MEDIA RELEASE

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GOVERNMENT AND OTHER ENTITIES ARE ADVISED TO REJECT B-BBEE CERTIFICATES ISSUED BY VERIFICATION AGENCIES THAT ARE NOT ACCREDITED BY SANAS

The B-BBEE Commission advises entities and organs of state to reject B-BBEE certificates that have been issued by verification agencies or professionals who are not accredited by South African National Accreditation Systems ("SANAS") as such B-BBEE certificates are invalid for lack of authority and mandate to issue them. A list of SANAS Accredited agencies is available on the SANAS website www.sanas.co.za.

Further, Exempted Micro-Enterprises (EMEs), i.e. entities with R10 million or less in annual turnover and Qualifying Small Enterprises (QSEs) that are at least 51% black owned, i.e. entities with annual turnover between R10 million and R50 million, are only required to present sworn affidavits, and these sworn affidavits must be accepted. Government introduced this mechanism specifically to reduce the cost of doing business and regulatory burden for these entities and the template for the sworn affidavit is available at no cost on the website www.thedti.gov.za or EME certificates at CIPC from www.cipc.co.za.

The B-BBEE Commission said "the only time an EME can be verified by a SANAS accredited verification professional is when it wishes to maximise its B-BBEE points and move to a higher B-BBEE recognition level, and that must be done using the QSE Scorecard".

Therefore, any B-BBEE certificate issued to EMEs and 51% to 100% black owned QSEs is invalid as there is no authority under the current Codes of Good Practice, the B-BBEE Regulations or the B-BBEE Act for any verification professional or agency to conduct verification or issue a B-BBEE certificate to any such entity.

“The exception to this is the Transport Sector where EMEs have a choice of obtaining accounting letters or get verified and issued a B-BBEE certificate by SANAS accredited agencies and professionals because the Transport Sector Code has not been aligned to the amended generic Codes. Also, start-ups that are EMEs but wish to tender for contracts of R10 million in value or above must be verified using the QSE scorecard, and for tenders of R50 million and above must be verified using the generic scorecard”, the B-BBEE Commission added.

“An entity or organ of state that refuses to accept a sworn affidavit from entities that qualify must be reported to us immediately as that undermines the objectives of the B-BBEE Act. We have uploaded a list of B-BBEE certificates that we considered invalid on our website, and this list will be updated monthly to alert the public. We must point out upfront that the entities on the list in question have cooperated with the B-BBEE Commission, and as such have not been found guilty of any wrongdoing by the B-BBEE Commission”, said the B-BBEE Commission. For the list of invalid B-BBEE certificates, please visit www.bbbeecommission.co.za.

The B-BBEE Commission initiates investigations against verification agencies and professionals that consistently issue B-BBEE certificates incorrectly, as well as those that defied the instruction to withdraw a B-BBEE certificate considered to be invalid. Findings will be issued in line with the process outlined for investigations and criminal charges will be pursued where necessary

The list of invalid certificates can be viewed on the link: https://bbbeecommission.co.za/invalid-b-bbee-certificates/

The B-BBEE Commission was established in terms of Section 13B of the amended B-BBEE Act No 46 of 2013 effective from 6 June 2016. The Commission’s mandate, amongst others, is to supervise and encourage adherence to the B-BBEE Act in the interest of the public, to promote good governance and accountability by creating an effective and efficient environment for the promotion and implementation of the objectives of broad-based black economic empowerment.

Issued by the B-BBEE Commission.

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