



mPowerRatings/BizAdvance Consulting Newsletter – May 2014

Dear Client/Associate,

As pointed out in our previous newsletters, the [Revised DTI Codes of Good Practice](#) gazetted in October 2013 will require considerably more attention than the old Codes. In this newsletter we will attempt to give you a brief outline of the steps to follow to prepare for your next rating. In newsletters to follow we will be more specific about certain areas of the process.

1. Decide which audited financial period you will have BEE rated. This will determine whether you will be scored under the new or old 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. A year-end from April 2015 onwards will be scored under the new Codes.
2. Determine whether you are to be scored under the DTI Codes or any one of the nine Sector Codes. An example would be a hardware store supplying materials to the construction industry, in which case

Other news

Our monthly seminars on the Revised Codes, held in Johannesburg, continue to be very informative and popular with clients. Details of dates and venue of the seminars as per newsletter. A copy of the presentation can be viewed on the following link: <http://www.bizadvance.co.za/content/publications>

For further information you can contact us at info@mpowerratings.co.za or at 011 880 0060.

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

mPowerRatings is a SANAS and IRBA Accredited Verification Agency situated in Johannesburg. We are one of only a few agencies accredited to issue the following sector scorecards: Tourism, Transport, Construction, Chartered Accountancy, Forestry, Information and Communication, Financial Sector, Property and Agriculture.

you will be scored in terms of the Construction Sector Code. These sector Codes are due to be aligned with the Revised DTI Codes by no later than the end of the transitional period (old to new Codes) on 30th April 2015.

3. Determine when the new Codes will become effective in relation to your financial year e.g. if your financial year starts on 1 July 2014, the new Codes will apply and you will need to decide on the process to follow during that year.
4. Be aware of the turnover level you are likely to achieve in your next rating year. Generally you will be scored under the QSE scorecard if your turnover is between R5 million and R35 million (there are exceptions), in which case you will be scored on any four out of the seven elements. If you are over R35 million you are scored on all seven elements which could be substantially more difficult. You will be able to plan better if you know which turnover level applies. In terms of the Revised Codes the above levels have been adjusted to R10 million to R50 million turnover, and at this stage the QSE scorecard has not yet been introduced.
5. Establish whether you qualify as an Empowering Supplier. In order for your BEE certificate to be of any value to your client in terms of procurement under the Revised DTI Codes, you have to qualify as an Empowering Supplier.

BizAdvance Consulting

BizAdvance Consulting, in partnership with mPowerRatings, specialized 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,
- BEE Software Integration,
- BEE Marketing,
- BEE Procurement,
- BEE Verification Audits and Certification,
- BEE Training

Contact Details:

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6. Understand what is required in terms of each of the elements of the scorecard in order to achieve the targets you have set for your company. With regard to your preparation for the complex new Revised Codes, we would recommend that you contact us to find out about the software and advisory services we have to offer. Also refer to our seminar notice below.
7. Measure your BEE performance during the year. This is also an area where we can be of assistance to our clients.

Some aspects to remember:

1. 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.
2. 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.

BEE Seminar Information

Join us to gain an understanding of the new [Revised DTI Codes of Good Practice](#) and the implications these changes will have on your business and our future.

Scheduled dates in Johannesburg:

11 June 2014

09 July 2014

Presenter: Dijon de Jager - CA (SA) - CEO of mPowerRatings

Times:

Arrival and refreshments: 09h00 - 09h30

Seminar: 09h30 - 12h30

Venue:

mPowerRatings
No 1, Seventh Street,
Melrose Estate,
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
or lizelle@mpowerratings.co.za