

To Whom It May Concern

31 March 2014

Authority of B-BBEE Verification Certificates

The Broad-Based Black Economic Empowerment Codes of Good Practice, gazetted on 9 February 2007 ("2007 B-BBEE Codes") and Statement 005: *Broad Based Black Economic Empowerment (B-BBEE) Verification* (gazetted later in Government Gazette No. 34612 on 23 September 2011, but which forms part of the 2007 B-BBEE Codes) states that "B-BBEE Verification Certificates issued by B-BBEE approved registered auditors after 1 October 2011 are valid".

B-BBEE approved registered auditors may issue valid B-BBEE Verification Certificates in respect of any B-BBEE Sector Code (as gazetted by the Minister of Trade and Industry in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act, No. 53 of 2003) and in respect of the 2007 B-BBEE Codes.

Paragraph 4.7.2 of the *Implementation Guide Preferential Procurement Regulations, 2011 Pertaining to the Preferential Procurement Policy Framework Act, Act No 5 Of 2000* ("Guide") confirms the validity of B-BBEE Verification Certificates issued by B-BBEE approved registered auditors. The Guide applies to organs of state, public entities and municipal entities.

Exempted Micro Enterprise ("EME") certificates

In terms of the 2007 B-BBEE Codes, Statement 000: *General principles and the Generic Scorecard*, paragraph 4.5, sufficient evidence of qualification as an EME is an auditor's certificate or similar certificate issued by an accounting officer or verification agency. It refers to sufficient evidence for government procurement officials who use EME certificates when adjudicating tenders or otherwise applying section 10 of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003), as may be amended at its future effective date.

The *Preferential Procurement Policy Framework Act* ("PPPFA"), 2001: *Preferential Procurement Regulations 2011*, Part 3, Section 10(1), states that sufficient evidence of qualification as an EME is a registered auditor's certificate or similar certificate issued by an accounting officer as provided for in Section 60(4) of the Close Corporations Act, No 69 of 1984, or by a SANAS accredited verification agency. The PPPFA also refers to EME certificates providing sufficient evidence for those users of who are required to comply with the PPPFA.

Therefore, any registered auditor may issue EME certificates based on the 2007 B-BBEE Codes or any Sector Code. Users of EME certificates may confirm the registered auditor signatory to the EME certificate on-line by using the "RA SEARCH" function on the IRBA's website: <http://www.irba.co.za>.

The IRBA logo

As the IRBA is the Independent Audit Regulator, the display of the IRBA logo on B-BBEE Verification Certificates is not permitted. Instead, B-BBEE approved registered auditors who must be registered with the IRBA must disclose their individual registration numbers and audit firm registration numbers on all B-BBEE Verification Certificates issued by them. Similarly, registered auditors issuing EME Certificates must disclose their individual registration numbers and firm registration numbers on certificates issued by them.

Users of B-BBEE verification certificates issued by a B-BBEE approved registered auditor may confirm whether that individual and their firm is registered with the IRBA, on-line by accessing the IRBA's website: <http://www.irba.co.za>, and by clicking on the "RA SEARCH" function or following the link to: <http://www.irba.co.za/index.php/b-bbee-verification-assurance> or by sending an e-mail to registry@irba.co.za.

Any enquiries in respect of B-BBEE Verification Certificates issued by registered auditors may be directed to the IRBA: Tel: 087 940 8800 Fax: 087 940 8873 E-mail: b-bbeequeries@irba.co.za.

S van Esch

Director: Standards