



**MINISTER
HIGHER EDUCATION SCIENCE AND
INNOVATION
REPUBLIC OF SOUTH AFRICA**

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**To: SETA Chairpersons
Cc: Chief Executive Officers**

Directive No. 07/2020

**RATIONALE FOR FURTHER EXTENSION OF THE DATE FOR SUBMISSION OF
THE 2020/2021 FINANCIAL YEAR APPLICATIONS FOR MANDATORY GRANT
DESPITE THE 4 MONTH SKILLS LEVY HOLIDAY**

1. On 06 July 2020, I issued a Notice in the Government Gazette No. 43508 of 6 July 2020 to further extend the date for the submission of the 2020/2021 financial year applications for Mandatory Grants to 31 July 2020 despite the 4 months skills levy holiday which was pronounced by the President of the Republic of South Africa.
2. The SETA Grant Regulations of 3 December 2012 as amended, require employers to submit their Workplace Skills Plans ("WSPs") and Annual Training Reports ("ATRs") to the Sector Education and Training Authorities ("SETAs") by 30 April of each year.
3. There are employers who could not submit their WSPs/ATRs on time due to the nation-wide lock down. My Department received numerous requests for further extension of the submission date of the WSPs/ATRs to accommodate employers who were affected by the nation-wide lock down.

4. The submission of WSPs/ATRs should not only be about the application of Mandatory Grant by those employers but the provision of quality data in the WSPs/ATRs which will be used by the SETAs as the basis for the development of Sector Skills Plans.
5. The payment of Mandatory Grants to levy paying employers should serve as an incentive to employers for submitting the WSPs/ATRs. In addition, the WSPs/ATRs data during the 4 months levy holiday should be used to determine the skills needs in the country especially during the current prevailing circumstances brought about by the COVID-19 pandemic.
6. Your attention is drawn to Regulation 5(2) of the SETA Grant Regulations which states that a SETA may not pay Mandatory Grant to any employer who is liable to pay the skills development levy in terms of the Skills Development Levies Act, unless the levy paying employer is up to date with the levy payments to the Commissioner at the time of approval and in respect of the period for which an application is made.
7. A levy paying employer claiming a Mandatory Grant must meet eligibility criteria for the payment of a Mandatory Grant as prescribed in the SETA Grant Regulations. It stands to reason that employers who have not paid levies are not entitled to Mandatory Grants for the months they have not paid.
8. A further extension of the submission date for the 2020/2021 financial year applications for Mandatory Grants to 31 July 2020 should benefit both the employers and the skills levy system.

Yours Sincerely



Dr BE Nzimande, MP

Minister of Higher Education, Science and Innovation

Date: 13/07/2020