

26 March 2020

Dear Valued Member,

COVID-19 LOCKDOWN – WHERE DO WE STAND?

We are writing to you on the eve of the 21 days lockdown, announced by President Cyril Ramaphosa on the 23rd of March 2020, in the hope that we will be able to address questions and concerns that may have surfaced over the last few days.

Yesterday, the Minister of Cooperative Governance and Traditional Affairs, Minister Nkosazana Dlamini-Zuma, published further regulations that will apply during this period of lockdown. We attach a copy of these regulations for your reference.

During a ministerial briefing detailing the scope, application and impact of the regulations yesterday, various Ministers made the point that these regulations will not be interpreted broadly by law enforcement officials, but rather in the spirit of what they are intending to achieve - that is to restrict the movement of people, and in doing so, hopefully curb the spread and impact of COVID-19 pandemic. The gist of the message is therefore that you should stay at home!

We have received numerous queries from RMI Members enquiring whether the retail automotive aftermarket – that is our industry - will be designated as an essential service, or at least a support service to other essential services? The short answer to that, is no. Our industry has not been designated specifically as either. That means that you should comply with the regulations, close your shop and wait the period out with your loved ones at home.

We do however recognise that many of our Members currently provide a support service to other essential services and that they may receive requests for products or services during this period of lockdown. Many of our Members also hold tenders with government institutions and departments. You may receive similar requests for products and / or service under the tenders that you may hold. So what do you do?

Firstly, it would be sensible to assign a minimum number of critical staff to be on standby from their homes. This means that you will need to provide them with tools of trade and a very specific instruction to remain at home in lockdown, until they receive further instructions from you as the business owner. They should under no circumstances take any orders or instructions from anybody other than yourself.

If, during the lockdown, your business receives a request for products or services from an essential service, you must ensure that you are issued with an official order on their letterhead, containing very specific details of the product or service requested, the date on which it is required and the location

where the products or services have to be delivered. It must also include the official responsible for the request. You must then issue a permit, a copy of which I enclose below, to your employee(s) on stand-by to commence with the support service to the essential services provider, strictly according to the details contained in the order that you have received. Your staff must under no circumstances deviate from the specifics of the order, or they may face the risk of arrest by law enforcement authorities.

Once the callout has been completed, an official from the essential services that requested your assistance, must sign-off the order as completed. Your standby employees will have to present this to law enforcement officers at roadblocks, on their way back to their homes. You must impart to your standby employees, the importance of returning straight to their homes and not travelling anywhere else *en route*.

Upon returning home, your standby employee(s) should return all paperwork to you for record keeping.

We must point out at this time that government institutions rendering essential services, are bound by the Central Supplier Database, which means that if your business is registered on this database, you may receive requests for support to these essential services. It will be a good idea for you to ensure that your answering service at your business, contains the contact details of the person that must be contacted in such an instance.

Please also bear in mind that very strict rules apply to travelling during this lockdown period. Under no circumstances may a vehicle carry more than 50% of the number of persons that it has been licensed for. This means one person, in a two-seater; two persons in a four-seater etc. Regulations also require that these persons in the vehicle, must properly utilise hygiene equipment such as gloves and face masks. Please ensure that you issue your staff with these items before they proceed home on standby.

We have also been asked whether Members who run skeleton functions, are viewed as an essential service? Yes, there are basic functions that will be important to maintain. These include maintenance and security of property and IT infrastructure to enable businesses to operate financial and payroll systems in particular. Where possible, functions should be performed from home.

Many of the Members we have spoken to in the last few days, have asked us to issue a letter of authority by the RMI, permitting their businesses to perform support services to essential services. The RMI is not permitted by law, to issue such letters. You must ensure that your staff on standby, follow the process we have described above. As we understand it, the lockdown will require voluntary compliance and responsible self-identification as an essential business or part thereof. There is insufficient time to get accreditation and exemptions in place before the lockdown commences.

In the interim, the Minister of Trade and Industry, Mr Ebrahim Patel has announced that all businesses that will be allowed to provide essential services are required to seek approval from the Department of Trade, Industry and Competition (the dtic) in order for them to trade during the period of the lockdown in terms of the regulations published today by the Minister of Cooperative Governance and Traditional Affairs, Ms Nkosazana Dlamini-Zuma, in Regulation Gazette No. 11062

Such businesses are required to apply to the Companies and Intellectual Property Commission (CIPC) Bizportal website at www.bizportal.gov.za (which, at the time of writing this, was not operational) and



obtain a certificate from the Commission that allows them to continue trading. The Bizportal website will contain a menu icon listed as “Essential Service Businesses” through which an application can be made to the CIPC.

The certificate can then be used as evidence to authorities requiring same that indeed the business has been given government permission to trade and that its employees are able to have unrestricted movement ONLY in the course of that trade.

We also need to point out at this stage, that our Members in the retail fuel industry, that is, our filling-and/or service stations, have been declared essential services and they may continue operating, subject to the health precautions issued by government. SAPRA, that represents these businesses under the umbrella of the RMI, have issued more detailed guideline to its members in this regard.

We now turn to another burning question, and that is how you should treat your employees during this period of lockdown. An employer should put employees on short-time, in which case employees may be entitled to statutory UIF payments. We have circulated the process associated with UIF claims during this period, under separate cover. Employers should however seek advice and assistance from experienced industrial relations specialists when implementing short time in terms of the MIBCO Main Agreement, as a number of requirements must be met before such short time will be deemed lawful.

You may as the employer, at your sole discretion, and if it is within your financial means, place your staff on compulsory annual leave and where any employee has insufficient accrued leave to “cover” the period of lockdown, you may permit that employee to go into a leave deficit, provided that when such an employee returns to work, he/she will have to “work-off” that deficit first, before accruing leave again.

Three objectives are achieved in this way: Firstly your employees receive an income during their incarceration, which will aid them in sustaining themselves and their families. Secondly you drastically reduce your accrued leave provisions on your business’ balance sheet, and finally we are collectively sustaining the economy by ensuring that cash continues to be injected into it through consumer spending. But we repeat, this remains your decision and you are not legally compelled to do so.

We end off this Monitor with a bit of practical advice.

- i. Prepare to resume trading on the 17th of April 2020, with a pipeline of work by ensuring you and key administrative staff are on-line at home and can receive and respond to request for quotes and work. Ensure you can contact and respond to your suppliers, business partners and clients.
- ii. The Small Business Development department’s assistance program is open to **ALL** small, medium and micro enterprises – the rumour that your business needs to be 51% black owned is fake news. The registration site is at www.smmesa.gov.za.
- iii. Implement some form of pest control in your buildings to prevent rodents, and the like, from moving in and creating havoc by chewing interior trim, wiring harness, computer networking cable, and the like, resulting in unnecessary risk and expenses
- iv. Ensure that ALL insurance policies are paid up and critical debit orders can be processed at month-end.
- v. Ensure air conditioners, kettles, heaters, geysers, non-essential computers are switch off.
- vi. Ensure water supply is closed off, if necessary.



- vii. Ensure Fire Hydrant supply is open and unrestricted.
- viii. Ensure your flammable store is secure and the required ventilation is operational.
- ix. Ensure fuel lines to oven burners and furnaces are switched off.
- x. Fuel tank breather units must be fully functional.
- xi. Deep-clean your business before you lock it up for three weeks. Where you do undertake a deep clean, do so with normal household disinfectant, wearing disposable or washing-up gloves and aprons for cleaning. These should be double-bagged, then stored securely for 72 hours then thrown away in the regular rubbish after cleaning is finished.

We are entering a very disruptive period and our businesses will no doubt, feel the effects of a halt in trading, but let us remind you why we are all committed to this process. We **have to** halt the spread of the COVID-19 virus! We do so in the interest of our family, our friends and our fellow citizens, in aid of a better future for all of us.

We wish you a peaceful and healthy three weeks ahead and would implore you to make every effort to aid government in achieving our collective aim to have a virus-free South Africa after three weeks. Let us all work together and help each other where we can.

God bless our Country and its people.

The RMI Management Team



EXAMPLE OF COMPANY LETTER CONFIRMING EMPLOYMENT

CONFIRMATION OF EMPLOYMENT IN ESSENTIAL BUSINESS

[Insert name of employer] conducts business in the [insert nature of industry]. The Company provides a support service to an essential business as designated by the government and is required to continue its operations during the national lock-down period, i.e. between midnight on 26 March 2020 and midnight on 16 April 2020.

The employee, whose details are set out below, is employed by the Company, fulfills an essential function, and is required to travel to and from work during the lock-down period.

EMPLOYEE'S DETAILS:

NAME AND SURNAME: _____

ID/PASSPORT NUMBER: _____

EMPLOYEE NUMBER: _____

WORK ADDRESS: _____

POSITION: _____

COMPANY'S DETAILS:

NAME: _____

REGISTRATION NUMBER: _____

ADDRESS: _____

CONTACT PERSON: _____

CONTACT NUMBER: _____

The Company confirms that the information set out above is true and correct.

FOR: [NAME OF COMPANY]

NAME:

POSITION

DATE

