



Government Gazette Staatskoerant

REPUBLIC OF SOUTH AFRICA
REPUBLIEK VAN SUID-AFRIKA

Vol. 530

Pretoria, 21 August
Augustus 2009

No. 32511

*N.B. The Government Printing Works will
not be held responsible for the quality of
"Hard Copies" or "Electronic Files"
submitted for publication purposes*



AIDS HELPLINE: 0800-0123-22 Prevention is the cure

CONTENTS • INHOUD*No.**Page
No. Gazette
 No.***GENERAL NOTICE****Trade and Industry, Department of***General Notice*

1162	Broad-Based Black Economic Empowerment Act (53/2003): Codes of Good Practice on Broad-Based Black Economic Empowerment.....	3	32511
------	---	---	-------

GENERAL NOTICE

NOTICE 1162 OF 2009

Issued in terms of Section 9 (1) of the BBBEE Act 53, 2003

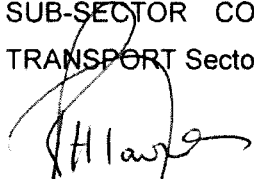
(DEPARTMENT OF TRADE AND INDUSTRY)

CODES OF GOOD PRACTICE ON BROAD BASED BLACK ECONOMIC EMPOWERMENT

Whereas, the Minister of Trade and Industry:

- (a) Has issued a **DRAFT TRANSPORT SECTOR CODE (THE DRAFT CODE)** provided for in Code 000 Statement 003 of the Codes of Good Practice under **Section 9 (5)** of the Broad-Based Black Economic Empowerment (Act No. 53 of 2003) on the **24th December 2008**
- (b) In terms of which the public and interested persons were invited to comment on the Draft Sector Charter within a period of **60 days** from the date on which the Draft Sector having been published,
- (c) The public having commented, I, **Dr Rob Davies**, now publish the **TRANSPORT SUB-SECTOR CODES** as a **SECTOR CODES** on black economic empowerment in terms of **Section 9 (1)** of the BBBEE Act, 53 of 2003.

This notice is effective from the date of publishing and means that the **TRANSPORT SUB-SECTOR CODES** are binding on all stakeholders operating in the **TRANSPORT** Sector within which the Sub-Sector Codes apply.



.....
DR ROB DAVIES

MINISTER OF TRADE AND INDUSTRY

DATE: 28/7/09

INTEGRATED TRANSPORT SECTOR CODES

**GAZETTED IN TERMS OF SECTION 9 (1) OF THE
BBBEE ACT 53 OF 2003**

JULY 2009

PREAMBLE

The parties to this Charter, organized as Government, Organised Labour, Industry and Interest groups, commit themselves to actively promote a transformed, vibrant, and globally competitive transport sector that reflects the demographics of South Africa, and contributes to the establishment of an equitable society by effectively providing accessible transport services to all South Africans, particularly Black people, and their participation in the transport industry.

The parties to this Sector Codes attest that this Integrated Transport Sector Codes provides guidelines for transformation in the transport sector and represents a partnership of programmes as outlined in the Government's Strategy for Broad-based Black Economic Empowerment and is aligned with the Department of Trade and Industry's Code of Good Practice.

The parties to this Sector Codes concur that the Sector Codes constitutes a framework that establishes the principles upon which Broad-Based Black Economic Empowerment will be implemented in the transport sector and in terms of which each principle shall be underpinned by targets, responsibilities, implementation mechanism and monitoring tools for the transformation of the sector.

The parties to this Sector Codes confirm that all the processes of targets, responsibilities, reviews, implementation and monitoring, shall be carried out primarily by the Transport Sector Black Economic Empowerment Council that shall be established specifically for this purpose.

The parties to this Sector Codes, commit to use Black Economic Empowerment as a tool to unlock efficiencies throughout the transport sector, maximizing all the sub sectors to promote an integrated, intermodal and multifaceted transport logistics system that supports both public and freight for the benefit of our economy.

Lastly the parties to this Sector Codes agree on embarking on a deliberate strategy to increase access to skills, capital and economic opportunities and, therefore raise the economic value added (or productivity) of every employee and enterprise in the transportation industry, while creating opportunities for the unemployed and working poor to enter the formal economy.

DEFINITIONS

For purposes of clarification and for avoidance of ambiguity, the following terms apply to the all the gazetted Broad Based Economic Empowerment (B-BBEE) Sub-Sector Codes:

TERM	DEFINITION
Acceptable Valuation Standard	Means a valuation of an asset, an Economic Interest, an Enterprise or another instrument or right relevant to measurement under the ownership indicator undertaken in accordance with normal valuation methodologies which represent standard market practice in the context of the nature as well as the stage of development of the asset, Equity Interest or Enterprise being valued.
Aged Persons Act	Means the Aged Persons Act 81 of 1967, as amended.
Airline Service Providers	Are those service providers that give services to airlines companies e.g catering services, travel news magazines etc
Allowable Exclusions From Total Procurement	Refers to procurement by a measured entity as defined in Code 500 of the Generic Codes of Good Practice gazetted on February 2007 and subsequent amendments.
Associated Enterprise	Means any black Enterprise other than the Measured Enterprise with which the Measured Enterprise has concluded a Qualifying Transaction.
Black aged people	Black people who are also aged people as defined in the Aged Persons Act 81 of 1967, as amended or substituted.
Black designated groups	(a) means unemployed black people not attending and not required by law to attend an educational institution and not awaiting admission to an educational institution. (b) Black people who are youth as defined in the National Youth Commission Act of 1996. (c) Black people who are persons with disabilities as defined in the Code of Good Practise on employment of people with disabilities issued under the Employment Equity Act. (d) Black people living in rural and under-developed areas.
Black Enterprise	Is one that is 50,1% owned by black persons and where there is substantial management control.
Black Empowered Enterprise	Is one that is at least 25.1% owned by black persons and where there is substantial management control.
Black New Entrants	Means a black Partnership(s) (which includes without limitation, black Participants in Broad-Based Ownership Schemes) holding in aggregate in excess of 5% of the total Voting Rights and Economic Interest in a Measured Enterprise who has not, prior to their acquisition of their Equity Interest in the Measured Enterprise, concluded similar transactions in respect of any other Enterprise, which in aggregate have a cumulative value of

TERM	DEFINITION
	R20,000,000.00 measured in accordance with an Acceptable Valuation.
Black People	has the meaning defined in the Act qualified as including only natural persons who are citizens of the Republic of South Africa by birth or descent; or are citizens of the republic of South Africa by naturalisation: (a) occurring before the commencement date of the constitution of the Republic of South Africa Act of 1993; or (b) occurring after the commencement date of the Constitution of the Republic of South Africa Act of 1993, but who, without the Apartheid policy would have qualified for naturalisation before then.
Black unemployed people	Black people who are unemployed, are not attending or are not required by law to attend an educational institution and who are not awaiting admission to an educational institution
Black Women-Owned Enterprise	is one with a minimum of 50,1% representation of black women in the ownership structure, which includes related economic interest and exercisable voting rights.
Black workers	Black Persons employed in market production activities are those (aged 15-64 years) who during the reference week, even if it was for only one hour, did any of the following: a) Worked for a wage, salary, commission or payment in kind (including paid domestic work). b) Ran any kind of business, big or small, on their own or with one or more partners. c) Helped without being paid in a business run by another household member. d) Were temporarily absent from their jobs or businesses to which they would definitely return.
Black youth	Black persons who are also youth as defined in the National Youth Commission Act 19 of 1996, as amended or substituted.
Broad Based Black Economic Empowerment (B-BBEE)	Government defines B-BBEE as an integrated and coherent socio-economic process that directly contributes to the economic transformation of South Africa and brings about significant increases in the numbers of black people that manage, own and control the country's economy, as

TERM	DEFINITION
	well as significant decreases in income inequalities. Thus the B-BBEE process will include elements of human resource development, employment equity, enterprise development, preferential procurement, as well as investment, ownership and control of enterprises and economic assets.
Community or broad based enterprise	has an empowerment shareholder who represents a broad base of members such as a local community or where the benefits support a target group, for example black women, people living with disabilities, the youth and workers.
Control	of a business entity can be achieved in a number of ways a) a majority shareholding position i.e. 50% + 1 share, b) an effective controlling shareholding; c) a majority of a board of directors; and/or d) a shareholders agreement.
Co-operative or Collective Enterprise	An autonomous association of persons who voluntarily join together to meet their economic, social and cultural needs and aspirations through the formation of a jointly – owned enterprise and democratically controlled enterprise.
Development	Includes but not limited to Joint Ventures, sub-contracting, and supplier development initiatives. It also includes but not limited to the facilitation provided by established company to its B-BBEE partners e.g. discounts, access to cash flow, guarantees or put options deferred payments, and other vendor financing models.
Direct Empowerment	The process of BEE should/may result in an increase in the ownership and control of the economy by black persons. This means that a significant portion of a black persons ownership of assets and enterprises must be a controlling interest, reflecting genuine participation in decision making at board executive management and operational levels, and the assumption of real risk. In this Charter, direct empowerment focuses on ownership of enterprises and assets through shares and other instruments that provide the holder thereof with voting rights and economic benefits such as dividends or interest payments.
Disabled employees	For the purpose of this Charter, the definition of employees with disabilities as contained in the Employment Equity Act is used. It means employees who have a long-term or recurring physical or mental impairment, which substantially limits their prospects of entry into or advancement in employment. The total number of employees with disabilities (irrespective of race or gender) is expressed as a percentage of the total number of employees (irrespective of race or gender) in all levels of the organisation.
Enterprise Development ventures	Includes business ventures such as sub-contracting, joint ventures, driver owner schemes, twinning, etc, which involves the development or setting up of business

TERM	DEFINITION
	ventures which involves black operators, suppliers and especially or black SMME's (small, medium and micro enterprises).
Exclusions from Total Measured Procurement	Generally has the same meaning as that contained in the Codes of Goods Practice gazetted on the 9 February 2007 and as amended however the list of inclusions/exclusions as per Annexure A of this Charter takes precedence.
Executive Management	Means the most senior position in the organisation as well as the overall heads of major divisions or functions (e.g. finance, engineering, operations, human resources etc.) responsible for planning, policymaking and directing of such functions.
Exempted Micro Enterprises	These are enterprises with a turnover of R5 million or less for the purposes of this charter. They have an automatic recognition level of Level 4 in the B-BBEE Recognition Levels in the B-BBEE Codes of Good Practice. This affords companies procuring from these entities 100% B-BBEE recognition of spend.
Fronting	The deliberate misrepresentation of information in order to gain an advantage over another individual or entity. In addition, it includes the use of questionable ownership structures in order to unjustifiably gain points to get preference points in any business/ tender adjudication process.
Growth	Relates to the National Economic Growth, Industry Growth as well as Enterprise Development growth
Indicator	The indicator represent the key measurement yardstick included to determine the BEE contribution made by taxi enterprises within each broad-based BEE factor of Ownership, Strategic Representation (Management), Employment Equity, Skills Development, Preferential Procurement, Enterprise Development, Social Development and Industry Specific.
Indirect Empowerment	<p>a core component of this BEE Strategy is the creation and nurturing of new enterprises established or owned by black people. Preferential procurement by the State, Parastatals and the private sector is an effective and efficient instrument to drive BEE. A second element of indirect empowerment is enterprise development. This can take two forms:</p> <ul style="list-style-type: none"> • Investment in black owned and black empowered enterprises. • Joint Ventures with black owned and black empowered enterprises that result in substantive skills transfers.

TERM	DEFINITION
Indirect ownership	Occurs where a company or any other institution owns equity in a company on behalf of beneficiaries and there is no direct participation by the beneficiaries in the voting rights.
Job Creation	Refers to the creation of opportunities for sustainable permanent employment.
Job Creation Target	This is not a payroll tax but refers to a stakeholder commitment to create opportunities for unemployed learners for which there is a tax rebate from government. These employees must account for 5% of the workforce.
Learners	Refers to the people participating in learnerships or other learning interventions.
Leviable Amount	Bears the meaning as defined in the Skills Development Levies Act of 1999 as determined using the Fourth Schedule to the Income Tax Act.
Locally-owned Enterprise	A commercial undertaking or business where 50% or more of shareholding is held within the borders of the Republic of South Africa.
Management	Refers to the effective control of economic activities and resources. This involves the power to determine policies as well as the direction of economic activities and resources. Management control measures black representation at board of directors' level and executive management level.
Managerial or Supervisory Employees	Means employees who are working in supervisory or managerial positions i.e. those who have other employees reporting to them and who are responsible to oversee and supervise subordinates and/or processes.
Midibus	Minibus means a motor vehicle designed, or lawfully adapted by a registered manufacturer in compliance with Road Traffic Act, 1989 (Act No. 29 of 1989), to carry from nine to 18 seated persons, excluding the driver.
Net Asset Value	Within the context of this Sub-Sector Code this term refers to Total Asset less Liabilities.
Net Value	This is the portion of equity in the hands of black shareholders that is fully paid up. Essentially it is the value of the shareholding, less the outstanding amounts owed by that shareholder to third party funders or the principle entity in which the stake was acquired.
Net Economic Interest	Is the percentage of the shareholding by black shareholders that is unencumbered by any financial obligations to third parties or to the principle company in which the stake is held.
Non-Discretionary spend	Non-discretionary spending is spending that is required and by law.

TERM	DEFINITION
Ownership	refers to equity participation and the ability to exercise rights and obligations that accrue under such ownership. These rights and obligations include the right the economic interest flowing from the shareholding and the right to exercisable voting rights in proportion to that shareholding. It also refers to the net economic interest, in other words paid up capital. The parties to this Charter agree that the measurement of the extent of the achievement of this target of the aggregate value of the equity will be based on the asset values per the audited accounts of the entities concerned and that the net economic interest will be calculated according to the market value of the shareholding less the outstanding amounts owing to third parties or the principle company by the black shareholders.
People Living With Disabilities	<p>Disabled employees. For the purpose of this Charter, the definition of employees with disabilities as contained in the Employment Equity Act is used. It means employees who have a long-term or recurring physical or mental impairment, which substantially limits their prospects of entry into or advancement in employment. The total number of employees with disabilities (irrespective of race or gender) is expressed as a percentage of the total number of employees (irrespective of race or gender) in all levels of the organisation.</p> <p>Types of disabilities include:</p> <p>Spinal injuries-quadriplegic, paraplegic;</p> <p>Physical disabilities and deformities-post polio, amputations, arthritis, cerebral palsy;</p> <p>Epilepsy;</p> <p>Traumatic brain injuries & neurological disorders, strokes;</p> <p>Visual impairments - blind, degrees of blindness, retinitis pigment, albinism;</p> <p>Hearing impairments- deaf, degrees of deafness;</p> <p>Psychiatric conditions- depression, bi-polar, personality disorders, mood disorders;</p> <p>Learning disabilities - dyslexia, downs syndrome; and</p> <p>Communication/speech problems</p>
Preferential Procurement	Is a measure designed to widen market access for entities, in order to integrate them into mainstream of the economy. Preferential Procurement will create economic empowerment benefits indirectly but meaningfully as it multiplies the effects of private and public sector intervention to promote broad-based BEE.
Scorecard	means the standard B-BBEE scorecard used by the transport sector.
Skills Development	Refers to all expenditure on Black skills development; education and training (including the Skills Development

TERM	DEFINITION
	Levy). The actual expenditure on Black skills development, education and training that has been conducted during the last completed financial year to be used as a basis for the calculation. The total expenditure on Black skills development, education and training is expressed as a percentage of the total payroll costs. Total payroll costs include all remuneration related expenditure such as basic wages/salaries, overtime, and employment related company contributions.
Socio-economic Development	Specifically aimed at targeted socio-economic development projects or initiatives. Organisations are encouraged to support, develop and invest in targeted community projects – this includes e.g. poverty alleviation initiatives, HIV/ Aids programmes, study bursaries, programmes or projects for the disabled, occupational health programmes, youth camps, crime prevention programmes, alcohol and drug awareness, and internships.
Stakeholders	Refers to a range of interest groups who directly and indirectly participated in this process. These groups included Government, Private Industry, Parastatals, Agencies, Financial Institutions (Private and Public), Organised Labour, Civil Society Associations, B-BBEE operators, suppliers, SMME's as well as individuals.
Taxi Recapitalisation	The overall goal of the Taxi Recapitalisation (TRP) initiated by Government in 1999 is the replacement of the current ageing fleet that constitute the bulk of the taxi industry with new vehicles that are safe and reliable. The programme also sought to ensure the sustainability of the industry as a business, as well as ensure its formalisation and effective regulation.
Total Measured Procurement Spend	Generally has the same meaning as that contained in the Codes of Good Practice gazetted on 9 February 2007 and as amended however the list of exclusions as per Annexure A of this Charter takes precedence.

Definitions of terms and concepts not captured in this Charter are contained in the Codes of Good Practice gazetted on 9 February 2007.



Government Gazette Staatskoerant

REPUBLIC OF SOUTH AFRICA
REPUBLIEK VAN SUID-AFRIKA

Vol. 530

Pretoria, 21 August
Augustus 2009

No. 32511

*N.B. The Government Printing Works will
not be held responsible for the quality of
"Hard Copies" or "Electronic Files"
submitted for publication purposes*



AIDS HELPLINE: 0800-0123-22 Prevention is the cure

**FORWARDING AND CLEARING SUB-SECTOR CODE
FOR BBBEE**



**REPUBLIC OF SOUTH AFRICA
REPUBLIEK VAN SUID AFRIKA**

DEPARTMENT OF TRANSPORT

**FORWARDING AND CLEARING SUB-SECTOR CODE
FOR BBBEE**

FORWARDING AND CLEARING SUB-SECTOR CODE FOR BBBEE

TABLE OF CONTENTS

ABBREVIATIONS	3
1. SCOPE OF APPLICATION	3
2. LONG TERM VISION	3
2.1. Overarching long-term vision	3
2.2. Developing a World Class Industry	4
2.3. Undertakings by all Stakeholders (to achieve this vision)	4
2.4. National Government undertakings (to achieve the vision)	4
2.5. Labour Undertakings (to achieve this vision)	6
2.6. TETA undertakings (to achieve this vision)	6
3. INDICATORS OF EMPOWERMENT	7
3.1 Ownership	7
3.2 Management Control	9
3.3 Employment Equity	10
3.4 Skills Development	11
3.5 Preferential Procurement	13
3.6 Enterprise Development	15
3.7 SocioEconomic Development	16
4. FORWARDING & CLEARING B-BBEE SCORECARD	17
5. FOWARDING AND CLEARING QUALIFYING SMALL ENTERPRISES	
SCORECARD	21
6. APPENDIX B: COMMITMENT EVAULATION MATRICES	22

FORWARDING AND CLEARING SUB-SECTOR CODE FOR BBEE

ABBREVIATIONS

B-BBEE	Broad-Based Black Economic Empowerment
ABET	Adult Basic Education and Training
DOL	Department of Labour
DOT	Department of Transport
DTI	Department of Trade and Industry
EE	Employment Equity
EMEs	Exempted Micro Enterprises
FET	Further Education and Training
F&C	Forwarding and Clearing
FIATA	Federation Internationale des Associations de Transitaires et Assimiles
GDS	Growth and Development Summit
NEPAD	New Partnership for Africa's Development
NSF	National Skills Fund
PSA	Proudly South African
QSEs	Qualifying Small Enterprises
SARS	South African Revenue Services
TEO	The Enterprise Organisation
TETA	Transport Education and Training Authority
TNPA	Transnet National Ports Authority
TPT	Transnet Port Terminals

1. SCOPE OF APPLICATION

- 1.1 The Forwarding & Clearing (F&C) Industry comprises of economic activities that relate to all imports and exports conducted in respect of goods entering or leaving South Africa as well as those transiting this country. It excludes importers and exporters whose core activity is not clearing and forwarding.
- 1.2 Thus, the F&C Industry serves as an input to every other industry in the National economy as well as many of those across South African borders. In addition cognisance is taken of the fact that the F&C Industry is a complex one, which involves various activities including freight management and supply chain logistics.
- 1.3 The F&C Industry is associated with all modes of transport that might be involved in the carriage of cargo as well as, service providers such as warehouses and transit sheds and the associated management of data.
- 1.4 The F&C Industry works closely with Governmental and parastatal Institutions such as SARS, the Department of Trade & Industry (DTI), the Department of Transport (DOT) and Port Authorities.

2. LONG TERM VISION

2.1. Overarching long-term vision

- 2.1.1 The long-term vision is, through encouraging education and training and the promotion of life-long learning, develop the Industry so that all participants are able to compete, nationally and internationally, with the best in the world.

FORWARDING AND CLEARING SUB-SECTOR CODE FOR BBEE

- 2.1.2 Part of the vision is to develop South African owned forwarding and clearing multi-national companies wherever possible.
- 2.1.3 The South African F&C Industry is well positioned to make this vision a reality and craft a broader contribution towards regional development in line with the ideals of the New Partnership for Africa's Development (NEPAD).
- 2.2. Developing a World Class Industry**
- 2.2.1 Our vision is to develop a world-class industry based on seamless integration of all transport modes and multiple transport networks, which will grow in size, stimulate South Africa's economic growth and development, and facilitate trade whilst complying with international safety standards and delivering efficient, quality services to customers. Our industry will achieve a significant increase in black participation throughout the industry value chain. We will pursue a growth strategy that prioritises the retention and creation of quality jobs.
- 2.2.2 To make this vision a reality, will require a deliberate strategy to increase access to skills, capital and economic opportunities and, therefore raise the economic value added (or productivity) of every employee and enterprise in the industry. This will require all stakeholders to recruit new black people into the industry and increase their skills (and those of existing employees) to best-practice international levels, while creating a supportive culture for their talents to thrive. It will also require all stakeholders to facilitate the creation of new black entrepreneurs (and the development of existing ones) who can participate in economic opportunities throughout the logistics value chain.
- 2.2.3 We, the signatories to this document, believe that every company in South Africa should embrace Broad-Based Black Economic Empowerment (B-BBEE) voluntarily, recognising that it is a social and economic imperative to secure a prosperous future for all our country's citizens and, therefore, a larger market in which to trade. We commit ourselves to embark on a major communications and marketing campaign that will take this "Broad-Based BEE Sub-Sector Code for the F&C Industry" to every company to ensure maximum participation by all stakeholders.
- 2.2.4 Accordingly, all stakeholders commit themselves to this Sub-Sector Code agree to have their B-BBEE achievements (in terms of the indicators in the balanced scorecard) rated by an independent B-BBEE rating/verification company that is accredited by the relevant recognised body.
- 2.2.5 We commit ourselves to good corporate governance principles and the elimination of fronting in our industry. Accordingly, we will play an active role in instituting measures for monitoring, identifying and eradicating fronting.
- 2.3. Undertakings by all Stakeholders (to achieve this vision)**
- 2.3.1 To form collaborative relationships with organisations such as Proudly South Africa (PSA), Department of Trade and Industry (DTI) and other stakeholders and promote the economic benefits of utilising and growing Broad-Based Black Economic Empowerment compliant freight forwarding companies.
- 2.4. National Government undertakings (to achieve the vision)**
- 2.4.1 To continue to create an environment that is conducive for the country to substantially increase trade with the rest of the world, since the level of trade is the main driver of growth and, therefore, job creation in our industry. Key elements of an enabling environment for trade include: trade promotion;

FORWARDING AND CLEARING SUB-SECTOR CODE FOR BBEE

enhancing feeder and inland transport connections; reducing costs of data transfer; improving the quality of available maritime infrastructure & superstructure and restructuring to ensure reliability and cost effectiveness of railway and port operations.

- 2.4.2 Resolve legislative and fiscal restrictions, which have a negative impact on the competitiveness of South Africa and ensure a level playing field for all companies¹.
- 2.4.3 Use its leverage in the industry to incentivise all stakeholders to achieve the objectives of this charter.
- 2.4.4 Demonstrate its commitment towards developing South Africa into a leading trading nation by adopting a more harmonised approach between its various departments and parastatal institutions. This will require the setting up of structures that will ensure inter-governmental co-ordination between departments to align their programmes with the Transport sector wide, and supply chain processes. Examples of crosscutting issues that require interventions across government departments and agencies include:
 - 2.4.4.1 The DTI's Export incentives;
 - 2.4.4.2 National Treasury, and South African Revenue Services (SARS);
 - 2.4.4.3 Department of Foreign Affairs – Free Trade Agreements;
 - 2.4.4.4 Increasing awareness within the transport sector about available government investment incentives and grants;
 - 2.4.4.5 Engage public and private funding institutions to highlight opportunities in the sector;
 - 2.4.4.6 Make proposals on financing mechanisms; and
 - 2.4.4.7 Investigate, together with other stakeholders in other Transport sub-sectors, the feasibility of setting up a Transport Sector Bank.
- 2.4.5 Engage public and private sector funding agencies to develop innovative funding mechanisms for B-BBEE companies seeking to invest in the sector. This will require a high-level workshop with these agencies and major B-BBEE companies to inform them about opportunities that will emerge in the transport industry, including the F&C industry, following the adoption of this charter.
- 2.4.6 Increase awareness among B-BBEE companies in the transport sector about investment and matching grants, tax allowances and other incentives that are provided by the DTI's The Enterprise Organisation (TEO) and investigate the possibility of motivating for new products that take into account the unique nature of the F & C industry.
- 2.4.7 Enforce and monitor compliance with existing legislation that may impact B-BBEE such as the Employment Equity, Skills Development and Competition Acts.
- 2.4.8 Ensure that government departments are focused and sensitised on the importance of customer care and relations. This will require enhanced training and education for officials in relevant government departments.
- 2.4.9 Assist stakeholders with analysis of the number of people in particular skills set (or job category) broken down by race, gender and people living with disability.

¹ An example include the issue of small suppliers who are deemed as employees for personal tax purposes

FORWARDING AND CLEARING SUB-SECTOR CODE FOR BBEE

- 2.4.10 Publish an annual report on B-BBEE and job creation within the F&C industry that consolidates various reports and information from all stakeholders. Stakeholders will use this report to review progress at an annual Transport Industry B-BBEE Forum.
- 2.5. Labour Undertakings (to achieve this vision)**
- 2.5.1 Investigate opportunities to establish collective investment vehicles that will make investments in the sector. These investment vehicles will ensure empowerment of the workers both directly and in partnerships with other stakeholders in relation to skills for ownership and management of companies.
- 2.5.2 Ensure that workers are empowered by upgrading their skills base and creating opportunities to deploy them into management positions as well as participating in creative employee share ownership schemes.
- 2.5.3 Labour should mobilise members to ensure compliance and understanding of existing legislation e.g. the employment equity, skills development, labour relations and basic conditions of employment acts. Companies that do not comply must be reported to the Transport Sector B-BBEE Council to take further action.
- 2.5.4 Labour will mobilise members to identify companies who fail to implement this agreed F&C industry B-BBEE Sub-Sector Code and report them to Transport Sector B-BBEE Council to take further action.
- 2.5.5 Mobilise members to monitor the performance of their employers in implementing the Growth and Development Summit (GDS) agreement on promoting local content and/or procurement and supporting the Proudly South African campaign.
- 2.6 TETA undertakings (to achieve this vision)**
- 2.6.1 Play a more interventionist role to influence training priorities in the F&C Chamber. Assist stakeholders with analysis of the number of people in a particular skills set (or job category) broken down by race, gender and people living with disability.
- 2.6.2 Continuously conduct analysis and update statistics about the future demand and supply of critical skills sets.
- 2.6.3 Continuously analyse the quantity, quality and nature of F&C training that companies are doing.
- 2.6.4 Commit to this B-BBEE Sub-Sector Code and strive to achieve the targets set (where applicable) as per the indicators in the balanced scorecard both internally and with specific reference to service providers.
- 2.6.5 Align its mission and vision with the imperatives of B-BBEE and assist with the provisioning of relevant B-BBEE data that will be key for the implementation and monitoring of this strategy.
- 2.6.6 Enable the achievement of the education and training objectives of this charter, without unnecessary bureaucratic impediments.

FORWARDING AND CLEARING SUB-SECTOR CODE FOR BBEE

- 2.6.7 The signatories of this Sub-Sector Code are of the view that the sector should endeavour to facilitate the realisation of these commitments by monitoring contributions to B-BBEE. The evaluation of these contributions should be conducted through an Evaluation Matrix provided in Appendix B.

3. INDICATORS OF EMPOWERMENT

This Broad-Based B-BBEE Sub-Sector Code for the F&C Industry seeks to encourage all stakeholders to pursue a transformation agenda according to the broad guidelines set out in the BEE National Strategy and B-BBEE Act 53 of 2003. It is necessary to set different targets and timeframes for the public and private industry as well, because the two are at different stages of the transformation process.

This Sub-Sector Code shall remain in effect until amended, substituted and repealed under Section 9 of the BBEE Act, or with the parties to this Sub-Sector Code process agreeing to do so.

The Transport Charter Council that will be established pursuant to this gazette will review this Sub-Sector Code following the end of the 5th year after its gazetting and despite the aforementioned, it shall be reviewed on an annual basis for monitoring purpose.

3.1 Ownership

3.1.1 Vision

- 3.1.1.1 Our vision is to achieve significant black ownership, management control and operational involvement throughout the F&C industry. Stakeholders recognise the high degree of knowledge in both local and international legislation as well as conditions that will be required in order to achieve this and commit ourselves to identifying opportunities for promoting the necessary skills development.

3.1.2 Guiding Principles

- 3.1.2.1 This principle is linked to the long-term strategy of growing the domestic F&C Industry so as to ensure that B-BBEE does not become a zero-sum game. Ownership is broken down into foreign ownership and South African ownership.
- 3.1.2.2 The ownership target set is specifically aimed at the South African F&C Industry.
- 3.1.2.3 With regard to foreign ownership, foreign companies, with local representation, will implement B-BBEE strategies, according to the guidelines provided by the F&C Sub-Sector Code. They will be encouraged to sell equity in their local operations. However, foreign companies that are unable to sell equity in their local operations should consider using the Equity Equivalent guidelines provided in the Code 100 of the B-BBEE Codes of Good Practice and set off increased achievements in this regard against the ownership requirement.

FORWARDING AND CLEARING SUB-SECTOR CODE FOR BBEE

3.1.3 Stakeholder Undertakings

3.1.3.1 Foreign Ownership Market Commits to:

3.1.3.1.1 Seek opportunities to sell equity to Black shareholders or participate in Equity Equivalence programmes approved by the Minister.

3.1.3.2 The Local Based Market Commits to:

3.1.3.2.1 Seek opportunities to broaden the ownership base of their companies and ensure that within the next 5 years at least black shareholders hold 25+1% of voting rights, with 10% of the voting rights held by black women.

3.1.3.2.2 25% of the economic interest accrues to black shareholders in the form of both voting rights and economic interest, with a minimum of 10% earmarked for black women.

3.1.3.2.3 3% is for black designated groups, which includes black people living with disabilities.

3.1.3.2.4 Ensure that the net economic interest of the black equity participants is 100% of their acquired share of the business within 5 years.

3.1.3.2.5 Qualifying Small Enterprises (QSEs) as defined in this Sub-Sector Code also commit to:

3.1.3.2.5.1 Increase the ownership base of their companies and ensure that a minimum of 25% of economic interest is in the hands of black people;

3.1.3.2.5.2 25% +1 vote voting rights, or equivalent thereof, are in black hands; and

3.1.3.2.5.3 Ensure that the net economic interest of the black equity participants is 60% of their acquired share of the business within 5 years. If this is achieved, it will be deemed that Ownership Fulfilment has been achieved.

3.1.4 Government Commits to:

3.1.4.1 Facilitate means of funding the various B-BBEE initiatives that will enable Blacks, Black women and Black disabled persons to purchase the ownership stake proposed in this Charter.

3.1.5 Funding Mechanisms

3.1.5.1 All stakeholders commit to:

3.1.5.1.1 Facilitate through creative financing mechanisms, the acquisition of equity in their operations by Black shareholders.

3.1.5.1.2 Creating awareness about F & C Industry amongst the traditional banking institutions as well as Public Financing Institutions.

3.1.6 Measurement Principles and the Application of the Charter

3.1.6.1 Measurement principles associated with the ownership element is contained in Statement 100 of Code 100 of the Generic Code of Good Practice.

FORWARDING AND CLEARING SUB-SECTOR CODE FOR BBBEE

- 3.1.6.2 The formulae required in the determination of the ownership score are contained in Annexure 100 (c) of Statement 100 of Code 100 of the Generic Code of Good Practice.
- 3.1.6.3 The recognition of the sale of assets under the ownership element has the same meaning as that contained in Statement 102 of Code 100 of the Generic Code of Good Practice. The targets as contained in the ownership element of this Sub-Sector Code will apply.
- 3.1.6.4 The recognition of the equity equivalent programmes for multinational has the same meaning and interpretation as that contained in Statement 103 of Code 100 of the Generic Code of Good Practice.
- 3.1.6.5 The formulae required in the determination of the ownership score based on equity equivalent contributions are contained in Annexure 103 (A) of Statement 103 of Code 100 of the Generic Code of Good Practice.
- 3.1.6.6 Measurement principles relating to the ownership element for QSEs are contained in Statement 801 of Code 800 of the Generic Codes of Good Practice.
- 3.2 Management Control**
- 3.2.1 Guiding Principle**
- 3.2.1.1 Our guiding principle is to increase the participation of black people on F&C Industry company boards and similar governing structures to create decision-making structures that truly represent the racial and gender diversity of our country. The industry will be transparent, eliminate unscrupulous business practices including fronting, and adopt best-practice corporate governance policies as outlined in the King II report.
- 3.2.2 Stakeholder undertakings**
- 3.2.2.1 Private Industry Commits to:
- 3.2.2.1.1 Under normal circumstances, black ownership will be accompanied with an equal level of management control. Private industry, however, commits to a total black representation of 50% at the board level and a black women representation of 25% at the board level.
- 3.2.2.1.2 Black people will occupy 50% of executive directors, while black women will occupy 25% of executive directors.
- 3.2.2.1.3 Black people will also occupy 40% of senior top management, while black women will occupy 20% of senior top management.
- 3.2.2.1.4 Private industry further commits to a black representation of 40% at other top management and black women representation of 20% at other top management.
- 3.2.2.1.5 QSEs within the sector commit to recruiting black people at Top Management positions, where they should constitute 50.1% of total Top Management.

FORWARDING AND CLEARING SUB-SECTOR CODE FOR BBBEE

- 3.2.2.1.6 QSEs within this sector commit to recruiting black women at Top Management level; where they should constitute 25% of total Top Management, which is a bonus point sub-element.
- 3.2.3 Measurement Principles and the application of the Charter**
- 3.2.3.1 Measurement principles associated with the management control element are contained in Statement 200 of Code 200 of the Generic Code of Good Practice.
- 3.2.3.2 The formulae required in the determination of the management control score are contained in Annexure 200 (A)-B of Statement 200 of Code 200 of the Generic Code of Good Practice. The Adjustment Recognition for Gender will not apply Annexure 200 (A)-A.
- 3.2.3.3 Measurement principles needed for the application of the Sub-Sector Codewith regards to the management control element for QSEs are contained in statement 802, of Code 800, of the Generic Codes of Good Practice.
- 3.3 Employment Equity**
- 3.3.1. Guiding Principle**
- 3.3.1.1 Our principle is to increase the participation of black people in management, professional and technical occupations in the F&C Industry to create a workforce that truly represents the racial and gender diversity of our country.
- 3.3.1.2 Compliance with the Employment Equity (EE) Act, and presentation of accurate figures and statistics on EE to the Department of Labour (DoL) within the spirit of this Charter.
- 3.3.2. Private Industry commits to:**
- 3.3.2.1 Private industry undertakes to achieve within FIVE years:**
- 3.3.2.1.1 45% representation of black people in senior management and a 23% representation of black women in senior management.
- 3.3.2.1.2 63% representation of black people in middle management and a 32% representation of black women in middle management.
- 3.3.2.1.3 68% representation of black people in junior management and a 34% representation of black women in junior management.
- 3.3.2.1.4 2% representation of black disabled people throughout the measured entity and 50% of this will be black women.
- 3.3.2.1.5 Measured entities falling within the QSEs threshold commit that 40% of all management staff is black within 5 years. 50% of these positions should be earmarked for black women.
- 3.3.2.5.1 QSEs within this sector commit that 60% of all staff should be black within the 5 years. Black women should occupy 30% of all positions within 5 years.
- 3.3.2.2 Private industry undertakes to achieve within TEN years:**
- 3.3.2.2.1 60% representation of black people in senior management and a 30% representation of black women in senior management.
- 3.3.2.2.2 75% representation of black people in middle management and a 38% representation of black women in middle management.

FORWARDING AND CLEARING SUB-SECTOR CODE FOR BBBEE

- 3.3.2.2.3 80% representation of black people in junior management and a 40% representation of black women in junior management.
- 3.3.2.2.4 3% representation of black disabled people throughout the measured entity.
- 3.3.2.2.5 Points will only be awarded for employment equity once a minimum of 40% of the specific target has been achieved.
- 3.3.2.2.6 Measured entities commit to 60% of all management staff is black within 5 years; 50% of these positions should be earmarked for black women.
- 3.3.2.2.6.1 QSEs within this sector commit to all 70% of all staff should be black within the 5 years. 35% of all positions should be occupied by black women within 5 years.
- 3.3.2.2.7 An understanding that the 10 year targets stated above may be subject to change as a result of a revision of the Sub-Sector Code in 5 years from its inception.

3.3.3 Measurement Principles and the Application of the CODES

- 3.3.3.2 Measurement principles on the employment equity element is contained in Statement 300 of Code 300 of the Generic Code of Good Practice.
- 3.3.3.3 The formulae required in the determination of the employment equity score are contained in Annexure 300 (A)-B of Statement 300 of Code 300 of the Generic Code of Good Practice. The formula for the determination of the Adjusted Recognition for Gender – Annexure 300 (A)-A will not apply.
- 3.3.3.4 Measurement principles for the determination of the Employment Equity score for QSEs are contained in Statement 803 of Code 800 of the Generic Codes of Good Practice.

3.3.4 Government commits to:

- 3.3.4.1 Ensuring that the Department of Labour plays a significant role in monitoring and supporting stakeholders in meeting their EE targets.
- 3.3.4.2 Ensure that through the DOL will, in compliance with the EE Act, collect and publish detailed and aggregated statistics on the EE profile of the industry according to occupational level and occupational category by race. The department will also monitor the industry's progress in meeting its targets and publish an annual report on the EE Profile of the industry according to occupational level and category.

3.4 Skills Development

3.4.1 Guiding Principle

- 3.4.1.1 Our vision is to substantially increase the economic value added (or productivity) of every employee in the F&C Industry through best practice Human Resource and Skills Development policies and increase the scale of initiatives aimed at developing black professionals and technical experts.

3.4.2 Stakeholder Undertakings

3.4.2.1 Government Commits to:

- 3.4.2.1.1 Design and fund a co-ordinated framework and programme for career awareness and training that leverages off and adds value to existing

FORWARDING AND CLEARING SUB-SECTOR CODE FOR BBEE

initiatives. The awareness programme will publicise and co-ordinate information regarding scholarships, training resources and careers in the industry. Other stakeholders will be encouraged to contribute towards the cost of this initiative.

3.4.2.2 Private Industry Commits to:

3.4.2.2.1 Invest at least 3% of the leviable amount on skills development initiatives, which are directed at black employees. The Learning Programme Matrix contained in statement 400 code 400 Annexure 400 (A) of The B-BBEE Codes of Good Practice should guide these initiatives.

3.4.2.2.2 Invest at least 1.5% of the leviable amount on skills development initiatives (Over and above the current 1% skills development levy and associated costs) directed at black women employees. The Learning Programme Matrix contained in statement 400 code 400 Annexure 400 (A) of The B-BBEE Codes of Good Practice should guide these initiatives.

3.4.2.2.3 Ensure that black employees participating in learnerships or category B, C and D programmes as a percentage of total employees: who have been enrolled in Accredited Training Programmes as identified in the Learning Programme Matrix contained in statement 400 code 400 Annexure 400 (A) of the Codes of Good Practice, comprise 5% of the total work force.

3.4.2.2.4 Ensure that black women participating in learnerships or category B, C and D programmes as a percentage of total employees: who have been enrolled in Accredited Training Programmes as identified in the Learning Programme Matrix contained in statement 400 code 400 Annexure 400 (A) of The Codes of Good Practice, comprise 2.5% of the total number of employees.

3.4.2.2.5 Ensure that 0.3% of skills development expenditure is on learning programmes specified in the learning programme matrix for black people with disabilities. 0.15% of skills development should be directed to black women with disabilities.

3.4.2.2.6 QSEs within this sub-sector commit to invest a minimum of 3% of the leviable amount or payroll (whichever is applicable) on skills development spend on learning programmes for black people.

3.4.3 In addition, the Private Industry Commits to:

3.4.3.1 Identify within and outside their companies a talent pool of black people for accelerated development through the following options:

3.4.3.2 International, regional or local assignments that provide high-quality operational and managerial exposure;

3.4.3.3 Job rotation and multi-skilling programmes;

3.4.3.4 Coaching and mentorship programmes;

3.4.3.5 Learnership and internship programmes;

3.4.3.6 Further Education and Training (FET);

3.4.3.7 Skills programmes;

3.4.3.8 Temporary placement of unemployed learners;

3.4.3.9 Provision of Adult Basic Education and Training and other lifeskill training; and

3.4.3.10 Intra-industry exchange programmes, where feasible.

FORWARDING AND CLEARING SUB-SECTOR CODE FOR BBEE

- 3.4.3.11 The costs associated with the implementation of the above Skills Development interventions include both direct and associated indirect costs.

3.4.4 TETA Commits to:

- 3.4.4.1 Conduct research to Identify scarce management (generic) and professional (F&C specific) skills that the industry will require over the next decade and map out future demand and supply scenarios in the detailed skills audit.
- 3.4.4.2 Conduct research on the supply side of the skills development equation– i.e. the institutions that will provide the required management, professional and technical skills. The research will determine whether the identified institutions have the capacity to meet the expected demand and whether their curricula meet the needs of industry. It will make proposals on how to increase the capacity and relevance of existing institutions and establish whether there is a need to establish a dedicated institution that will focus on developing skills for the Forwarding and Clearing Industry.
- 3.4.4.3 Introduce, after consulting stakeholders and completing the skills audit, new categories of learnerships - in management, technical and professional occupational categories - to help stakeholders achieve their employment equity targets.
- 3.4.4.4 Assist in unlocking funds from the National Skills Fund (NSF) for Management and Learnership Programmes in identified areas.
- 3.4.4.5 Together with the Federation Internationale des Associations de Transitaires et Assimiles (FIATA), continuously benchmark training programmes against international best practice.

3.4.5 Measurement Principles and the Application of the Charter

- 3.4.5.1 Measurement principles associated with the skills development element is contained in Statement 400 of Code 400 of the Generic Code of Good Practice.
- 3.4.5.2 The formulae required in the determination of the skills development score are contained in Annexure 400 (A)-B of Statement 400 of Code 400 of the Generic Code of Good Practice. The formula for the determination of the Adjusted Recognition for Gender – Annexure 400 (A)-A will not apply.
- 3.4.5.3 The measurement principles required in the determination of the skills development scores for QSEs are contained in Statement 805 of Code 800 of the Generic Code of Good Practice.

3.5 Preferential Procurement

3.5.1 Guiding Principle

Our principle is to accelerate procurement from black-owned and/or, empowered enterprises and/or good contributors to B-BBEE with the main objective of growing existing or emerging entrepreneurs to produce value-added goods and services for the industry and increase employment as well as allowing for the creation of new businesses

FORWARDING AND CLEARING SUB-SECTOR CODE FOR BBEE

3.5.2 Stakeholder undertakings

3.5.2.1 Government Commits to:

3.5.2.1.1 Government departments, state-owned enterprises, and other public agencies will align their own procurement practices to this Sub-Sector Codewhen procuring goods and services from the F&C sub-sector. In particular, government will apply B-BBEE criteria, as setout in this Sub-Sector Codewhenver it:

3.5.2.1.1.1 Grants a licence to engage in a specific regulated economic activity;

3.5.2.1.1.2 Grants a concession to a private enterprise to operate an asset or enterprise on behalf of the state;

3.5.2.1.1.3 Enters into a public-private partnership; and

3.5.2.1.1.4 Engages in any economic activity.

3.5.2.2 Private Industry Commits to:

3.5.2.2.1 Procure at least 50% of total measurable procurement spend from B-BBEE suppliers based on their recognition levels within the next 5 years and 70% of total measureable procurement from B-BBEE suppliers based on their recognition levels within the next 10 years.

3.5.2.2.2 Procure at least 10% of total measurable procurement from QSEs and EMEs in the next 5 years and 15% over 10 years.

3.5.2.2.3 Procure at least 9% of total measurable procurement from 50% black- owned and 6% of the total measurable procurment should be from the 30% black women-owned enterprises over the next 5 years. Procure at least 20% of total measurable procurement from 50% black-owned and 30% black women-owned enterprises over the next 10 years.

3.5.2.2.4 QSEs within this sub-sector commit to procuring a minimum of 40% of total procurement from B-BBEE compliant suppliers over the next 5 years and 50% over the next 10 years.

3.5.2.2.5 Adopt and customise the guidelines on Accounting for Affirmative Procurement that will be set by the Transport Sector B-BBEE Council, as specifically agreed by the F&C sub-sector stakeholders and signatories to this Charter.

3.5.2.2.6 An understanding that the 10 year targets stated above may be subject to change as a result of a revision of the Sub-Sector Code5 years from its inception.

3.5.2.2.7 Recognising that a consolidation of invoices may be recognised as a single "invoice" in terms of the measurement principles of Statement 500 of the B-BBEE Codes of Good Practice.

3.5.3 Measurement Principles and the Application of the Sub-Sector Code

3.5.3.1 Measurement principles associated with the preferential procurement element is contained in Statement 500 of Code 500 of the Generic Code of Good Practice.

FORWARDING AND CLEARING SUB-SECTOR CODE FOR BBEE

- 3.5.3.2 The formulae required in the determination of the preferential procurement score for measured entities are contained in Annexure 500 (A) of Statement 500 of Code 500 of the Generic Code of Good Practice.
- 3.5.3.3 Measurement principles required in evaluating the preferential procurement contributions made by QSEs within this sector are contained in Statement 805 of Code 800 of the Generic Codes of Good Practice.
- 3.6 Enterprise Development**
- 3.6.1 Guiding Principle**
- 3.6.1.1 Our principle objective is to help set up, and/or nurture and grow viable enterprises that are black-owned or black empowered, to service the F&C Industry. We aspire to increase investment in black-owned and empowered enterprises as a proportion of net profit after tax (NPAT).
- 3.6.1.2 In achievement of the principle objective above, the signatories to this Sub-Sector Code declare that they are opposed to the concept of fronting, as defined in this Charter.
- 3.6.2 Stakeholder undertakings**
- 3.6.2.1 Private Industry Commits to:**
- 3.6.2.1.1 Pro-actively seek opportunities to enter into joint ventures (and other forms of alliances) and make direct investments in black owned or black empowered enterprises as defined in Enterprise Development below. To be valid, such initiatives and ventures must pass the "dominant impression" test indicated in Appendix C.
- 3.6.2.1.2 Progress will be measured by calculating the value of such investments as a percentage of the NPAT of the investing enterprise. The target is to achieve at least 3% for black owned companies and at least 1.5% for black women-owned companies.
- 3.6.2.1.3 QSEs within this subsector aspire to make contributions to enterprise development which will amount to 3% of NPAT evaluated annually over the next 5 years.
- 3.6.3 TETA Commits to:**
- 3.6.3.1 Develop training programmes specifically designed for entrepreneurs in the F&C Industry.
- 3.6.4 Measurement Principles and the Application of the Sub-Sector Code**
- 3.6.4.1 Measurement principles associated with the enterprise development element are contained in Statement 600 of Code 600 of the Generic Code of Good Practice.
- 3.6.4.2 Qualifying contributions for the enterprise development element are contained in Annexure 600 (A) – Benefit Factor Matrix of the Statement 600 of Code 600 of the Generic Codes of Good Practice.
- 3.6.4.3 The formulae required in the determination of the enterprise development score are contained in Annexure 600 (A) of Statement 600 of Code 600 of the Generic Code of Good Practice.
- 3.6.4.4 Measurement principles required in evaluating the enterprise development contributions made by QSEs within this sector are contained in Statement 806 of Code 800 of the Generic Codes of Good Practice

FORWARDING AND CLEARING SUB-SECTOR CODE FOR BBEE

- 3.7 SocioEconomic Development**
- 3.7.1 Guiding Principle**
- 3.7.1.1 Individual companies will implement socio-economic development programmes in line with their corporate values.
- 3.7.2 All Stakeholders commit to:**
- 3.7.2.1 Invest at least 1% of NPAT in social development programmes. Expenditure on programmes that address the following socio-economic interventions that will be sector designed which will be enhanced by a factor of 1.25:
- 3.7.2.1.1 HIV/AIDS,
- 3.7.2.1.2 Bursaries,
- 3.7.2.1.3 Poverty alleviation; and
- 3.7.2.1.4 F&C industry awareness.
- 3.7.2.2 QSEs within this sub-sector will contribute a minimum of 1% of NPAT evaluated annually to socio-economic development initiatives over the next 5 years.
- 3.7.3 Awareness Campaign**
- 3.7.3.1 Guiding Principle**
- 3.7.3.1.1 Given the lack of awareness about the impact and contribution of the Forwarding and Clearing Industry in our economy, it becomes imperative to embark on an awareness campaign.
- 3.7.3.2 Stakeholder undertakings**
- 3.7.3.2.1 Develop an industry specific awareness campaign to showcase the F&C Industry and its interrelated activities and demonstrate its impact on the economy through facilitating trade, economic growth and development, B-BBEE and job creation.
- 3.7.3.2.2 The awareness campaign should target all South Africans, the African region as well as the international community. Targeted campaigns are to be spearheaded at Government Departments – Department of Finance, Department of Trade and Industry, Department of Transport, National Treasury and at schools, tertiary Institutions and financial Institutions.
- 3.7.4 Labour Standards**
- 3.7.4.1 Guiding Principle**
- Our guiding principle is to develop an industry that is characterised by stability and fair labour practices.
- 3.7.4.2 All Stakeholders Commit to:**
- Implement fair labour practices across the board in line with the requirements of labour legislation.

FORWARDING AND CLEARING SUB-SECTOR CODE FOR BBBEE

- 3.7.5 Measurement Principles and the Application of the Sub-Sector Code**
- 3.7.5.1 Measurement principles associated with the socio-economic development element are contained in Statement 700 of Code 700 of the Generic Code of Good Practice.
- 3.7.5.2 Qualifying contributions for the socio-economic development element are contained in Annexure 700 (A) – Benefit Factor Matrix of the Statement 700 of Code 700 of the Generic Codes of Good Practice.
- 3.7.5.3 The formulae required in the determination of the socio-economic development are contained in Annexure 700 (A) of Statement 700 of Code 700 of the Generic Code of Good Practice.
- 3.7.5.4 Measurement principles required in evaluating socio economic development contributions made by QSEs within this sector are contained in Statement 807 of Code 800 of the Generic Codes of Good Practice

4. FORWARDING & CLEARING B-BBEE SCORECARD

B-BBEE Element	Indicators of Empowerment	Targets - 5 years	Weightings
Foreign Ownership Provide evidence of a global practice against selling equity to locals in investee countries	Equity equivalent programmes approved by the line minister of the transport sector. N.B: Contributions toward these programmes are measured as actual contributions made using the general principles outlined in statement 600 and statement 700 of the Codes of Good Practice.	25% of the value of the South African operations of the Multinational, determined using a Standard Valuation OR 4% of Total Revenue from its South African operations annually over the period of continued measurement	20
Local Based Operations	Economic interest in the hands of Black people	25%	4
	Economic interest in the hands of Black Women	10%	2
	Exercisable voting rights in the hands of Black people	25%+1 vote	3
	Exercisable voting rights in the hands of Black Women	10%	2
	Economic Interest of following black natural people in the Enterprise: -black designated groups, -black participants in Employee Ownership Schemes, -black beneficiaries of Broad based Ownership Schemes ;or -black participants in Co-operatives	3%	1

FORWARDING AND CLEARING SUB-SECTOR CODE FOR BBEE

B-BBEE Element	Indicators of Empowerment	Targets - 5 years	Weightings
	Net Economic Interest/Net value	25% graduated over 10 years as per the Codes (year 5 at 60%)	7
	Ownership fulfilment		1
	Bonus points: Economic interest in the hands of black disabled people	2%	2
	Bonus points: Involvement in the ownership of the Enterprise of Black new entrants.	10%	1
	Bonus points: Involvement in the ownership of the Enterprise of Black participants in:	10%	1
	Employee Ownership Schemes		
	Broad-Based Ownership Schemes		
	Co-operatives		
Management	Exercisable voting rights of Black board members.	50%	1.5
	Exercisable voting rights of Black Women board members.	25%	1.5
	Black persons who are executive directors	50%	1
	Black women who are executive directors	25%	1
	Black senior top management	40%	1.5
	Black Women senior top management	20%	1.5
	Black other top management	40%	1
	Black Women other top management	20%	1
	Bonus point: Black Independent non-Executive Board Members	40%	1
Employment Equity	Black employees in senior management	45%	2
	Black Women employees in senior management	23%	1
	Black employees in middle management	63%	2

FORWARDING AND CLEARING SUB-SECTOR CODE FOR BBEE

B-BBEE Element	Indicators of Empowerment	Targets - 5 years	Weightings
	Black Women employees in middle management	32%	1
	Black employees junior management	68%	2
	Black Women employees in junior management	34%	1
	Black people living with disabilities	2%	0.5
	Black Women living with disabilities	1%	0.5
	Bonus Points: Meeting or exceeding the EAP Targets in each category of employment equity	-	3
Skills Development	Black skills development expenditure on learning programmes specified in Learning Matrix as percentage of Leviable amount.	3%	5
	Black Women skills development expenditure on learning programmes specified in Learning Matrix as percentage of Leviable amount.	1.5%	5
	Number of Black employees participating in Learnerships or category B, C, D programmes as percentage of total employees.	5%	4
	Number of Black Women employees participating in Learnerships or category B, C, D programmes as percentage of total employees.	2.5%	2
	Black People with Disability skills development expenditure on learning programmes specified in Learning Matrix as percentage of Leviable amount	0.3%	2
	Black Women with Disability skills development expenditure on learning programmes specified in Learning Matrix as percentage of Leviable amount	0.15%	2

FORWARDING AND CLEARING SUB-SECTOR CODE FOR BBEE

B-BBEE Element	Indicators of Empowerment	Targets - 5 years	Weightings
Preferential Procurement	Procurement spend from all suppliers based on recognition levels as percentage of total measured procurement spend.	50%	12
	Procurement spend from QSE's and EME's based on recognition levels as percentage of total measured procurement spend.	10%	3
	Procurement from 50% Black-Owned as a % of Total Procurement spend	9%	3
	Procurement from 30% Black Women-Owned Enterprises as a percentage of Total Procurement spend	6%	2
Enterprise Development	Investment in the Black-owned enterprises	3% of NPAT	10
	Investment in the Black Women-owned enterprises	1.5% of NPAT (i.e half of the target for contributions to black-owned enterprises)	5
Socio-economic Development	Expenditure on social development programmes as a % of NPAT. N.B: Enhanced recognition shall be awarded for contributions towards the following causes: <ul style="list-style-type: none"> ○ HIV/AIDS ○ Bursaries ○ Poverty alleviation ○ F&C industry awareness 	1% NPAT	5

FORWARDING AND CLEARING SUB-SECTOR CODE FOR BBEE

5. FOWARDING AND CLEARING QUALIFYING SMALL ENTERPRISES SCORECARD

B-BBEE Element	Indicators of Empowerment	Private Sector 5 year target	Private Sector Weightings
Ownership	Exercisable voting rights in hands of of black people	25%+1 Vote	6
	Economic Interest of black people in the Enterprise	25%	9
	Realisation Points		
	Ownership fulfillment		1
	Net Value	25% graduated over 10 years as per the Codes (Year 5 at 60%)	9
	Bonus Points		
	Involvement in the owership of the Enterprise by black women	10%	2
	Involvement in the ownership of the Enterprise by black participants in Employee Share Schemes, Co-operatives or Broad Based Ownership Schemes	10%	1
Management Control	Black Representation at Top Management level	50.1%	25
	Bonus Points: Black women representation at Top-Management	25%	2
Employment Equity	Black Employees of the Measured Entity who are Management	40%	7.5
	Black Women Employees of the Measured Entity who are management	20%	7.5
	Black employees of the Measured Entity as a percentage of total employees	60%	5
	Black women employees of the Measured Entity as a percentage of total employees	30%	5
	Bonus points: meeting or exceeding the EAP targets in each category		2
Skills Development	Skills Development spend on learning programmes for black employees as a percentage of the leviabale/payroll	3%	12.5
	Skills Development spend on learning programmes for black women employees as a percentage of the leviabale/payroll	1.5%	12.5

FORWARDING AND CLEARING SUB-SECTOR CODE FOR BBEE

B-BBEE Element	Indicators of Empowerment	Private Sector 5 year target	Private Sector Weightings
Preferential Procurement	BEE Procurement Spend from all suppliers based on the B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	40%	25
Enterprise Development Spend	Average annual value of Qualifying Contributions made by the Measured Entity as a percentage of the target	3% NPAT	25
Socio-Economic Development	Average annual value of Qualifying Contributions made by the Measured Entity as a percentage of the target	1% NPAT	25
TOTAL			175

A QSE must select any four of the above seven elements for the purposes of measurement. If a QSE does not make a selection, its four best element scores will be used for the purposes of measurement.

6. APPENDIX B: COMMITMENT EVALUATION MATRICES

Ownership

Action Undertaken	Input measurement	Output measurement	Quality Control
Establish funding mechanisms for the purchasing of shares by black people.	Money spent on research as a % of total discretionary funds	Research report submitted to Steering Committee/ Transport Charter Council on details and feasibility of funding mechanisms.	Steering Committee/ Transport Charter Council
Creating awareness of the F&C industry amongst the traditional banking institutions as well as Public Financing Institutions.	Money spent on awareness campaign as a % of total discretionary funds	Report to Steering Committee/ Transport Charter Council on attendance at awareness campaigns.	Steering Committee/ Transport Charter Council

Employment Equity

Action Undertaken	Input measurement	Output measurement	Quality Control
Department of Labor to ensure that employment equity targets are met.	Money spent on research survey as a % of total discretionary funds	Assessment Report on employment equity targets for black people within the industry.	TETA & Steering Committee/ Transport Charter Council

FORWARDING AND CLEARING SUB-SECTOR CODE FOR BBBEE

Skills Development

Action Undertaken	Input measurement	Output measurement	Quality Control
Increasing awareness regarding scholarships, training resources and careers in the industry.	Money spent on awareness campaign as a % of total discretionary funds	Report to Steering Committee/Transport Charter Council on attendance at awareness campaigns.	TETA & Steering Committee/Transport Charter Council
Facilitate high quality training of black people through learnership, internship and mentorship programmes.	Money spent on skills development as a % of total discretionary funds	Assessment Report on skills of black people within the industry.	TETA & Steering Committee/Transport Charter Council
Implement skills audit to identify management, professional and technical skills that will be required over the next decade.	Money spent on research as a % of total discretionary funds	Analysis and forecasts to be presented to Steering Committee/Transport Charter Council and TETA.	TETA & Steering Committee/Transport Charter Council
Continuously benchmark training programmes against international best practice.	Money spent on gap analysis as a % of total discretionary funds	Research report submitted to Steering Committee/Sub-Sector Code Council on details of gap analysis and suggestions on how the problem can be alleviated.	TETA & Steering Committee/Transport Charter Council

Preferential Procurement

Action Undertaken	Input measurement	Output measurement	Quality Control
Ensure that uniform accounting practices regarding preferential procurement are adopted by public sector agencies.	Money spent on research as a % of total discretionary funds	Assessment Report on accounting practices regarding preferential procurement submitted to Steering Committee/Transport Charter Council.	Steering Committee/Transport Charter Council

FORWARDING AND CLEARING SUB-SECTOR CODE FOR BBEE

Enterprise Development

Action Undertaken	Input measurement	Output measurement	Quality Control
Create joint ventures with and invest directly in black owned enterprises.	Annex 600A (Benefit Factor Matrix) of the Codes shall apply	Report to Steering Committee on improvement (percentage change) in new entities created.	Steering Committee/ Transport Charter Council

Socio-economic Development

Action Undertaken	Input measurement	Output measurement	Quality Control
Facilitate access to finance and grants to improve participation in skills programmes.	Money spent on developing appropriate financial mechanisms as a % of total discretionary funds	Report to Steering Committee/ Transport Charter Council on the percentage and type of financial mechanisms used to finance skills programmes.	TETA & Steering Committee/ Transport Charter Council
Develop awareness campaign to demonstrate the economic growth and development, B-BBEE and job creation aspects within the industry.	Money spent on awareness campaign as a % of total discretionary funds	Report to Steering Committee on attendance at awareness campaigns.	TETA & Steering Committee/ Transport Charter Council
Implement labour practices in line with labour legislation.	Money spent on awareness campaigns and legal and administrative fees as a % of total discretionary funds	Report to Steering Committee/ Transport Charter Council on adherence to labour legislation.	Steering Committee/ Transport Charter Council