

TRANSPORT CHARTER EME AND BLACK OWNED QSE CONFIRMATION

The Amended B-BBEE codes of good practice (Government Gazette No.:36928), published in the gazette on 13 October 2013, states under code series 000, clause 4.5 and 5.3, that an EME and a black owned QSE only requires to obtain an affidavit confirming turnover and black ownership.

But under same code series 000, clause 3.2.3, states: "A Measured Entity in a sector in respect of which a sector code has been issued in terms of section 9 of the BBEE Act as amended, may only be measured for compliance in accordance with that code."

The Transport Sector Code (Government Gazette No.:32511) published in the gazette on 21 August 2009, has been issued in terms of Section 9 of the B-BBEE Act of 2003.

Transport sector code has multiple sub sectors. The sub sectors are the Bus Industry, Domestic Aviation, Forward and Clearing, Maritime, Public Transport, Railway, Road freight and the Taxi Industry.

Companies within the Transport Sector codes must comply with the Sector code of 21 August 2009. The turnover threshold for EME's in accordance of the Transport charter is R5million. If a company's turnover is below the R5million, they must obtain an accountant's letter, and used as a BEE certificate or they must obtain an EME Certificate issued by a SANAS Accredited Rating company.

Companies with a turnover between R5million and R35million, will be a Qualifying Small Enterprise and must comply with 4 of the 7 elements. There will be no enhanced recognition for Black owned entities in terms of this code. ALL QSE companies must be rated in the sector code published on 21 August 2009. Companies with a turnover more than R35 million, must comply with all 7 elements.

This common mistake is creating confusion in the market. All measured entities should be informed that

any company within the transport sector and its sub sectors cannot use an affidavit. SANAS accredited verification agencies will not recognise the affidavit, and the measured entity will lose all the applicable points.

The draft amended BEE codes of good practice were published for public comments on the 26th of February 2016. They have not been published in the gazette as a new sector code. According to the proposed new codes: the following EME and QSE thresholds apply

Subsector	Turnover	
	EME	QSE
Bus	R0 to R10,000,000	R10,000,000 to R50,000,000
Aviation (Excluding Airline Operators)	R0 to R5,000,000	R5,000,000 to R35,000,000
Airline operators	R0 to R10,000,000	R10,000,000 to R50,000,000
Forward and Clearing	R0 to R10,000,000	R10,000,000 to R50,000,000
Maritime	R0 to R10,000,000	R10,000,000 to R50,000,000
Public Transport	R0 to R10,000,000	R10,000,000 to R50,000,000
Rail	R0 to R10,000,000	R10,000,000 to R50,000,000
Road Freight	R0 to R10,000,000	R10,000,000 to R50,000,000
Taxi Industry	R0 to R10,000,000	R10,000,000 to R50,000,000