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BEE CODES

Now you need a decoder

Black economic empowerment (BEE) analysts have highlighted a number of inaccuracies in the recently gazetted BEE codes. In response, the department of trade & industry (DTI) is hurriedly preparing "guidelines" to address the growing confusion. The codes were meekly unveiled on February 9 after a summarised version launched to fanfare in December last year.

Early scrutiny of the codes reveals ambiguity in the phrasing of the document and miscalculations in the points system. To get a feel for the language used, consider this wordy paragraph: "No measured entity shall receive any points under the employment equity scorecard unless they have achieved a subminimum of 40% of each of the targets set out on the employment equity scorecard in respect of both five-year periods."

This, one might understand, means a company may meet or exceed the targets for two categories of employment equity — say, junior management and disabled black people — but fall short in another category and therefore forfeit all points achieved under the total employment equity portion of the scorecard. In fact, says the DTI's chief director of BEE, Polo Radebe, companies are not required to achieve a subminimum of 40% in each of the categories to avoid forfeiting points. They will be issued points for each successful indicator, regardless of their performance in the other levels. A guideline clarifying this is to be issued by the DTI this month, she says.

Other items likely to befuddle those attempting to decipher the codes include a formula that can be added up to 16, even though the total number of points available for that section of the code is 15, and terms in the glossary that are no longer used in the codes.

The codes were welcomed in mid-December 2006 after three years of development, but were dispatched by cabinet for the wording to be simplified by law firm Cheadle Thompson & Haysom. Two months may not have been time enough to properly distil what is undeniably a murky subject. The red pen is still needed.

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Polo Radebe Issuing guidelines