



tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA

PROGRAMME GUIDELINES

TOURISM INCENTIVE PROGRAMME (TIP)

GUIDELINES FOR THE TOURISM GRADING SUPPORT PROGRAMME

AUGUST 2015

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1. INTRODUCTION

- 1.1. The tourism sector continues to play an important role in the growth and development of the South African economy. The Department of Tourism introduced the Tourism Incentive Programme (TIP), in April 2015 with the aim of stimulating development and growth of small and medium-sized enterprises (SMEs). The programme is designed to contribute towards achieving the objectives of the National Development Plan (NDP), the National Tourism Sector Strategy (NTSS) and other government policy documents.
- 1.2. One of the focus areas of the TIP is to improve consistency in the quality standards of facilities and services of tourism accommodation and meetings, exhibitions and special events (MESE) establishments. The **Tourism Grading Support Programme** is designed to encourage accommodation and MESE establishments to apply for assessment under the star grading system of the Tourism Grading Council, commonly known as the Tourism Grading Council of South Africa (TGCSA). This document serves as a guide and contains the conditions for applications to the Tourism Grading Support Programme.
- 1.3. Should you wish to apply for support under this programme, please read this document carefully and familiarise yourself with all the conditions of the programme. The Department reserves the right to amend or update the guidelines from time to time. You are advised to visit the Department's website, www.tourism.gov.za to ensure that you have the latest version of the guidelines.

2. PURPOSE

- 2.1. The purpose of the Tourism Grading Support Programme is to encourage wider participation in the Tourism Grading System and ensure uniform and consistent quality standards in the facilities and services provided by accommodation and MESE establishments.
- 2.2. The programme aims to reduce the cost burden on small and medium-sized accommodation and MESE establishments by offering rebates on final grading assessment fees.

3. NATURE OF SUPPORT OFFERED BY THE PROGRAMME

- 3.1. The Tourism Grading Support Programme offers a structured system of rebates on the final grading assessment fee paid to the TGCSA.
- 3.2. Applicants who have been awarded star grading by the TGCSA with effect from January 2015 are eligible to apply for the rebate. The following rebates are offered:

- 3.3. a 30% **New Member rebate** (first year) on the first assessment of a previously ungraded accommodation establishment;
- 3.4. a 35% **First-renewal rebate** (second year) on the first re-assessment of an existing TGCSA member that has been graded for one year and maintained its grading;
- 3.5. a 40% **Second-renewal rebate** (third year) on the second re-assessment of an existing TGCSA member that has been graded for two consecutive years and maintained its grading;
- 3.6. a 45% **Third-renewal rebate** (fourth year) on the third re-assessment of an existing TGCSA member that has been graded for three consecutive years and maintained its grading;
- 3.7. a 50% **Loyalty rebate** upon renewal of membership for members that have been graded for five consecutive years or longer as at January 2015. This rebate is available on the fourth and subsequent renewal of membership for an existing TGCSA member that has been graded for four consecutive years and maintained its grading. This is a continuous rebate and therefore all TGCSA members of five years or more will be eligible to apply for this discount on an annual basis for the duration of the Tourism Grading Support Programme; and
- 3.8. an additional 10% **Transformation rebate** for first-time assessments or renewals, which will be awarded to establishments with a certified B-BBEE compliance level 3 or higher for Exempted Micro Enterprises (EMEs) and certified B-BBEE compliance level 4 or higher for Qualifying Small Enterprises (QSEs) and Large Enterprises (LEs).
- 3.9. The Department reserves the right to take into consideration any other or potential support that the applicant receives or stands to receive from any public entity. However, the Department will verify the assistance with the source, and in cases where the assistance by the public entity is less than what the Department is offering, the Department will reimburse the portion not covered.
- 3.10. There will be no rebate on the joining fee paid by an establishment applying to the TGCSA.

4. ELIGIBILITY CRITERIA

- 4.1. Privately owned tourism establishments that offer accommodation and MESE facilities and have applied for assessment or re-assessment by the TGCSA are eligible to apply to the National Department of Tourism for a rebate on their grading assessment fee. Specific focus will be placed on SMEs.

4.2. In addition, eligible enterprises will need to be:

- 4.2.1. a majority South African and privately owned (i.e. non-government) tourism establishment;
 - 4.2.2. a formally registered establishment in terms of the Companies Act; inclusive of Sole Proprietors and Partnerships.
 - 4.2.3. tax compliant in accordance with the regulations of the South African Revenue Services (SARS);
 - 4.2.4. compliant with the Tourism B-BBEE Code for establishments qualifying for transformation rebate; and
 - 4.2.5. graded by the TGCSA.
- 4.3. Based on the outcome of the technical assessment, and once star grading has been awarded by the TGCSA, qualifying applications will be recommended to TIP Approval Committee.

5. ASSESSMENT CRITERIA

- 5.1. Applications from eligible applicants will be assessed against the following criteria:
- 5.1.1. the status and length of TGCSA membership;
 - 5.1.2. compliance with the Tourism B-BBEE sector codes for establishments qualifying for transformation rebate; and
 - 5.1.3. applicable rebate structure.

6. APPLICATION PROCESS AND REQUIREMENTS

- 6.1. The application form, which is in fillable PDF format, should be completed on screen, saved together with the supporting documents and submitted by email to tipapplications@tourism.gov.za . Only correct and completed application forms will be considered. The original Tax Clearance Certificate should be hand delivered or send by Courier to the Department.
- 6.2. Should you wish to hand deliver or courier your applications, please inform the Department of your intention by email at tipapplications@tourism.gov.za . Hand delivered or couriered documents should be addressed to the Director: Tourism Incentive Programme and sent to the address noted in paragraph 8.4.

- 6.3. All applications received by the Department will be acknowledged through email correspondence, which will also state the unique client number allocated to the application. This client number will be used in all correspondence between the applicant and the Department.
- 6.4. All applications will be subject to technical assessment to confirm eligibility, verify compliance and review information and documentation provided in relation to the programme criteria. At this stage, the Department may correspond with applicants to obtain outstanding documentation or to clarify information.
- 6.5. The Department may, at any time, request additional documentation and information regarding the assessment of an application.
- 6.6. Based on the outcome of the technical assessment, qualifying applications will be recommended to the TIP Approval Committee. The TIP Approvals Committee will assess, qualify and approve application.
- 6.7. Once an application has been approved, the successful applicant will be notified through an approval letter.
- 6.8. The Department must be notified in writing of any material changes related to the application before payment is made.

6.9. Supporting documentation required from all enterprises:

6.9.1. Tourism Grading Support Programme application form

Application form for the Tourism Grading Support Programme are available at the reception desk of the Department and the website, www.tourism.gov.za. From the landing page, follow the link to the Current Projects, then Tourism Incentive Programme, where you will find the guidelines and the application form. The following documentations must accompany the application form.

6.9.2. Certificate of Incorporation

In the case of a registered company (e.g. Ltd, Pty Ltd, CC, Trust and Co-operative) a copy of the Certificate of Incorporation must be submitted. The documentation should include a copy of the original Certificate of Incorporation, a documentary proof of the formation of a trust, Co-operative registration certificate and certificate of all effected name changes pertaining to the

company. In case of a Sole Proprietor and Partnership, a copy of the identity document and Partnership agreement respectively, is required.

6.9.3. Certified copy of the B-BBEE certificate

Proof of compliance with the Tourism B-BBEE codes is compulsory only to enterprises qualifying for a transformation rebate.

6.9.4. Grading Certificate(s)

Enterprises should submit the grading certificates as part of the assessment criteria. In cases whereby an establishment has been in the TGCSA system for more than a year, an establishment must furnish the Department with the copies of the grading certificates for all other years. Establishments which are claiming for Loyalty rebate are required to submit copies of the grading certificates of the consecutive five years whilst in the system of the TGCSA.

6.9.5. Proof of Payment for Grading

A proof of payment should be in a form of a copy of bank statement, credit card statement, deposit slip and a cheque.

6.9.6. Invoice from the enterprise

An enterprise must submit a tax invoice from enterprise billing the Department.

6.9.7. Original valid Tax Clearance Certificate

The Tax Clearance Certificate should be current and valid at the payment process. The Department will verify the validity of the submitted certificate with SARS.

7. LIMITATIONS AND EXCLUSIONS

7.1. Only completed application forms with all the required supporting documentation will be considered.

7.2. New applicants are urged to apply for reimbursement timeously upon receipt of the star grading awarded by the TGCSA.

- 7.3. Although the Department will communicate information about the programme through various channels, it remains the sole responsibility of the prospective applicant to ensure timely submission of application for the Department's consideration.
- 7.4. Ownership and shareholding information must confirm that there is no shareholding by national, provincial or local government or a government entity in the applying establishment.
- 7.5. Any assistance provided under the TGSP is at the discretion of the TIP Approvals Committee and subject to the availability of funds. No appeals process will be entered into.
- 7.6. The Department reserves the right in its sole discretion, to provide rulings on the interpretations of these guidelines, in instances where the guidelines appear not to be specific.
- 7.7. The Department will communicate application outcomes to all applicants.
- 7.8. Should it be found that any information in the application form or supporting documents submitted is misleading for any reason whatsoever (e.g. deliberate circumvention of rules, fraud, etc.) or that the process to obtain assistance from the Department under this programme has deliberately been abused in any way, the application will be cancelled and such applicants may be excluded and disqualified from any future assistance from the Department. The Department may also consider legal action against the applicant.
- 7.9. Following the approval by the TIP Approvals Committee the Department will send an approval letter to the establishment.**
- 7.10. Payments will be made directly into the bank account of the applying entity.
- 7.11. The Department will verify the banking details of the applying entity and will make payments on approved applications through electronic banking transfer.
- 7.12. The Department endeavours to process applications and will make payment on approved applications within 30 days from the date of the approval letter.

8. ENQUIRIES AND CORRESPONDENCE WITH THE DEPARTMENT

- 8.1. Should you require any additional information regarding the Tourism Grading Support Programme, you are welcome to contact the Department. To streamline correspondence, it is recommended that all queries be submitted to the Department by email.
- 8.2. With respect to the above, the following contact details should be used:

- tipapplications@tourism.gov.za – to submit application forms and supporting documentation for the Tourism Grading Support Programme
 - tipenquiries@tourism.gov.za – for any queries related to the Tourism Grading Support Programme.
 - tipadministrator@tourism.gov.za – for checking application status and claim status.
- 8.3. If receipt of applications has already been acknowledged, please quote the client number in the subject line.
- 8.4. Claim documents in respect of the Tourism Incentive Programme sent by courier/hand delivered to the Department should be addressed to the Director: Tourism Incentive Programme, Tourism House, 17 Trevenna Street, Sunnyside, Pretoria, 0002.
- 8.5. The Department call centre can also be contacted. Queries will be directed to relevant officials in the directorate responsible for administering all programmes under the Tourism Incentive Programme.

NATIONAL DEPARTMENT OF TOURISM (DEPARTMENT)

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Call Centre: 086 111 2468

www.tourism.gov.za