

MEDIA RELEASE

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SHAREHOLDERS ENCOURAGED TO READ BEFORE THEY SIGN INTO COMPANIES

Shareholders should familiarise themselves with company documentation before they sign into ownership of companies as Broad-Based Black Empowerment (B-BBEE) partners. This was highlighted by the Director responsible for Compliance at the B-BBEE Commission Ms Busisiwe Ngwenya. She was speaking at the B-BBEE workshop held in Mayville, Durban today.

The workshop which is part of the B-BBEE Commission Awareness Roadshow was organised in partnership with the Department of Economic Development Tourism and Environmental Affairs (EDTEA), and was intended to raise awareness and educate the community on the Broad-Based Black Economic Empowerment and its benefits to society, as well as the role of the B-BBEE Commission.

According to Ngwenya, many shareholders may find themselves wanting in events where the companies were to be dissolved and may have to repay company debts which they were not aware of as they were not fully involved in company activities and governance matters. Ngwenya said many of these shareholders are people who may have been used to front for companies and some may have fronted willingly.

“People need to be aware of what is happening in the companies they are part of because if they are found to be fronting for companies, they will be on the wrong side of the law. Fronting is a criminal offence and people should be aware of that,” she added.

Ngwenya highlighted that cooperative governance should apply in all B-BBEE compliant companies. She said since April, the B-BBEE Commission had received 118 complaints on fronting.

“The role of the B-BBEE Commission is also to provide advisory opinion, interpretation of the legislation and people are encouraged to come to us should they require assistance,” added Ngwenya.

The General Manager of Economic Empowerment in the EDTEA Mr Sixtus Sibeta, said his department in Kwazulu-Natal, had entered into a Memorandum of Understanding (MoU) with the Department of Trade and Industry (the dti) on the Black Industrialist Programme. He said the agreement was to assist people who cannot meet the first criteria with regards to the threshold of projects of over R30 million.

“The MoU says there will be sectors for supplier development for people who can’t meet the first category as many black companies cannot meet the R30 million threshold,” added Sibeta. The Manager of Nonsindiso Catering from Umkhumbani, Ms Sindi Hlogwa said she was very happy to have been part of the workshop.

“The information I received has been very helpful and although some of it will not be utilised by me at the moment, it will benefit others that I know. For instance, we have been educated about SANAS and its services, this is the information I am going to pass on to a friend of mine who bottles water so that it can benefit him. I have also been able to get clarity about the myths regarding long application processes in government which cost a lot of money,” added Hlongwa.

Hlongwa was one of the many small businesses who attended the workshop and were educated about the Codes of Good Practice and the accreditation process by South African National Accreditation System (SANAS), compliance with SARS requirements as well as the registration of companies with the Companies Intellectual Property Commission (CIPC).



Picture 1: Companies and community members attending the B-BBEE Awareness Workshop in Mayville, Durban today.

Enquiries:

Sidwell Medupe-Departmental Spokesperson

Tel: (012) 394 1650

Mobile: 079 492 1774

E-mail: MSMedupe@thedti.gov.za

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