

## Section 12J funds are key to revive SA's economy

Section 12J funds are playing a crucial role in the re-booting of South Africa's economy by creating employment opportunities and saving businesses, while at the same time facilitating significant tax benefits to investors.



Sexy Socks supply eco-friendly, fashion-forward socks and apparel, hand-made by locals for locals.

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Government recognised the importance of the small business sector over a decade ago and as a result worked with National Treasury's Economic Strategy to introduce Section 12J of The Income Tax Act.

Neill Hobbs, CEO of Anuva Investments says that funds raised into the Section 12J sector have played a critical role in keeping viable, local businesses in operation during the poor economic conditions our country has faced in recent years, and with the impact of Covid. Through venture capital fundraising via the Section 12J incentive, Anuva has been able to fund and sustain SMME's amid challenging economic conditions, "Not only have we saved businesses, but in the last eight months, we have protected over 500 jobs," he adds.

As part of their growing equity portfolio, Anuva recently took up a 30% stake in Sexy Socks, one of South Africa's first,

well-known social enterprise companies. Sexy Socks supply eco-friendly, fashion-forward socks and apparel, hand-made by locals for locals.

“The company has great designs, is financially sound and has potential for real growth and success - their story is a truly South African one,” says Hobbs.

During lockdown last year, they took the initiative to employ women from informal settlements to make masks and snoods. These women had already been involved in an empowerment project, producing an underwear range, so the supply chain was in place and the income generated enabled Sexy Socks to continue paying salaries and keep their workforce busy. Furthermore, Sexy Socks is a fashion brand with a conscience - for every pair of socks sold, they give a pair of school socks to a child in need.

Founder of Sexy Socks, David Hutchison says that lockdown posed a real threat to the business and that Anuva’s investment into the business, together with their wealth of knowledge, experience and a genuine interest in the company, was a wise decision. “It has enabled us to retain our staff, continue paying our informal contractors, and has ignited a wealth of new ideas and opportunities. The expansion of our brand will, in turn, create more jobs and support our social enterprise efforts,” he acknowledges.

“We are passionate about keeping and creating jobs in South Africa and encouraging South Africans to support each other by buying and investing locally,” concludes Hobbs.

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