



MEDIA RELEASE

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MORE COMPANIES ARE FRONTING THEIR WORKERS – BEE COMMISSIONER NTULI

The Commissioner of the Broad-Based Black Economic Empowerment (BBBEE) Commission, Ms Zodwa Ntuli says more and more companies are fronting their employees through trusts. Ntuli was speaking in Parliament today where she briefed Members of Parliament belonging to the Select Committee on Trade and International Relations on the work of the Commission since its inception in 2016.

The Commission reported that the 83% of the 334 complaints that it handled as part of its objective of Implementing corrective enforcement to achieve compliance with the Broad-Based Black Economic Empowerment Act related to fronting practices.

“Although complaints decreased slightly this year, fronting practice remains constant. We find more and more companies’ schemes fronting workers through trusts. As a Commission, we are looking forward to the Minister of Trade and Industry, Dr Rob Davies issuing the statement on broad-based schemes following the retraction in 2015,” said Ntuli.

She added that there were also more opportunistic intermediaries and existing entities creating new 51% black-owned entities through which they do business.

“We have issued 45 companies with findings and most are being referred for prosecution and criminal investigation. We issued 63 non-investigations on lack of jurisdiction and no merit, but these have shown us fronting practices date back as early as 2003. Companies such as Servest, Tempest Fire, Mammoet SA, Kearley Transport, Colentrade and Zimele Broadcasting resolved their complaints through the Alternative Dispute Resolution process that is allowed for in the Act,” said Ntuli.

Ntuli told MPs that the Commission’s priorities include safeguarding the outcomes of an inclusive economy, implementing corrective enforcement to achieve compliance with the BBBEE Act,

researching, analysing and reporting on the state of transformation, and collaborating with relevant stakeholders to advance transformation.

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