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To: Measured Entities verified in terms of the B-BBEE ICT Sector Code (Gazette 40407)

Att: Measured Entity Representatives

CLARIFICATION NOTE: TREATMENT OF ECONOMICALLY ACTIVE POPULATION (EAP) FOR COMPLIANCE TARGETS 2.1.1.2 AND 2.1.3 UNDER CODE SERIES AICT400

Introduction

The compliance targets under Code Series AICT400 with specific reference to paragraph “2.3 The Compliance Targets” states that:

“The compliance targets for 2.1.1.1, 2.1.1.2, 2.1.2.1, 2.1.2.2 and 2.1.3 of the Skills Development Scorecard are based on the overall demographic representation of Black people as defined in the Employment Equity Act. For scoring purposes, the targets should be further broken down into specific criteria according to the different race sub-groups within the definition of Black in accordance with the Employment Equity Act requirements on equitable representation and weighted accordingly.”

Specifics of the Clarification Note

This clarification note serves to provide certainty as it pertains to the treatment of Economically Active Population (herein referred to as EAP) for the determination of recognition for compliance category

Members of the B-BBEE ICT Sector Council: R A Tlhoale (Chairperson), S Sebata (Deputy Chairperson), S Capazario, W Ledwaba, T Lesiba, S B Lockman (Acting Secretariat), L Marthinus, M Msimang, S Msweli, N Ngqulu, N Ntloko, D Nxumalo, M Phasha, D Qocha, N Reuben, S Seabi, S Sontange, S Thulo, T Tshefuta, H Williams.

- 2.1.1.2, which category measures the Skills Development Expenditure on Learning Programmes specified in the learning programmes matrix for black employees with disabilities as a percentage of Leivable amount; and
- 2.1.3 which category comprises the bonus points for the number of black people absorbed by the Measured Entity at the end of the learnership programme.

Justification of the Clarification Note

In the alignment and harmonization of the ICT Sector Code to that of the 2013 amended DTI Codes of Good Practice, it was, due to time constraints, agreed upon not to compile a ICT Sector Code specific Glossary and Definitions as well as relevant Annexures to required sub-Codes. To this end, the ICT Sector Code incorporated a provision that recognized that where the ICT Sector Code was silent to any aspects contained in the amended Generic DTI Code, the Generic DTI Codes took precedence.

On 6 May 2015 under Government Gazette Number 38765, the DTI published a correction to address the calculation methodology for the category targets 2.1.1.2 and 2.1.3 respectively. This correction was effected to the amended Annexure 300 under Code 300, as demonstrated below:-

Formula 3

This equation explains the method of measurement of the criteria under paragraph 2.1.1.2 and 2.1.3

$$A = B/C \times D$$

Where

A is the score for measurement category indicator

B is the percentage of spend in the measurement category that are black disabled people or

B is the percentage of absorbed people in the measurement category that are black people

C is the target for the applicable criteria as referred to in the scorecard under statement 300

D is the Weighting points for the applicable criteria as referred to in the scorecard under statement 300

Clarification Note applicable to AICT400

As stated above, the ICT Sector Code published on 7 November 2016 was silent as to the inclusion of Annexures and Definitions as contained in the 2013 DTI Codes. To this end, and in accordance with AICT Series 000 General Principles and with specific reference to paragraph 2.8 which states that

“Where the 2016 amended B-BBEE ICT Sector Code is silent, on certain provisions, the provisions of the amended Generic Code shall take precedence.”

the treatment for the determination of compliance to categories 2.1.1.2 and 2.1.3 is to be conducted in strict accordance to Formula 3 as contained in Government Gazette 38765 of 6 May 2015.

Therefore, since the 2016 amended ICT Sector Code is reliant upon the Annexures and Definitions contained in the DTI Codes in order to guide the industry and Verification Agencies on how targets are measured, any amendments executed to such Annexures and Definitions as contained in the DTI Codes, have bearing upon (is applicable to) the 2016 amended ICT Sector Code

Yours sincerely,



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Copy:

- Mr Jacob Maphutha - Chief Director – B-BBEE Unit, Department; Trade, Industry and Competition
- Mr Yuneal Padayachy - Accreditation Manager - B-BBEE; SANAS

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