



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

INTERPRETATION NOTE: FILM AND TV INCENTIVE

REFERENCE: FILM AND TELEVISION INTERPRETATION NOTE 02/2021

Effective date: 1 September 2022

Film and Television Production Incentive

BACKGROUND

To provide further clarity on the Broad Based Black Economic Empowerment (B-BBEE) compliance requirement for a Special Purpose Corporate Vehicle (SPCV) and Holding company. **the dtic's** criteria for the awarding of incentives, grants in support of Broad Based Black Economic Empowerment as per section 10 (1) (e) of the Broad Based Black Economic Empowerment Act 2003 (Act No. 53 of 2003) (as amended by Act No. 46 of 2013) for the incentive programmes, is as follows:

Guideline section reference	Suggested interpretation note reference and reason
<p>5.1 APPLICANT ELIGIBILITY REQUIREMENTS:</p> <p>5.1.1 Compliance with Broad Based Black Economic Empowerment (B-BBEE):</p> <p>5.1.1.1 The SPCV and holding company must be in compliance with the requirements for Broad-Based Black Economic Empowerment (B-BBEE) in terms of the B-BBEE Codes of Good Practice.</p> <p>5.1.1.2 The holding company must achieve at least a level three (3) B-BBEE contributor status in terms of the B-BBEE Codes of Good Practice;</p> <p>5.1.1.3 The SPCV must achieve at least a level four (4) B-BBEE contributor status in terms of the B-BBEE Codes of Good Practice;</p> <p>5.1.1.4 The SPCV and holding company must submit a valid B-BBEE certificate of compliance</p>	<p>A newly formed company incorporated as a Special Purpose Corporate Vehicles (SPCV) will of necessity in terms of our guidelines, at least, achieve a minimum level four (4) B-BBEE contributor status in terms of the B-BBEE Codes of Good Practice. A SPCV may submit an Exempted Micro Enterprise sworn affidavit at application stage because it might not have any significant trading history, for it to receive a B-BBEE certificate issued in terms of a QSE or Generic scorecard (whichever is applicable).</p> <p>The Holding (service) company as the actual applicant for the incentive must submit a valid B-BBEE certificate of compliance issued by an accredited verification agency or an affidavit at application stage as well, in line with the requirements of the relevant Film and Television programme guideline.</p>

<p>issued by an accredited verification agency or an affidavit at application stage.</p> <p>5.1.2 The applicant must demonstrate that they adhere to an industry-specific Code of Professional Standards that includes sexual harassment and health and safety protocols.</p>	<p>For Holding (service) Companies, newly formed (start-up enterprises) or otherwise and SPCV's a B-BBEE certificate issued in terms of a QSE scorecard is required when tendering for any contract, or when seeking an economic activity (incentive grant) covered by Section 10 of the Act, with a value higher than R10 million but less than R50 million, and for incentive grant of R50 million or more it must submit a B-BBEE certificate issued in terms of a Generic scorecard using annualised data.</p> <p>In the event that the Holding (service) company and the SPCV are seeking an incentive greater than R10 million and are unable to provide a B-BBEE certificate issued in terms of either a QSE scorecard or Generic scorecard at application stage, due to Holding (service) company and / or the SPCV being an early stage start-up enterprise, the Holding (service) company and / or SPCV is to submit a sworn affidavit which will be considered for support. This is on condition that the applicable (QSE or Generic) certificate will be required at the first claim for both the Holding (service) company and the SPCV, in line with the Broad-Based Black Economic Empowerment Codes of Good Practice, issued in terms of Section 9 of the Broad-Based Black Economic Empowerment Act 53 of 2003, as amended.</p> <p>For avoidance of doubt: Submission of a sworn affidavit will be required at application stage but the relevant valid QSE or Generic certificate must be submitted at claim stage for the successful processing of the claim.</p>
<p>12.3 Application for payment of the incentive: Form C</p> <ul style="list-style-type: none"> Valid B-BBEE certificate of compliance or affidavit (level one to three) for holding company; 	<p>At claim stage, the SPCV must submit a valid certificate of compliance (level one to four) or sworn affidavit. However if the amount of the incentive approved is above R10 million, the SPCV will be required to provide a B-BBEE certificate issued in</p>

<ul style="list-style-type: none"> Valid B-BBEE certificate of compliance or affidavit (level one to four) for SPCV; 	<p>terms of a QSE or generic scorecard, in line with the Broad-Based Black Economic Empowerment Codes of Good Practice, issued in terms of Section 9 of the Broad-Based Black Economic Empowerment Act 53 of 2003 (whichever is applicable).</p> <p>A valid B-BBEE certificate of compliance or sworn affidavit (level one to three) must be submitted by the Holding (service) company. However if the amount of the incentive approved is above R10 million, the SPCV will be required to provide a B-BBEE certificate issued in terms of a QSE or generic scorecard, in line with the Broad-Based Black Economic Empowerment Codes of Good Practice, issued in terms of Section 9 of the Broad-Based Black Economic Empowerment Act 53 of 2003 (whichever is applicable). No claims will be considered which do not meet the above stated requirements.</p> <p>It must be noted that the Holding (service) company and the SPCV are required to maintain the required level contributor status at application and claim stage irrespective whether they are required to submit a B-BBEE certificate issued in terms of a QSE or generic scorecard as alluded above as per the applicable programme guidelines.</p>
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