



COVID-19: Impact on businesses and investments in South Africa

While it is still early days, the impact of COVID-19 on our country, its people and its economy will be significant.

To assist our clients, we have highlighted certain issues to be considered by businesses, investors and transaction teams during this challenging time.

Click [here](#) to read the note, which addresses the potential impacts below.

We have also created an information hub to house this as well as all the other information we have compiled for clients across our geographical footprint.

Click [here](#) to access the page.

[Contractually](#), (i) the potential consequences arising from breaches (ii) the contractual provisions which may aid in the suspension, variation or termination of contractual obligations and (iii) the relevance of material adverse change clauses.

From an [M&A and capital markets](#) perspective, the impact of COVID-19 on the timing, logistics and practicalities of deals with particular reference to (i) the role of the board (ii) the scope, focus and logistics of due diligences (iii) the timing and procedural requirements for regulatory approvals (iv) warranty, indemnity and disclosure schedule interpretation and negotiation (v) implications on roadshows (vi) solvency and liquidity requirements and (vii) distributions.

From a [corporate actions](#) perspective, requirements around holding shareholder meetings of more than 100 people electronically and issuing announcements to give effect to those electronic meetings.

In relation to [disclosure requirements](#) for JSE listed companies (i) risk factor disclosures; (ii) announcement requirements pertaining to price sensitive information (iii) trading statement publication for expected material deviations from disclosed financial results (iv) IFRS measurement and disclosure and (v) audit procedures, together with the JSE's approach to these matters.

From a [banking and finance](#) perspective, the impact of COVID-19 on borrowers, lenders and their existing financing arrangements, in particular (i) financial covenants and 'share cover' transactions (ii) conditions of utilisation and (iii) the relevance and interpretation of material adverse effect clauses and other potentially relevant representations, undertakings and events of default.

From a [commercial property](#) perspective, in addition to contractual considerations, the functioning of the deeds registries and municipalities and timing implications on the implementation of developments.

The effects of the crisis on existing [employment relationships](#) and our guidance for employers

during the affected period.

[Remuneration](#) model alternatives in light of the impact of the crisis.

The impact of the crises on [access to courts](#).

The handling of [personal data and sensitive personal data](#) by businesses as data controllers and processors, and our guidance on compliance with legal requirements in relation to data protection.

The [consumer laws](#) pertaining to the right to cancel certain services and the restrictions on business in charging cancellation fees.

Recommendations to business associated with the [pricing of goods](#) owing to consumer panic and restrictions from a [competition](#) perspective.

[Insurance](#) considerations giving rise to a recommendation to carefully consider existing insurance policies and investigate measures to limit liability.

The effect of the Regulations on the ability of a municipality or municipal entity to engage in emergency [procurement](#).

The challenges businesses may face in complying with their [tax](#) obligations during the affected period and our guidance for businesses in mitigating potential tax liabilities.

The potential effects of the crisis on the [telecommunications](#) industry, due to increased traffic, resulting from changes in business operations and potential lockdown.

The most recent travel bans and regulations on the [shipping, aviation and logistics](#) industries.

This information is correct as at midday 19 March 2020. We will continue to track these and other developments, sending targeted newsflashes, regularly updating our information hub, and intermittently updating this note.

Please [contact us](#) if you need any further information or assistance.