



DTI PUBLISHES AMENDED B-BBEE DRAFT FOR PUBLIC COMMENT

On 15 June 2018, the Department of Trade and Industry published the Draft Gazette 41709 that proposes:

- A new set of definitions
- A revised Enterprise & Supplier Development Code 400 wording

Primary changes that will be brought about if this Draft Gazette is promulgated as is, are as follows:

- “Absorption” will mean a learner securing a long-term contract of employment (also defined) and it will no longer include proceeding with further education and training.
- The definition of a Designated Group Supplier is clarified as 51% ownership by Black Designated Groups.
- Critical Skills is tightened to mean as defined by the relevant SETA and not any SETA.
- 30% black-women owned means an entity where black women own at least 30% and not more than 30%.
- The Preferential Procurement Scorecard is amended as follows:
 - The two separate indicators for purchase from EMEs and QSEs are merged into one with 5 points and a target of 25%. Currently there are 7 points across the two, with targets of 15%. There is an additional clause that permits purchases from generic entities that are 51% black-owned to be included under this indicator, so long as they are 51% black-owned via flow-through and not modified flow-through.
 - Indicator 2.1.4 relating to purchases from 51% black-owned suppliers becomes 2.1.3 and the points and target are increased from 9 to 11 and 40% to 50% respectively.
- The definition of qualifying Enterprise & Supplier Development beneficiaries is changed to EMEs, QSEs or Generic Entities that are 51% black or 51% black women-owned utilising the flow-through principle.
- A new recognition multiplier of 2.0 is introduced for purchases for suppliers that are 51% black-owned or 51% black woman-owned utilising the flow-through principle.
- The recognition multiplier of 1.2 for 1st time suppliers is removed.
- Suppliers to the measured entity cannot benefit from Enterprise Development contributions.
- The recognition of guarantees provided on behalf of an Enterprise or Supplier Development beneficiary is increased from 3% to 50%.

Comments have to be submitted within **60 days** from the date of publication

**Looking forward to hearing from you,
Sigma Group**

BEE Legislation For 60 Day Public Commentary information supplied by Mantis Network.