

## BROAD-BASED BLACK ECONOMIC EMPOWERMENT COMMISSION

### EXPLANATORY NOTICE 1 OF 2019

#### SUBMISSION OF INFORMATION IN RELATION TO A B-BBEE COMPLIANCE REPORT FOR SECTION 13 G (3) (EFFECTIVE 1 APRIL 2019)

##### **A. Introduction**

1. The Broad Based Black Economic Empowerment Commission (“B-BBEE Commission”) is an entity established by the Broad-Based Black Economic Empowerment Act 53 of 2003 as amended, (“the Act”), to oversee the implementation of the Act, which includes provision of explanatory notices outlining the procedures of the B-BBEE Commission to guide the public.
2. Section 13F(1)(g) of the B-BBEE Act requires the B-BBEE Commission to receive and analyse reports prescribed in section 13G, concerning broad-based black economic empowerment compliance by organs of state, public entities and private sector enterprises. Regulation 12 in Part 2 of the Regulations regulating the administration and implementation of the B-BBEE Act and the functions of the B-BBEE Commission outline the process for submitting B-BBEE compliance reports.
3. This Explanatory Notice is issued in terms of section 13F(3)(b) to guide SETAs regarding the documents to be submitted and format to be followed when submitting B-BBEE compliance reports in line with the requirements of section 13G (3) of the B-BBEE Act as there is a double reporting requirement for these institutions and we have noted a need to clarify the process. This Explanatory Notice will be effective from **1 April 2019** and will be applicable for all reports submitted by SETA’s from then onwards.

**B. What is a B-BBEE Skills Development Report for 13 G (3)?**

4. A B-BBEE Skills Development Report is a comprehensive outlook on how Sectoral Education and Training Authorities (SETAs) implement skills development spending and programmes as guided by the requirements of the relevant Codes of Good Practice (the Codes). The main aim of these reports is for the B- BBEE Commission to monitor broad-based black economic empowerment for skills development spending and programmes implemented by measured entities reporting to SETAs in compliance to the objectives of the B-BBEE Act.

**C. Who must submit a B-BBEE Skills Development Report?**

5. In terms of Section 13G (3), read with regulation 12 (6 - 8) of the B-BBEE Regulations:
- a) All Sectoral Education and Training Authorities contemplated in the Skills Development Act, 1998 (Act No. 97 of 1998), must report on skills development spending and programmes to the B-BBEE Commission within 30 days' post approval of their annual reports and financial statements or 90 days after the end of the financial year of the Sectoral Educating Training Authorities in a prescribed **B-BBEE 2 Form**.

**D. What is required for submission of B-BBEE Skills Development Report?**

6. The SETA submitting a B-BBEE Skills Development Report to the B-BBEE Commission must complete and submit the prescribed form obtainable from the gazetted B-BBEE Regulations on the B-BBEE Commission's website [www.bbbee.commission.co.za](http://www.bbbee.commission.co.za)
7. The B-BBEE Commission requires the following information to be submitted with the prescribed form as outlined in the matrix (**attached**):

**Skills Development Element**

- 7.1 The Skills Development Report must indicate the following elements:
- 7.1.1 Number of black persons trained by member entities per race classification, gender, age, location, disability indication and value thereof,
- 7.1.2 Indicate type of training provided to black people in paragraph 7.1.1 above,
- 7.1.3 Provide list of skills development services offered by SETA to member entities,
- 7.1.4 Indicate implementation of the skills development scorecard by member entities as per the applicable codes,

- 7.1.5 Identify list of critical and priority skills for the sector(s) and implementation by member entities, and
  - 7.1.6 Provide number of member entities who submitted and implemented the approved workplace skills plan.
- 7.2 Reflect how each of the elements in 7.1 above contribute to increasing access to skills development opportunities for black people.
- 8. All the information referred to, including any document that the reporting SETA deem relevant to the skills development report must be submitted to the B-BBEE Commission.
  - 9. Where any of the information required is not applicable the reporting SETA must indicate so in the submission.
  - 10. The SETA submitting the report must send the information to the B-BBEE Commission through any of the channels below:

By hand: 420 Witch-Hazel Avenue, Eco-Glades 2 Block C, Eco-Park, Centurion

By Post: Private Bag X84, Pretoria, 0001

By Email: [mramare@beecommission.gov.za](mailto:mramare@beecommission.gov.za)

## **E. Conclusion**

- 11. The B-BBEE Commission is committed to meeting the timelines set for analysing and providing speedy feedback to parties/entities, where necessary. However, this depends on the party following the process fully, and providing the relevant information as required.
- 12. The B-BBEE Commission is committed to ensuring that the B-BBEE Act is implemented in a manner that is consistent to achieve the objectives of broad-based black economic empowerment which should bring about an inclusive economy for all. Thus, it may request additional information from the reporting entity in order to properly execute its mandate in terms of this process, and where necessary, a meeting may be held with the entity.
- 13. In case of non-compliance with the B-BBEE Act, the B-BBEE Commission shall notify the SETA in writing by issuing the prescribed **FORM B-BBEE 3** of the apparent non-compliance and require such SETA to correct its report and comply with the requirements of section 13G (3) within thirty (30) days.

14. In the event the SETA fails to comply as contemplated in section 13G (3) of the Act, the B-BBEE Commission must -
  - 14.1 Reject the report by issuing the prescribed **FORM B-BBEE 4**; and
  - 14.2 Indicate the reasons for rejecting the report, and SETA must then be considered to have not complied with the requirements of the B-BBEE Act.
15. The B-BBEE Commission may allow the SETA that submitted the report in terms of section 13G (3) of the B-BBEE Act to appear before the B-BBEE Commission in a closed or open meeting to respond to questions by the B-BBEE Commission as part of the consideration of the report, and take advice where necessary.
16. If upon consideration of the report submitted in terms of section 13G (3), the B-BBEE Commission is of the view that the report complies with the requirements of the B-BBEE Act, the B-BBEE Commission must notify the SETA concerned in a prescribed **FORM B-BBEE 5**, in accordance with sub-regulations (6), (7) and (8) of regulation 12 of the B-BBEE Regulations.
17. Any misrepresentation of information submitted in the report required in terms of section 13G (3) by the SETA shall be dealt with in terms of the B-BBEE Act.
18. The B-BBEE Commission may conduct a site visit to verify the correctness of the information submitted in the report or initiate an investigation in terms of section 13J (1) of the Act in respect of any non-compliance with the requirements of section 13G (3) of the Act.
19. The B-BBEE Commission will ensure that it communicates any changes to the procedure outlined in this Explanatory Notice for complying with Section 13G (3) of the Act. For any queries of clarification, the B-BBEE Commission must be contacted immediately.

Issued by the B-BBEE Commission

January 2019

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0001

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## B-BBEE Skills Development Spending and Programmes Matrix: 13G (3) Reporting

### Annexure

#### SKILLS DEVELOPMENT SPENDING AND PROGRAMMES

##### 1. SKILLS DEVELOPMENT SPENDING AND PROGRAMME MATRIX

1.1 Provide number of people trained by providing relevant information as follows:

Categories	Overall Number for each category	Race classification (indicate nr in terms of A, C, I & W)	Gender (indicate nr in terms of F & M in race)	Age (provide nr in chronological order in terms A, C, I & W)	Location (indicate nr in each Province)	Disability (indicate nr in terms of F & M in race)	Value thereof in terms of A,C,I & W
People trained							

1.2 Indicate type of training provided to black people:

Types Training (list each type separately)	Overall Number for each category	Race classification (indicate nr in terms of A, C, I & W)	Gender (indicate nr in terms of F & M in race)

1.3 Provide list of skills development services offered by SETA to member entities:

Services Offered	Percentage of member entities that received the service

1.4 Indicate implementation of the skills development scorecard by member entities as per the applicable codes:

Applicable codes (e.g. Generic, ICT, Tourism, Property, Transport, e.t.c)	Total number of member entities	Actual number of member entity implementing the skills development scorecard

1.5 Identify list of critical and priority skills for the sector(s) and implementation by member entities:

List Critical and Priority Skills	Total Number of member entities per critical & priority skill	Actual number of member entity that are implementing critical & priority skills

1.6 Provide number of member entities who submitted and implemented workplace skills plan:

Overall number of member entities	Total number that submitted workplace skills plan	Total Number of approved workplace skills plan	Total number of member entity that are implementing approved workplace skills plan

1.7 Reflect how each of the above elements contribute to increasing the access to skills development opportunities for black people:

Element	Explanation per element

