



# m power ratings

Ensuring Change through Empowerment

## mPowerRatings Newsletter – March 2014

Dear Client

As advised in our February 2014 newsletter, the complex new Revised DTI Codes of Good Practice were gazetted in October 2013, with a transitional period of twelve months. It effectively means that your next BEE rating, provided it is done based on a financial period ending before 30 September 2014, will be scored under the old and much easier Codes. Thereafter the new Codes will be effective.

The B-BBEE Amendment Act, No 46 of 2013, gazetted on 27<sup>th</sup> January 2014, which provides for severe penalties for wilful misrepresentation of the BEE status of entities, commonly known as “Fronting”, is now in force.

**These penalties could be as much as 10 years imprisonment and/or a fine of up to 10% of annual turnover.**

**More information will be made available at our future scheduled Seminars (refer to the Seminar details below).**

Please remember that if you are scored under any of the below-listed Sector Codes, the October 2013 Codes do not apply to your company. Refer below for the latest news on the Sector Codes.

The Sector Codes are:

- I. Agri-BEE Charter
- II. Financial Sector Charter
- III. Information and Communication Technology (ICT) Charter
- IV. Property Sector Charter
- V. Chartered Accountancy Sector Code
- VI. Integrated Transport Sector Codes
- VII. Forest Sector Code
- VIII. Construction Sector Code
- IX. Tourism Sector Code

Well done to clients with February 2014 financial year-ends who reacted to our previous newsletter and made contributions to beneficiaries of Enterprise Development and Socio-Economic Development. You will be pleased when you get the results of your next BEE rating. If your financial year-end is still ahead of you, e.g. March or June 2014, remember to make these contributions in time.

As expected, we will go through a period of clarification of, and changes to the Codes. It is important that you stay abreast of these changes at all times. In this regard many of our clients are now making use of our BizAdvance service to guide them through the process.

Some of the latest news includes:

1. The Sector Codes will have to be aligned with the October 2013 Codes by the end of the transitional period ending on 11 October 2014. If sectors are not aligned by this deadline, companies will be scored on the basis of the October DTI Codes. No further transitional period will be granted.
2. It now seems that we will in fact have a QSE Scorecard after all. It will apply to companies in the annual turnover range of R10 million to R50 million, and is likely to be more practical and achievable. We will let you have more details as soon as they become available.

Our monthly seminars on the Revised New Codes, held in Johannesburg, have been extremely well received and we recommend that all our clients attempt to attend them.

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)

**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:

09 April 2014

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.

