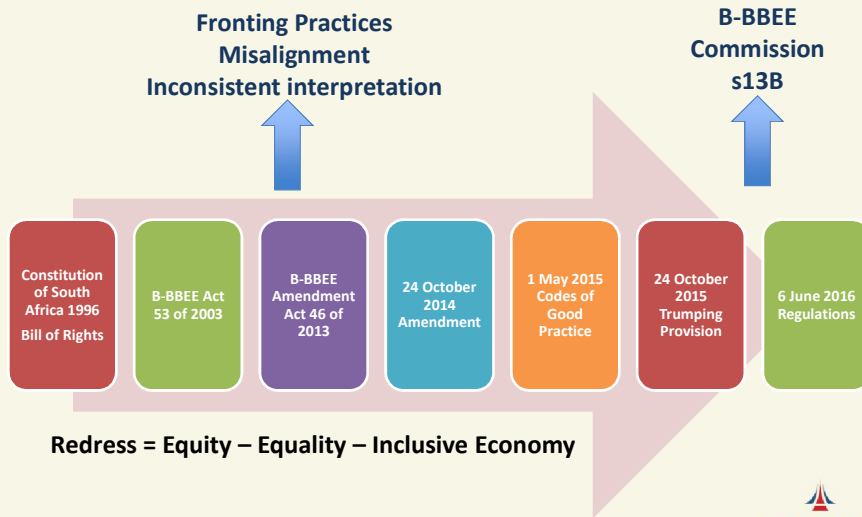




Background



What is our mandate?

Functions (s13F)

- Monitor, supervise and promote adherence – in the interest of the public
- Strengthen collaboration between private and public sectors – safeguard the objectives
- Receive complaints or initiate - investigations
- Promote advocacy, access to opportunities and educational programmes
- Maintain register of major B-BBEE transactions (meeting threshold)
- Receive and analyse prescribed reports (listed entities, SETA, Public Entities, Organs of State)
- Promote good corporate governance and accountability
- Increase knowledge and public awareness (guiding, declaratory order, researching)



What Programmes Do We Have?

Administration



What are the processes and timelines?



Operational Implementation

- ❑ B-BBEE Commission operations commenced effectively on *01 April 2016* within **the dti** with only *14 staff members*, and **the dti** is still in the process of securing office space for its operation – currently residing at NGB offices.
- ❑ On 06 June 2016 the B-BBEE Regulations were issued in terms of s14(1) of the B-BBEE Act by the Minister – complaints could only be handled effective from 6 June 2016.
- ❑ B-BBEE Commission operates within the allocated *budget* of **the dti** – as guided by **the dti** policies – but exercises independent decision making within its mandate.
- ❑ B-BBEE Commission is implementing both its compliance and enforcement strategies simultaneously, i.e. both education and awareness, and investigations.
- ❑ Stakeholder engagements occurred with SOEs, Business Sector and journalists between September 2015 and March 2016.
- ❑ Website developed and Newsletter, The Whistle, launched in 2016 for information dissemination.
- ❑ Explanatory notice and practice guides issues



Updates/observations

- ❑ **Registration of B-BBEE Transactions – 9 June 2017**
 - ❑ *Sets B-BBEE transaction value amount at R25 million*
 - ❑ *Explanatory notice issued – guide on requirements*
 - ❑ *160 transactions registered as at 31 August 2017 with 33 certificates issued*
 - ❑ *Consultants and law firms getting more involved in this space – new market*
- ❑ **Compliance reporting in terms of section 13G**
 - ❑ *Meeting held with JSE and letters sent out*
 - ❑ *104 compliance reports received and 103 assessed*
 - ❑ *Multinational & some government departs still not aware of requirement*
- ❑ **Sworn affidavits and invalid certificates**
 - ❑ *Accountants and IRBA auditors still issuing certificates – EME certificates*
- ❑ **Investigations**
 - ❑ *264 received, 82.4% involve fronting (Mining, transport and construction – Trusts, ESOPs); 12 investigations finalised last FY; 44 Non-investigations*



Updates/observations

❑ Ownership

- ❑ *Trust Models – beneficiaries not identified (bursaries)*
- ❑ *Sale of assets – retain IP and/or part of asset*
- ❑ *Claim no BEE but has certificate or intermediary*

❑ Skills Development

- ❑ *Listening on interviews – other room if live or in room if Skype*
- ❑ *Forging qualification certificates*
- ❑ *Wanting to claim points before implementation or soon after payment*

❑ Management Control

- ❑ *No involvement in strategic decision-making; different meetings (ops/strategic)*

❑ Enterprise and Supplier Development

- ❑ Provision of sworn affidavits prior implementation
- ❑ Claiming points for same projects
- ❑ Double – dipping (same entity recognition)



Conclusion

- ❑ Implementation of the Act should not be a tick box exercise
- ❑ State entities to integrate section 10 in procurement, licences, concessions, sale of assets, and other authorisation to ensure compliance with the B-BBEE Act
- ❑ There is a requirement for the B-BBEE Commission, SANAS, VPs and Sector Councils to monitor compliance with the Act and the Codes
- ❑ Sector Councils to facilitate lodging, consolidation and submission of compliance reports in line with Sec 13G of the Act
- ❑ Measured entities to be aware of reporting obligations and registrations of affected B-BBEE transactions
- ❑ Both public and private seem to have low regard for B-BBEE which have an effect of derailing implementation
- ❑ Transformation and economic growth possible if B-BBEE implemented correctly



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