

(Government Policies and Programmes)

How to achieve Black Economic Empowerment (BEE) Certification

What is in this guide?

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For any business or NPO that wants to be considered for government contracts or tenders, it is important to have the required knowledge and skills for the project and also to certify that your organisation is playing its part in transforming our country's economic activities, by actively promoting "Broad-based Black Economic Empowerment" of historically disadvantaged South Africans. This Guide tells you what is required, and how to achieve BEE Certification.

1. Why BEE certification?

Looking for BEE certification for your business? BEE is totally optional for any business in South Africa, but it is in the interest of most businesses to include BEE in their strategy, whether you require BEE certification for tenders, customers, legal or social reasons. If your turnover is less than R5m then it is much easier to obtain a certificate because your business is exempt from a detailed rating audit. If your business has a turnover of R5m or more, then you can still apply and an Accredited Rating Agent will guide you through the rating process.

2. Sectoral BEE Charters

The Department of Trade and Industry's Strategy for achieving Broad-Based Black Economic Empowerment includes specific Frameworks and Charters which have been negotiated with various business and professional sectors, to fit in with their specific needs and structures. These Sectoral BEE Charters include

- Advertising
- Agriculture
- Building & Construction
- Financial
- Forestry
- Forwarding & Clearing
- Gambling & Gaming
- Healthcare
- Information & Communication Technology (ICT)
- Liquor
- Legal
- Maritime Transport & Service Industry
- Mining
- Petroleum & Liquid Fuels
- Professions
- Tourism
- Transport

(If your business operates in one of these Sectors, contact your industry organisation for up-to-date information.)

For more information about BEE Accreditation

If you need more information about how to achieve your BEE Accreditation, contact either:

- The Regional Office of the Department of Trade & Industry (DTI) in the blue pages of your local telephone directory.
- The local Chamber of Commerce (... and consider joining, to help promote BEE in your area!)
- They will be able to put you in touch with local Accredited BEE Rating Agents, who will assess your current BEE scorecard and provide you with a certificate of your status.

A summary of the Generic BBBEE Scorecard

Department of Trade & Industry BEE scorecard		Weighting	BEE objective
Direct empowerment	Equity ownership	20%	Encourages the ownership of equity (= shares in the business) and voting rights with black people
	Management	10%	Encourages senior black decision making at Executive, Board and Senior management levels
Employment equity	Employment equity	15%	Encourages companies to identify and recruit black people at professional, middle and lower management positions
	Skills development	15%	Encourages companies to develop black talent through investing in skills development and learnerships
Indirect empowerment	Preferential procurement	20%	Measures the extent to which enterprises procure from BEE rated companies. Encourages spend on Small and Micro-enterprises and Black owned companies
	Enterprise development	15%	Encourages development or expansion of black small/medium enterprises
Residual	Socio-economic	5%	Encourages initiatives intended to directly provide black people with opportunities for generating income for themselves

- Performance against this BEE Scorecard is assessed on an annual basis
- Accredited Rating Agents will perform the rating

(Source: DTI Codes of Good Practice)