

BBBEE Revised Codes of Good Practice - Are you ready?

Following the release of the Revised BBBEE Codes of Good Practice in October 2013 and the subsequent clarification statements, many businesses will find themselves currently in the financial period which would be measured under the Revised Codes. It is critical for businesses to understand that a BEE verification is based on a 12 month financial period and this usually is aligned to your registered financial year end.

Businesses must therefore ensure that on the elements of Skills Development, Enterprise & Supplier Development and Socio Economic Development, all your targeted spend is effected, before the end of your current financial period. The targeted spend and weighting of points for Qualifying Small Enterprises (annual turnover between R10 m and R50 million) is listed below:

SKILLS DEVELOPMENT	Points	Target
Skills development expenditure on learning programmes specified in the matrix, for Black people as a percentage of leviabale amount	15	3%
Skills development expenditure on learning programmes specified in the matrix, for Black Females as a percentage of leviabale amount	7	1%
Skills development expenditure on learning programmes specified in the matrix, for Black Disabled as a percentage of leviabale amount	3	0.15%
Bonus Points No of Black people absorbed by entity at end of learning programme	5	100%
Total Points	30	

ENTERPRISE & SUPPLIER DEVELOPMENT Preferential Procurement	Points	Target
BBBEE procurement spend from all Empowering Suppliers as a percentage of Total Procurement Total Measured Procurement Spend	15	60%
BBBEE procurement spend from all Empowering Suppliers that are at least 51% Black owned as a percentage of Total Procurement Total Measured Procurement Spend	5	15%
Bonus Points BBBEE procurement spend from Designated Group Suppliers that are at least 51% Black owned as a percentage of Total Measured Procurement Spend	1	1%
Supplier Development Annual value of all Supplier Development contributions as a percentage of the target	5	1% of NPAT
Enterprise Development Annual value of all Enterprise Development contributions and Sector specific programmes as a percentage of the target	5	1% of NPAT
Bonus Points Graduation of 1 or more ED beneficiary to Supplier Development level Creating 1 or more jobs directly as a result of SD and ED initiatives	1 1	
Total points	33	

SOCIO ECONOMIC DEVELOPMENT	Points	Target
Annual value of all Socio Economic Development contributions and Qualifying Socio Economic Development contributions made as a percentage of target	5	1% of NPAT
Total Points	5	

The spend and points are slightly different for Generics (Annual turnover greater than R50 million) entities. Below are the targets and points:

SKILLS DEVELOPMENT	Points	Target
Skills Development expenditure on learning programmes specified in the matrix, for Black people as a percentage of leviabale amount	8	6%
Skills Development expenditure on learning programmes specified in the matrix, for Black Disabled people as a percentage of leviabale amount	4	0.3%
No of Learners No of Black people in Learnerships, Apprenticeships as a percentage of total employees	4	0.25%
No of Black Unemployed people in Learnerships, Apprenticeships as a percentage of total employees	4	0.25%
Bonus Points No of Black people absorbed by entity at end of learning programme	5	100%
Total Points	25	

ENTERPRISE & SUPPLIER DEVELOPMENT	Points	Target
Preferential Procurement BBBEE procurement spend from all Empowering Suppliers as percentage of Total Procurement Measured Procurement Spend	5	80%
BBBEE procurement spend from all Empowering Suppliers that are QSE's	3	15%
BBBEE procurement spend from all EME's	4	15%
BBBEE procurement spend from all Empowering Suppliers that are at least 51% Black owned	9	40%
BBBEE procurement spend from all Empowering Suppliers that are 30% Black Female owned	4	12%
Bonus Points BBBEE procurement spend from Designated Group Suppliers that are at least 51% Black owned	2	2%
Supplier Development Annual value of all Supplie Development contributions as a percentage of the target	30	2% of NPAT
Enterprise Development Annual value of all Enterprise Development contributions and Sector specific programmes as a percentage of the target	5	1% of NPAT
Bonus Points Graduation of 1 or more ED beneficiaries to Supplier Development level Creating 1 or more jobs directly as a result of SD and ED initiatives	1 1	
Total Points	44	

SOCIO ECONOMIC DEVELOPMENT	Points	Target
Annual value of all Socio Economic Development contributions and Qualifying Socio Economic Development contributions made as a percentage of target	5	1% of NPAT
Total Points	5	

The tables above will give businesses some guidance of what is required, however, should any NAACAM members require further information please contact SAB&T BEE Services on 0860 233 669 or email on sales@sabtbee.co.za

We are an IRBA approved Registered Auditor, a full member of ABP (Association of BBBEE Professionals) as well as an associate member of NAACAM. SAB&T BEE Services can offer our clients solutions to their BBBEE needs, which include: BEE Verifications / Certificates, Gap Analysis (Old vs new codes), Strategy Planning, BEE Training, Consulting