

# Public comment sought on BEE codes

The Department of Trade and Industry (dti) is seeking public comment on the proposed amendments to the Broad-Based Black Economic Empowerment Amendment (B-BBEE) Codes of Good Practice.



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“The dti is inviting members of the public to participate in a public commentary process on the proposed amendments to the B-BBEE Codes of Good Practice on or before 29 May 2018. The proposed amendments aim to promote innovative ways to increase the participation of black South Africans and in particular black youth in the economy,” said the department on Friday.

On 29 March, the Minister of Trade and Industry announced a 60-day public commentary process on the Reviewed Statement 000 and 300 of 2018 in terms of section 9 (5) of the Broad-Based Black Economic Empowerment Amendment (B-BBEE) Act 53 of 2003, as amended by Act 46 of 2013.

Key to the amendments is the Youth Employment Service (Y.E.S) initiative and the introduction of a ring-fenced Point Indicator on the skills development scorecard for a 2.5% spend target on bursaries for black students attending higher education Institutions.

The Y.E.S initiative was one of the initiatives presented in the 2018 State of the Nation Address by President Cyril Ramaphosa. The Y.E.S initiative aims to improve the grim employment outlook for young work seekers by offering work opportunities and therefore inclusion in the economy.

The department said the introduction of the ring-fenced 2.5% target for Skills Development Expenditure on bursaries for black students at higher education institutions is a critical intervention to enable the raising of funds for the education of needy and deserving black youth.

Both the above highlighted changes are critical policy revisions that are deliberately targeting youth empowerment initiatives through work opportunities and critical skills development.

Preliminary comments received since the gazetting of the codes on 29 March 2018 indicate concerns regarding the proposed qualification criteria “11.2.1.2”, which requires entities to score full points on the 2.5% target for skills development expenditure on bursaries in order to qualify for Y.E.S BEE recognition.

“The dti views the participation in Y.E.S to be in line with the objectives of B-BBEE policy and has keen interest that there be maximum impact resulting in empowerment of young South Africans. In order to create certainty and ensure rapid take up in the Y.E.S, [we have] considered to delink the Y.E.S and the Bursary target of 2.5%,” said the dti.

This means that the bursary contributions will not be a precondition to obtain BEE recognition as a Y.E.S participating entity.

Comments on the codes will close on 29 May 2018. Inputs and comments should be submitted Jacques Manus via email: [JManus@thedti.gov.za](mailto:JManus@thedti.gov.za)

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