**THE NATIONAL ASSEMBLY**

 **QUESTION FOR WRITTEN REPLY**

**854 Adv A de W Alberts (FF Plus) to ask the Minister of Trade and Industry:†**

1. **Whether, with regard to businesses providing financial and social contributions to safe houses, children's homes and institutions that (a) also help white children and white disabled persons, (b) only help white children and white disabled persons at a given time, as, for example, only white indigent persons live in the area, (c) help white, black, brown and Indian children and the disabled and (d) help all children except white children and white disabled persons, are eligible for broad-based black economic empowerment points (BBBEE) in accordance with certain generic codes; if not, (i) why not and (ii) how is it justified in each case in terms of the Constitution of the Republic of South Africa, 1996; if so, what are the relevant details in each case;**

B-BBEE promotes the achievement of the constitutional right to equality, within the historical context of race being used to control access to South Africa’s productive resources during apartheid. The increase of effective participation in the South African economy by the majority of South Africans previously denied such is envisioned, so as to promote the stability and prosperity of the economy in the future to the benefit of all South Africans, irrespective of race.

The examples higlighted of safe houses and children homes for B-BBEE purposes finds insight in the Socio Economic Development element which has a 75% black beneficiary base target. Qualifying Socio Economic Development Initiatives which has a maximum of 25% white beneficaries will enjoy 100% recognition under the Socio Economic Development Element. Black South African citizens as well as White people are thus recognised for the promotion of Socio Economic Development on the B-BBEE Codes of Good Practice. The intent of such donations are crucial as B-BBEE can not be a tick-box exercise.

1. **what are the full relevant details regarding the circumstances under which businesses which provide financial and social contributions to safe houses, children's homes and institutions (a) are eligible for maximum BBBEE points and (b) are not eligible for BBBEE points;**

Code Series 500 of the Amended B-BBEE Codes of Good Practice which is the Socio Economic Development pillar extensively documents the requirements for B-BBEE recognition. Eligibility is determined through measurement of:

1. the specific objective with which the contribution was made; and
2. the black beneficiary percentage benefiting from the contribution.
3. **on what date did the generic codes for BBBEE points come into effect;**

The B-BBEE Codes of Good Practice were gazetted, and thus became effective on 09 February 2007. The Codes were subsequently amended*.* The Amended B-BEE Codes of Good Practice came into effect on date of gazette thereof, being 11 October 2013. An 18-month transition period was however granted for entities whom wished to be rated in terms of the 2007 Codes of Good Practice to allow them to adopt B-BBEE strategies which speak to the Amended Codes, should it wish to. The election option expired on 01 May 2015.

1. **whether this regulation on the basis of restrictions on white children and white disabled persons has in any way contributed to the upliftment of previously disadvantaged persons; if so, what are the relevant details of valid scientific data in this regard;**

As per Question (1), white children and white disabled persons are not excluded from Socio Economic Development recognition for B-BBEE purposes.

1. **whether the generic codes for BBBEE points create an environment where (a) the employment of and financial and social contributions to any white person disadvantages a business that wants to obtain BBBEE points and (b) businesses that are 100% black is earning the most BBBEE points without regard to demographic representation, in other words, can a business be 100% black but never 100% white; if so, what are the full relevant details in each case? [NW933E]**

B-BBEE Measurement is informed by a balanced scorecard, of which the measurement of Ownership makes up only 21.19%. Furthermore, the targets contained within all of the elements are not absolute, i.e none of the elements have a 100% target for black participation. The employment of and financial and social contributions to a white person therefore does not disadvantage a business looking to obtain B-BBEE points.