



Ensuring Change through Empowerment

## mPowerRatings Newsletter – April 2014

Dear Client

Welcome news at last!

As advised in our previous newsletters, the complex new Revised DTI Codes of Good Practice were gazetted in October 2013, with a transitional period of twelve months. The good news is that the transitional period has been extended by a further six months to 30<sup>th</sup> April 2015. It effectively means that your next BEE rating(s), provided they are based on financial periods ending up to 30 April 2015, will be scored under the old and much easier Codes. By way of an example, if your financial year-end is February, it is likely that you will be scored under the old Codes for the February 2014 and February 2015 ratings periods. Thereafter the new Codes will be effective.

The DTI's requirement to align the various Industry Sector Codes with the Revised Codes, within the original transitional timeframe ending 10<sup>th</sup> October 2014, was always going to be an insurmountable challenge. The extension to April 2015 will make things somewhat easier.

A further interesting development is the likelihood that we will see a separate scorecard for QSE's – entities with annual turnover between R10 million and R50 million. Although the Revised Codes make mention of a QSE scorecard, it was astoundingly absent when the Codes were gazetted in October 2013. It is anybody's guess what the format of the QSE scorecard will be, but we will communicate it to you as soon as we have sight of it. Hopefully it will make things easier for QSE's.

Some aspects to remember:

1. The Revised Codes of October 2013 do not apply to entities that fall under the separate Industry Sector Codes. If you belong in a specific sector you will be scored in terms of your current sector scorecard until such time as it is aligned with the Revised Codes.
2. The B-BBEE Amendment Act which criminalises acts of fronting is now in effect. Please ensure that your BEE initiatives are within the spirit of BEE and that you are not unwittingly in contravention of the law.

3. The Revised Codes of October 2013 provide for entities that are 51% or more Black-owned or have an annual turnover of less than R10 million, to reflect their BEE status in the form of a sworn affidavit, and they are therefore not required to have an audited BEE certificate.

An overriding aspect during the transitional period to 30 April 2015 is that the above does apply to entities that require to be rated under any of the nine Sector Codes. In short, if you fall into one of these sectors the above rules do not apply to you - if you don't fall into one of the nine sectors and apply the above rules, your sworn affidavit will not be recognized by any other entity falling into any of the nine sectors. It is therefore our recommendation that you continue to be rated under the 2007 Codes until the end of the transitional period.

#### Other news:

Our monthly seminars on the Revised new Codes, held in Johannesburg, have been extremely well received and April 2014 is fully booked. Details of dates and venue of the seminars are listed below.

A copy of the presentation can be viewed on <http://www.bizadvance.co.za/content/publications>

For further information you can contact us at [info@mpowerratings.co.za](mailto:info@mpowerratings.co.za) or at 011 880 0060

#### Useful links:

Definitions - <http://www.bizadvance.co.za/content/definitions>

BEE Consulting - <http://www.bizadvance.co.za/>

mPowerRatings website - <http://www.mpowerratings.co.za/>



## BEE Seminar Information

Join us to gain an understanding of the new Amended B-BBEE Codes of Good Practice and the implications these changes will have on your business and our future.

### Scheduled dates in Johannesburg:

14 May 2014

11 June 2014

09 July 2014

**Presenter:** Dijon de Jager - CEO of mPowerRatings

### Times:

Arrival and refreshments: 09h00 - 09h30

Seminar: 09h30 - 12h30

### Venue:

Killarney Country Club

60 Fifth Street

Killarney

Johannesburg

**Costs: Free of charge** (for Johannesburg Seminars)

Refreshments include: Tea/Coffee/Biscuits on arrival.

To Register for the Seminar, kindly contact us on

Tel: 011 880 0060 or Email: [patricia@mpowerratings.co.za](mailto:patricia@mpowerratings.co.za) or [lizelle@mpowerratings.co.za](mailto:lizelle@mpowerratings.co.za)