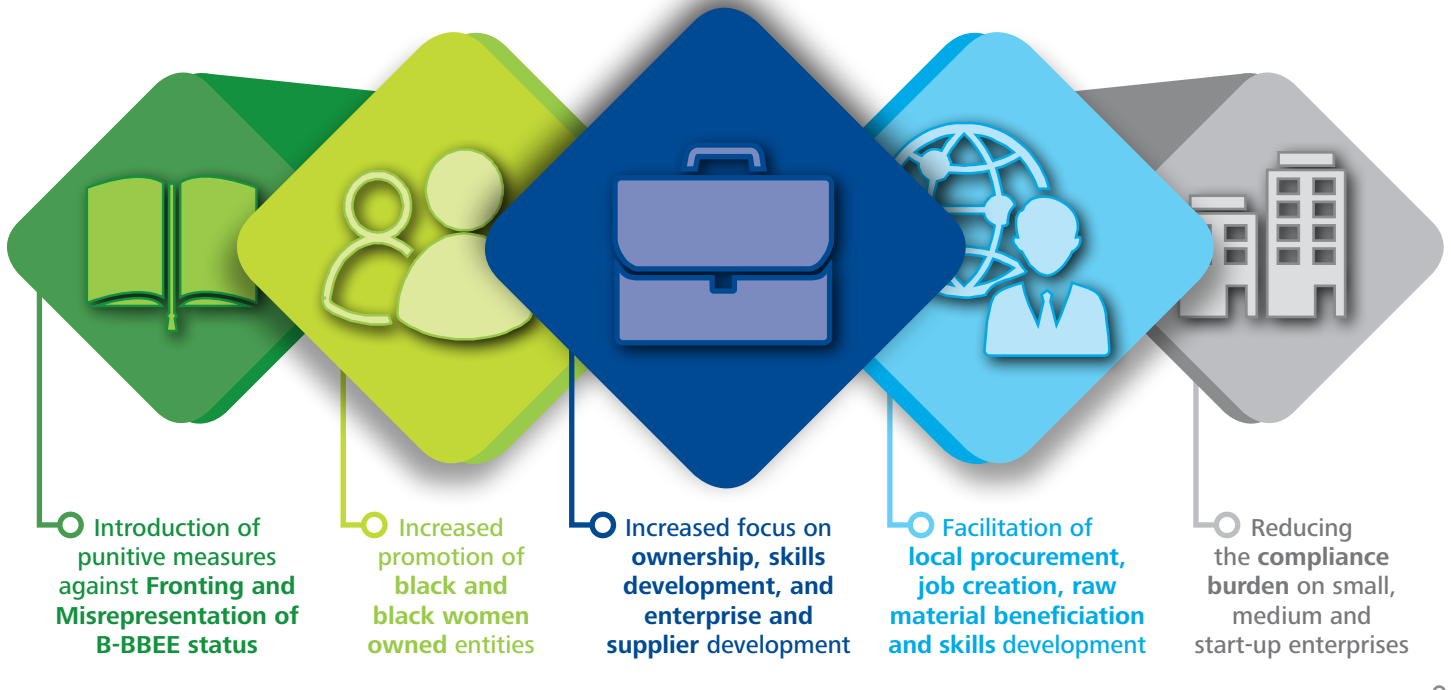
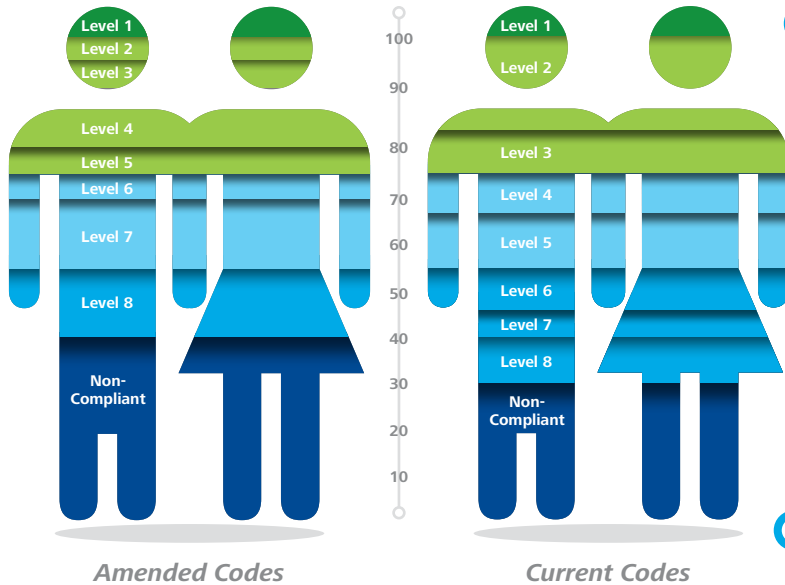


On 11 October 2013, DTI published the Amended B-BBEE Codes of Good Practice which will come into effect on 30 April 2015. The amendments are focused on:



## Amended number of B-BBEE points per level

An increase in the number of points per level, will result in an automatic downgrade of most enterprises as at 1 May 2015. For example, at 65 points a level 4 (current codes) is automatically downgraded to a level 7.

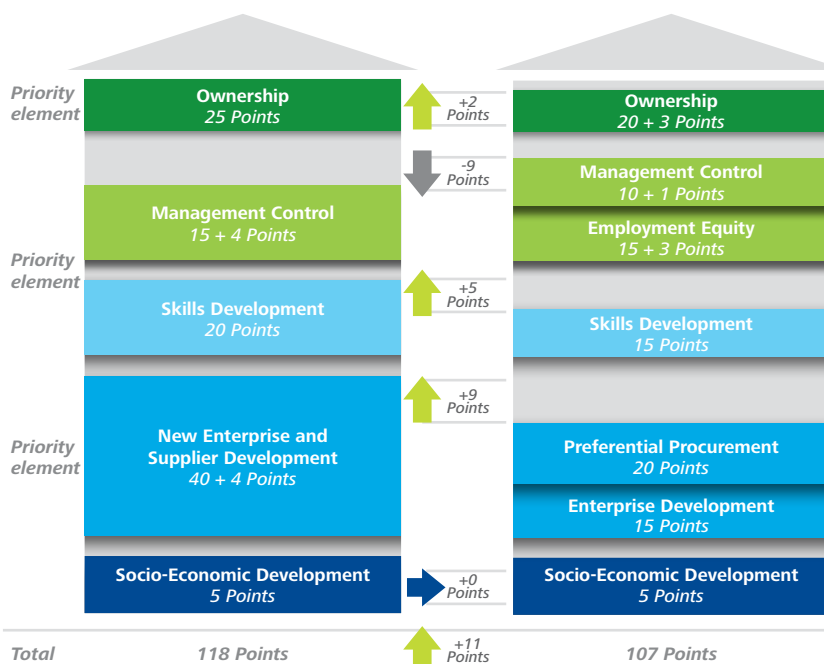


## High level implications:

- Unintended **exclusion of suppliers** by enterprises requiring a set minimum B-BBEE rating
- Reduction of **enterprise's own** preferential procurement points
- Legal **implications** for enterprises contractually obliged to maintain a certain B-BBEE status

## Revised weighting per B-BBEE element

The new codes have an increased focus on priority elements. There will be an automatic level downgrade of 40% if the target score is not achieved for a priority element. In addition to this, an automatic level downgrade if not deemed an "Empowered Supplier".



## Empowered supplier requirements include:

- Being **B-BBEE compliant**
- Being **good citizen**
- Compliant with **"all regulatory requirements"**
- Meeting **three** of certain local procurement, job creation, raw material beneficiation and skill transfer requirements

Furthermore, **Foreign and Public Sector spend can no longer be excluded.**

Companies should consider adding B-BBEE to their overall company strategy – as this will give them an added advantage over their competitors