

## **COVID-19: IMPORTANT MATTERS RELATING TO ESSENTIAL SERVICES**

### **Disaster Management Act, 2002: Amendment of Regulations issued in terms of section 27(2)**

#### **Introduction and background**

President Ramaphosa announced that companies that are essential to the production and transportation of food, basic goods and medical supplies will remain open during the “lockdown”.

Businesses which remain in operation during the “lockdown” will be required to do so with all the staff required to ensure that the service or production is uninterrupted.

Businesses will also be required to take necessary protocols to ensure adequate hygiene and social distancing.

Consumer-facing businesses, like grocery stores, supermarkets, pharmacies and spaza shops, especially, will be asked to educate their staff and customers on the required protocols and to take reasonable steps to keep social distancing between customers. The [Regulations](#) published identified essential goods and services as well as what is and what is not allowed during this period.

#### **Essential goods**

The following were identified as essential goods to be produced:

- Food, including animal food, chemicals and ancillary products used in the production of any food product, but excluding cooked hot food. Products for the care of babies and toddlers and personal toiletries, including haircare, body and face washes, roll-ons, deodorants and toothpastes.
- Cleaning and hygiene products such as toilet paper, hand sanitiser, disinfectants and soap

- Medical and hospital suppliers, medicine, equipment and protective equipment and chemicals, packaging and ancillary products used in the above
- Fuel, including coal, wood and gas
- Basic goods, including airtime, electricity and the withdrawal of cash
- Hardware, components and suppliers required by any qualified tradepersons solely for the purpose of emergency repairs at residential homes
- Hardware, components and supplies required by any entity engaged in the provision of essential services for any project related to the provision of water, electricity or other essential services
- Components for vehicles under-going emergency repairs where such vehicle is used by a person engaged in essential services work

## Essential services

The following were identified as essential staff providing essential services that are not locked down.

1. Medical, health (including Mental Health), laboratory and medical services and the National Institute for Communicable Diseases.
2. Disaster management, fire prevention, fire fighting and emergency services;
- 3.1 (a) The following services necessary to maintain function of a financial system as defined in section 1(1) of the Financial Sector Regulation Act, only when the operation of a place of business or entity is necessary to continue to perform those services:
  - (i) the banking environment (including the operations of mutual banks, cooperative banks, co-operative financial institutions and the Postbank);
  - (ii) the payments environment;
  - (iii) the financial markets (including market infrastructures licensed under the Financial Markets Act, 2012 (Act No. 19 of 2012);
  - (iv) the insurance environment;
  - (v) the savings and investment environment;
  - (vi) pension fund administration;
  - (vii) outsourced administration;
  - (viii) medical schemes administration; and
  - (ix) additional services designated in terms of regulation 11B(4A)(c)(i).
- (b) The services listed in paragraph (a) may not be construed to include debt collection services.
- 3.2 Services necessary for the provision of social grants designated in terms of regulation 11B(4A)(c)(ii).”;
4. Production and sale of the goods listed as essential goods, above;
5. Grocery stores and wholesale produce markets, including *spaza* shops, informal fruit and vegetable sellers and *langanas*, with written permission from a municipal authority to operate being required in respect of *spaza* shops and informal fruit and vegetable traders: Provided that all valid permits for *spaza* shops and informal fruit and vegetable traders issued before or during the declared national state of disaster and which fall during the said period, will remain valid for a period of one month after the end of the national state of disaster;

6. Electricity, water, gas and fuel production, supply and maintenance;
7. Critical jobs for essential government services as determined by Head of National or Provincial Departments in accordance with the guidance of the Department of Public Service and Administration, including Social Grant Payments and pension payments;
8. Birth and death certificates, and replacement identification documents;
9. Essential municipal services;
10. Care services and social relief of distress provided to older persons, mentally ill, persons with disabilities, the sick, and children;
11. Funeral services, including mortuaries services and the transportation of mortal remains;
12. Wildlife management, anti -poaching, animal care and veterinary services;
13. Newspaper, broadcasting and telecommunication infrastructure and services, including call centres critical for the support of such services;
14. Production and sale of any chemicals, hygiene products, pharmaceuticals for the medical or retail sector;
15. Cleaning, sanitation, pest control, sewerage, waste and refuse removal services.
16. Services related to the essential functioning of the courts, judicial officers, Master of the High Court, Sheriffs and legal practitioners required for those services;
17. Essential SARS services defined by the Commissioner of SARS;
18. Police, peace officers, traffic officers, military medical personnel and soldiers, correctional services officials and traffic management services;
19. Postal services and courier services related to transport of medical products;
20. Private security services;
21. Air-traffic navigation, Civil Aviation Authority, air charters, cargo shipping and dockyard services;
22. Gold, gold refinery, coal and mining;
23. Accommodation used for person rendering essential services, quarantine, isolation and the lockdown;
24. Production, manufacturing, supply, logistics, transport, deliver, critical maintenance and repair in relation to the rendering of essential services including components and equipment;
25. Transport services for persons rendering essential services and goods and transportation of patients;
26. Services rendered by the Executive, members of Parliament, Members of the Provincial Legislature, Members of Local Councils, the Judiciary, traditional leaders and National Office Bearers of Political Parties represented in Parliament;
- 27.1 Commissioner of the SAHRC, Gender Commission, the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities and the Public Protector and Deputy Public Protector and the Independent Electoral Commission; and
- 27.2 Services rendered by the institutions referred to in item 27.1;
- 28 Transport and logistics in respect of cargo and goods as set out above to neighboring countries;
29. Tow trucks and vehicle recovery services;
30. Call centres necessary to provide health, safety, social support, government

- and financial services, debt restructuring for consumers of retailers, and access to short-term insurance policies as a result of reduced income or loss of income;
31. Harvesting and storage activities essential to prevent the wastage of primary agricultural goods;
  32. Implementation of payroll systems to the extent that such arrangement has not been made for the lockdown, to ensure timeous payments to workers; and
  33. Critical maintenance services which cannot be delayed for more than 21 days and are essential to resume operations after the lockdown.
  34. Trades necessary for the rendering of emergency repair work, including plumbers, electricians, locksmiths, glaziers, roof repair work;
  35. Trades necessary for emergency automobile repairs for persons rendering essential services;
  36. Information and Communication Technology services rendered to entities and institutions engaged in delivering essential services in terms of these Regulations.

The Minister requested that all companies whose employees are able to work from home, to make the necessary arrangements for them to do so, as South Africa needs to maintain as much of the economic activity as possible during this critical period, so that resources can be generated to finance the measures that we are undertaking.

### **Accountants / tax practitioners / registered auditors**

SAICA members raised questions on whether they and the services they provide will be classified as essential service.

Accountants would need to identify whether any of the services they provide falls within the list of essential service / goods and firms/ entities will only be allowed to register as an essential service where they provide those services. Accounting firms providing payroll services as per item 32 of the essential service list could register their firms as an essential service and only the staff required to perform this service would be able to operate during the lockdown.

SAICA Tax practitioners raised questions on whether they would be classified as an essential service. Based on the regulations only essential SARS services as defined by the Commissioner of SARS would be included.

SARS has taken note of the concerns raised by accountants' / tax practitioners whom are not included as a category under "**essential services**" in terms of providing tax related services. SARS, which is listed as an essential service, has introduced an appointment system in line with Government protocols. People wishing to visit a SARS Branch will be issued with a letter confirming their appointment. You will need to carry this proof from SARS, together with your ID documentation, when travelling during the lockdown period. This will then serve as proof for your movement during the lockdown period. The same is true for taxpayers who need to visit a SARS Branch.

Registered auditors also submitted requests to the IRBA on whether the services they provide would be classified as an essential service, but the IRBA provided feedback that auditing / assurance services is not classified as an essential service.

## **Certificate to provide essential service**

The Minister of the Department of Trade and Industry, Minister Patel stated that only businesses that provide essential services are allowed to open and trade. Those businesses need to apply to for a certificate in order to trade on the [Bizportal](#) site and they need to print a certificate indicating that they are allowed to trade and these enterprises which produce and/or provide, and/or distribute goods and services listed below are exempted from the restrictions contemplated in the regulation issued in terms of the Disaster Management Act. Note, absolute minimum staff necessary to operate safely should be used.

The Regulations also identified places and premises that are closed to the public and this includes casino's, parks, flea markets, public parks, beaches, swimming pools, places where religious, cultural and sporting activities may take place as well as taxi ranks and shopping malls.

The Regulations also include the wording of the permit to allow people to perform essential services and people identified as essential staff should carry this permit with them at all times. Should they be stopped without identification and the permit they will be required to go home.

SAICA will be providing more information as it becomes available.

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Updated – 20 April 2020

### **Important correspondence as at 20 April 2020:**

#### **BizPortal**

- [BizPortal](#)

#### **Disaster Management Regulations**

- [25 March 2020 - Disaster Management Regulations](#)

- [26 March 2020 – Amendment of Disaster Management Regulations](#)
- [2 April 2020 – Amendment of Disaster Management Regulations](#)
- [16 April 2020 – Amendment of Disaster Management Regulations](#)
- [20 April 2020 – Amendment of Disaster Management Regulations](#)
- [Guideline for the completion of the permit to perform essential services in terms of the Disaster Management Act, 2002: Amendment of Regulations issued in terms of section 27\(2\) per Government Gazette No 43148](#)

### **Tax practitioner specific correspondence**

- [Letter to tax practitioners regarding SARS services during lockdown](#)
- [Appointment request procedure](#)

### **IRBA specific correspondence**

- [IRBA response to accountants / auditors wanting their services to be designated as essential](#)