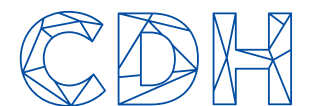



# **BLACK ECONOMIC EMPOWERMENT**





Cliffe Dekker Hofmeyr's BEE practice is widely recognised as one of the most knowledgeable and experienced BEE regulatory teams in South Africa.

## GENERAL PRINCIPLES OF BEE

**Broad-based black economic empowerment (BEE) has become a vital component of the long term sustainability of South African businesses.**

A national policy originally introduced by the South African government in 2003 in terms of the Broad-based Black Economic Empowerment Act (BEE Act), with the purpose of increasing the participation of black people in the economy, BEE has had mixed success. The focus now is on ensuring BEE is implemented correctly in accordance with both the letter and spirit of the legislation.

In addition to the BEE Act, there are general and sector specific codes of good practice which set out the framework and methodology for measuring BEE compliance (BEE Codes).

BEE compliance in terms of the BEE Codes is typically assessed in terms of five elements: ownership, management control, skills development, enterprise and supplier development, and socio-economic development. Certain sector BEE Codes may have additional elements. Each element has its own scorecard and measurement principles. Each scorecard contains targets for its various indicators and points which can be earned if the targets are met. An entity whose BEE compliance is measured in terms of applicable BEE Codes will receive an overall score which will then determine its BEE compliance level. This BEE compliance level, and increasingly the extent of black ownership of an entity, can be a decisive factor in the awarding of business and certain licences to companies.

The BEE Commission's role as a statutory oversight body has also served to bring more focus to undertaking BEE compliance in a manner that seeks to achieve the objectives of the BEE Act as part of its mandate of ensuring compliance with the legislation.

## LEGAL PARTNER FOR YOUR BEE PLANS

Cliffe Dekker Hofmeyr's BEE practice is widely recognised as one of the most knowledgeable and experienced BEE regulatory teams in South Africa. Our BEE team has considerable practical experience in advising South African and international businesses seeking to implement BEE in accordance with the framework and the objectives of the legislation.

## OUR EXPERIENCE

Our team is commercial, solution-oriented, responsive and dynamic in its approach, and also includes leading professionals from our various practice areas where necessary. Our experience is deep and varied and covers a wide range of advisory services, including:

- Assisting with formulating a BEE strategy to align commercial outcomes with BEE expectations
- Advising on the development of appropriate BEE ownership structures, and drafting the legal documents for implementing these structures
- Conducting BEE due diligence investigations
- Advising on complaints made to the BEE Commission

### A DIFFERENT APPROACH



You will always enjoy high partner visibility and involvement on your matter.



We put lead partners, experienced in BEE transactions on every deal to ensure the correct strategic approach.



The team will have in-depth BEE experience and knowledge of your industry with a unique blend of commercial, funding, competition and tax expertise.



We work in partnership with you to develop commercial, pragmatic, constructive and timeous solutions.



We tailor our approach to your specific needs and will customise transaction documents to suit you.



## OUR TEAM

For more information about our BEE sector and services in South Africa, please contact:



**Allan Hannie**

Director:

Corporate & Commercial

T +27 (0)21 405 6010

E [allan.hannie@cdhlegal.com](mailto:allan.hannie@cdhlegal.com)



**Luyolo Mfithi**

Associate Designate:

Corporate & Commercial

T +27 (0)21 481 6334

E [luyolo.mfithi@cdhlegal.com](mailto:luyolo.mfithi@cdhlegal.com)

**BBBEE STATUS: LEVEL ONE CONTRIBUTOR**

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.

**PLEASE NOTE**

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](mailto: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](mailto:ctn@cdhlegal.com)

**NAIROBI**

Merchant Square, 3<sup>rd</sup> floor, Block D, Riverside Drive, Nairobi, Kenya. P.O. Box 22602-00505, Nairobi, Kenya.

T +254 731 086 649 | +254 204 409 918 | +254 710 560 114

E [cdhkenya@cdhlegal.com](mailto:cdhkenya@cdhlegal.com)

**STELLENBOSCH**

14 Louw Street, Stellenbosch Central, Stellenbosch, 7600.

T +27 (0)21 481 6400 E [cdh Stellenbosch@cdhlegal.com](mailto:cdh Stellenbosch@cdhlegal.com)

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