



PERSPECTIVE OF THE B-BBEE COMMISSION ON THE FINANCIAL SECTOR

26 November 2019

Delegation

- *Zodwa Ntuli*, Commissioner
- *Busisiwe Ngwenya*, Executive Manager: Compliance
- *Thembakazi Dondashe*, Senior Manager:
Organisational Strategy and Performance

Presentation Content

- ☐ Mandate
- ☐ Financial Sector Targets
- ☐ Section 13G Reporting
- ☐ List of reported entities
- ☐ Complaints trends
- ☐ Statistics: Analysis of Compliance Reports
- ☐ Statistics: Analysis of Major B-BBEE Transactions
- ☐ Conclusion
- ☐ Contact Details

Our Vision, Mission and Values



Mission

To facilitate the accelerated
productive implementation of
the Act



Values

An inclusive economy is our first
consideration

Open access and availability to
all economic citizens

Impartiality and Consistency

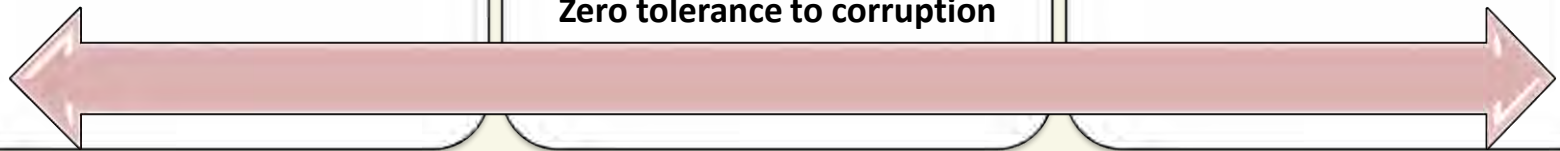
Accountability for all decisions
and actions taken by us

Zero tolerance to corruption



Vision

An inclusive economy that is
globally competitive



Mandate

- Monitor, supervise and promote adherence in the interest of the public
- Strengthen collaboration between private and public sectors to safeguard the objectives
- Receive complaints or initiate investigations
- Promote advocacy, access to opportunities and educational programmes
- Maintain register of major B-BBEE transactions (R25 million threshold)
- Receive and analyse prescribed reports (JSE listed entities, SETA, Public Entities, Organs of State)
- Promote good corporate governance and accountability
- Increase knowledge and public awareness (guiding, declaratory order, researching)

Processes and Timelines



Complaint

B-BBEE7 Form

Up to 12 months to investigate

Alternative Dispute Resolution

Findings and Recommendations



Advisory Opinion

Explanatory Note on Procedure issued

Non-binding and based on set of facts

Within 30 days



Registration of Major B-BBEE transactions

Based on Threshold

Certificate of Registration within 10 days

Feedback on merit within 90 days



Compliance Reports

JSE Listed, SETA, Organs of State, public entity

Sector Council

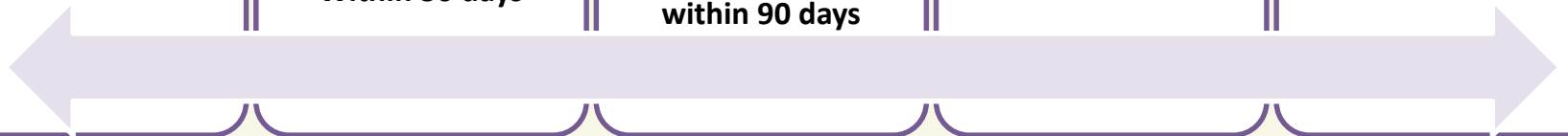
Consider report within 90 days



Written Clarification

General interpretation or application of B-BBEE

Issued within 5 days



Financial Sector Targets

Generic Codes

- Ownership – 25+1
- Management Control – 19
- Skills Development – 20
- Enterprise and Supplier Development – 42
- Socio-economic development - 5

Financial Sector Code

- Ownership - 23
- Management Control - 20
- Skills Development - 20
- Enterprise and Supplier Development - 15
- Socio-Economic Development - 5
- Empowerment Financing – 25
- Access to finance - 12

Section 13G Reporting

☐ Reporting in line with section 13G of the B-BBEE Act

- In 2017 only 31 entities reported under the financial sector
- In 2018 only 25 entities reported under the financial sector
- In this financial period 23 entities have reported so far

☐ Sector Council Report submission to the Minister

- No submissions have been made since 2016/17 financial year

☐ Registered Major Transactions with B-BBEE Commission for period June 2017 to 31 March 2018

- 63 Major B-BBEE transactions were registered with the B-BBEE Commission out of the 272 received

List of Reported Entities

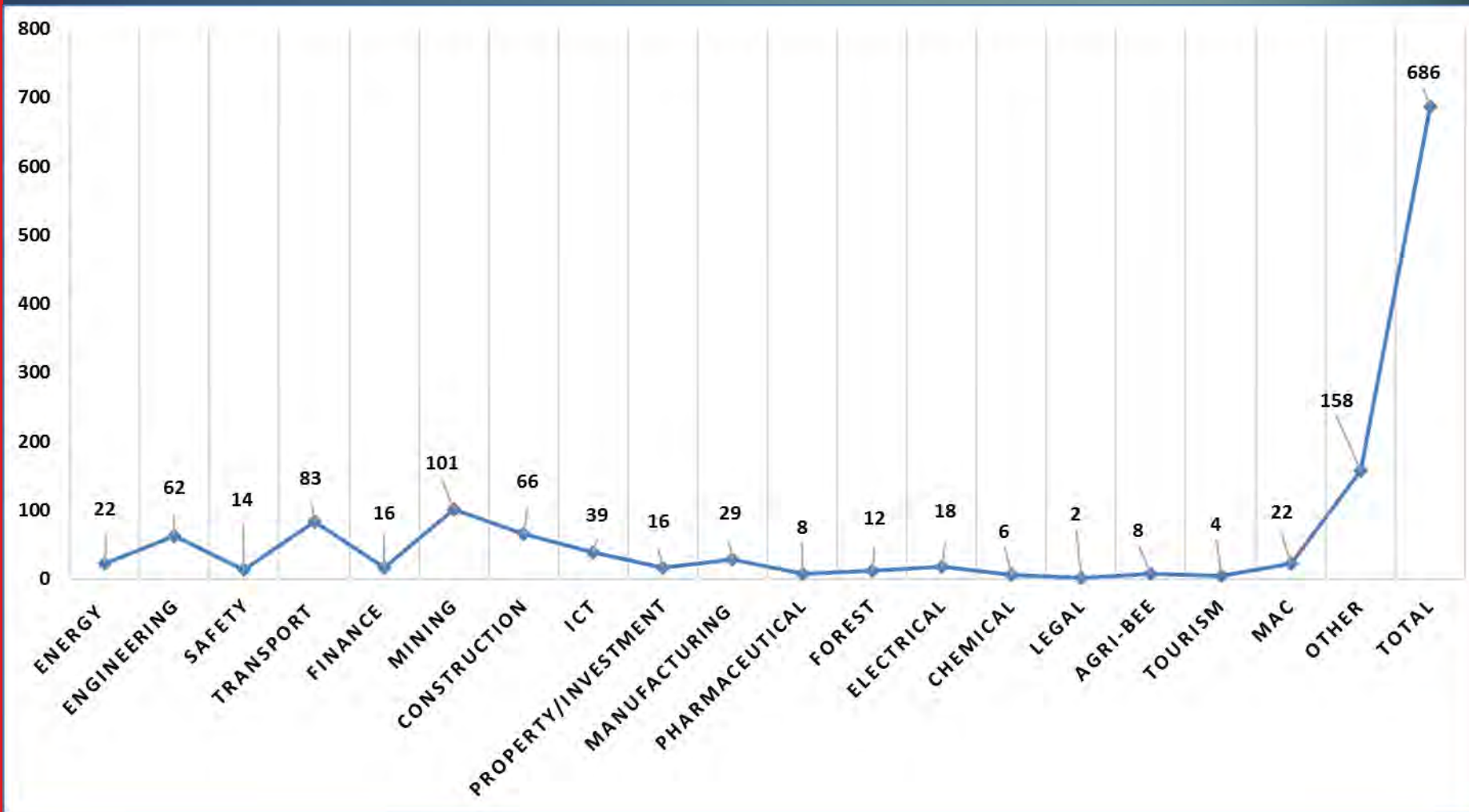
2017/18 FY			2018/19 FY		
ALEXANDER FORBES GROUP HOLDINGS	LIBERTY	INVESTEC LIMITED	STANDARD BANK GROUP LIMITED	DENEB INVESTMENT LIMITED	DEVELOPMENT BANK OF SOUTHERN AFRICA
SOUTH AFRICAN OPERATIONS OF BARCLAYS AFRICA GROUP LIMITED	GRAND PARADE INVESTMENT LIMITED	NVEST FINANCIAL HOLDINGS LIMITED	CAPITEC BANK LIMITED	SASRIA SOC LIMITED	SYGNIA LIMITED
ITHALA DEVELOPMENT FINANCE CORPORATION LIMITED	NIVEUS INVESTMENT LIMITED	AFRICAN DAWN CAPITAL LTD	PSG KONSULT LIMITED	CLIENTELE LIMITED	MMI HOLDINGS LIMITED
DISCOVERY LIMITED	CAPITEC BANK LIMITED	NATIONAL CREDIT REGULATOR (NCR)	PSG GROUP LIMITED	DISCOVERY LIMITED	JSE LIMITED (ALTERNATIVE PROSPERITY)
FIRST RAND LIMITED	VUNANI LIMITED	EXPORT CREDIT INSURANCE CORPORATION	INVESTEC LIMITED	AVIOR CAPITAL MARKETS HOLDINGS LIMITED	LIBERTY HOLDINGS LIMITED
OLD MUTUAL	SANTAM LIMITED	CLIENTELE LIMITED	RECM AND CALIBRE LIMITED	MMI HOLDINGS LIMITED	
HOSKEN CONSOLIDATED INVESTMENTS LIMITED	SYGNIA ASSET MANAGEMENT LIMITED	RAND MERCHANT INVESTMENT HOLDINGS (RMI)	ZEDER INVESTMENTS LIMITED	INDUSTRIAL DEVELOPMENT CORPORATION	
MMI HOLDINGS LIMITED	SANLAM	ZENDER INVESTMENT LIMITED	VUNANI LIMITED	RAND MERCHANT INVESTMENT HOLDINGS LIMITED	
DENEB INVESTMENT	BIDVEST	RMB HOLDING LIMITED	AFRICAN DAWN CAPITAL LIMITED	METTLE INVESTMENT LIMITED	
NEDBANK LIMITED	STANDARD BANK GROUP LIMITED	BARCLAYS AFRICA GROUP LIMITED	PEREGRINE HOLDINGS LIMITED	FIRSTRAND LIMITED	9
SASRIA SOC LTD					

List of Reported Entities (cont.)

2019/20 FY

OLD MUTUAL LIFE ASSURANCE COMPANY (SOUTH AFRICA) LTD	STANDARD BANK OF SOUTH AFRICA LIMITED
NEDBANK GROUP LIMITED	PHOENIX INVESTMENTS LIMITED
ANCHOR GROUP	METTLE INVESTMENTS LIMITED
BARCLAYS AFRICA GROUP LIMITED (ABSA GROUP LIMITED)	FINBOND GROUP LIMITED
BRIMSTONE INVESTMENT CORPORATION LIMITED	DENEB INVESTMENTS LIMITED
CAPITEC BANK LIMITED	PEREGRINE HOLDINGS LIMITED
PSG GROUP LIMITED	AFRICAN DAWN CAPITAL LIMITED
ZEDER INVESTMENTS LTD	PURPLE GROUP LIMITED
PSG KONSULT LIMITED	AVIOR CAPITAL MARKETS HOLDINGS LIMITED
EFFICIENT GROUP LIMITED	ZARCLEAR HOLDING LIMITED
NVEST FINANCIAL HOLDING LIMITED	ALEXANDER FORBES GROUP
EPE CAPITAL PARTNERS LIMITED	

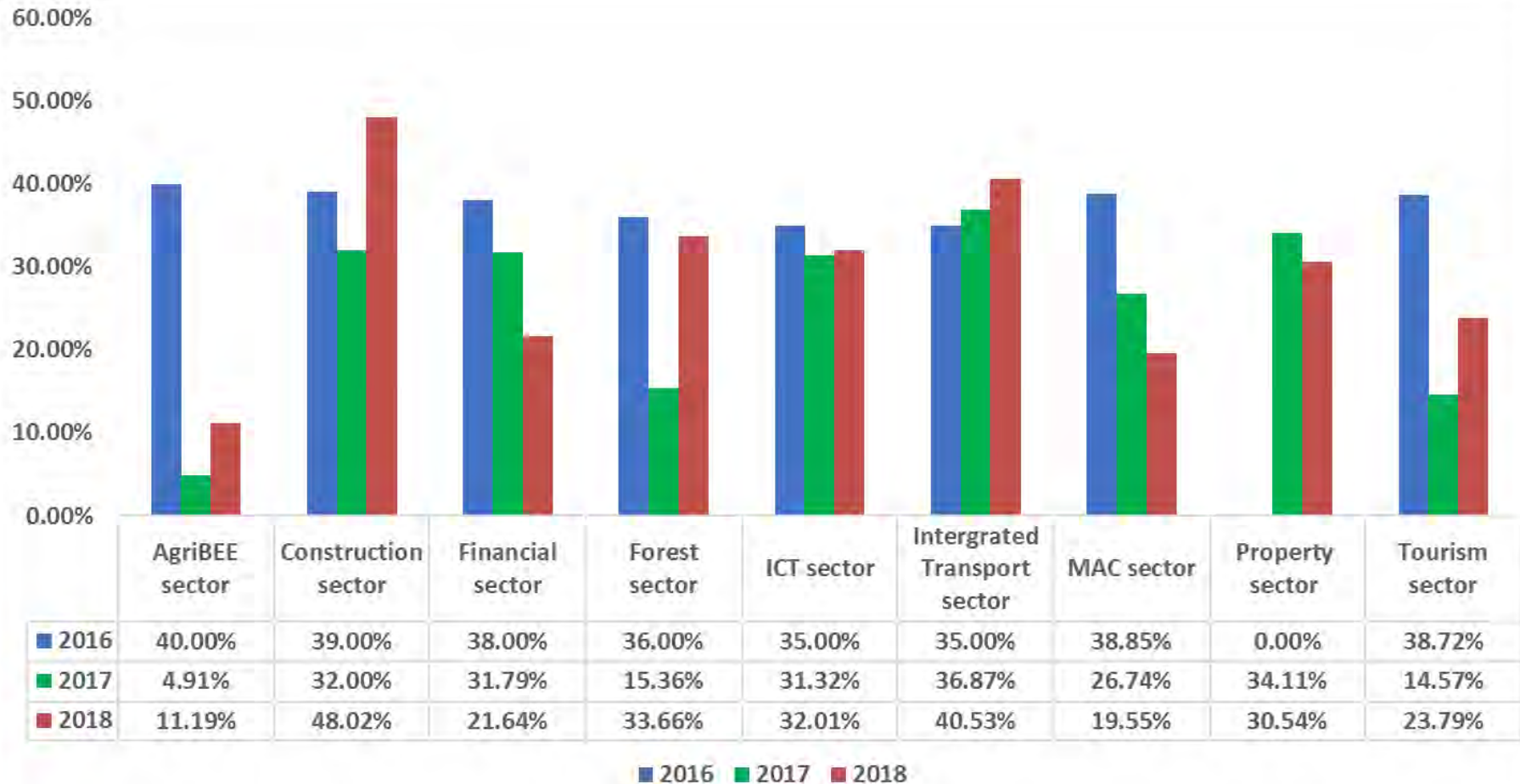
Complaints Trends (2016/17 FY – Q2: 2019/20 FY)



Source: B-BBEE Commission

Analysis Compliance Report

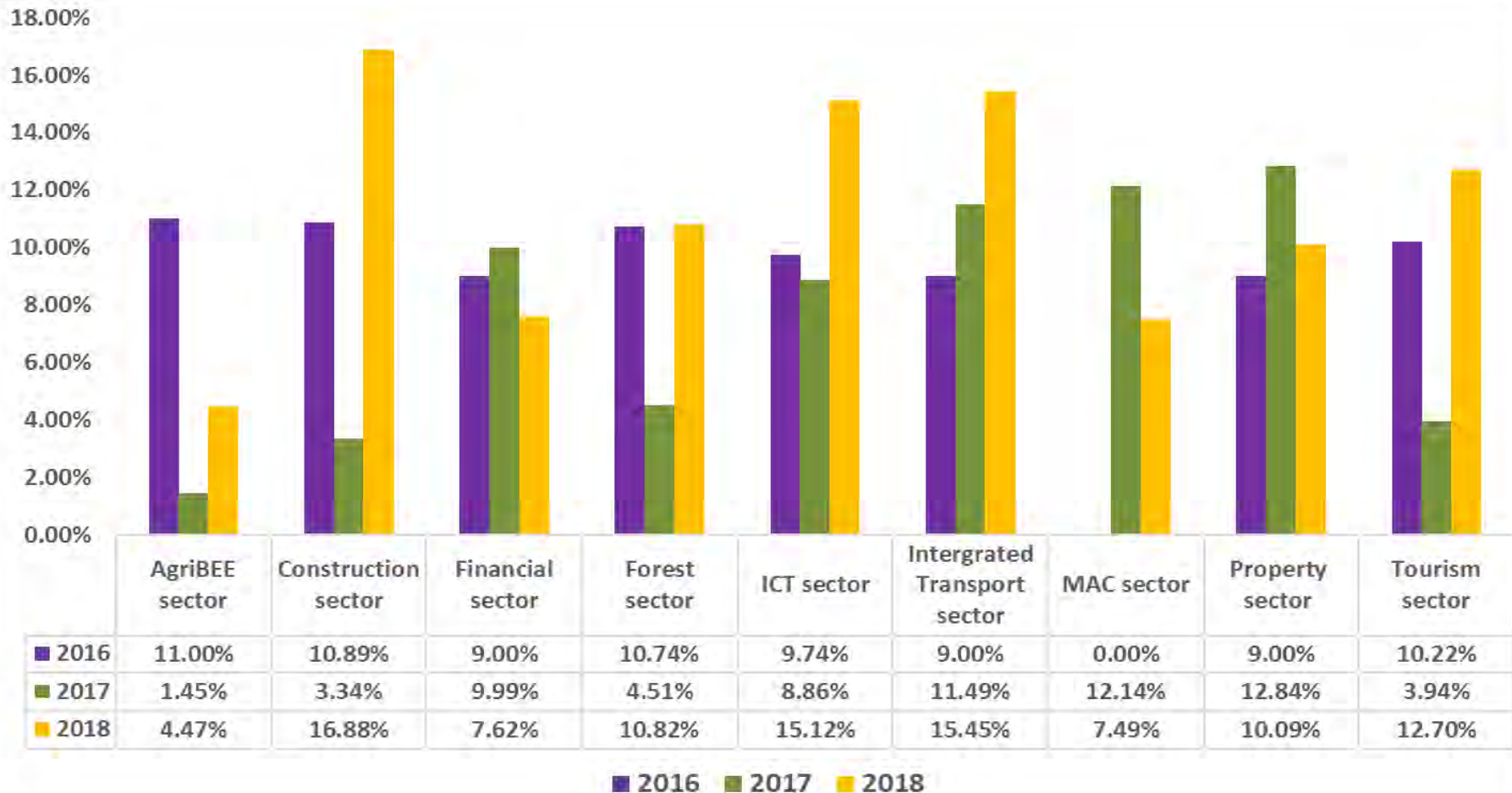
Black Ownership



Source: B-BBEE Commission

Analysis Compliance Report

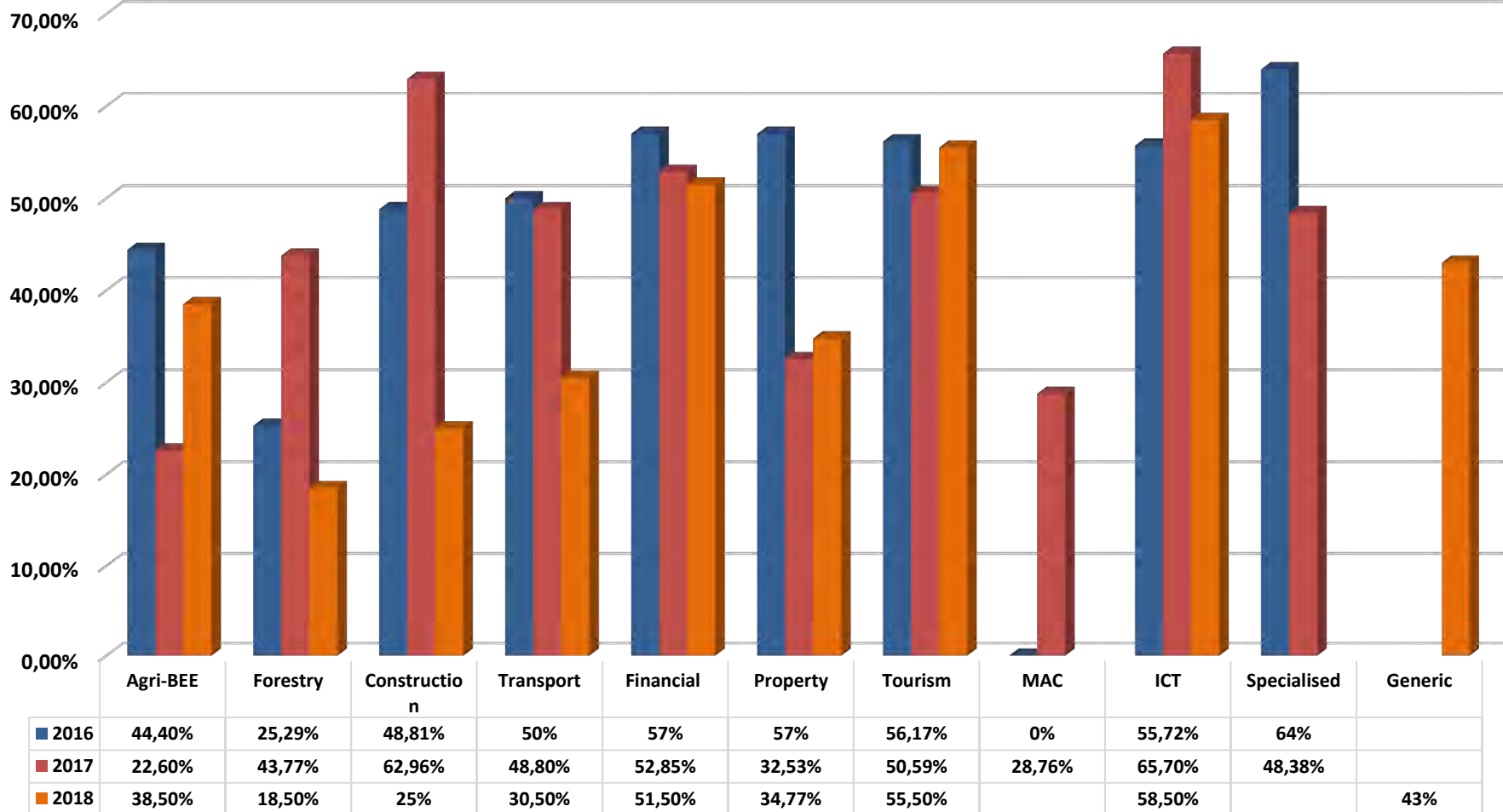
Black Women Ownership



Source: B-BBEE Commission

Analysis Compliance Report

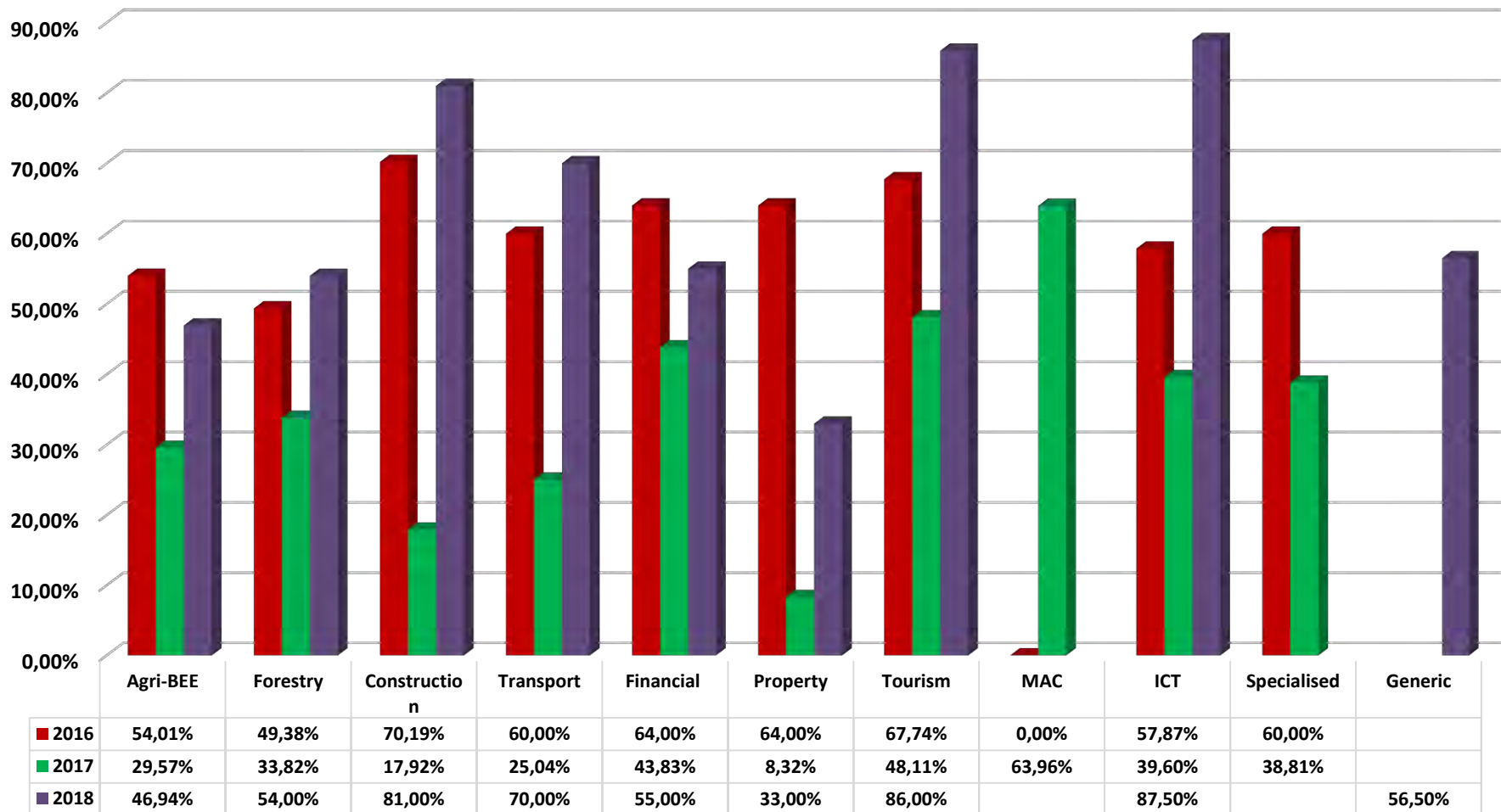
Management Control



Source: B-BBEE Commission

Analysis Compliance Report

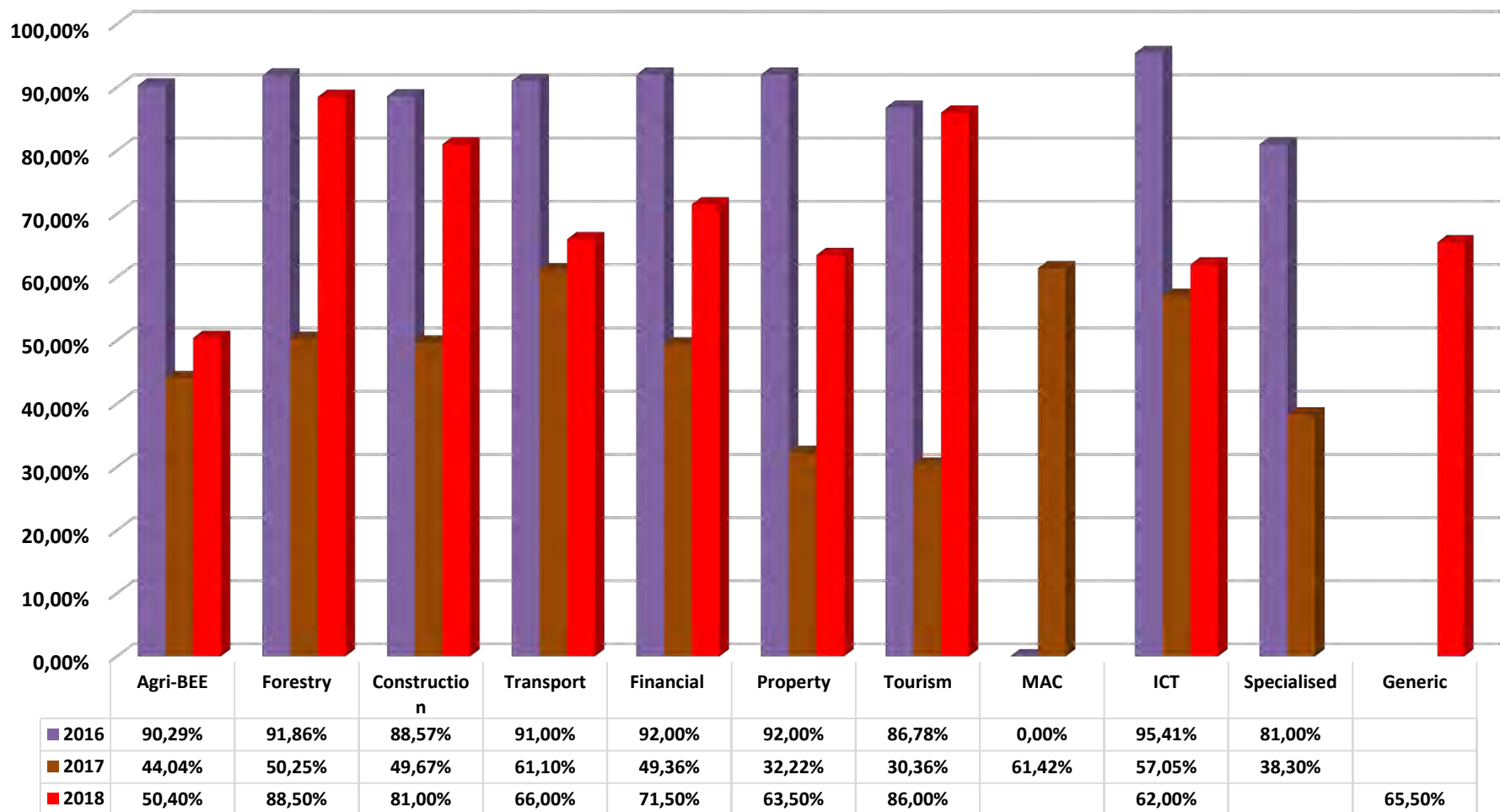
Skills Development



Source: B-BBEE Commission

Analysis Compliance Report

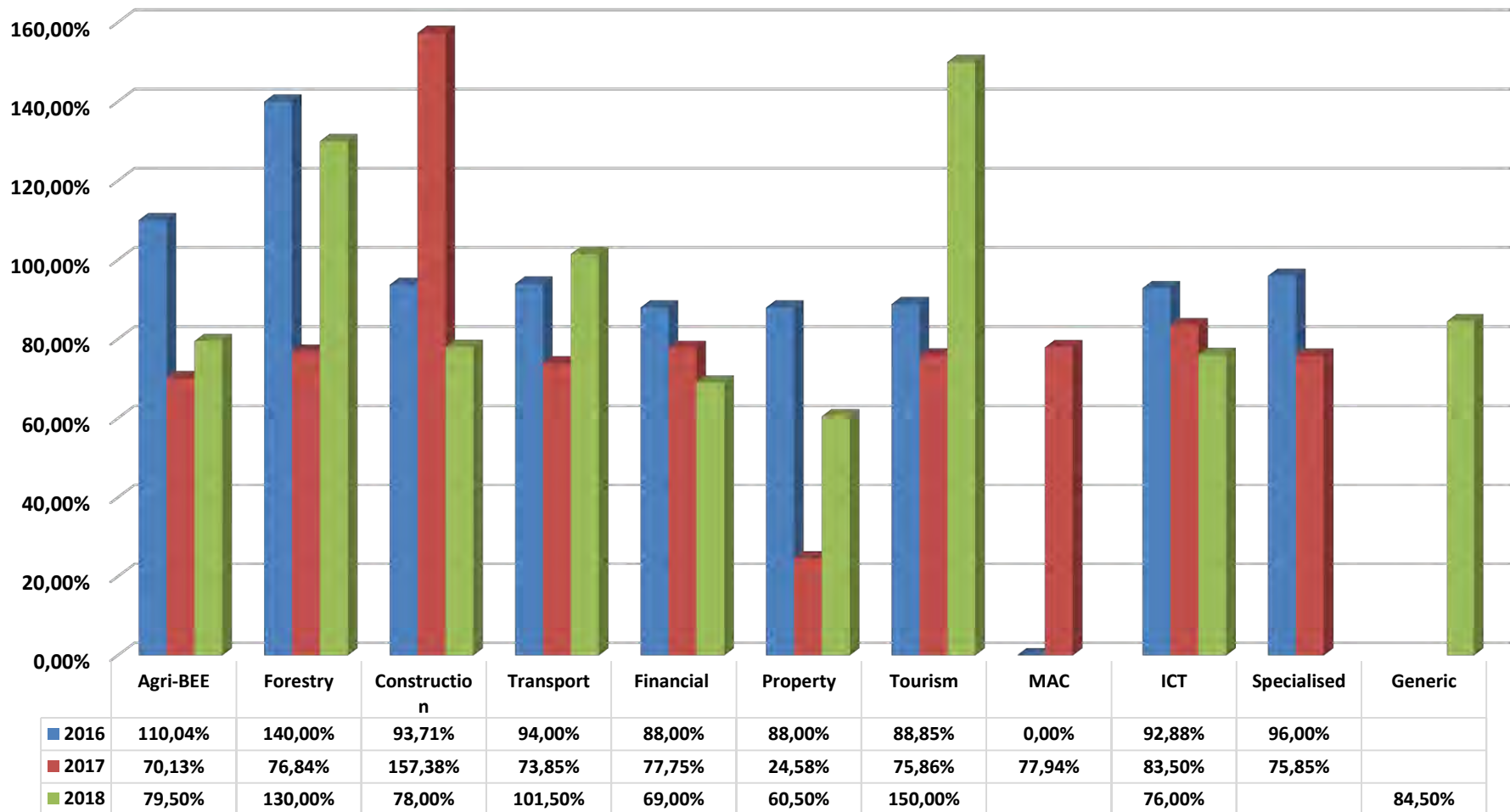
Enterprise and Supplier Development



Source: B-BBEE Commission

Analysis Compliance Report

Socio-Economic Development



Source: B-BBEE Commission

Analysis Major B-BBEE Transactions (June 2017 – 31 March 2018)

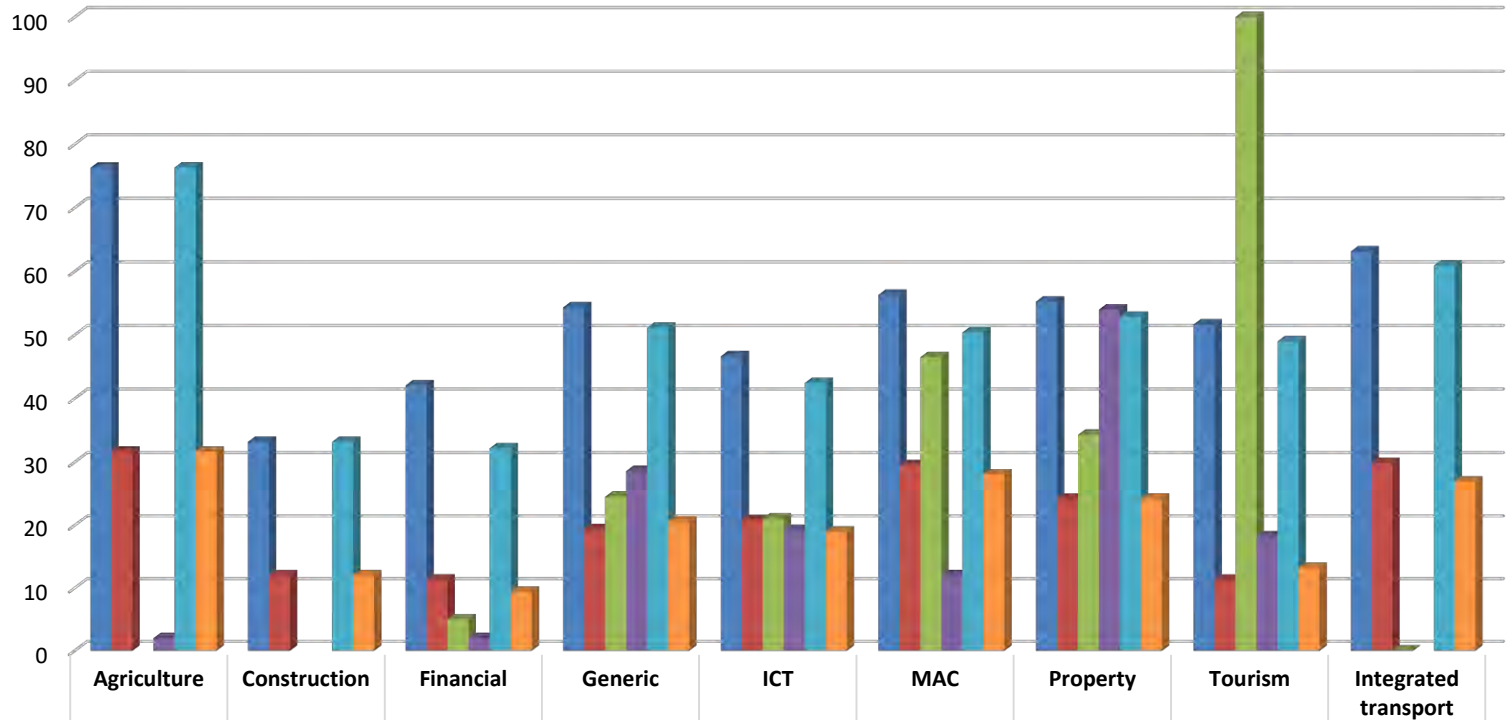
Sectors	Number of Transactions Registered
Agri-BEE	7
Construction	4
Financial	63
Generic	132
Forestry	0
ICT	18
MAC	6
Property	8
Tourism	14
Transport	20

Sector	Total Value (Billion R)	% (Percentage)
Agri-BEE	2,252	1.2%
Construction	0,352	0.2%
Financial	16,074	8.5%
Generic	78,091	41.4%
Forestry	0	0%
ICT	19,896	10.5%
MAC	0,632	0.3%
Property	9,037	4.8%
Tourism	58,047	30.8%
Transport	4,363	2.3%
Total	188,745	100%

Source: B-BBEE Commission

Analysis Major B-BBEE Transactions

Ownership Reflected



	Agriculture	Construction	Financial	Generic	ICT	MAC	Property	Tourism	Integrated transport
Black ownership	76,3	33,18	42,05	54,35	46,64	56,3	55,23	51,64	63,13
Black women ownership	31,63	12,01	11,34	19,36	20,8	29,5	24,22	11,32	29,84
Black designated groups			5	24,55	21,09	46,5	34,28	100	0,02
New entrants	2		2	28,59	19,25	12,05	54	18,21	
Black voting rights	76,33	33,18	32,16	51,14	42,44	50,38	52,84	48,99	60,93
Black women voting rights	31,63	12,01	9,41	20,58	18,98	28,05	24,22	13,21	26,92

Source: B-BBEE Commission

Conclusion

- ❑ The Financial sector has failed to submit its annual report to the Minister of Trade and Industry as required in terms of the B-BBEE Act and therefore in breach of the B-BBEE Act
- ❑ Analysis of 13G annual compliance reports indicates that the financial sector is regressing on ownership and management control elements
- ❑ The financial sector shows some improvements on Enterprise & Supplier Development and Skills Development, which if sustained can advance empowerment of black entrepreneurs and open access to markets for improved participation
- ❑ The financial sector Empowerment Finance must be seen to make an impact in the funding available for B-BBEE ownership transactions and black industrialists and entrepreneurs
- ❑ Funding for B-BBEE transactions and new black businesses could be improved and sector needs to consider partnering with government funding agencies
- ❑ Financial sector performance against its target needs to be improved significantly given that the sector code set targets that are lower than the generic codes in some instances

Contact Details

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