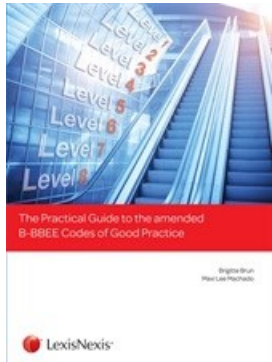


B-BBEE has become a complex set of rules and calculations

By [Brigitte Brun](#)

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On 1 July, 2014, Sandile Zungu, member of the Presidential Broad-Based Black Economic Empowerment Council, will officially launch a new book that aims to be a strategic tool to assist companies to meet the new challenges of transformation.



Some of the questions to be debated at the launch of The Practical Guide to the Amended B-BBEE Codes of Good Practice, published by LexisNexis South Africa, are:

- Should Broad-Based Black Economic Empowerment have a sunset clause, or is the new policy actually a sunrise clause (a new era in economic transformation policies)?
- What are some of the issues facing companies in dealing with the transition from the old to the new Broad-Based Black Economic Empowerment Codes?
- What will the impact of the change from 50.1% to 51% black owned as a definition mean in the codes?

Broad-Based Black Economic Empowerment has become a complex set of rules and calculations for organisations to follow. The revision of the Broad-Based Black Economic Empowerment Codes represents the first major overhaul since the codes were published in February 2007 and will have a significant impact on all companies in all sectors of the economy.

Requirement removed

All the current sector codes are being aligned, presently, to fall in line with these revisions. The amended codes have placed the challenge of transformation squarely onto the shoulders of businesses with less than 51% black shareholding or large businesses with an annual turnover of more than R50 million irrespective of shareholding quota. Controversially, this removes the requirement for both racial and gender transformation for a significant number of South African companies. It will be interesting to review the impact of this policy change in a few years, especially if it is the small to medium business sector where reliance is being placed for the growth of the economy.

The issue of sub-race division of the black group will always remain controversial and the amended codes have restricted this definition to only two of its five elements. In essence, South African organisations will have to ensure that diversity of both sub-race and gender is apparent, to score well in the scorecard. For example, any business that has only one sub-race group represented in its managerial structure (African males), will not score optimally. To do this, men, women, African, Indian and coloured need to be represented in proportion to their Economically Active Population statistics in the country.

Broad-Based Black Economic Empowerment is an important policy to help South African organisations meet the challenges of a transformed economy. Sadly, it has become a very complex tool with the need for consultants, specialists and other advisers. The launch of the book and its associated scorecard calculator app, aims to assist companies to meet these challenges.

ABOUT BRIGITTE BRUN

Brigitte Brun is co-author of the new LexisNexis publication, The Practical Guide to the Amended B-BBEE Codes of Good Practice.
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