

New BEE Scorecard and BEE Codes for 2018



Are you uncertain about the elements of B-BBEE (BEE) compliance?

If we are to successfully implement change in our country, we first need to gain a better understanding of the initiatives that aim to advance our society. By understanding the advantages thereof, more doors of opportunity may be opened, which in turn will uplift the citizens of South Africa.

One of these initiatives is *Broad-Based Black Economic Empowerment (B-BBEE or BEE)* which aims to achieve increased participation in the economy and the transformation thereof, as well as more equitable distribution of wealth in our country. With the implementation of the amended BEE Codes and black economic empowerment scorecard, BEE has entered a new phase of diversity, requirements and dimensions and is not limited to ownership and management considerations as some individuals may believe.

Here's what the B-BBEE initiative has aimed to achieve since its implementation:

- To enable the meaningful participation of citizens by promoting the development of skills and enterprises, while seeing to employment equity and socio economic development (in especially small and medium enterprises), as well by promoting the entry of black entrepreneurs into the mainstream of economic activity.
- To see to the development and re-adaption of policies to result in these goals.
- To enable the meaningful participation of black people, women and rural or under-developed communities to have a positive impact on the economy.

Here's an overview of what these scorecards measure:

Ownership & Management

This aspect of the BEE scoring system measures the extent to which *black ownership* is present in an institution. Your company can be categorized into different levels as a result of this score. If you qualify as an Exempted Micro Enterprise, then you are exempt from B-BBEE requirements and automatically qualify as level 4. As of 2016, **EME's** are companies with a turnover below R10 million a year, while **QSE's** are businesses that gross between R10 million and R50 million a year. Enterprises with a turnover of R50 million and above measure under generic scorecard codes.

Management scoring is a measurement of black employees and partners' participation on board and management control structures.

Skills, Enterprise and Socio-economic Development

These aspects measure the *skills development budget spent on black employees* on all levels, as well as the total spend on supplier and enterprise development (funding beneficiaries that are 51% black owned, and socio-economic development and contributions).

Companies that have failed until now by not taking transformation seriously need to do so very soon or face the gloomy prospect of not being in business within a relatively short period of time.

Staying abreast of all these legislative changes and understanding the complexity of the effects on your business can be challenging, but you don't have to be an expert if you employ our *BEE Consulting and Verification services*. As industry leaders our variety of ownership solutions and unique BEE strategies differentiate us from the rest. Our BEE certificates are *SANAS accredited* and we will ensure that your business is aligned to BEE legislation and best practice while you focus on your business.

©SERR Synergy, www.serr.co.za