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Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

**BBBEE AMENDED CODES OF GOOD PRACTICE –
STATEMENT 103
EQUITY EQUIVALENT INVESTMENT PROGRAMME
FOR MULTINATIONAL COMPANIES**

**05 MAY 2017
AT AMERICAN CHAMBER OF COMMERCE IN SA**



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CODE 100 STATEMENT 103

RECOGNITION OF EQUITY EQUIVALENTS FOR MULTINATIONALS

OBJECTIVES

- Define the means by which Multinationals may apply for recognition of Equity Equivalent programmes.
- Specify how contributing towards the Ownership element of B-BBEE is measurable by Multinationals.

KEY MEASUREMENT PRINCIPLES

- Any Equity Equivalent contribution towards the Ownership element of B-BBEE made by Multinationals are measurable against the value of their operations in the Republic of South Africa.



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KEY MEASUREMENT PRINCIPLES

- A Multinational participating in an Equity Equivalent programme cannot receive any points for ownership under any statement in Code Series 100 other than this statement.
- Contributions to Equity Equivalent programmes are measured as actual contributions made using the general principle
 - 25% of the value of the South African operations of the Multinational, determined using a Standard Valuation Method; or
 - 4% of Total Revenue from its South African operations annually over the period of continued measurement.
- The Ownership Score under an Equity Equivalent programme using either of the targets must be calculated in terms of statement 103



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KEY PRINCIPLES

- Alignment of statement 103 to key Government strategic economic policies and programmes such as NDP and IPAP;
- Equity Equivalent Investment Programmes to focus on supporting Enterprise and Supplier Development, Critical Skills Development, and Research and Development;
- Introduction of the Topping-Up principle for multinationals with approved EEIP programmes wishing to reinvest in the EEIP programme at the end of their first EEIP programme;
- Introduction of the Partial contributions principle for multinationals who elect to invest a portion of the 25% ownership target;



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- **INVESTMENT PERIODS**

- Total contributions that are more than R 100m can be considered for an investment period of up to 10 years;
- Total contributions between R 75m and R 100m can be considered for an investment period of up to 7 years;
- Total contributions between R50m and R 75m can be considered for an investment period of up to 5 years; and
- Total contributions that are less than R 50m can be considered for an investment period of up to 3 years.



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THANK YOU