



## mPowerRatings/BizAdvance Consulting Newsletter – May 2015

In this Newsletter:

- **NEW CODES – IMPORTANT ANNOUNCEMENT!!**
- **The Sector Codes**
- **The QSE Code**
- **Promote a small business and earn BEE points**
- **BEE and narrowing the unemployment gap**
- **mPowerRatings new address**

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For Ratings Agencies the month of April 2015 ended as expected. While an unbelievable amount of effort went into completing clients' BEE Ratings under the old Codes of Good Practice before 01 May 2015, the promised clarification relating to many aspects such as the DTI QSE Code and the nine Sector Codes (all not yet gazetted), never materialised.

Yesterday, 5<sup>th</sup> May 2015, we finally had sight of the Notice of Clarification from the DTI, **effective immediately**. We share our comments on the notice with you, below:

The Amended Codes are still effective 1<sup>st</sup> May 2015 but the date of 30<sup>th</sup> April 2015 which previously was the final date by which BEE certificates could be issued under the Old Codes, has now been changed to read *“that all B-BBEE verifications conducted using the **financial year ending before 30 April 2015** can be verified using the old Codes of Good Practice, and all B-BBEE verifications conducted using the **financial year ending after the 1st May 2015** must be verified using the Amended Codes of Good Practice, with the exception of the Sector Codes.”*

### Seminars on the Amended New B-BBEE Codes

Our Seminars on the new Amended B-BBEE Codes of Good Practice for the month of May will be held on the following dates at our offices:

Wednesday, 20 May 2015 from 08h30 until 12h30

Wednesday, 27 May 2015 from 08h30 until 12h30

Wednesday, 05 June 2015 from 08h30 until 12h30

To book, kindly contact Lizelle on [lizelle@mpowerratings.co.za](mailto:lizelle@mpowerratings.co.za) **TODAY!**

### mPowerRatings

We are an Accredited B-BBEE Verification Agency, situated in Melrose Estate, 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.

Effectively this means that providing you are scored as a **DTI Generic entity** and your Financial Year-end is before 30<sup>th</sup> April 2015, the BEE rating can be done after this date based on the Old Codes. As is clear from the points below, this does not apply to DTI QSE's and the Sector Codes.

For the nine Sector Codes, the transitional period has been extended from 30<sup>th</sup> April 2015 to 31st October 2015. The entity's Financial Year-end is applicable as in point 1 above.

During the inaugural year of the Amended Codes, certificates issued under the old Codes remain valid and for procurement purposes those certificates qualify as Empowering Suppliers. This was to be expected.

For QSE's we have an interesting scenario. In terms of the old Codes qualification as a QSE is generally an annual turnover of R5 million to R35 million. The Amended DTI Codes re-classify this to R10 million to R50 million annual turnover. In the absence of a gazetted QSE Code, we must assume that point 2 above applies and that the transitional period ends on 31st October 2015. We will further have to assume that until 31st October 2015, an entity with annual turnover between R5 million and R50 million will qualify as a QSE under the old Codes. Perhaps we will get some clarity in a further clarification of the clarification notice.

Please click the following link to see the [DTI Clarification Notice](#)  
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](mailto:wessel@mpowerratings.co.za), alternatively Lizelle de Jager at 011 880 0060 or email: [lizelle@mpowerratings.co.za](mailto:lizelle@mpowerratings.co.za), for further information.

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Further repeat due to positive response to our previous newsletter:

An important aspect included in the New Codes is the development of

## 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

## Contact Details

mPowerRatings  
No 99 Jan Smuts Avenue  
Saxonwold  
2196

Tel: 011 880 0060  
Fax: 086 666 4815  
[info@mpowerratings.co.za](mailto:info@mpowerratings.co.za)  
[www.mpowerratings.co.za](http://www.mpowerratings.co.za)

BizAdvance Consulting  
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Saxonwold  
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Fax: 086 666 4815  
[info@bizadvance.co.za](mailto:info@bizadvance.co.za)  
[www.bizadvance.co.za](http://www.bizadvance.co.za)

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suppliers that qualify as black owned, under the Enterprise and Supplier Development element. Ten points are awarded for supporting EME and QSE suppliers that are 51% or more black-owned, and a further five points for entities with the same criteria that are not suppliers.

If you would like to earn Enterprise Development points on your BEE scorecard, consider supporting and promoting a small black business, preferably a supplier to your organization. We can help and guide you in this regard.

View the link below and contact Emily at 011 880 0060 or at [Emily@mpowerratings.co.za](mailto:Emily@mpowerratings.co.za) if you are interested.

Link: <http://www.mpowerratings.co.za/products.php?id=145>

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Repeat of previous newsletter:

For the first time the Amended BEE Codes awards points to Measured Entities for training unemployed black people in the form of Learnerships, Apprenticeship or Internships. The target for this specific requirement is 2.5% of the measured entity's total permanent work force (i.e. A company that has a staff compliment of 50 employees has to train a minimum of 2 unemployed black people [50 x 2.5% = 1.25...rounded up to 2]). There are 4 available points under this requirement.

This requirement clearly shows the government's strong intent in bridging the skills shortage in the country and by so doing narrowing the ever widening unemployment gap.

BizAdvance (Pty) Ltd (an mPowerRatings associate) runs a Work Readiness Program where black unemployed graduates are recruited to attend a four week work readiness training course with the aim of eventually placing these candidates at any of our clients in order to assist them to address the above BEE requirement.

Please contact Wessel Wolmarans on 071 234 8864 or at [wessel@mpowerratings.co.za](mailto:wessel@mpowerratings.co.za) should you be interested in this initiative.

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## 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.

## 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.**