

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

AUTOMOTIVE INVESTMENT SCHEME (AIS) – IMPORTANT NOTICE

SUBJECT: AMENDMENTS TO THE AUTOMOTIVE PRODUCTION AND DEVELOPMENT PROGRAMME PHASE II (APDP2) INFORMATION DOCUMENTS TO CATER FOR THE EXTENSION OF THE IMPLEMENTATION OF THE BROAD-BASED BLACK ECONOMIC EMPOWERMENT (BBBEE) REQUIREMENTS FOR AUTOMOTIVE COMPONENT AND TOOLING MANUFACTURERS

EFFECTIVE DATE: 1 JANUARY 2024

BROAD-BASED BLACK ECONOMIC EMPOWERMENT (BBBEE) REQUIREMENTS FOR AUTOMOTIVE COMPONENT AND TOOLING MANUFACTURERS

Following the directive by The Minister of Trade, Industry and Competition, Mr Ebrahim Patel, published in the Government Gazette of 12 December 2023, extension of the implementation of the Broad-Based black economic empowerment (B-BBEE) requirements under APDP2 for component and tooling manufacturers will be applied as follows:

- To participate in AIS, component and tooling manufacturers (excluding material suppliers) will need to attain a minimum B-BBEE level 6 by 01 January 2024 and level 4 by 01 January 2025, as set out in the Codes of Good Practice (“Codes”) issued under the B-BBEE Act No 53 Of 2003 as Amended by Act No 46 Of 2013.
- Alternatively, components and tooling manufacturers can participate through a contribution to a Transformation Fund managed by the Automotive Industry Transformation Fund (AITF), provided that the participating firm has a minimum B-BBEE level 8 according to the B-BBEE Codes by 2024 and level 6 by 2025. Participation in this fund will not impact the firms generic scorecard, but rather serve as a qualification for AIS related matters. Confirmation of participation / contribution to AITF must be submitted together with all AIS applications and claims.