

9 JUNE 2017



BLACK ECONOMIC EMPOWERMENT ALERT

IN THIS
ISSUE

REGISTRATION OF MAJOR B-BBEE TRANSACTIONS

On 9 June 2017, the Department of Trade and Industry published a notice in Government Gazette 40898 setting out the final thresholds for registration of Major B-BBEE Transactions.

REGISTRATION OF MAJOR B-BBEE TRANSACTIONS

A Major B-BBEE Transaction is any transaction that has resulted or will result in a measured entity claiming ownership points in terms of the ownership scorecard of the applicable BEE codes of good practice and which has a transaction value of at least R25 million.

Every transaction concluded on or after 24 October 2014 must be registered. All parties to the transaction have a collective responsibility to register the transaction.



On 9 June 2017, the Department of Trade and Industry published a notice in Government Gazette 40898 setting out the final thresholds for registration of Major B-BBEE Transactions.

In terms of the notice, any Major B-BBEE Transaction having a Transaction Value of at least R25 million must be registered with the B-BBEE Commission. A Major B-BBEE Transaction is any transaction that has resulted or will result in a measured entity claiming ownership points in terms of the ownership scorecard of the applicable BEE codes of good practice. The notice provides that Transaction Value excludes administration, professional and legal fees. The notice takes effect immediately.

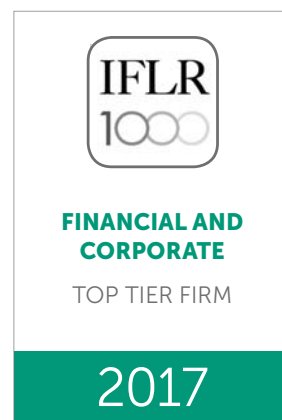
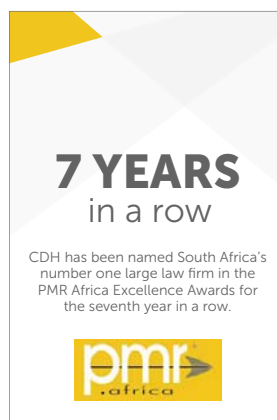
Every transaction concluded on or after 24 October 2014 must be registered. All parties to the transaction have a collective responsibility to register the transaction.

The regulations to the B-BBEE Act prescribe the requirements for registering Major B-BBEE Transactions. Parties must submit the transaction for registration

within 15 business days after concluding the transaction. The regulations state that the requirement for registration is not a requirement to obtain the Commission's consent for the transaction. The regulations provide that the Commission is entitled to advise the parties of any concerns that the Commission has regarding the transaction, and the parties must then take steps to address the Commission's concerns. If adequate steps are not taken, the Commission can then initiate an investigation in terms of the B-BBEE Act into the transaction.

Given the retrospective requirement, parties will have to give consideration to whether B-BBEE ownership transactions that they've entered into from 24 October 2014 require registration.

Verushca Pillay



OUR TEAM

For more information about our Black Economic Empowerment sector and services, please contact:



Verushca Pillay

Director
Corporate and Commercial
T +27 (0)11 562 1800
E verushca.pillay@cdhlegal.com



Lauren Wilson

Director
Corporate and Commercial
T +27 (0)11 562 1223
E lauren.wilson@cdhlegal.com



Allan Hannie

Director
Corporate and Commercial
T +27 (0)21 405 6010
E allan.hannie@cdhlegal.com

BBBEE STATUS: LEVEL THREE CONTRIBUTOR

Cliffe Dekker Hofmeyr is very pleased to have achieved a Level 3 BBBEE verification under the new BBBEE Codes of Good Practice. Our BBBEE verification is one of several components of our transformation strategy and we continue to seek ways of improving it in a meaningful manner.

This information is published for general information purposes and is not intended to constitute legal advice. Specialist legal advice should always be sought in relation to any particular situation. Cliffe Dekker Hofmeyr will accept no responsibility for any actions taken or not taken on the basis of this publication.

JOHANNESBURG

1 Protea Place, Sandton, Johannesburg, 2196. Private Bag X40, Benmore, 2010, South Africa. Dx 154 Randburg and Dx 42 Johannesburg.
T +27 (0)11 562 1000 F +27 (0)11 562 1111 E jhb@cdhlegal.com

CAPE TOWN

11 Buitengracht Street, Cape Town, 8001. PO Box 695, Cape Town, 8000, South Africa. Dx 5 Cape Town.
T +27 (0)21 481 6300 F +27 (0)21 481 6388 E ctn@cdhlegal.com

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