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DEPARTMENT OF TRADE AND INDUSTRY

NO. 402

29 MARCH 2018

DRAFT STATEMENT 000, CODE SERIES 000 OF 2018 FOR 60 DAY PUBLIC COMMENTARY

CODES OF GOOD PRACTICE ON BROAD BASED BLACK ECONOMIC EMPOWERMENT

I, **Dr Rob Davies**, Minister of Trade and Industry:

- (a) Amend the following **Draft Statement 000, Code Series 000 of 2018** for public commentary in terms of **section 9 (5)** of the Broad-Based Black Economic Empowerment Amendment Act 2003, (Act No. 53 of 2003) as amended by the B-BBEE Act 46 of 2013; and
- (b) Invite interested persons and the public to submit inputs and comments on the **Draft Statement 000, Code Series 000 of 2018** within 60 days from the date of this publication.

Interested parties are requested to forward their comments in writing for the attention of the B-BBEE Policy Unit to the following address (es):


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Dr Rob Davies, MP
Minister of Trade and Industry

22/03/2018

KEY AMENDMENTS

1. The Introduction of the Youth Employment Service Initiative and B-BBEE Recognition
2. Principles for Unincorporated Joint Ventures
3. Clarifications around Exempted Micro Enterprises and Qualifying Small Enterprises
4. The Enhanced B-BBEE Recognition Level for Generic Enterprises

GENERAL EXPLANATORY NOTE

[] Words in bold type in square brackets indicate deletions from existing enactments

_____ Words underlined with a solid line indicate insertions into existing enactments

AMENDED CODE SERIES 000: FRAMEWORK FOR MEASURING BROAD-BASED BLACK ECONOMIC EMPOWERMENT

STATEMENT 000: GENERAL PRINCIPLES AND THE GENERIC SCORECARD

Issued under section 9 of the Broad-Based Black Economic Empowerment Act of 2003, as amended

Arrangement of this statement:

Para	Subject	Page
1	Objectives of this statement.....	[2] 4
2	Key principles.....	[2] 4
3	Application of the Codes.....	[3] 5
4	Eligibility as an Exempted Micro Enterprise.....	[4] 9
5	Eligibility as a Qualifying Small Enterprise.....	[5] 10
6	[Start-up enterprises] <u>Eligibility as a Generic Enterprise</u>	[5] 10
7	[The Element of B-BBEE in terms of Generic Scorecard] <u>Eligibility of Joint Ventures and Start-up Enterprises</u>	[6] 11
8	<u>The Generic Scorecard</u>	[7] 13
9	[Enhanced recognition for certain categories of Black People] <u>The B-BBEE Generic Scorecard</u>	[8] 14

10	[Transitional Period] <u>Enhanced Recognition for certain categories of black people</u>	[8] 16
11	<u>The Youth Employment Service</u>	16
11	Adjustment of Threshold.....	[9] 23
12	Duration of the Codes.....	[9] 23

1 OBJECTIVES OF THIS STATEMENT

- 1.1 Specify the interpretative principles of Broad-Based Black Economic Empowerment(B-BBEE);
- 1.2 Specify the application of the Codes and the basis for measurement under the Codes;
- 1.3 Indicate the qualifying thresholds for Measured Entity to qualify as Exempted Micro-Enterprises (EME) or Qualifying Small Enterprises (QSE);
- 1.4 Specify the method of measuring Start-Up Enterprises;
- 1.5 Specify the elements of B-BBEE measurable under the Generic Scorecard and Qualifying Small Enterprises;
- 1.6 Specify the basis for determining compliance by Entities with the Codes; and
- 1.7 **[Provide for the Transitional Period before the compulsory use of the Generic and Qualifying Small Enterprise Scorecard starts.]**

2. KEY PRINCIPLES

- 2.1 The fundamental principle for measuring B-BBEE compliance is that substance takes precedence over legal form.

- 2.2 In interpreting the provisions of the Codes any reasonable interpretation consistent with the objectives of the B-BBEE Act as amended and the B-BBEE Strategy must take precedence.
- 2.3 The basis for measuring B-BBEE initiatives under the Codes is the B-BBEE compliance of the Measured Entity at the Date of Measurement.
- 2.4 Any misrepresentation or attempt to misrepresent a Measured Entity's true B-BBEE Status will be dealt with in accordance with the provisions as set out in the B-BBEE Act as amended, and may lead to the disqualification of the entire scorecard of the entities concerned.
- 2.5 Initiatives which split, separate or divide a Measured Entity as a means of ensuring eligibility as an Exempted Micro-Enterprise, a Qualifying Small Enterprise or a Start-Up Enterprise may constitute an offence and will be dealt with in accordance with the provisions as set out in the B-BBEE Act as amended.
- 2.6 Any representation made by an Entity about its B-BBEE compliance must be supported by suitable evidence or documentation. A Measured Entity that does not provide evidence or documentation supporting any initiative must not receive any recognition for that initiative.
- 2.7 Wherever a Standard Valuation Method applies to measuring an indicator, the same standard should apply, as far as reasonably possible, consistently in all other applicable calculations in this statement.

3. APPLICATION OF THE CODES

3.1 The following Entities are measurable under the Codes:

3.1.1 all Organs of State and Public Entities;

3.1.2 all Measured Entities that undertake any economic activity with all Organs of State and Public Entities;

3.1.3 any other Measured Entity that undertakes any economic activity, whether direct or indirect, with any other Measured Entity that is subject to measurement under paragraph 3.1.1 to 3.1.2 and which is seeking to establish its own B-BBEE compliance.

3.2 The basis for measuring the B-BBEE compliance of an Entity in terms of paragraph 3.1 is:

3.2.1 Paragraph 4, in the case of an Exempted Micro-Enterprise;

3.2.2 Paragraph 5.3 in the case of a Black Owned QSE

3.2.3 Paragraph 6.3 in the case of a Black Owned Generic Enterprise, where applicable

3.2.4 The Generic Scorecard and QSE Scorecard, in the case of other Measured Entities.

3.2.5 A Measured Entity in a sector in respect of which a sector code has been issued in terms of Section 9 of the BBBEE Act as amended, may only be measured for compliance in accordance with that code.

3.3 PRIORITY ELEMENTS, SUBMINIMUM AND DISCOUNTING PRINCIPLE

3.3.1 The Priority Elements are as follows:

3.3.1.1 Ownership:

3.3.1.1.1 The sub-minimum requirement for Ownership is 40% of Net Value (40% of the 8 points) based on the Time Based Graduation Factor as provided in Annexe 100 (E).

3.3.1.2 Skills Development:

3.3.1.2.1 The sub-minimum requirement for Skills Development is 40% of the total weighting points excluding bonus points (40% of the 20 points) for Skills Development.

3.3.1.3 Enterprise and Supplier Development:

3.3.1.3.1 The sub-minimum requirement for Enterprise and Supplier Development is 40% of the total weighting points for each of the three categories, excluding bonus points, within the Enterprise and Supplier Development element, namely preferential procurement (40% of the 25 points); Supplier development (40% of the 10 points) and Enterprise **[d]**Development (40% of the 5 points).

3.3.2 COMPLIANCE TO PRIORITY ELEMENTS

3.3.2.1 A Large Enterprise is required to comply with all the Priority Elements, with the exception of Black Owned Enterprises which qualify for Enhanced Recognition as per paragraph 6.3.

3.3.2.2 A Qualifying Small Enterprise is required to comply with Ownership as a compulsory element, and either Skills Development or Enterprise and Supplier Development, with the exclusion of black-owned QSEs in terms of paragraph 5.3 below.

3.3.3 DISCOUNTING PRINCIPLE EFFECT

3.3.3.1 Qualifying Small Enterprises or Generic Enterprises that fails to meet the 40% sub-minimum requirements of any of the priority elements as per paragraph 3.3.1 above, will have its B-BBEE status level discounted one level down **[Non-compliance with the 40% sub-minimum requirements of any of the priority elements, as per paragraph 3.4.2 above, will result in the following outcomes for both Large Enterprises and Qualifying Small Enterprises]:**

3.3.3.2 The discounted level will be recorded and be the applicable status level for that Measured Entity **[until the next applicable verification period, in which the Measured Entity can**

demonstrate compliance with the 40% sub-minimum requirements].

3.3.3.3 Notwithstanding the recognition in 3.3.3.1 above, the Measured Entity will recognise the actual points achieved below the 40% sub-minimum requirements.

3.4.3.1.1.1. The actual points scored by the Measured Entity and the consequent level that the Measured Entity would have achieved were it not for non-compliance with the 40% sub-minimum requirements will be recognised by the Verification Agency ("the Recognition Level");

3.4.3.1.1.2. [Notwithstanding the recognition in 3.4.3.1.1 above, the Measured Entity's B-BBEE status level will be discounted by one level down until the next applicable verification period in which the Measured Entity can demonstrate compliance with the 40% sub-minimum requirements, at which point the Recorded Level will become the applicable ratings level for that Measured Entity in that verification period.]

3.5 The requirement to submit data to the Department of Labour under the Employment Equity Act 55 of 1998 is only applicable to 'designated employers' who employ 50 or more employees. However, for the purpose of measurement for both Generic and Qualifying Small Entities that employ less than 50 employees are required to submit sufficient evidence for verification purposes.

4. ELIGIBILITY AS AN EXEMPTED MICRO ENTERPRISE (EME)

4.1 Any enterprise with an annual Total Revenue of R10 Million or less qualifies as an Exempted Micro-Enterprise.

4.2 Start-Up Enterprises are regarded as Exempted Micro Enterprises.

4.3 An Exempted Micro-Enterprise is deemed to have a B-BBEE Status of “Level Four Contributor” having a B-BBEE recognition level of 100% under paragraph 8.2.

4.4 Enhanced B-BBEE recognition level for an Exempted Micro-Enterprise:

4.4.1 Despite paragraphs 4.2 an EME which is 100% Black owned, measured using the flow-through principle, qualifies for elevation to “Level One Contributor” having a B-BBEE recognition level of 135%.

4.4.2 Despite paragraph 4.2 and 4.3.1, an EME which is at least 51% Black owned, measured using the flow-through principle, qualifies for elevation to “Level Two Contributor” having a B-BBEE recognition level of 125%.

4.5 Despite paragraphs 4.3 and 4.4 [**4.2 and 4.3**], an EME is allowed to be measured in terms of the QSE scorecard should they wish to. **[maximise their points and move to a higher B-BBEE recognition level.]**

4.6 An EME is only required to obtain a sworn affidavit or Certificate issued by Companies and Intellectual Property Commission (CIPC) on an annual basis, confirming the following:

4.6.1 Annual Total Revenue of R10 million or less; and

4.6.2 Level of Black ownership.

4.7 Any misrepresentation in terms of Para **[4.5]** 4.6 above constitutes a criminal offence as set out in the B-BBEE Act as amended.

5. ELIGIBILITY AS A QUALIFYING SMALL ENTERPRISE[S] (QSE)

5.1 A Measured Entity with an annual Total Revenue of between R10 million and R50 million qualifies as a Qualifying Small Enterprise.

5.2 A QSE must comply with all of the elements of B-BBEE for the purposes of measurement.

5.3 Enhanced B-BBEE recognition level for QSE:

5.3.1 Despite paragraph 5.2 above, a Qualifying Small Enterprise which is 100% Black owned, measured using the flow-through principle, qualifies for [a] elevation to a "B-BBEE Level One Contributor" having a B-BBEE recognition level of 135%.

5.3.2 Despite paragraph 5.2 above, a Qualifying Small Enterprise which is at least 51% Black owned, measured using the flow-through principle, qualifies for [a] elevation to a "B-BBEE Level Two Contributor" having a B-BBEE recognition level of 125%.

5.3.3 A Black Owned QSE in terms of paragraph 5.3. above, is only required to obtain a sworn affidavit on an annual basis, confirming the following:

5.3.3.1 Annual Total Revenue of between R10 million and R50 million [or less]; and

5.3.3.2 Level of Black ownership.

5.4 Despite paragraphs 5.3 a QSE is allowed to be measured in terms of the QSE scorecard should they wish to.

5.5 Any misrepresentation in terms of Para 5.3 above constitutes a criminal offence as set out in the B-BBEE Act as amended

6. ELIGIBILITY AS A GENERIC ENTERPRISE

6.1 Any enterprise with an annual Total Revenue of R50 Million and more qualifies as a Large Enterprise.

6.2 A Large Enterprise must comply with all of the elements of B-BBEE for the purposes of measurement

6.3 Enhanced B-BBEE recognition level for a Generic Enterprise:

6.3.1 Despite paragraph 6.2 above, a Generic Enterprise which is 100% Black owned, measured using the flow-through principle only, qualifies for elevation to a "B-BBEE Level One Contributor" having a B-BBEE recognition level of 135%

6.3.2 Despite paragraph 6.2 above, a Generic Enterprise which is at least 51% Black owned, measured using the flow-through principle only, qualifies for elevation to a "B-BBEE Level Two Contributor" having a B-BBEE recognition level of 125%

6.3.3 A Generic Enterprise that meets the provisions under 6.3.1 and 6.3.2 is only required to obtain a B-BBEE Verification Certificate verifying the element of Ownership

6.3.4 Generic Enterprises cannot benefit from the enhanced B-BBEE Recognition Level if one or more of the following is utilised or recognised in the calculation of Black Ownership:

6.3.4.1 The Modified Flow Through Principle as per Paragraph 3.4 of Amended Code Series 100, Statement 100

6.3.4.2 The Exclusion Principle as per Paragraph 3.5 of Amended Code Series 100, Statement 100

6.3.4.3 The B-BBEE Facilitator Status as per Paragraph 3.6 of Amended Code Series 100, Statement 100

6.3.4.4 Private Equity Funds as per Paragraph 3.10 of Amended Code Series 100, Statement 100

6.3.4.5 The Exclusion of Mandated Investments as per Paragraph 3.7 of Amended Code Series 100, Statement 100

6.3.4.6 Sale of Assets, Equity Instruments, and Other Businesses as per Amended Code Series 100, Statement 102

6.3.4.7 Ownership After the Sale or Loss of Shares by Black Participants as per Paragraph 3.8 of Amended Code Series 100, Statement 100

7. ELIGIBILITY OF JOINT VENTURES AND START-UP ENTERPRISES:

7.1 The measurement of Unincorporated Joint Ventures will be done as follows:

7.2 Unincorporated Joint Ventures are required to compile a consolidated verification certificate. A consolidated verification certificate will consolidate the verified compliance data of joint venture partners in accordance with paragraph 7.2.1.1 below as if those Measured Entities were a single Measured Entity.

7.2.1.1 The consolidation of compliance data shall be based on a weighting in accordance with the joint venture agreement relevant to the specific joint venture. Therefore, should two companies enter into an Unincorporated Joint Venture their respective scores in terms of the relevant Code of Good Practice will be weighted according to their proportionate share in the joint venture and added together for a combined score out of 100.

7.2.1.2 Should a company qualify in terms of the Qualifying Small Enterprise Scorecard its B-BBEE score out of 100 must be used to calculate the consolidated score.

7.2.1.3 51% Black Owned or 100% Black Owned EME's and QSE's will qualify for a score of 95 or 100 Points respectively.

7.2.1.4 EME's other than those in paragraph 2.1.4.4 above will qualify for a score of 85 Points.

7.2.1.5 The JV B-BBEE Certificate is valid for 12 Months and only applicable to a specific Project.

[6. START-UP ENTERPRISES

6.1 Start-up Enterprise must be measured as an Exempted Micro-Enterprise under this statement for the first year following their formation or incorporation. This provision applies regardless of the expected total revenue of the Start-up Enterprise.]

7.3 Start-up Enterprise is deemed to have the qualifying B-BBEE Status in accordance with the principles of paragraph 4 of this Statement.

7.4 Despite paragraphs 7.1 and 7.2, a Start-up Enterprise is allowed to be measured in terms of the QSE scorecard should they wish to maximise their points and move to a higher B-BBEE recognition level.

7.5 Despite paragraph 7.1 and 7.2, a Start-up Enterprise must submit a QSE scorecard when tendering for any contract, or seeking any other economic activity covered by Section 10 of the Act, with a value higher than R10 million but less than R50 million. For contracts of R50 million or more they should submit the Generic scorecard. The preparation of such scorecards must use annualised data.

8. The GENERIC SCORECARD

8.1 The Ownership Element, as set out in Code series 100, measures effective ownership of entities by Black people.

8.2 The Management Control element, as set out in Code series 200, measures the effective control of entities by Black people.

8.3 The Skills Development element, as set out in Code series 300, measures the extent to which employers carry out initiatives designed to develop the competencies of Black employees and Black people internally and externally.

- 8.4** The Enterprise and Supplier Development element, as set out in Code Series 400, measures the extent to which entities buy goods and services from Empowering Suppliers with strong B-BBEE recognition levels. This element also measures the extent to which enterprises carry out supplier development and enterprise development initiatives intended to assist and accelerate the growth and sustainability of black enterprises.
- 8.5** The Socio-Economic Development and Sector Specific Contributions element, as set out in Code series 500, measures the extent to which entities carry out initiatives that contribute towards Socio-Economic Development or Sector Specific initiatives that promote access to the economy for Black people.

9. The B-BBEE GENERIC SCORECARD

9.1 The following table represents the B-BBEE Generic Scorecard

Element	Weighting	Code series reference
Ownership	25 points	100
Management Control	[15] 19 points	200
Skills Development	20 points (Plus 5 Bonus Points)	300
Enterprise and Supplier Development	40 points (Plus 4 Bonus Points)	400
Socio-Economic Development	5 points	500
<u>Total</u>	<u>109 (118) Points</u>	

9.2 B-BBEE RECOGNITION LEVELS

9.2.1 Based on the overall performance of a Measured Entity using the Generic Scorecard and Qualifying Scorecard Enterprise Scorecard, the Measured Entity will receive one of the following B-BBEE Status uses with the corresponding B-BBEE recognition level:

B-BBEE Status	Qualification	B-BBEE recognition level
Level One Contributor	≥100 points on the Generic Scorecard	135%
Level Two Contributor	≥ 95 but <100 points on the Generic Scorecard	125%
Level Three Contributor	≥90 but <95 points on the Generic Scorecard	110%
Level Four Contributor	≥80 but <90 points on the Generic Scorecard	100%
Level Five Contributor	≥75 but <80 points on the Generic Scorecard	80%
Level Six Contributor	≥70 but <75 points on the Generic Scorecard	60%
Level Seven Contributor	≥55 but <70 points on the Generic Scorecard	50%
Level Eight Contributor	≥40 but <55 points on the Generic Scorecard	10%
Non-Compliant Contributor	<40 points on the Generic Scorecard	0%

10. ENHANCED RECOGNITION FOR CERTAIN CATEGORIES OF BLACK PEOPLE

10.1 Throughout the Codes, various criteria appear which advance the interests of certain categories of Black people. These include:

10.1.1 Black women, should form between 40% and 50% of the beneficiaries of the relevant Elements of the Scorecard;

10.1.2 Black people with disabilities, Black youth, Black people living in rural areas and Black unemployed people form part of the beneficiaries of the relevant Elements of the Scorecard.

11. YOUTH EMPLOYMENT SERVICE

11.1 The Youth Employment Service (Y.E.S) Initiative is to provide for, and institute, Broad-Based Black Economic Empowerment (B-BBEE) Recognition for Y.E.S Eligible Measured Entities and qualification criteria applicable to, the B-BBEE Recognition for Job Creation.

11.2 QUALIFICATION FOR REGISTRATION FOR THE Y.E.S INITIATIVE

11.2.1.1 Generic entities with Total Revenue above R50 Million per annum must achieve at least the 40% sub-minimum as per paragraph 3.3 under each of the priority elements of the generic B-BBEE scorecard. Alternatively, Generic entities must achieve an average of 50% across the three priority elements utilising principles under paragraph 3.3;

11.2.1.2 Generic Entities must score full points on 2.1.1.2 of the Skills Development Scorecard;

11.2.1.3 QSEs with an annual Total Revenue between R10 Million and R50 Million, must achieve at least 40% in two of the three priority elements, with Ownership being one of the two elements

utilising principles under paragraph 3.3. Alternatively, QSEs must achieve an average score of 40% across two priority elements utilising principles under paragraph 3.3. with Ownership being one of the two elements;

11.2.1.4 EMEs with an annual Total Revenue below R10 Million per annum, have no sub-minimum eligibility requirements; and

11.2.1.5 Y.ES Entities must ensure that they maintain or improve the B-BBEE Status Level and performance against the Targets under the overall Scorecard obtained in the prior year before participating in the Y.E.S.

11.3 THE Y.E.S TARGETS

11.3.1 Generic Entities:

11.3.2 Targets for Generic Entities will be the Higher between (i), (ii) and (iii) below:

- (i) 1.5% of the Y.E.S entity's headcount in the preceding year; **OR**
- (ii) 1.5% of the Y.E.S entity's average Net Profit After Tax (NPAT) from South African operations in the immediately preceding three years, converted to a headcount number by dividing that NPAT number by R55,000; **OR**
- (iii) a target as determined in Table 1 - Annexure A.

Calculation of NPAT example: For example, if Company A has an average NPAT of R500m over the past three financial years, their Y.E.S target will be set by converting R7.5m (1.5% of a R500m NPAT) to a headcount number of 137 employees (R7 500 000 / R55 000).

Headcount vs NPAT example: For example, if Company B employs 10 000 employees and has an average NPAT of R100 Million, the target calculation would be as follows:

Target based on NPAT: (1.5% of R100 000 000) / R55 000 = 28 employees:

Target based on headcount: 1.5% of 10 000 = 150 employees

In this case Company B's new position target would be 1.5% of headcount – or 150 employees - as their NPAT target equates to less than 1.5% of their headcount.

11.3.3 QSEs AND EMEs

11.3.4 These entities target per annum are based on headcount numbers as determined in Table 2 - Annexure B.

11.3.5 The new jobs must be created in addition to existing headcount. Entities may not replace existing positions with new positions.

11.3.6 Where entities are unable to create a sufficient number of new jobs within the entity to meet their targets, they may sponsor new jobs to be placed in EMEs or QSEs. The sponsored positions will contribute to meeting the Y.E.S entity's target.

11.4 ELIGIBLE EMPLOYEES

11.4.1 Only individuals who meet the below criteria are eligible for the Y.E.S Initiative:

- are between the ages of 18 and 35; and
- meet the definition of “Black People” as defined in the Broad-Based Black Economic Empowerment Act 53 of 2003 as amended by Act 46 of 2013

11.5 B-BBEE RECOGNITION

11.5.1 The table below outlines the numerous levels of B-BBEE Recognition achievable through the Y.E.S initiative, provided the preconditions are met.

<u>B-BBEE RECOGNITION</u>	
<u>Achieve Y.E.S Target and 2.5 % Absorption</u>	<u>Move 1 B-BBEE Recognition Level up on the Scorecard</u>
<u>Achieve 1.5 x Y.E.S Target and 5% Absorption</u>	<u>Move 1 B-BBEE Recognition Level up on the Scorecard + 3 Bonus Points to the overall Scorecard</u>
<u>Double Y.E.S Target and 5 % Absorption</u>	<u>Move 2 B-BBEE Recognition Levels up on the Scorecard</u>

11.6 EMPLOYMENT CONDITIONS

11.6.1 Y.E.S Entities engaging eligible employees in new positions are subject to South African legislation governing basic conditions of employment and working conditions;

11.6.2 Y.E.S Entities are required to sign fixed term or temporary employment contracts with all eligible employees filling new positions within their Entity. These new positions must have a 12-month fulltime work experience paid for by the Entity;

11.6.3 Y.ES Entities must commit to ensuring a quality work experience is provided to the eligible employee insofar as the entity is able to provide it.

11.6.4 Clear communication must be provided to the employee should the contract not be renewed or extended into permanent placement.

11.7 INFORMAL SKILLS DEVELOPMENT SPEND FOR THE Y.E.S INITIATIVE

11.7.1 Informal Skills Development expenditure for Y.E.S employees will be recognised during the Verification Process of the Skills Development element under Amended Code Series 300, Statement 300. Entities will be able to claim up to 50% of their Skills Development Spend as Informal Training (Category F and G of the Skills Development Matrix) against the Skills Development Scorecard.

TABLE 1 - ANNEXURE A: GENERIC ENTITY TARGETS

<u>TOTAL REVENUE BAND (RM)</u>	<u>MINIMUM BLACK YOUTH JOBS</u>
<u>50 – 75</u>	<u>6</u>
<u>75 – 99</u>	<u>7</u>
<u>100 – 149</u>	<u>8</u>
<u>150 – 199</u>	<u>9</u>
<u>200 – 249</u>	<u>10</u>
<u>250 – 299</u>	<u>11</u>
<u>300 – 349</u>	<u>12</u>
<u>350 – 399</u>	<u>13</u>
<u>400 – 449</u>	<u>14</u>
<u>450 – 500+</u>	<u>15</u>

TABLE 2 - ANNEXURE B: EME / QSE HEADCOUNT TARGETS

<u>EME / QSE</u> <u>HEADCOUNT</u>	<u>Y.E.S YOUTH</u> <u>TARGET</u>	<u>EME / QSE</u> <u>HEADCOUNT</u>	<u>Y.E.S YOUTH</u> <u>TARGET</u>
<u>1 – 19</u>	<u>1</u>	<u>400 – 419</u>	<u>21</u>
<u>20 – 39</u>	<u>2</u>	<u>420 – 439</u>	<u>22</u>
<u>40 – 59</u>	<u>3</u>	<u>440 – 459</u>	<u>23</u>
<u>60 – 79</u>	<u>4</u>	<u>460 – 479</u>	<u>24</u>
<u>80 – 99</u>	<u>5</u>	<u>480 – 499</u>	<u>25</u>
<u>100 – 119</u>	<u>6</u>	<u>500 – 519</u>	<u>26</u>
<u>120 – 139</u>	<u>7</u>	<u>520 – 539</u>	<u>27</u>
<u>140 – 159</u>	<u>8</u>	<u>540 – 559</u>	<u>28</u>
<u>160 – 179</u>	<u>9</u>	<u>560 – 579</u>	<u>29</u>
<u>180 – 199</u>	<u>10</u>	<u>580 – 599</u>	<u>30</u>
<u>200 – 219</u>	<u>11</u>	<u>600 – 619</u>	<u>31</u>
<u>220 – 239</u>	<u>12</u>	<u>620 – 639</u>	<u>32</u>
<u>240 – 259</u>	<u>13</u>	<u>640 – 659</u>	<u>33</u>
<u>260 – 279</u>	<u>14</u>	<u>660 – 679</u>	<u>34</u>
<u>280 – 299</u>	<u>15</u>	<u>680 – 699</u>	<u>35</u>
<u>300 – 319</u>	<u>16</u>	<u>700 – 719</u>	<u>36</u>
<u>320 – 339</u>	<u>17</u>	<u>720 – 739</u>	<u>37</u>

<u>340 – 359</u>	<u>18</u>	<u>740 – 759</u>	<u>38</u>
<u>360 – 379</u>	<u>19</u>	<u>760 – 779</u>	<u>39</u>
<u>380 – 399</u>	<u>20</u>	<u>780 – 799</u>	<u>40</u>

11 **ADJUSTMENT OF THRESHOLDS**

The Minister may, by notice in the Gazette, adjust the thresholds in paragraphs 4 to 6. Any such changes apply to compliance reports prepared for a Measured Entity after a 12 month period following the gazetting of the adjustment.

12 **DURATION OF THE B-BBEE CODES**

12.5 A Code remains in effect until amended, substituted or repealed under Section 9 of the Act.

12.6 The Minister may review the Codes at any stage, and regular reviews will take place to monitor the implementation of B-BBEE throughout the economy.

13 **[TRANSITIONAL PERIOD**

13.5 **For the first year after the gazette of this Statement, a Measured Entity may elect to use:**

13.6 **The Amended Codes of Good Practice; or**

13.7 The Generic Scorecard in Code series 000, Statement 000 issued on 9 February 2007, notwithstanding the repeal of that Statement.

13.8 Thereafter the first year, as per paragraph 10.1, all B-BBEE compliance measurement will be in accordance with this Statement.]