profit organisations. We firmly believe in investment, in business and in people, as a catalyst for sustainable economic growth.*

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## **SOUTH AFRICAN FUTURE TRUST – FAQs**

### **What is the South African Future Trust?**

The South African Future Trust (“SAFT”) is an independent trust established by Nicky and Jonathan Oppenheimer, in partnership with the South African Government and private sector.

Please visit <https://opp-gen.com/saft> for further information and updates on SAFT.

### **What is the aim of SAFT?**

Its immediate purpose is to extend financial assistance to employees of South African Small, Medium and Micro-sized businesses (“SMMEs”) who are at risk of losing their jobs or will suffer a loss of income because of COVID-19.

Once the current crisis has passed, SAFT will have an ongoing role in accelerating economic growth within South Africa. Any further donations, and loans repaid, to SAFT will remain within this non-profit structure. They will be used to support initiatives with a focus on employment creation. SAFT will cease operations once all funds are disbursed, and no later than 31<sup>st</sup> December 2040.

### **How much money has the Oppenheimer family committed to the Trust?**

SAFT has been funded with an initial contribution of R1bn. It is our hope and belief that other individuals and institutions, both public and private, will join us in contributing to this cause over time.

### **How will SAFT fund SMME employees?**

During this initial COVID-19 period, the funds will be disbursed as interest-free loans over a five-year term.

Once COVID-19 has passed, any further funds donated or repaid to SAFT will be deployed towards initiatives aimed at accelerating economic growth and employment creation within South Africa.

The reason for choosing this approach is to allow SMMEs who are suffering from short-term cashflow constraints to continue operations during this time of crisis, whilst retaining their employees. We wish to allow them much-needed breathing room to make sustainable, long-term decisions for their future.

### **Will employees have to pay back any money?**

No. Employees carry no liability.

### **How will the businesses afford these loans?**

SAFT loans will be:

- Interest-free for a five-year period.
- Subordinated to other pre-existing debt.

If businesses are unable to repay the loan, SAFT will work closely with SMMEs to ensure that repayment plans are in place which are sustainable for the business concerned.

### **How will the Trust distribute money?**

SAFT has entered into a partnership with ABSA, FirstRand Bank, Nedbank and Standard Bank.

SMMEs will apply to their bank directly. Once approved, the funds will then be paid directly to eligible employees.

SAFT has set the eligibility criteria for the loans, in consultation with our banking partners. However, the ultimate decision on whether or not to extend a loan and who will receive the funds will rest with the banks.

### **How do SMMEs register for the scheme?**

SMMEs should register their interest directly with their bank. Currently this scheme is limited to clients of ABSA, FirstRand Bank, Nedbank, and Standard Bank. We are working hard to extend this partnership, with an aspiration of achieving full market coverage. We invite other financial institutions to come forward.

Please visit <https://opp-gen.com/saft> for further information.

**Who is eligible for support?**

Please visit <https://opp-gen.com/saft> for further information on eligibility criteria for SMMEs and employees.

**How much money will SMME employees receive?**

SAFT funding is intended as immediate and short-term relief to enable businesses to continue operations while protecting jobs. As such it is both time-bound and limited to a basic weekly income, to maximise the number of those who can benefit from the scheme. We expect the typical loan amount per eligible employee to be R750/week, for a period of 15 weeks. This is intended to cover both the lockdown period and its immediate aftermath.

This payment is not a salary. It is intended to provide short-term relief to those who might otherwise become destitute.

**Will the Oppenheimer family be involved in running the Trust?**

SAFT will operate independently from the Oppenheimer family, with its own Board of Trustees. This shall be composed of four independent Trustees and one appointed by the Oppenheimer family.

**Will the Oppenheimer family profit from this arrangement?**

The Oppenheimer family and their related businesses will receive no benefits or payments of any kind from SAFT now or in the future.

SAFT operates as a Public Benefit Organisation. Any further funds donated, and any loans repaid, to SAFT will remain within this non-profit structure. Once the need for a short-term financing facility has passed, funds will be used to support initiatives with a focus on employment creation in South Africa until all funds are ultimately disbursed.

**Is this commitment linked to the Solidarity Fund?**

SAFT will operate separately from the Solidarity Fund, though its efforts are complementary. We all need to play our part in overcoming this crisis.

**What else are Nicky and Jonathan Oppenheimer doing to address the escalating COVID-19 crisis?**

We are battling a fast-moving target and cannot predict how the situation will evolve over the coming weeks. As such, while we remain focused on supporting SMMEs through SAFT, we continue to look at opportunities to catalyse and enhance national interventions around response, recovery and critical assistance initiatives.

We are considering proposals for emergency grants in a number of areas. Any funding allocated in this regard will be administered via our philanthropic arm, the Oppenheimer Generations Foundation.

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