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BEE scorecard no relief for small businesses



An overview of the impact that the BEE scorecard has on businesses. Black ownership is a major requirement to be considered as a supplier for most large corporates and state departments.

With the announcement by the Department of Trade and Industry on a more tolerant BEE scorecard for qualifying small enterprises (businesses with a turnover below R50m) we all thought it would get rid of some pressure but in reality it has not.

Black ownership is a major requirement to be considered as a supplier for most large corporates and state departments.



BEE scorecard exclusions

Qualifying small enterprises (QSEs)

Qualifying small enterprises are only excluded from a *BEE scorecard* completion when they have a minimum of 51% black ownership. **Exempted micro-enterprises (EMEs)**

The same is also applicable to EMEs (annual turnover of R10m to qualify for exemption from being measured), automatically achieving a BEE level-4 recognition.



BEE scorecard measurement

All other generic entities and QSEs with an annual turnover above R50m can attain a recognition level only by being measured on all five BEE scorecard elements.



Bonus points

There are eight additional bonus points for QSEs and nine bonus points for generic entities that can be earned. These bonus points don't exclude a business from having to meet the 40% sub-minimum on priority elements but they do count towards the scorecard's final score.

Five of the bonus points for generic entities and QSEs can be earned under *skills development* if a business employ "unemployed learners" after completion of learning programmes and the balance of the bonus points fall under the **procurement** sub-element.

The bonus points under **procurement** are granted for progressing one or more enterprise development beneficiaries to a supplier development level, buying goods or services from 51% black-owned designated group suppliers and creating jobs directly as a result of supplier development.

These bonus points have helped businesses under the amended codes to reach level-8 compliance. These bonus points have also allowed businesses to claw back the level that was discounted in the event where an entity is discounted a level for not meeting the sub-minimums on the priority elements.

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Empowering supplier

QSEs and generic entities to which the amended codes apply must meet specific requirements to obtain empowering supplier status.

All EMEs and entities that obtained certificates under the old codes or entities measured in terms of the non-amended charters are automatically considered to be empowering suppliers. EMEs would qualify to be both an enterprise and supplier-development beneficiary.

SERR Synergy assist businesses with BEE scorecard verification and a broad spectrum of ownership structures.

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