

BROAD-BASED BLACK ECONOMIC EMPOWERMENT POLICY FRAMEWORK

AMENDMENTS OF THE CODES OF GOOD PRACTICE

February 2026

Mr. Jacob Maphutha - Chief Director
the dtic, B-BBEE Policy



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CONTENT OF THE PRESENTATION



- **CONSTITUTIONAL MANDATE**
- **B-BBEE ACT PREAMBLE**
- **OVERVIEW OF B-BBEE**
- **B-BBEE LEGISLATIVE FRAMEWORK**
- **INSTITUTIONS WITHIN B-BBEE LEGISLATION**
- **B-BBEE ACT**
- **RATIONAL FOR THE AMENDMENTS**
- **KEY AMENDMENT AREAS OF THE B-BBEE CODES**
- **WAYFORWARD**

B-BBEE ACT

“A nation will not survive morally or economically when so few have so much and so many have so little.”

Sen. Bernie Sanders



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CONSTITUTIONAL AND HISTORICAL BASIS

Constitutional Mandate

Section 9(2) of the Bill of Rights mandates equality, allowing legislative measures to advance historically disadvantaged groups; B-BBEE aligns with this mandate.

01



02

Apartheid's Legacy

Apartheid systematically excluded black South Africans from economic activities; B-BBEE seeks to rectify these injustices and promote social cohesion.



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B-BBEE ACT

“to promote the achievement of the constitutional right to equality, increase broad-based and effective participation of black people in the economy and promote a higher growth rate, increased employment and more equitable income distribution.”

B-BBEE PREAMBLE



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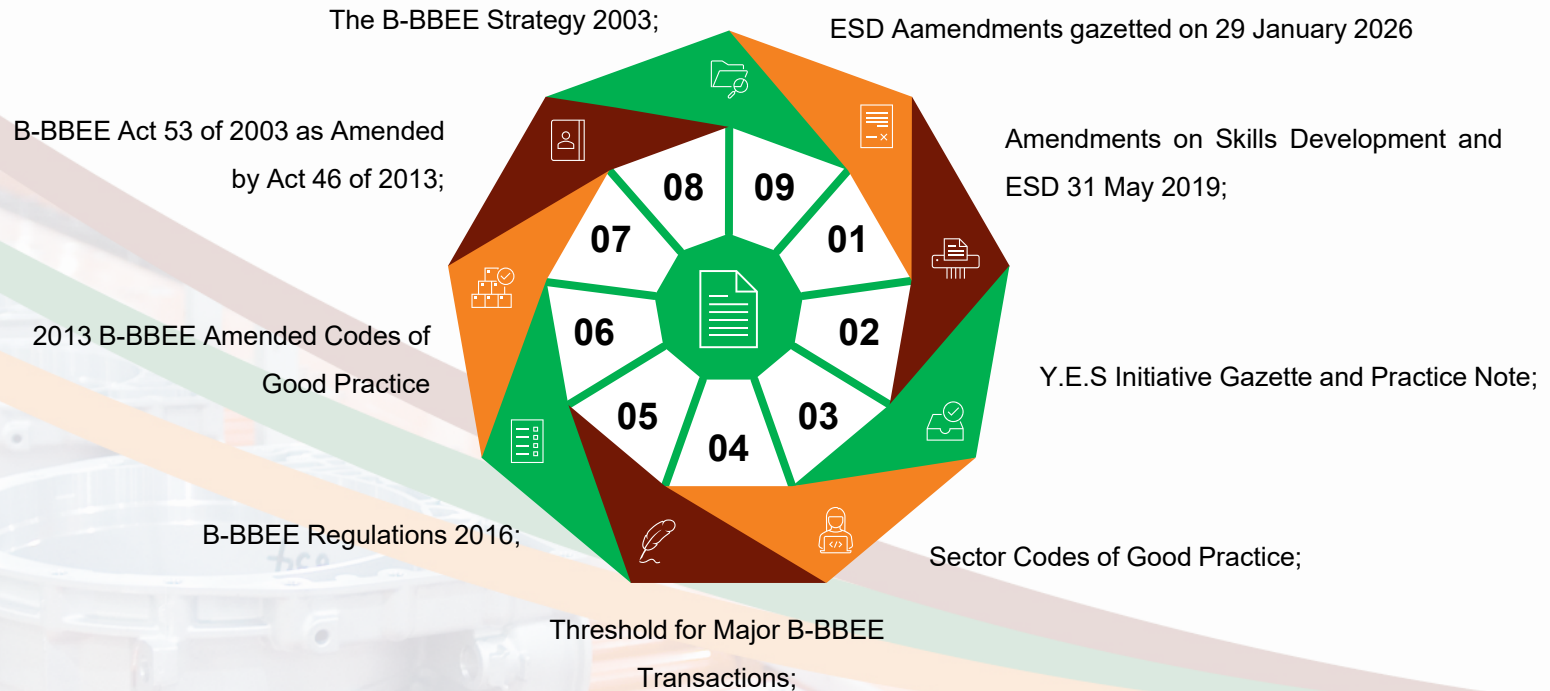
THE B-BBEE JOURNEY

- ❖ Constitution 1996;
- ❖ BEE Commission Report in 1998 – Economic Development, Social Transformation and Political Buy-In
- ❖ B-BBEE Strategy of 2003;
- ❖ Legislative framework - the B-BBEE Act no. 53 of 2003;
- ❖ Codes of Good Practice for B-BBEE 2007 (implementation);
- ❖ First Baseline study on B-BBEE in 2008;
- ❖ Gazette of various Sector Codes;
- ❖ Appointment of the first Presidential B-BBEE Advisory Council in 2009;
- ❖ Second Baseline Study on B-BBEE in 2013;
- ❖ Amendment of B-BBEE Act and Codes of Good Practice in 2013;
- ❖ Implementation of the Amended Codes of Good Practice 1 May 2015;
- ❖ Establishment of the B-BBEE Commission in 2016;
- ❖ BI Programme approved and launched in 2016;
- ❖ B-BBEE Commission Reports on National Status of Transformation since 2017;
- ❖ **the dtic** commissioned a study to assess the utilisation and impact of corporate enterprise and supplier development Funds in 2019;
- ❖ B-BBEE Commission Report on ESD of 2022;
- ❖ Implementation of Amended Statement 000, 300, 400, and Schedule 1 on 01 December 2019
- ❖ Gazetted Statement 000, 103, 004, 400, 600, and Schedule 1, on 29 January 2026 for 60-day public comment



LEGISLATIVE FRAMEWORK

The Framework for Broad-Based Black Economic Empowerment (B-BBEE) has the following pieces of Legislation:



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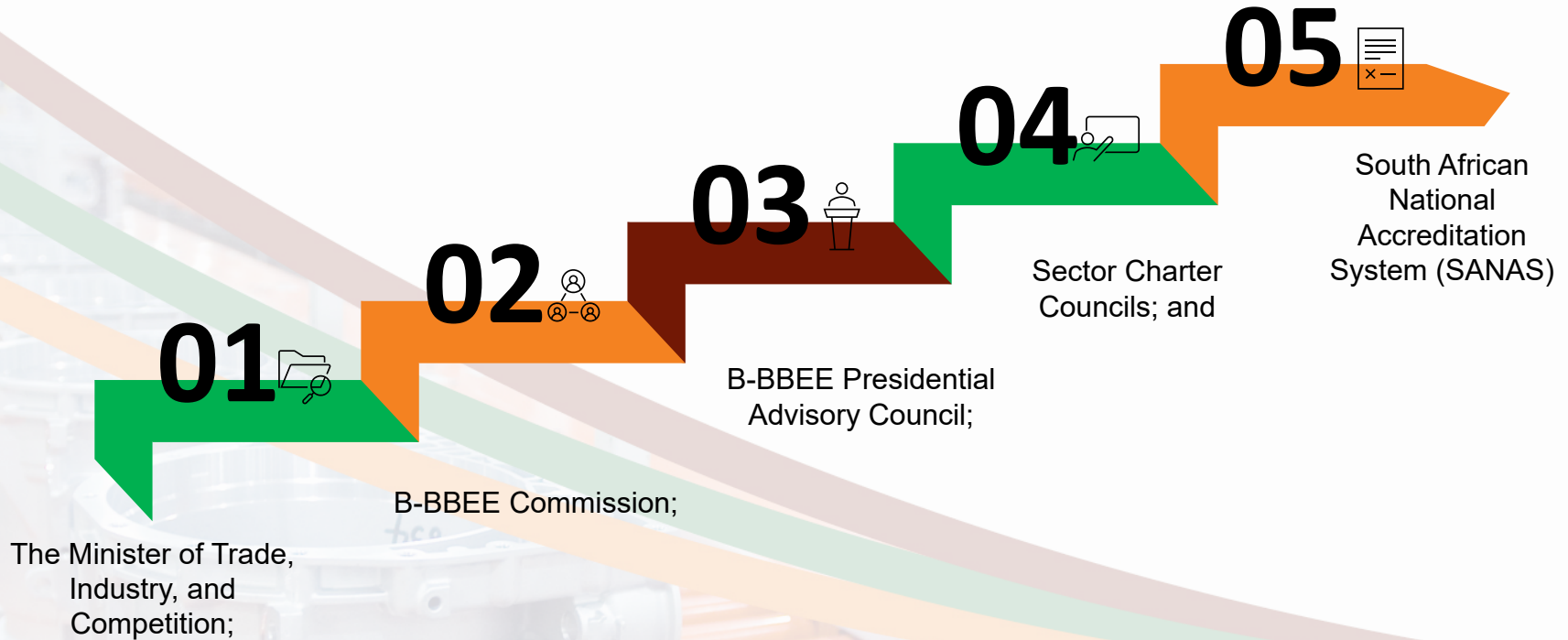
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INSTITUTIONS WITHIN B-BBEE LEGISLATION

The Institutions within B-BBEE Legislation are as follows:



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THE B-BBEE ACT

BLACK PEOPLE AS DEFINED IN THE B-BBEE ACT

'Black People' is a generic term which means Africans, Coloureds, and Indians -

- a) who are citizens of the Republic of South Africa by birth or descent: or
- b) who became citizens of the Republic of South Africa by naturalisation –
 - (i) Before 27 April 1994; or
 - (ii) On or after 27 April 1994, and who would have been entitled to acquire citizenship by naturalisation prior to that date



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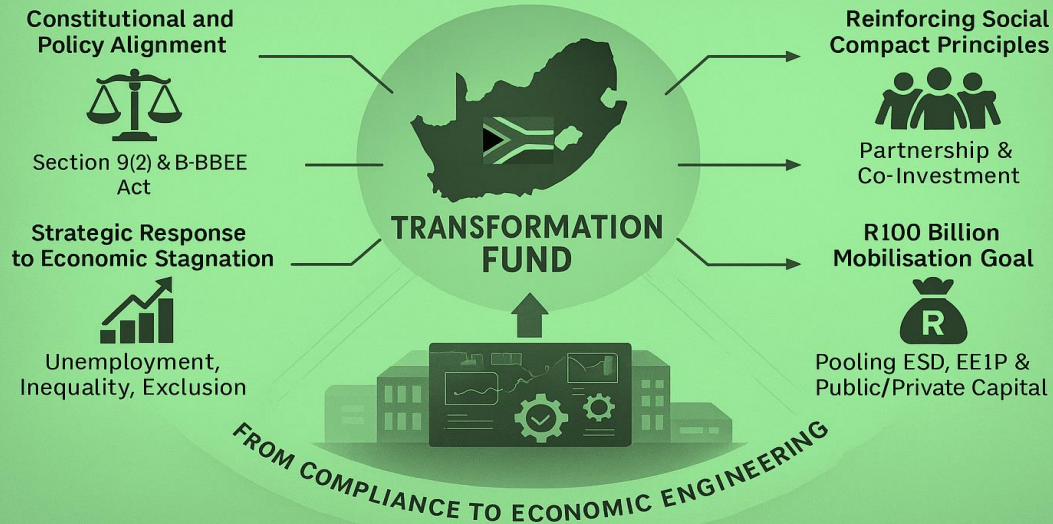
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WHY TRANSFORMATION FUND

Positioning the Transformation Fund in South Africa's Economic Agenda



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TRANSFORMATION FUND OPERATIONAL MODEL

Funds for Transformation

Corporate ESD & EEIP

Government
Departments,
Competition Bodies &
ED Agencies

Local & International
DFIs

Commercial Banks

Venture Capital &
Private Equity

NGO & Donors & Angel
Investors

CFI & Savings Groups

Transformation Fund *Ecosystem*

Governance: SPV Structure

Access to Capital:
Mobilize & Record
All Capital
Designated for
Inclusivity-led
Microeconomic
Empowerment &
Transformation

Telemetry

Access to Capability

Access to Markets

**Access to Capital:
Distribution**

Transformation
Fund SPV

Government
Departments &
ED Agencies

Private
Intermediaries

Public & Private
DFIs

Corporate ESD

Black-owned Beneficiaries

Informal-> Formal

Startups

MSME – Stable

MSME - Growth

Large – M&A

Cooperatives

Community Trusts,
Worker Share Ownership

Women, Youth & PwD

THE B-BBEE ACT

Section 10 (1) – Status of Codes of Good Practice states the following:

- *Every organ of state and public entity **must** apply any relevant code of good practice issued in terms of this Act in*
- *Determining qualification criteria for the issuing of licenses, concessions, or other authorisations in respect of economic activity in terms of any law;*
- *Developing and implementing a preferential procurement policy;*
- *Determining qualification criteria for the sale of state-owned enterprises;*
- *Developing criteria for entering into partnerships with the private sector; and*
- *Determining criteria for the awarding of incentives, grants, and investment schemes in support of Broad-Based Black Economic Empowerment.*

PROPOSED B-BBEE AMENDMENTS

- The Minister has approved the amendments to the following parts of the Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice:
 - **Statement on Schedule 1 (Interpretations and Definitions)**
 - **Statement 000 (General Principles),**
 - **Statement 103 (Equity Equivalent Investment Programme for Multinationals)**
 - **Statement 004 (Scorecard for Specialised Enterprises),**
 - **Statement 400 (Enterprise and Supplier Development), and**
 - **Code Series 600 (Codes for Qualifying Small Enterprises), for a 60 days public commentary period.**
- The amendments are mainly for the implementation of the Transformation Fund.
- **the dtic** gazetted amendments on 29 January 2026 focusing on re-engineering ESD to support the Transformation Fund. Stakeholders and members of the public should provide inputs during the 60 days public commentary period.
- This is the commencement of the broader review of the B-BBEE policy.
- A Code remains in effect until amended, substituted or repealed under Section 9 of the Act.
- 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.



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RATIONAL FOR B-BBEE AMENDMENTS

- Introduce Transformation Fund as a fourth category under ESD. Further clarify how the sub-minimum principle shall apply to Transformation Fund category.
- Provide a standard definition of Transformation Fund aligned to the provisions in the Transformation Fund Framework.
- Equity Equivalent programmes has been identified as one of the sources for Transformation Fund. Ensure that upfront when applying multinationals are aware that EEIP shall contribute towards the fund.
- Provide measurement principles and targets for the measurement of Transformation Fund under ESD.
- Strengthen provisions on bonus points, ensure that bonus are based on measurement of outcomes and impact and not activities.
- Strengthen the provisions on ESD for sustainable empowerment of black owned enterprises and black owned MSME
- Strengthen the ESD element to measure impact and outcomes. Ensure that actual and relevant benefits and interventions accrue to beneficiaries



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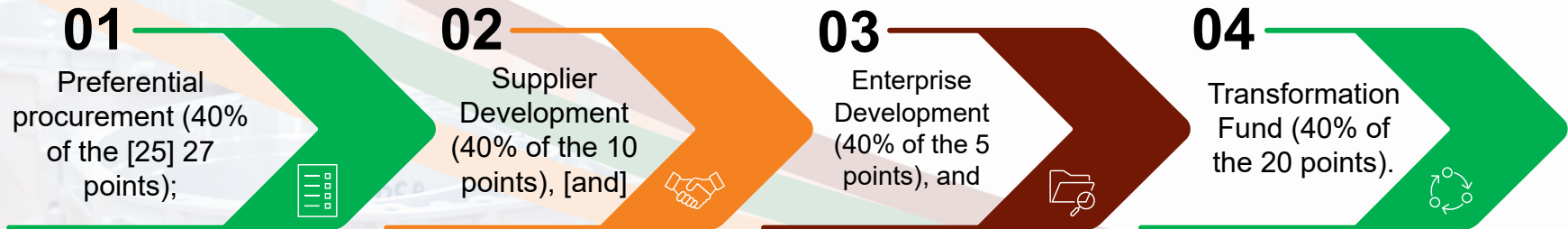


DRAFT STATEMENT 000 – PRIORITY ELEMENTS, SUBMINIMUM AND DISCOUNTING PRINCIPLE

The Following Key Amendments are Proposed in Draft Statement 000:

3.3.1.3 Enterprise Development, [and] Supplier Development, and Transformation Fund:

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]** four categories, excluding bonus points, within the Enterprise Development, **[and]** Supplier Development and Transformation Fund element, namely:



KEY AMENDMENTS ON THE B-BBEE

SCHEDULE 1 – Interpretations and Definitions

“Transformation Fund” means an aggregated mechanism to accelerate economic transformation and support Black enterprises, particularly EMEs and QSEs. It aims to pool resources from measured entities to create a scalable impact rather than fragmented individual ESD initiatives.



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STATEMENT 000 GENERIC SCORECARD

Elements	Current Generic Scorecard		Compliance Targets	Amended Generic Scorecard	
	Weighting	Bonus Points		New Codes	
				Weighting Points	Bonus Points
Ownership	25	0	25% + 1 vote	25	0
Management Control	19	0	(50% to 88%)	19	0
Skills Development	20	5	6% of payroll	20	5
Enterprise & Supplier Development	[40]	[4]	PP = 80% SD = 2% (NPAT) * ED = 1% (NPAT) * TF = 3% (NPAT) *	62 (the maximum points an entity can score is 47)	6
Socio Economic Development	5	0	1% (NPAT) *	5	0
Sub Total	[109]	[9]		<u>131</u>	<u>11</u>
Total	[109]			<u>142</u>	

B-BBEE RECOGNITION LEVEL

B-BBEE Status	Qualification Criteria	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 on the Generic Scorecard	110%
Level Four Contributor	≥80 but <90 on the Generic Scorecard	100%
Level Five Contributor	≥75 but <80 on the Generic Scorecard	80%
Level Six Contributor	≥70 but <75 on the Generic Scorecard	60%
Level Seven Contributor	≥55 but <70 on the Generic Scorecard	50%
Level Eight Contributor	≥40 but <55 on the Generic Scorecard	10%
Non-Compliant Contributor	<40 on the Generic Scorecard	0%

STATEMENT 103: EQUITY EQUIVALENT INVESTMENTS FOR MULTINATIONALS IN SOUTH AFRICA

SIGNIFICANCE OF EQUITY EQUIVALENTS IN THE SOUTH AFRICAN ECONOMY



STATEMENT 103: EQUITY EQUIVALENT INVESTMENTS FOR MULTINATIONALS

OBJECTIVES

- Any Equity Equivalent contribution towards the Ownership element of B-BBEE made by Multinationals are measurable against the value of their operations in the Republic of South Africa.
- Equity Equivalent Investment Programmes to focus on supporting Enterprise and Supplier Development, Critical Skills Development, and Research and Development

KEY MEASUREMENT PRINCIPLES

- A Multinational participating in an Equity Equivalent Investment Programme cannot receive any points for ownership under any statement in Code Series 100 other than this statement.
- Contributions to Equity Equivalent Investment Programmes are measured as actual contributions made using the general principle
 - **25%** of the value of the South African operations of the Multinational, determined using a Standard Valuation Method; **or**
 - **4%** of Total Revenue from its South African operations annually over the period of continued measurement

STATEMENT 103: RECOGNITION OF EQUITY EQUIVALENT INVESTMENTS FOR MULTINATIONALS

01

Equity Equivalent programmes may involve projects that support the Government's strategic economic development policies and programmes.

02

Equity Equivalent programmes must promote and advance the following critical areas:

- Enterprise [and] Development, Supplier Development, and or Transformation Fund
- Research and Development; and
- Critical and core Skills.



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ESD FOR SUSTAINABLE ENTREPRENEURSHIP

Enterprise and Supplier Development

Focuses on procurement from and support for black-owned businesses.



Procurement from Black-Owned Businesses

Encourages purchasing goods and services from black-owned enterprises to promote economic growth.



Support for Sustainable Entrepreneurship

Provides resources and assistance to support black-owned businesses thrive and become self-sufficient.



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AMENDMENTS: KEY MEASUREMENT PRINCIPLES

1. OBJECTIVES OF THIS STATEMENT

- 1.1 Specify the scorecard for measuring Enterprise and Supplier Development;
- 1.2 Specify the key measurement principles applicable to calculating Preferential Procurement contributions; Qualifying Enterprise Development, **[and]** Supplier Development and Transformation Fund Contributions;
- 1.3 Define the principles applicable when calculating B-BBEE Procurement Spend, [and] Enterprise Development, **[and]** Supplier Development Spend and Transformation Fund; and
- 1.4 Indicate the formula for calculating the individual criteria specified in the Enterprise and Supplier Development scorecard.



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STATEMENT 400 - KEY AMENDMENTS ESD

- The introduction of 2.4, the Transformation Fund, the Annual Value of Contribution of 3% of the Net Profit After Tax to the Transformation Fund, and the introduction of weighting points of 20.
- This is introduced as an alternative to the existing contribution to Enterprise Development and Supplier Development. Measured Entities will continue to score points for implementing their existing Enterprise Development or Supplier Development Programmes.
- The increase of the procurement compliance target to 10% on bonus points for companies that are at least 100% owned by Designated Groups.
- The increase in bonus points for measured Entities that enable the recipient of ESD contributions and/or a 100% black owned QSE or EME, and a first-time supplier that has a minimum 3-year contract with the Measured Entity.
- The increase in bonus points for a measured entity that enables an average turnover and job creation growth of at least 10% per annum for a period of a three-year contract of all on-boarded first-time suppliers
- Clarified that measured entities, for the purpose of Enterprise Development and Supplier Development, are required to submit a needs analysis, performance metrics (with outputs and outcomes), and an annual Monitoring and Evaluation report that must be verified before recognition of points to be scored.



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STATEMENT 400 - KEY AMENDMENTS ESD

Key Amendments continue:

01

The introduction of 15% procurement target for 100% black owned EMEs and QSEs each.

02

The introduction of 25% procurement target for 100% black owned enterprises.

03

The introduction of 25% procurement target for enterprises that are between 51% to 99% black owned.

04

The introduction of 12% procurement target for 100% black women-owned enterprises.



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AMENDED ENTERPRISE AND SUPPLIER DEVELOPMENT SCORECARD

Criteria	ESD Scorecard Weighting Points	Compliance Target
2.1 Preferential Procurement		
2.1.1 B-BBEE procurement spend from all empowering suppliers based on the B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	5	80%
2.1.2 B-BBEE procurement spend from all empowering suppliers that are Qualifying Small Enterprises based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	[3] 1	15%
<u>2.1.3 B-BBEE Procurement Spend from all Empowering Suppliers that are 100% Black Owned Qualifying Small Enterprises based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend. Refer to Paragraph 3.9 Below.</u>	<u>2</u>	<u>15%</u>
[2.1.3] <u>2.1.4</u> B-BBEE procurement spend from all Exempt Micro Enterprises based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	[4] <u>2</u>	15%
<u>2.1.5 B-BBEE Procurement Spend from all Empowering Suppliers Exempted Micro-Enterprises that are 100% Black Owned based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend. Refer to Paragraph 3.9 Below</u>	<u>2</u>	<u>15%</u>

AMENDED ENTERPRISE AND SUPPLIER DEVELOPMENT SCORECARD

<p>[2.1.4] <u>2.1.6 B-BBEE Procurement Spend from Empowering Suppliers that are at [least] between 51% and 99% Black Owned based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend</u></p>	<p>[11] <u>3</u></p>	<p>[50%] <u>25%</u></p>
<p><u>2.1.7 B-BBEE Procurement Spend from Empowering Suppliers that are at least 100% Black Owned, based on the applicable B-BBEE Procurement Recognition Levels as a percentage</u></p>	<p><u>7</u></p>	<p><u>25%</u></p>
<p>[2.1.5] <u>2.1.8 B-BBEE procurement spend from all empowering suppliers that are at least 30% black women owned based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend</u></p>	<p>[4] <u>3</u></p>	<p>12%</p>
<p><u>2.1.9 B-BBEE Procurement Spend from Empowering Suppliers that are 100% Black Women-Owned based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend</u></p>	<p><u>3</u></p>	<p><u>12%</u></p>
<p>Bonus Points</p>		
<p>[2.1.9] <u>2.1.10 B-BBEE Procurement Spend from Empowering [Designated Group] Suppliers that are [at least 51 %] <u>100%</u> Black owned by Designated Groups.</u></p>	<p>2</p>	<p>[2%] <u>10%</u></p>

AMENDED ENTERPRISE AND SUPPLIER DEVELOPMENT SCORECARD

Criteria	ESD Scorecard Weighting Points	Compliance Targets
2.2 Supplier Development		
2.2.1 Annual value of all Supplier Development Contributions as a percentage of the target, <u>informed by a needs analysis.</u>	15	2% of NPAT
2.3 Enterprise Development		
2.3.1 Annual value of Enterprise Development Contributions and Sector Specific Programmes as a percentage of the target, <u>informed by a needs analysis.</u>	5	1% of NPAT
<u>OR</u>		
<u>2.4 TRANSFORMATION FUND</u>		
2.4.1 <u>Annual Value of Enterprise and Supplier Development Contribution to the Transformation Fund informed by a needs analysis</u>	20	<u>3% of NPAT</u>

AMENDED ENTERPRISE AND SUPPLIER DEVELOPMENT SCORECARD

2.5 Bonus Points

2.5.1 [Bonus point for creating one or more jobs directly as a result of Supplier Development and Enterprise Development] A recipient of ESD contributions and/or a 100% black owned QSE or EME and first-time supplier that has a minimum 3-year contract with the Measured Entity

[1] 2

2.5.2 [Bonus point for creating one or more jobs directly as a result of Supplier Development and Enterprise Development initiatives by the Measured Entity.] Average turnover and job creation growth of at least 10% per annum for period of three-year contract of all on boarded first time suppliers

[1] 2

AMENDMENTS KEY MEASUREMENT PRINCIPLES AND THE TRANSFORMATION FUND

3.2.1 The Net Profit After Tax (NPAT) or average target applies unless:

3.2.1.1 the company does not make a profit last year or on average over the last five years

3.2.1.2 the net profit margin is less than a quarter of the norm in the industry.

3.2.1.3 If the Turnover is to be used, the target will be set at:

3.2.1.3.1 $1\% \text{ (ED) or } 2\% \text{ (SD) } \times \text{ Indicative Profit Margin (NPAT/Turnover) } \times \text{ Turnover.}$

3.2.2 A Measured Entity has a choice of compliance with the 3% NPAT through implementation of both Enterprise Development (2.2) and Supplier Development (2.3) indicators; or by only contributing to the Transformation Fund using NPAT.

3.2.3 A Measured Entity has a choice of compliance with either Enterprise Development and Supplier Development, or Transformation Fund.

3.2.4 Points scoring under 3.2.3 above will be in proportion to the spending for each of the indicators.



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STATEMENT 400 - KEY AMENDMENTS CONTINUE ESD MATRIX

Qualifying Contribution type	Contribution Amount	Benefit Factor
Grant and Related Contributions		
Grant Contribution (<u>performance based payment linked to a needs analysis of the beneficiaries</u>)	Full Grant Amount	100%
Direct Cost incurred in supporting Enterprise Development and Supplier Development <u>beneficiary with equipment and tools of trade (excluding derived benefits for the Measured Entity)</u>	Verifiable Cost (including both monetary and non-monetary)	100%
Discounts in addition to normal business practices supporting Enterprise Development and Supplier Development	Discount Amount (in addition to normal business discount)	100%

STATEMENT 400 - KEY AMENDMENTS

CONTINUE: ESD MATRIX

Overhead Costs incurred in supporting Enterprise Development and Supplier Development (including people appointed in Enterprise Development and Supplier Development)	Verifiable Costs (including both monetary and non-monetary)	70%
Transformation Fund Contributions		
<u>Grant Contribution to the Transformation Fund</u>	<u>Full Grant Amount</u>	<u>100%</u>
Loans and Related Contributions		
Interest-free loan with no security or <u>guarantees</u> requirements supporting Enterprise Development and Supplier <u>Development with an acceptable standard repayment (amortization) schedule and duration (not applicable to the Transformation Fund Contribution)</u>	Outstanding Loan Amount	70%
Standard Loan to Enterprise Development and Supplier Development Beneficiaries <u>with no security requirement with an acceptable standard repayment (amortization) schedule and duration (not applicable to the Transformation Fund Contribution)</u>	Outstanding Loan Amount	50%
Guarantees provided on behalf of a Beneficiary entity <u>(not applicable to the Transformation Fund Contribution)</u>	Guarantee Amount	50%
<u>Lower Interest Rate with an acceptable standard repayment (amortization) schedule and duration (not applicable to the Transformation Fund Contribution)</u>	Outstanding loan amount	Prime Rate – Actual Rate
Equity Investments and Related Contributions		
Minority Investment in Enterprise Development and Supplier Development Beneficiaries	<u>The lower of Investment Amount and current value of investment</u>	70%

STATEMENT 400 - KEY AMENDMENTS CONTINUE: ESD MATRIX

Enterprise Development and
Supplier Development Investment
with lower dividend to financier

The lower of Investment Amount and
current value of investment

Dividend Rate of Ordinary Shareholders –
Actual Dividend Rate of Contributor



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STATEMENT 004: SPECIALISED ENTERPRISES

Objectives of statement 004: Codes of Good Practice

- *Guide the treatment of Ownership for Specialised Enterprises for B-BBEE purposes, of:*
 - Companies limited by guarantee;
 - Higher Education Institutions
 - Public Entities and other Enterprises exclusively owned by organs of state; and
 - Public Benefit Schemes or Public Benefit Organisations
 - Not-for-Profit Organisations
 - Section 21 Companies
- Public entities and other enterprises exclusively owned by organs of state are not capable of evaluation of black ownership under Code series 100



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STATEMENT 004 AMENDED SPECIALISED SCORECARD

Elements	Current QSE Scorecard		Compliance Targets	Amended QSE Scorecard	
	Weighting	Bonus Points		New Codes	
				Weighting Points	Bonus Points
Management Control	20	0	(50% to 88%)	20	0
Skills Development	25	5	6% of payroll	25	5
Enterprise & Supplier Development	[50]	[4]	PP = 80% SD = 2% of NPAT or 0,2% of Annual Revenue/Allocated Budget/Gross receipts/Discretionary spend * ED = 1% of NPAT or 0.1% Annual Revenue/Allocated Budget/Gross receipts/Discretionary spend * TF = 3% of NPAT or 0.3% of Annual Revenue/Allocated Budget/Gross receipt/Discretionary spend *	<u>70</u>	<u>4</u>
Socio Economic Development	5	0	1% of NPAT or 0.1 of Annual Revenue/Allocated Budget/Gross receipts/Discretionary spend *	5	0
Sub Total	[100]	[8]		<u>120</u>	<u>9</u>
Total	[108]			<u>129</u>	

AMENDED ESD SPECIALISED SCORECARD

<p>[6.1.4] <u>6.1.6 B-BBEE Procurement Spend from Empowering Suppliers that are at least</u> between 51% and 99% Black Owned based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend</p>	<p>[11] <u>4</u></p>	<p>[50%] <u>25%</u></p>
<p><u>6.1.7 B-BBEE Procurement Spend from Empowering Suppliers that are at least 100% Black Owned, based on the applicable B-BBEE Procurement Recognition Levels as a percentage</u></p>	<p><u>7</u></p>	<p><u>25%</u></p>
<p>6.1.8 B-BBEE procurement spend from all empowering suppliers that are at least 30% black women owned based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend</p>	<p>[5] <u>2</u></p>	<p>12%</p>
<p><u>6.1.9 B-BBEE Procurement Spend from Empowering Suppliers that are 100% Black Women-Owned based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend</u></p>	<p><u>3</u></p>	<p><u>12%</u></p>
<p>[6.1.6] 6.1.10 Bonus Points</p>		
<p>[6.1.6.1] <u>6.1.10.1 B-BBEE Procurement Spend from 100% Black owned Designated Group based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend.</u></p>	<p><u>2</u></p>	<p>[2%] <u>10%</u></p>

AMENDED ESD SPECIALISED SCORECARD

Criteria	Specialised Scorecard Weighting Points	Compliance Targets
6.2 Supplier Development		
6.2.1 Annual value of all Supplier Development Contributions as a percentage of the target, <u>informed by a needs analysis.</u>	15	SD = 2% of NPAT or 0,2% of Annual Revenue/Allocated Budget/Gross receipts/Discretionary spend *
6.3 Enterprise Development		
6.3.1 Annual value of Enterprise Development Contributions and Sector Specific Programmes as a percentage of the target, <u>informed by a needs analysis.</u>	5	ED = 1% of NPAT or 0.1% Annual Revenue/Allocated Budget/Gross receipts/Discretionary spend *
<u>OR</u>		
6.4 Transformation Fund		
6.4.1 <u>Annual Value of Enterprise and Supplier Development Contribution to the Transformation Fund informed by a needs analysis</u>	20	<u>TF = 3% of NPAT or 0.3% of Annual Revenue/Allocated Budget/Gross receipt/Discretionary spend *</u>

AMENDED ESD SPECIALISED SCORECARD

[6.4] 6.5 Bonus Points

[6.4.1] 6.5.1 [Bonus point for creating one or more jobs directly as a result of Supplier Development and Enterprise Development] A recipient of ESD contributions and/or a 100% black owned QSE or EME and first-time supplier that has a minimum 3-year contract with the Measured Entity

[1] 2

[6.4.2] 6.5.2 [Bonus point for creating one or more jobs directly as a result of Supplier Development and Enterprise Development initiatives by the Measured Entity.] Average turnover and job creation growth of at least 10% per annum for period of three-year contract of all on boarded first time suppliers

[1] 2

AMENDED CODE SERIES 600 QSE

7.2 KEY MEASUREMENT PRINCIPLES AND SUB-MINIMUM REQUIREMENTS

7.2.1 Statement 000: General Principles and the Generic Scorecard, Statement 600: The Framework for the Qualifying Small Enterprise Scorecard Objectives of this Statement and Statement 400 as amended are applicable to this statement.



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AMENDED CODE SERIES 600 QSE SCORECARD

Elements	Current QSE Scorecard		Compliance Targets	Amended QSE Scorecard	
	Weighting	Bonus Points		New Codes	
				Weighting Points	Bonus Points
Ownership	25	0	25% + 1 vote	25	0
Management Control	15	0	(50% to 60%)	15	0
Skills Development	25	5	3% of payroll	25	5
Enterprise & Supplier Development	[30]	[3]	PP = 60% SD = 1% (NPAT) * ED = 1% (NPAT) * TF = 2% (NPAT) *	<u>55</u>	3
Socio Economic Development	5	0	1% (NPAT) *	5	0
Sub Total	[100]	[8]		<u>125</u>	<u>8</u>
Total	[108]			<u>133</u>	

AMENDED STATEMENT 604: ENTERPRISE AND SUPPLIER DEVELOPMENT QSE SCORECARD

Criteria	QSE Scorecard Weighting Points	Compliance Target
7.1.1.1 Preferential Procurement		
7.1.1.1 B-BBEE procurement spend from all empowering suppliers based on the B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	15	60%
7.1.1.1.2 B-BBEE Procurement Spend from Empowering Suppliers that are at [least] 61% and 99% black owned based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	5	15%
7.1.1.1.3 B-BBEE Procurement Spend from all Empowering Suppliers Exempted Micro-Enterprises that are 100% Black Owned based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend.	<u>4</u>	<u>15%</u>
7.1.1.1.4 B-BBEE Procurement Spend from Empowering Suppliers that are at least 100% Black Women-Owned based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	<u>6</u>	20%
7.1.1.2 Bonus Points		
7.1.1.2.1 B-BBEE Procurement Spend from [Designed Group] suppliers that are [at least 51%] 100% Black owned by Designated Groups. [based on the B-BBEE Recognition Level]	<u>1</u>	[1%] <u>5%</u>

AMENDED STATEMENT 604: ENTERPRISE AND SUPPLIER DEVELOPMENT QSE SCORECARD

Criteria	QSE Scorecard Weighting Points	Compliance Targets
7.1.1.3 Supplier Development		
7.1.1.3.1 Annual value of all Supplier Development Contributions as a percentage of the target, <u>informed by a needs analysis.</u>	5	SD = 1% of Net Profit After Tax (NPAT) *
7.1.1.4 Enterprise Development		
7.1.1.4.1 Annual value of Enterprise Development Contributions and Sector Specific Programmes as a percentage of the target, <u>informed by a needs analysis.</u>	5	ED = 1% of Net Profit After Tax (NPAT) *
<u>OR</u>		
7.1.1.5 Transformation Fund		
7.1.1.5.1 Annual Value of Enterprise and Supplier Development Contribution to the Transformation Fund <u>informed by a needs analysis</u>	15	TF = 2% of Net Profit After Tax (NPAT) *

AMENDED STATEMENT 604: ENTERPRISE AND SUPPLIER DEVELOPMENT QSE SCORECARD

[7.1.1.5] 7.1.1.6 Bonus Points		
<p>[7.1.1.5.1] 7.1.1.6.1 [Bonus point for creating one or more jobs directly as a result of Supplier Development and Enterprise Development] <u>A recipient of ESD contributions and/or a 100% black owned QSE or EME and first-time supplier that has a minimum 3-year contract with the Measured Entity</u></p>	<p>[1] <u>2</u></p>	
<p>[7.1.1.5.2] 7.1.1.6.2 [Bonus point for creating one or more jobs directly as a result of Supplier Development and Enterprise Development initiatives by the Measured Entity.] <u>Average turnover and job creation growth of at least 10% per annum for period of three-year contract of all on boarded first time suppliers</u></p>	<p>[1] <u>2</u></p>	

STATEMENT 604 - KEY AMENDMENTS ESD MATRIX

Qualifying Contribution type	Contribution Amount	Benefit Factor
Grant and Related Contributions		
Grant Contribution (<u>performance based payment linked to a needs analysis of the beneficiaries</u>)	Full Grant Amount	100%
Direct Cost incurred in supporting Enterprise Development and Supplier Development beneficiary with equipment and tools of trade (<u>excluding derived benefits for the Measured Entity</u>)	Verifiable Cost (including both monetary and non-monetary)	100%
Discounts in addition to normal business practices supporting Enterprise Development and Supplier Development	Discount Amount (in addition to normal business discount)	100%

STATEMENT 604 - KEY AMENDMENTS CONTINUE: ESD MATRIX

Overhead Costs incurred in supporting Enterprise Development and Supplier Development (including people appointed in Enterprise Development and Supplier Development)	Verifiable Costs (including both monetary and non-monetary)	80%
<u>Transformation Fund Contributions</u>		
<u>Grant Contribution to the Transformation Fund</u>	<u>Full Grant Amount</u>	<u>100%</u>
<u>Loans and Related Contributions</u>		
Interest-free loan with no security requirements <u>or guarantees</u> supporting Enterprise Development and <u>Supplier Development with an acceptable standard repayment (amortization) schedule and duration (not applicable to the Transformation Fund Contribution)</u>	Outstanding Loan Amount	100%
Standard Loan to Black Owned EME and QSEs <u>with no security requirement with an acceptable standard repayment (amortization) schedule and duration (not applicable to the Transformation Fund Contribution)</u>	Outstanding Loan Amount	70%
Standard Loan provided to other Beneficiary Enterprises <u>with no security requirement with an acceptable standard repayment (amortization) schedule and duration (not applicable to the Transformation Fund Contribution)</u>	Outstanding Loan Amount	60%
Guarantees provided on behalf of a Beneficiary entity <u>(not applicable to the Transformation Fund Contribution)</u>	Guarantee Amount	3%
Lower Interest Rate	Outstanding loan amount	Prime Rate – Actual Rate

STATEMENT 604 - KEY AMENDMENTS

CONTINUE: ESD MATRIX

Equity Investments and Related Contributions		
Minority Investment in Black Owned EME and QSEs	<u>The lower of Investment Amount and current value of investment</u>	100%
Minority Investment in other Beneficiary Enterprises	<u>The lower of Investment Amount and current value of investment</u>	80%
Enterprise Development Investment with lower dividend to financier	<u>The lower of Investment Amount and current value of investment</u>	Dividend Rate of Ordinary Shareholders – Actual Dividend Rate of Contributor
Contributions made in the form of human resource capacity		
Professional services rendered at no cost and supporting enterprise development	Commercial hourly rate of professional	80%
Professional services rendered at a discount and supporting enterprise development	Value of discount based on commercial hourly rate of professional	80%
Time of employees of Measured Entity productively deployed in assisting beneficiaries	Monthly salary divided by 160	80%

STATEMENT 604 - KEY AMENDMENTS CONTINUE: ESD MATRIX

Other Contributions

Shorter payment period for 1.1.2 of this statement (Supplier Development)	Percentage of invoiced amount multiplied by 15% (being an approximation of the cost of short term funding)	Percentage being 15 days less the number of days from invoice to payment Maximum points that can be scored 15% of 10 points
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WAYFORWARD

Stakeholders and members of the public should provide inputs during the 60 days public commentary period.

Analysis of comments post the commentary period

Adjustment of Sector Codes

01

the dtic gazetted amendments of the B-BBEE Statement 000, 103, 004, 400, 600, and schedule 1 on 29 January 2026.

02

the dtic will be conducting public consultation during the 60 day period

03

04

05

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THE END



Thank you



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