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B-BBEE explained— Understanding The Y.E.S. Initiative

What is it?

It is a Youth Employment Service (Y.E.S.) initiative proposed by the Department of Trade and Industry in March 2018 as an amendment to the B-BBEE Codes of Good Practice.

The matter at hand?

Unemployment. Statistics vary from 25 to 37% depending on the source of the information and for the youth age group (defined as 18 – 35 years old) the unemployment rate is above 50%.

Outcomes?

The Y.E.S. initiative allows for up to two B-BBEE levels of enhanced B-BBEE status recognition if certain youth job creation targets are met.

The DTI together with private business proposes that all businesses can play a meaningful role by providing the life-changing opportunity for youth to build skills and gain experience. While doing this, you can significantly improve your B-BBEE status.

Proposed pre-requisites for benefitting from the Y.E.S. initiative:

1. maintaining or improving the level of B-BBEE compliance from the prior year;
2. scoring full Skills Development points for the new proposed element addressing bursary spend; and
3. either achieving all Priority Element sub-minimum targets, or achieving on average 50% of all Priority Element targets.

The extent to which you can improve your B-BBEE level is determined by the level of job creation against the prescribed targets, as well as subsequent absorption of those employees.

Eligible persons are Black (South African Coloured; Indian; African) youth aged between 18 and 35 years, with job creation targets effectively being linked to size of business.

The proposed amendments to the Codes were open for public comment till the end of May 2018 and the Y.E.S. initiative is expected to become an official amendment.

Contact BEE Ratings—SA at your earliest convenience for an appointment.