

## REVISED BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE) CODES OF GOOD PRACTICE

Cabinet noted the revised B-BBEE Codes of Good Practice 2012 and approved that these be published for public comment.

The revised Codes will enhance the implementation of B-BBEE in a meaningful and sustainable manner, and contain principles and guidelines that will facilitate and accelerate the implementation of B-BBEE. The purpose of the Codes is to assist and advise the public and private sectors in the implementation of the B-BBEE Act.

Key areas of refinement include:

- The generic scorecard has been reduced to five elements, with Employment Equity and Management Control being consolidated, and Preferential Procurement and Enterprise Development merged to form a Supplier Development Element;
- The points for Ownership have been broadened to include designated groups in the main points;
- Thresholds for Exempted Micro Enterprises (EMEs) and Qualifying Small Enterprises (QSEs) have been adjusted;
- All companies, except Exempted Micro Enterprises, will be required to comply with the five elements of the B-BBEE scorecard;
- The introduction of the priority elements: ownership, skills development and supplier development. Large enterprises are to comply with all three priority elements. The priority scores of entities that do not comply with sub-minimum requirements in each priority will be discounted;
- Entities that are 100% black-owned will qualify as Level 1;
- Entities that are more than 50% black-owned will qualify as Level 2;
- Updated framework for the accreditation of B-BBEE Verification Agencies to include the Independent Regulatory Body of Auditors;
- Skills Development Elements have been aligned to the New Skills Development Strategy and are to be outward focused; and
- QSEs must comply with all five elements on the scorecard.

Once officially gazetted by the Department of Trade and Industry, the revised Codes will be made available to the public for a 60-day public commentary process.