

01 December 2014

Dear Mr Hollis

**RE: SKILLS DEVELOPMENT POINTS AS PER 2013 BEE CODES**

In terms of the recently enacted Broad-Based Black Economic Empowerment Codes of Good Practice (2013 Codes) there are a few key principles that I would like to bring to your attention;

1. Only Skills Development expenditure spent on programmes that are specified on the Learning Programme Matrix will be recognised for purposes of BEE.
2. Companies now have to spend 6% (an increase from 3%) of their payroll (loosely speaking) on training black people to realise the full associated 6 points on the scorecard.
3. This amount of money can be spent on black people in general and not necessarily on a company's own employees. (See paragraph. 3.2 of Statement 300 in Code Series 300 of the 2013 Codes)
4. For 4 additional points, companies must have the equivalent of 2.5% of their total staff complement in the form of unemployed people participating in learning programmes. Put differently, companies are now required to put through training, at-least 3 unemployed black persons for every 100 employees they have.
5. Companies will score 5 bonus points if the unemployed persons they put through training find employment at the end of the programme.
6. As a minimum requirement, companies must meet at-least 40% of these targets OR their BEE scorecards will be downgraded 1 level regardless of what their actual BEE Score is.

Specifically for Winning Teams and the programmes with which it is involved in Adult Learning Centres as well as FET Colleges; the following applies;

- a. Paragraph 5.1.3 of Statement 300 on the (2013 Codes) sets out one of the key objectives of Skills Development as "To Support Professional, Vocational, Technical and Academic learning programmes, achieved by means of professional placements, work integrated learning, apprenticeships, learnerships and internships, that meet the economic needs for economic growth and development."
- b. The Winning Teams programmes would be considered as Category A programmes in terms of the Learning Programme Matrix and would qualify for full and enhanced recognition from a BEE perspective.

It is our conclusion that companies who invest in the programme run by Winning Teams should be able to score approximately 15 points on the Skills Development Scorecard based on the 2013 Generic Codes of Good Practice.

If you require any further explanation or information in this regard, please do not hesitate to contact us.

Kind Regards



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