
REVISED BBBEE CODES OF GOOD PRACTICE LAUNCHED

The revised broad-based black economic empowerment (BBBEE) codes of good practice have been launched.

Speaking at the launch in Midrand, the trade and industry minister, Rob Davies, declared that black economic empowerment (BEE) remains a priority in South Africa.

"Black economic empowerment is not just a social and political imperative. We need to make sure that in the country's economy, control, ownership and leadership are reflective of the demographics of the society in the same way the political space does. That's why we are saying BEE remains an economic imperative. We cannot expect to grow and develop as a country if the leadership of the economy is still in the hands of only a small minority of the society," said Minister Davies.

According to a statement released by the trade and industry department, the revised codes will be open for public comment for a period of sixty days.

The revised codes were approved by cabinet in August 2012.

The cabinet statement issued at the time listed some of the areas that have been refined.

Some of these include:

- 5 elements in generic scorecard
- Ownership points broadened to include designated groups in the main points
- Exempted micro-enterprises and qualifying small enterprises thresholds adjusted
- All companies to comply with five elements
- Revised qualification points for BBBEE recognition
- New priority elements- ownership, skills development and supplier development
- 100% black owned-level 1
- 50% and above black owned-level 2
- BBBEE employment equity elements aligned with Employment Equity Act
- Qualifying small enterprises to comply with all five elements

The codes contain principles and guidelines designed to speed up and facilitate the implementation of BBBEE.

“The purpose of the codes is to assist and advise both the public and private sectors in their implementation of the B-BBEE Act”.

The codes provide a standard framework for the measurement of BBBEE across all sectors of the economy.

At the launch, the minister also emphasised that the amendment of the BBE Act and the revision of the codes would help to address shortcomings in terms of BBBEE such as fronting, tick-box compliance and paying large amounts of money to consultants to acquire BBBEE-compliant status.

As part of the revision, the current generic scorecard has been reduced from seven elements to five.

Black owned micro enterprises have also been given an enhanced status.

Large businesses will be expected to comply with all the requirements.

It is anticipated that the revised codes will be published in the Government Gazette before the end of this week.

Sabinet Cape Town Office

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