

Reference: T16/P

Enquiries: T.Rakiep

## TREASURY CIRCULAR NO. 10/2012

THE PREMIER

THE MINISTER OF AGRICULTURE AND RURAL DEVELOPMENT

THE MINISTER OF COMMUNITY SAFETY

THE MINISTER OF CULTURAL AFFAIRS AND SPORT

THE MINISTER OF EDUCATION

THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND TOURISM

THE MINISTER OF HEALTH

THE MINISTER OF HUMAN SETTLEMENTS

THE MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING

THE MINISTER OF SOCIAL DEVELOPMENT

THE MINISTER OF TRANSPORT AND PUBLIC WORKS

THE SPEAKER: PROVINCIAL PARLIAMENT

THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT

For information

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (ADV B GERBER)  
 THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MR R HINDLEY)  
 THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (DR JC STEGMANN)  
 THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (DR GA LAWRENCE)  
 THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MS P VINJEVOLD)  
 THE ACCOUNTING OFFICER: VOTE 6: HEALTH (PROF KC HOUSEHAM)  
 THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MS K LUBELWANA)  
 THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR M TSHANGANA)  
 THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR T GILDENHUYS)  
 THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MR J FOURIE)  
 THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (MS J ISAACS)  
 THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR S FOURIE)  
 THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR B WALTERS)  
 THE ACCOUNTING OFFICER: VOTE 14: LOCAL GOVERNMENT (DR H FAST)

THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR D BASSON)  
 THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS N PETERSEN)  
 THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MR A GILDENHUYS)  
 THE CHIEF FINANCIAL OFFICER: VOTE 4: COMMUNITY SAFETY (MR M FRIZLAR)  
 THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)  
 THE CHIEF FINANCIAL OFFICER: VOTE 6: HEALTH (MR A VAN NIEKERK)  
 THE CHIEF FINANCIAL OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MR JO SMITH)  
 THE CHIEF FINANCIAL OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR F DE WET) (ACTING)  
 THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR AA GAFFOOR)  
 THE CHIEF FINANCIAL OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MR CR ISMAY)  
 THE CHIEF FINANCIAL OFFICER: VOTE 11: AGRICULTURE (MR F HUYSAMER)  
 THE CHIEF FINANCIAL OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MS M ABRAHAMS)  
 THE CHIEF FINANCIAL OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MS BG RUTGERS)  
 THE CHIEF FINANCIAL OFFICER: VOTE 14: LOCAL GOVERNMENT (MR F DE WET) (ACTING)

THE SUPPLY CHAIN MANAGER: VOTE 1: PREMIER (MS A STASSEN)  
 THE SUPPLY CHAIN MANAGER: VOTE 3: PROVINCIAL TREASURY (MR A ASHLEY)  
 THE SUPPLY CHAIN MANAGER: VOTE 4: COMMUNITY SAFETY (MS E ISAACS)  
 THE SUPPLY CHAIN MANAGER: VOTE 5: EDUCATION (MR W CARELSE)  
 THE SUPPLY CHAIN MANAGER: VOTE 6: HEALTH (MR I SMITH)  
 THE SUPPLY CHAIN MANAGER: VOTE 7: SOCIAL DEVELOPMENT (MS P MABHOKWANA)  
 THE SUPPLY CHAIN MANAGER: VOTE 8: HUMAN SETTLEMENTS (MS L NEL)  
 THE SUPPLY CHAIN MANAGER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR M PHASWANE)  
 THE SUPPLY CHAIN MANAGER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MS C SMITH)  
 THE SUPPLY CHAIN MANAGER: VOTE 11: AGRICULTURE (MR C HICKLEY)  
 THE SUPPLY CHAIN MANAGER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR D PAULSE)  
 THE SUPPLY CHAIN MANAGER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR ANWAR ADONIS)  
 THE SUPPLY CHAIN MANAGER: VOTE 14: LOCAL GOVERNMENT (MS S MOODLEY)

THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR P ABRAHAMS) (ACTING)  
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (MS M MOROKA)  
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR N FLAATTEN) (ACTING)  
 THE CHIEF EXECUTIVE OFFICER: CAPE TOWN ROUTES UNLIMITED (DMO) (MR C GILFELLAN)  
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS J MOLELEKI)  
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LANGUAGE COMMISSION (MS J MOLELEKI)  
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE HERITAGE COMMISSION (MS J MOLELEKI)  
 THE CHIEF EXECUTIVE OFFICER: CASIDRA (MS T MLONYENI) (ACTING)  
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR BOARD (MR S FOURIE)

THE CHIEF FINANCIAL OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR P ABRAHAMS)  
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (MR A PRESTSON)  
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR I BLACKIE)  
THE CHIEF FINANCIAL OFFICER: CAPE TOWN ROUTES UNLIMITED (DMO) (MR H BONESCHANS)  
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS B RUTGERS)  
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LANGUAGE COMMISSION (MS B RUTGERS)  
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE HERITAGE COMMISSION (MS B RUTGERS)  
THE CHIEF FINANCIAL OFFICER: CASIDRA (MR F VAN ZYL)  
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LIQUOR BOARD (MS M ABRAHAMS)

THE HEAD OFFICIAL: PROVINCIAL TREASURY (DR JC STEGMANN)  
THE HEAD: BRANCH FISCAL AND ECONOMIC SERVICES (MR H MALILA)  
THE HEAD: BRANCH GOVERNANCE AND ASSET MANAGEMENT (MR TC ARENDSE)  
THE HEAD: PUBLIC POLICY SERVICES (MR A PHILLIPS)  
THE HEAD: PUBLIC FINANCE (MR H MALILA) (PRO TEM)  
THE HEAD: FINANCIAL GOVERNANCE (MR A REDDY) (ACTING)  
THE HEAD: ASSET MANAGEMENT (MS N EBRAHIM) (ACTING)  
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUY)  
THE SENIOR MANAGER: ACCOUNTING SERVICES: PROVINCIAL GOVERNMENT (MR A REDDY)  
THE SENIOR MANAGER: ACCOUNTING SERVICES: LOCAL GOVERNMENT (MS L NGXONONO)  
THE SENIOR MANAGER: CORPORATE GOVERNANCE (MR B VINK)  
THE SENIOR MANAGER: BUDGET MANAGEMENT: PROVINCIAL GOVERNMENT (MS M SHERATON)  
THE SENIOR MANAGER: BUDGET MANAGEMENT: LOCAL GOVERNMENT (MR ML BOOYSEN)  
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (MS A PICK)  
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP ONE) (MR F SABBAT)  
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP TWO) (MR M SIGABI)  
THE SENIOR MANAGER: PUBLIC FINANCE POLICY RESEARCH AND MODELLING (MS C HORTON)  
THE SENIOR MANAGER: IMMOVABLE ASSET MANAGEMENT (MR NB LANGENHOVEN)  
THE SENIOR MANAGER: MOVEABLE ASSET MANAGEMENT (MS N EBRAHIM)  
THE SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE)  
THE HEAD: OFFICE OF THE FINANCE MINISTRY (MS A SMIT)

THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT

## **NATIONAL TREASURY CIRCULAR**

### **SUPPLY CHAIN MANAGEMENT:**

### **ISSUANCE AND VALIDITY OF BROAD-BASED BLACK ECONOMIC EMPOWERMENT (hereafter referred to as B-BBEE) STATUS LEVEL CERTIFICATES IN RESPECT OF EXEMPTED MICRO ENTERPRISES (hereafter referred to as EMEs)**

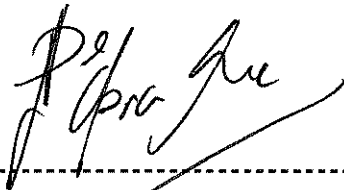
#### **1. PURPOSE**

- 1.1 The purpose of this communiqué is to disseminate the attached National Treasury Circular (included as "Annexure A").
- 1.2 The Circular aims to provide guidance to accounting officers and accounting authorities on the issuance and validity of B-BBEE Status Level Certificates in respect of EMEs.

## 2. REQUEST

2.1 Accounting officers / accounting authorities are requested to:

- (a) Note and adhere to the annexed National Treasury Circular by confirming the validity of the Status Level Certificates of EMEs in accordance with the criteria stipulated in the Circular;
- (b) Ensure that the content of the attached circular is brought to the attention of all relevant officials within their institution and schedule 3A and 3C public entities reporting to their executive authorities.
- (c) Note that the effective date of the Circular is 29 February 2012.



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NADIA EBRAHIM

ACTING HEAD: ASSET MANAGEMENT

DATE: 05/03/2012



**national treasury**

Department  
National Treasury  
REPUBLIC OF SOUTH AFRICA

Private Bag X116, Pretoria, 0001

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**TO**

- :ACCOUNTING OFFICERS OF ALL NATIONAL DEPARTMENTS AND CONSTITUTIONAL INSTITUTIONS**
- :ACCOUNTING OFFICERS OF ALL MUNICIPALITIES AND MUNICIPAL ENTITIES**
- :ACCOUNTING AUTHORITIES OF ALL SCHEDULE 2 AND 3 PUBLIC ENTITIES**
- :HEAD OFFICIALS OF ALL PROVINCIAL TREASURIES**

**SUPPLY CHAIN MANAGEMENT**

**ISSUANCE AND VALIDITY OF BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE) STATUS LEVEL CERTIFICATES IN RESPECT OF EXEMPTED MICRO ENTERPRISES (EMEs)**

**1. PURPOSE**

This Circular serves to provide guidance to accounting officers (AOs) and accounting authorities (AAs) on the issuance and validity of B-BBEE Status Level Certificates in respect of EMEs.

**2. ELIGIBILITY AS AN EXEMPTED MICRO-ENTERPRISE (EME)**

2.1 The B-BBEE Codes of Good Practice prescribes that any enterprise, including a sole propriety, with annual total revenue of R5 million or less qualifies as an EME. In instances where Sector Codes are applicable to address the transformation challenges of specific sectors or industries, the threshold for qualification as an EME may be different from the generic threshold of R5 million. The relevant Sector Codes thresholds will therefore be used as a basis for a potential bidder to qualify as an EME. To date the approved Sector Codes with different thresholds are the Tourism Sector Codes which is R2 million and the Construction Sector Codes (only applicable to the Built Environment Professional (BEP) subsector) which is R1.5 million.

2.2 EMEs are deemed to have B-BBEE status of level four (4) contributor having B-BBEE procurement recognition of 100%. In instances where EMEs are more than 50% black owned, such enterprises qualify for promotion to a B-BBEE status of level three (3) contributor having B-BBEE procurement recognition of 110%.

2.3 Sufficient evidence of qualification as an EME is an Auditor's certificate or similar certificate issued by an Accounting Officer (as contemplated in the Close Corporation Act, Act No 69 of 1984) or a SANAS accredited Verification Agency.

**3. EME B-BBEE STATUS LEVEL CERTIFICATES ISSUED BY AUDITORS AND ACCOUNTING OFFICERS AS CONTEMPLATED IN THE CLOSE CORPORATION ACT**

3.1 Certificates issued by an Auditor or Accounting Officer will be issued in his or her letterhead with the practice number and contact number clearly specified on the face of the certificates.

3.2 When confirming the validity of such a certificate, the following should be detailed on the face of the certificate:

- The Auditor's / Accounting Officer's letter head with full contact details;
- The Auditor's / Accounting Officer's practice numbers;
- The name and the physical location of the measured entity;
- The registration number and, where applicable, the VAT number of the measured entity;
- The date of issue and date of expiry;
- The B-BBEE Status Level of Contribution obtained by the measured entity; and
- The total black shareholding and total black female shareholding.

**4. EME B-BBEE STATUS LEVEL CERTIFICATES ISSUED BY VERIFICATION AGENCIES ACCREDITED BY THE SANAS**

4.1 In the past, the issuance of B-BBEE Status Level Certificates in respect of EMEs did not form part of the SANAS accreditation scope. SANAS accredited Verification were, therefore, not permitted to use the SANAS symbol (logo) on EME B-BBEE Status Level Certificates.

4.2 In light of the Preferential Procurement Regulations, 2011 which came into effect on 7 December 2011 and its Implementation Guide, issued by the

National Treasury as part of Supply Chain Management (SCM) Circular dated 1 December 2011, it has become mandatory for the SANAS symbol (logo) to appear on the EME certificates. This is as a result of a greater need to provide certainty on the validity of EME B-BBEE Status Level Certificates issued.

- 4.3 AOs / AAs are, therefore, provided with the following guidance on the issuance and validation of EME B-BBEE Status Level Certificates issued by SANAS accredited Verification Agencies.
  - 4.3.1 AOs / AAs are required to ensure that all EME B-BBEE Status Level Certificates issued by SANAS Accredited Verification Agencies on or after 1 March 2012 bear the SANAS symbol (logo) on the face of the certificates.
  - 4.3.2 EME B-BBEE Status Level Certificates issued by SANAS accredited Verification Agencies prior to 1 March 2012 and which do not bear the SANAS symbol (logo) are acceptable as evidence of their B-BBEE rating. AAs / AOs are, however, required to confirm the validity of the certificate by tracing the name of the issuing Verification Agency to the list of SANAS Accredited Agencies. This list is accessible on [http://www.sanas.co.za/af-directory/bbbee\\_list.php](http://www.sanas.co.za/af-directory/bbbee_list.php).
- 4.4 Further guidance on the use of the SANAS symbol (logo) will be communicated by the SANAS directly to Verification Agencies.
- 4.5 Any enquiries in respect of B-BBEE Status Level Certificates may be directed to the dti as follows:

Ms Makhosazana Seate  
Director: Procurement Transformation and Verification  
Tel: (012) 394 1694  
Fax: (012) 394 2694  
E-mail: MSeate@thedti.gov.za

## 5. APPLICABILITY

This circular applies to all national and provincial departments, constitutional institutions, public entities listed in schedules 2 and 3 to the PFMA and municipalities and municipal entities to which the MFMA apply.

## 6. DISSEMINATION OF INFORMATION CONTAINED IN THIS CIRCULAR

- 6.1 Heads of provincial treasuries are requested to bring the contents of this circular to the attention of accounting officers and supply chain management officials of their respective provincial departments.
- 6.2 Accounting officers of national and provincial departments are requested to bring the contents of this circular to the attention of accounting authorities and the supply chain management officials of Schedule 3A and 3C public entities reporting to their respective executive authorities.
- 6.3 Accounting officers of municipalities and municipal entities are requested to bring the contents of this circular to the attention of the supply chain management officials of their municipalities and municipal entities.
- 6.4 Accounting authorities of Schedule 2, 3B and 3D public entities are requested to bring the contents of this circular to the attention of the supply chain management officials of their public entities.

### CONTACT INFORMATION

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JAN BREYTENBACH

CHIEF DIRECTOR: NORMS AND STANDARDS

DATE: 2012/02/29

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