



PRESENTATION TO ARMSCOR

Thank you for the opportunity





The company background

- Cede capital was formed in July, 2015
- Owned Director Tshepo Edwin Mpete. Following the government's drive to promote black-owned enterprises through the disbursement of tenders and small orders to the general public.
- However, most of these small businesses do not have the financial muscle to execute the orders awarded to them.
- Government's solution to this, take too long to respond, while banks and other financial institutions will not assist due to the perceived risk of non-payment by the government.
- This was the very same problem that was and still is faced by the mining industry , UN ,and Parastatals



WHO IS THE TARGET MARKET

- Target market is SMMES
- Purchase order from the government department ,mines, UN, and parastatals
- RSA ID
- Anyone who has a registered and compliant business.
- Anyone with a valid purchase order of R 10,000.00 – 1,5 million



Payment options

Joint account

Cession agreement (PREFERRED)

Joint account

- FNB account holder
- Join the existing account
- Permission letter signed by the department
- Insurance

Disadvantages

- ▶ High risk of non payment to cede capital
- ▶ cut on profit for SMMEs (insurance)
- ▶ Funding only one project at a time
- ▶ Co-debtor required
- ▶ Slow growth from SMME Development


Cession agreement

- ▶ Cede ,SMME and Department sign one agreement
- ▶ Ceding of the payment and not the order
- ▶ Payment done to cede capital not smme .

Advantages

- ▶ Funding more than one order
- ▶ More profit for SMMES
- ▶ Low risk for cede capital
- ▶ Cession agreement drafted by cede capital
- ▶ Good payment history for smmes

INTEREST AND PAYMENT TERMS

- 90 days payment term
 - First 30 days interest 8% (5% Interest and 3% fixed consultation fee)
 - Addition of 5% for every 30 days thereafter
 - R1050 excl vat Initiation fee
 - R60 excl vat administration cost Pro rata
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REQUIRED DOCUMENTS

Tender Finance Requirements

Applicant

1. Purchase Order
2. Supplier Quote
3. CK 1
4. Tax Clearance Certificate
5. Proof of residence
6. Copy of ID
7. BBBEE certificate or sworn affidavit
8. Bank Confirmation letter
9. Three Months Stamped Bank Statement
10. Full CSD report

Co-Debtor

1. Latest Payslip
2. Three Months Bank Statement
3. Copy Of ID
4. Proof Of Residence

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