



REPABOLIKI YA AFERIKA BORWA

REPUBLIC VAN SUID AFRIKA

BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT

Section 9(5): Codes of Good Practice

It is hereby notified that the Minister of Trade and Industry hereby issues the following draft Code of Good Practice for public comments under section 9(3) of the Broad-Based Black Economic Empowerment Act 53 of 2003. Interested persons are invited to furnish the Minister with comments on this proposed code within 60 days of the date of publication.

**CODE 1300: MEASUREMENT OF THE EMPLOYMENT EQUITY ELEMENT OF BROAD-BASED
BLACK ECONOMIC EMPOWERMENT FOR QUALIFYING SMALL ENTERPRISES**

**STATEMENT 1300: THE RECOGNITION OF EMPLOYMENT EQUITY CONTRIBUTIONS FOR
QUALIFYING SMALL ENTERPRISES**

Issued under section 9(5) of the Broad-Based Black Economic Empowerment Act 53 of 2003 for public comment. Interested persons are invited to furnish the minister with comments on this proposed code within 60 days of the date of publication.

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1 DEFINITIONS

In this statement, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act bears the same meaning, and:

- 1.1 **"Act"** means the Broad Based Black Economic Empowerment Act, Act 53 of 2003;
- 1.2 **"black women"** means black people who are women;
- 1.3 **"Element"** shall have the same meaning as defined in Code 1000 Statement 1000;
- 1.4 **"employee"** bears the meaning as defined in the Employment Equity Act;
- 1.5 **"Enterprise"** shall have the same meaning as defined in Code 1100 Statement 1100;
- 1.6 **"Manager Controller"** means Employees of a Measured Entity who are appointed by the Participants of that Measured Entity to undertake the day-to-day management of that Measured Entity. For the avoidance of doubt, Manager Controller may include persons in the occupational levels of top and senior management as well as the occupational level of professionally qualified, experienced specialists and mid-management as specified in form

EEA9 issued under the Employment Equity Act;

- 1.7 **"Measured Enterprise"** means the Qualifying Small Enterprise subject to measurement under this statement;
- 1.8 **"Measured Entity"** means an Enterprise subject to measurement under the Codes;
- 1.9 **"Qualifying Small Enterprise"** means an enterprise which qualifies for measurement under the Qualifying Small Enterprise Scorecard, as identified in Annexe 1000-B of Statement 1000
- 1.10 **"QSE Employment Equity Scorecard"** means the scorecard in paragraph 6;
- 1.11 **"Qualifying Small Enterprise Scorecard"** means the balanced BEE scorecard included in Annexe 1000-A of Code 1000, Statement 1000
- 1.12 **"Qualifying Small Enterprise"** has the meaning defined in Code 1000 Statement 1000;
- 1.13 **"the Employment Equity Act"** means the Employment Equity Act of 1998; and
- 1.14 **"the Employment Equity Scorecard"** means the scorecard used for the measurement of employment equity contributions in this statement.

2 INTERPRETATION OF THIS STATEMENT

This statement is to be interpreted in a manner that is consistent with the objectives of the Act, and those set out in paragraph 4.

3 APPLICATION OF THIS STATEMENT

- 3.1 This statement is to be used in the measurement of the employment equity element of broad-based black economic empowerment for all Qualifying Small Enterprises.
- 3.2 Notwithstanding paragraph 3.1, this statement is not to be used in the measurement of the employment equity element of broad-based black economic empowerment in respect of an Enterprise particularly excluded from the provisions of this statement by the Minister, by notice in a gazette.

4 OBJECTIVES OF THIS STATEMENT

The objective of this statement is to specify the QSE Employment Equity Scorecard

5 STATEMENT OF PRINCIPLE

- 5.1 Qualifying Small Enterprises are entitled to receive points on the QSE Employment Equity

Scorecard based upon employment equity contributions made by them.

- 5.1.1 In determining the nature of the employment equity contributions made by Qualifying Small Enterprises, those Enterprises should be guided by this statement read in conjunction with Code 1000 Statement 1000; and
- 5.1.2 if there is any uncertainty or lack of specificity in this statement as to the recognition of any specific type of employment equity contribution identified in the QSE Employment Equity Scorecard or the manner of calculation of those calculations in the QSE Employment Equity Scorecard, regard must had to the principles outlined in the statements in Code 300.

6 QSE EMPLOYMENT EQUITY SCORECARD

The following table represents the criteria used for the purposes of deriving a score for employment equity in terms of this statement:

	Criteria	Weighting points	Compliance targets
6.1	Black representation at Manager-Controller level	6	40%
6.2	Black women representation at Manager-Controller level	6	20%
6.3	Black employees as a percentage of total 5employees	4	70%
6.4	Black women as a percentage of total employees	4	35%