

Revised Code 000, Statement 000: General Principles

- Priority Element Compliance now explicitly states that Skills Development excludes Bonus Points and specifies the sub-minimum points for the three categories under ESD.
- Priority Element Compliance confirms that 51% Black Owned QSEs who benefit from Enhanced Recognition do not have to comply with either of the other two Priority Elements.
- The wording of the Priority Element Discounting for QSEs has been tightened up.
- Enhanced B-BBEE Recognition for an EME or QSE that is 51% or 100% Black Owned leading to a Level 2 or Level 1 BEE Recognition Level must be measured using the flow-through principle and not modified flow-through.
- A new section headed Eligibility of Joint Ventures is included that gives guidance as to how to calculate a consolidated BEE Certificate for a JV.
- A revised table for the B-BBEE Generic Scorecard corrects the old one that was incorrect and includes Bonus Points to achieve 118 points.

Revised Code 300: General Principles for Measuring Skills Development

The Skills Development Generic scorecard is amended as follows:

Indicator	Weight	Target	Change
Skills Development Expenditure on Black People	6	3.5%	Points and target reduced.
Expenditure on Bursaries for Black Students at Higher Education Institutions	4	2.5%	New indicator relating to bursaries for tertiary education.
Skills Development Expenditure on Black Employees with Disabilities	4	0.3%	No change.
Number of Black People participating in Learnerships, Apprenticeships and Internships	6	5%	Points reduced and a clear restriction to Cat B, C and D with no distinction between employed and unemployed black people.
Bonus: Number of Black People Absorbed	5	100%	Clearly limited to Cat B, C and D learners only.
Total	25		Unchanged

- The points available under skills development and bursary expenditure are now 10 vs 8 before although the combined target remains at 6%.
- The application of demographic targets includes Bursaries but the formulas are unchanged.
- Double counting of initiatives under skills development expenditure and bursaries is not permitted.
- The 40% sub-minimum for Priority Element compliance is clarified as 8 points.
- The cap on informal and workplace skills development expenditure under Cat F&G Learning programmes is increased from 15% to 25%.
- The provisions regarding recognisable expenses for Cat A bursaries are extended to include ancillary costs for subsistence, catering, travel and accommodation etc without a limit.
- The cap on ancillary costs remains at 15% but the cap does not apply to Bursaries.
- The inclusion of Stipends under Formal Skills Development expenditure is extended to include Cat A Bursary students. So now one can claim stipend expenditure for Cat A, B, C & D Learners.
- The Narrative Description of Cat A in the Learning Programme Matrix is amended.
- The corrected EAP formulas, previously provided in Gazette 38765, are included.

Revised Code 400: General Principles for Measuring Enterprise & Supplier Development

The ESD Scorecard is amended as follows:-

Indicator	Weight	Target	Change
Procurement Spend	5	80%	No change.
Procurement Spend with QSE Suppliers	3	15%	QSEs using flow through only - see specific provision.
Procurement Spend with EME Suppliers	4	15%	EMEs using flow through only - see specific provisions.
Procurement Spend with 51% Black Owned Suppliers	11	50%	Points are increased from 9 to 11 and the target is increased from 40% to 50%. This is a BIG change!
Procurement Spend with 30% Black Women Owned Suppliers	4	12%	No change except the redefinition of 30% Black Women Ownership.
Bonus: Procurement Spend from Designated Group Suppliers	2	2%	No change except the clarification that they must be 51% Black Owned.
Supplier Development Contributions	10	2% of NPAT	No change except for extension of beneficiaries to include qualified Generic entities.
Enterprise Development Contributions	5	1% of NPAT	No change except for extensions of beneficiaries to include qualified Generic entities.
Bonus: Graduation of ED to SED	1		No change.
Bonus: Creation of one or more jobs	1		No change.
Total	46		Unchanged

- The rules relating to NPAT usage are spelled out for this element - they were missing before and were assumed based on the wording for SED.
- The multiplier of 1.2 for first time suppliers is removed and replaced by a 1.2 recognition boost for purchasing from 51% Black Owned or Black Woman Owned suppliers whose qualification is achieved using the flow-through principle and not the modified flow-through principle.
- Beneficiaries of ED & SD contributions must be 51% Black Owned or Black Woman Owned EME or QSE suppliers whose qualification is achieved utilising the flow-through principle.
- Generic Entities may also qualify as ED or SD beneficiaries if they were previously EMEs or QSEs who first received assistance from the Measured Entity within the past 5 years.
- A similar qualification applies to procurement from Generic entities recognised under the EME or QSE indicators i.e. Procurement from a 51% Black Owned or Black Woman Owned Generic Supplier (using flow-through only) can be counted as procurement from an EME or QSE if the ME first procured from them within the past 5 years while they were still an EME or QSE.
- The Benefit Factor Matrix is amended in that 50% of Guarantees provided on behalf of a Beneficiary can be claimed instead of 3% as before.

Revised Schedule 1 Interpretation and Definitions

Major Changes are as follows:

Absorption

Now is restricted to the securing of long term employment and no longer includes further education and training. This is a significant change affecting 5 Skills Development Bonus points

Designated Group Supplier

This is a clarification and means a supplier that is at least 51% owned by black people defined under Black Designated Groups.

Long-term contract of employment

Means a legal agreement between an individual and an entity that this individual would work for until his or her mandatory date of retirement.

30% Black Women Owned

Means an Entity in which: (a) Black women hold at least 30% of the exercisable voting rights as determined under Code series 100; Black women hold at least 30% of the economic interest as determined under Code series 100; and(c) has earned all the points for Net Value under statement 100. Before it confusingly meant >30%!

Current Equity Interest Date

Replaces Net-Value Date with an amended wording that relates to the commencement of the Time-based Graduation Factor. It means the later of either the date of commencement of statement 100 or the date upon which the black ownership transaction became effective and unconditional.

Qualifying ESD Contributions

Amends qualification of beneficiaries to 51% Black Owned or Black Women owned QSEs or EMEs. Previously it included 30% Black Women owned entities.