

## TECHNOLOGY TRANSFER GUARANTEE FUND

### INTRODUCTION

To introduce a technology transfer guarantee fund to facilitate access by SMMEs to local or international technology as required by the GEAR objective to facilitate access by firms to needed technologies.

### OBJECTIVES

The objective of the Technology Transfer Guarantee Fund is to provide loan guarantees for SMMEs for the sole purpose of acquiring manufacturing technology. The technology could be from South Africa or from foreign companies.

Technology means, any process or technology, or any knowledge or know-how or information relating to a process or technique or product, which has been written down or otherwise recorded or set out in a usable form, and which, when used by persons, would enable them to create wealth or value, or increase their effectiveness in the creation of wealth or value and would include the following:

- upfront payments for intellectual property rights and /or know-how, including relevant documents and drawings;
- machinery and equipment for the purpose of executing the technology transfer agreement;

- training in the use and application of the technology, including demonstrations and travel expenditure;
- travelling and subsistence claims regarding negotiations for technology agreements; and
- legal expenses regarding the negotiations, agreement and transfer of the technology.

Loan guarantees for the acquisition of technology shall not include:

- franchise agreements;
- computer hardware and software that is not part of the manufacturing technology;
- machinery and equipment that is not part of the manufacturing technology; and
- all costs not directly related to the acquisition of technology.

### ELIGIBILITY CRITERIA

The TTGF will guarantee ninety percent (90%) of the technology transfer transaction expenses to a maximum of R1 000 000. The maximum term of guarantee will be for five years.

Khula will levy the standard indemnity fee of 3% per annum on the facility as guaranteed, payable annually in advance.

#### APPLICATIONS

Applications for TTGF will be made by SMMEs to commercial financial institutions in the same way as with KHULA's other guarantee funding mechanisms. However, the applicants must first approach the CSIR for a technical evaluation on the proposed technology to be transferred before applying to the financial institutions for the loan guarantee. The CSIR will provide an approval certificate if the technology is acceptable.

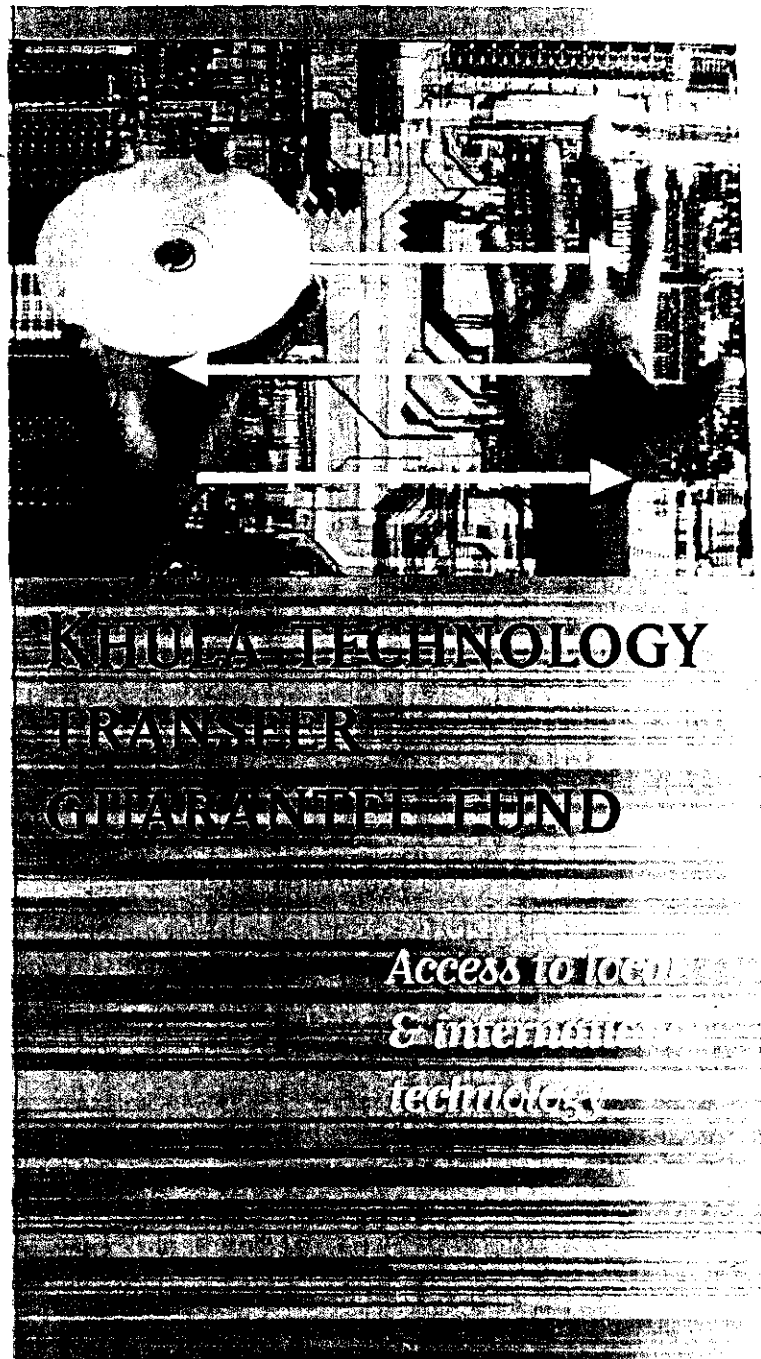
When applicants approach the financial institutions without a certificate from the CSIR, the financial institution must first refer the applicant to the CSIR before considering the application. Financial institutions, will consider the applications on the basis of the business proposal/viability of the applicant together with CSIR's technical evaluation certificate.

#### CONTACT INFORMATION

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TRANSFER  
GUARANTEE FUND**

Access to local  
& international  
technology

