



mPowerRatings/BizAdvance Consulting Newsletter – May 2015: Edition 2 Updated

In this Newsletter:

- **NEW CODES – Further Announcement**
- **The QSE Code**

In the Notice of Clarification released by the DTI on 5th May 2015, the following announcement was made:

“Black participants in Broad-Based Ownership Schemes and Employee Share Ownership Programmes holding rights of Ownership in a Measured Entity must only score points under paragraph 2.2.3 under the Ownership scorecard”.

Effectively this means that Broad-Based ownership schemes and Employee Ownership Programmes can score a maximum of 3 points on the DTI Generic scorecard, and can no longer be considered as a viable BEE ownership option. This announcement seemed so ridiculous that we opted not to include it in our first May 2015 newsletter, hoping that some mistake had been made and that we would see a retraction or amendment of the clause.

Seminars on the Amended New B-BBEE Codes

Our Seminars on the new Amended B-BBEE Codes of Good Practice will be held at our offices during the months of May and June:

Wednesday, 20 May 2015 from 08h30 until 12h30

Wednesday, 03 June 2015 from 08h30 until 12h30

To book, kindly contact Lizelle on lizelle@mpowerratings.co.za **TODAY!**

mPowerRatings

We are an Accredited B-BBEE Verification Agency, situated in Saxonwold, Johannesburg and conduct B-BBEE audits countrywide.

We are one of only a few Agencies accredited to issue B-BBEE certificates across all Industry Sectors, including Agriculture and Property.

Our CEO, Mr Dijon De Jager, a South African Chartered Accountant, obtained dual B-BBEE accreditation through appointment as a Registered Auditor by IRBA (The Independent Regulatory Board for Auditors).

Mr Floyd Mazibuko, also a South African Chartered Accountant, obtained his accreditation as a Registered IRBA Auditor in 2014.

Subsequently there has been massive criticism in the media, and the DTI has attempted to justify nullifying such schemes on the basis that they have failed to achieve black ownership as intended.

The DTI has however announced that a task team would be set up to consider the ramifications of this clause.

Please click the following link to see the [DTI Clarification Notice](#)

The long-awaited [DTI QSE Codes](#) were eventually gazetted on 6th May 2015. They must be applied as follows:

Any entity verified under the DTI QSE Codes with a Financial Year-end prior to 30th April 2015 can be verified based on the 2007 Codes, and any Year-end thereafter will be verified based on the new QSE Codes, the exception being where the entity is verified under a QSE Sector Code (there are currently nine Sector Codes).

For the Sector Codes any entity with a Financial Year-end prior to 31st October 2015 can be verified based on the old QSE Sector Codes and any Year-end thereafter will be verified based on the new gazetted QSE Sector Codes.

A significant change to the draft QSE Codes published earlier, is the new inclusion of 5 bonus points under the Skills Development element, and a further 3 points under the Enterprise and Supplier Development element.

BizAdvance Consulting

BizAdvance Consulting, an associate of mPowerRatings, specializes in business consulting. At BizAdvance we are serious about the way we conduct our business. Talk to one of our professionals TODAY and get peace of mind that you are making the right choice.

Our services span across all aspects of BEE and across all business sectors, delivered to you by a dedicated team of experts, and where required, by associates who are specialists in their own fields.

Our services include:

- B-BBEE Advisory,
- B-BBEE Software Integration,
- B-BBEE Marketing,
- B-BBEE Procurement,
- B-BBEE Verification Audits and Certification,
- B-BBEE Training

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If you are unsure about the approach you should take with regard to the above changes, call us today for guidance on the subject.

Also enquire about our seminars as detailed elsewhere in this newsletter, or contact us about the advisory services we offer. Contact Wessel Wolmarans at 071 234 8864 or email: wessel@mpowerratings.co.za , alternatively Lizelle de Jager at 011 880 0060 or email: lizelle@mpowerratings.co.za , for further information.

Notice:

Our newsletters serve as a guide to readers, are not intended to be comprehensive and will at times be based on opinion, and should therefore be interpreted in conjunction with the B-BBEE and other related legislation.

Useful Links

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

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

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

mPowerRatings has moved to new offices:

We recently acquired new offices at 99 Jan Smuts Avenue, conveniently located near Johannesburg's Zoo Lake and in close proximity to the Rosebank Gautrain station.

Our other contact details remain unchanged.

Further email communication will follow and we ask that you kindly amend your records.