

What fits where in the BEE Codes of Good Practice

Where do the Codes of Good BEE Practice fit in? Is failure to comply with the Codes illegal? What is uppermost in the legislative framework of BEE? How does everything fit in together?

The verification certificate is the one crucial document in conducting business, as it is the only independently verified representation of any company's BEE credentials. Keep the following points in mind:

- The verification certificate must be produced in line with the scorecard as stated in the applicable charter or, if the measured entity does not operate in an industry with a BEE charter, the generic scorecard or qualifying small enterprise scorecard
- The industry charter, in turn, must be aligned with the Codes of Good BEE Practice
- In the event of an industry charter being at odds with the Codes, the Codes shall prevail
- The Codes give expression to the spirit and the letter of the BBBEE Act, which gives teeth to the Strategy for BBBEE
- The Strategy sums up government's interpretation of the shared growth imperative

Above all things, one should make the spirit of BEE the beacon in structuring any BEE initiative – be it a transaction, employment equity intervention, corporate social investment, enterprise development or skills development undertaking.

This means that fulfilling the broader transformational agenda takes precedence over merely meeting the targets set in the scorecard.

Failure to comply with BEE is not illegal, but suicidal in the South African business context – or that of any developing economy.

BEE Codes of Good Practice chart

It is crucial to ensure that the majority of South Africans share in the economic growth of the country.

9 years after the first democratic elections. The South African government worked out a strategy to blend the economic transformation with growth. The Strategy for Broad-Based BEE was launched in March 2003, incorporating the generic scorecard.

About 9 months after the Strategy, the BBBEE Act was approved, giving the Minister of Trade & Industry the powers to publish the Codes and related regulations, recognize industry charters and codes, etc.

The Codes gave more expression to the broad-based generic scorecard and the scorecard for small enterprises, outlined procedures for calculating scores, recognition of charters and verification agencies.

The most common response of industries or sectors of the economy to the BEE imperative has been to draft charters – stating the industry's unified interpretation of the Codes and scorecard. At the enterprise level, every business formulates its plan to comply with BEE in a way that promotes growth. Only once the plan has been implemented is it advisable to call in an accredited verification agency to produce a verification certificate.