

Who is the B-BBEE Commission?

The Broad-Based Black Economic Empowerment Commission (“B-BBEE Commission”) is established as an entity within the administration of the Department of Trade and Industry (“**the dti**”) by the Broad-Based Black Economic Empowerment Act 53 of 2003, as amended by Act 46 of 2013 (“the B-BBEE Act”).

What is an Exempted Micro-Enterprise?

An enterprise with an annual Total Revenue of R10 Million or less qualifies as an Exempted Micro-Enterprise (EME).

Eligibility as an Exempted Micro-Enterprise

An EME is deemed to have a B-BBEE Status of “Level Four Contributor” having a B-BBEE recognition level of 100%.

Despite the above, the amended Codes of Good Practice have provided for enhanced B-BBEE recognition level for an EME where:

- An EME, which is at least 100% black owned qualifies for elevation to “Level One Contributor” having a B-BBEE recognition level of 135%.
- An EME, which is at least 51% Black owned qualifies for elevation to “Level Two Contributor” having a B-BBEE recognition level of 125%

However, an EME is allowed to be measured in terms of the Qualifying Small Enterprise scorecard if it wishes to maximise its points and move to a higher level.

What are the requirements for an Exempted Micro Enterprise?

An EME does not need to be verified, either by an accounting officer or verification professional.

An EME is only required to obtain a sworn affidavit (template on www.thedti.gov.za) or Companies and Intellectual Property Commission (CIPC) Certificate on an annual basis, confirming the following:

- Annual Total Revenue of R10 million or less
- Level of Black ownership

Thus, no person, verification professional, agency or auditor has authority under the revised Codes of Good Practice to issue an EME with a B-BBEE certificate as this would be in contravention of the B-BBEE Act and would result in the B-BBEE Commission taking action against these perpetrators of this unauthorised and illegal practice. It is immaterial whether the verification professional or agency accredited by SANAS, no one is permitted to issue such certificate to EMEs.

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