

Old Mutual's Black empowerment share scheme an industry first

 By [Katja Hamilton](#)

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Old Mutual has approved a new broad-based economic empowerment (B-BBEE) ownership scheme - a first for the insurance sector.



Source: Supplied.

Dubbed, Bula Tsela, which in Sesotho means "pave the way", the new scheme will help the group achieve its target of achieving at least 30% Black ownership.

"This deal underpins our firm belief that real transformation is necessary to sustain business growth and serve the best interests of all South Africans," chief executive officer Iain Williamson said in a statement.

"Making room for those earning lower incomes is another first for South Africa."

Black members of the South African public will be able to subscribe to the retail share scheme which will, in turn, subscribe for around 63.6 million of these new Old Mutual shares.

Qualifying participants can buy a minimum of 200 retail scheme shares for R2,000, payable upfront, or if they do not have

access to that amount of money, they can buy 100 retail scheme shares for R1,000, payable over a 12-month period.



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Eligible Black South African Old Mutual employees are also allowed to apply through existing employee share ownership trusts (Esop trusts), that will hold approximately 78.1 million of these new Old Mutual shares.

"We will provide eligible employees throughout the Old Mutual group (including non-Black South Africans) with an opportunity to share in the success of the Old Mutual group and an incentive to deliver the Old Mutual group's business strategy over the long term, the insurance giant [stated](#).

A community trust will hold the balance of these new Old Mutual shares, or 63.6 million, the dividend on which will be used to benefit qualifying Black South African community beneficiaries.

Old Mutual shareholders approved the Old Mutual Bula Tsela Retail Scheme on Friday, 12 August 2022.

Applications to the retail scheme will open on Monday 22 August 2022

ABOUT KATJA HAMILTON

Katja is the Finance, Property and Healthcare Editor at Bizcommunity.

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