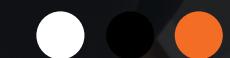


WELCOME TO AZANIA BEE SOLUTIONS

Azania BEE solutions is a bespoke verification agency that provides a full spectrum of B-BBEE related solutions

Get Your Custom Quote



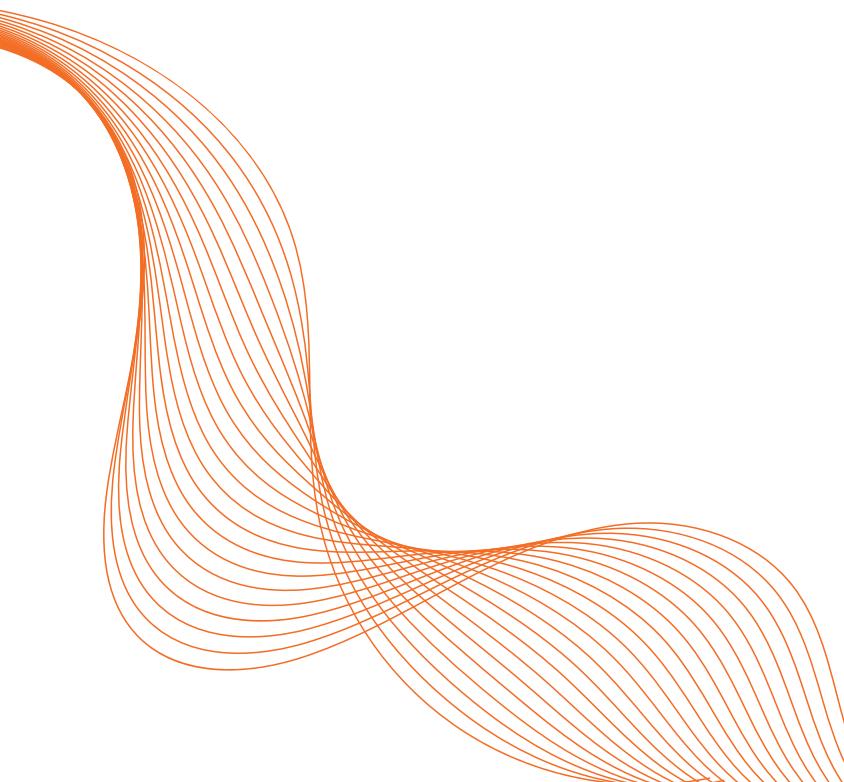


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ABOUT US

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Azania B-BBEE Solutions Pty (Ltd) is a 100% black-owned service provider established in 2020, offering various B-BBEE services with a Level One B-BBEE status. We serve multiple business sectors nationally through an independent audit process aligned with Broad-Based Black Economic Empowerment Codes. Committed to service excellence, Azania specializes in B-BBEE consulting, training, skills development, and other transformation initiatives. This team comprises of professionals from finance and commerce, supported by a network of technical experts and specialists, ensuring high-quality service for clients.



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WHY US?

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- We offer express services
- We have expertise in house
- We offer competitive prices
- We are up to date with the latest legislature and BEE regulation policies





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VISION AND MISSION

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VISION



Is to be the firm of choice in innovation and transformation, which is distinguished by excellence and quality. As an organization we are entrenched in ethics and integrity.

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MISSION

Is to achieve exponential growth and expansion through various sources including service offering, Business Acquisition, Joint Venture and Network firms by empowering and developing our clients, staff and communities.

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OUR VALUES



- 1 Empowerment**
- 2 Integrity**
- 3 Innovation**
- 4 Partnership**
- 5 Quality**

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Azania BEE Solutions is a brand backed by leadership that has 10 years of industry experience and a client base across industries, sectors, and regulatory environments.

Azania is best positioned and suited to draw from our expertise to ensure that the client receives an outstanding experience.

Azania BEE Solutions offers B-BBEEE Verification services to businesses of all sizes (EME, QSE or Generic). We have Branches in Gauteng, Limpopo and KZN

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Our Credentials

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(ABP) is established to lead the Broad-Based Black Economic Empowerment (B-BBEE) Verification and BEE Consultancy industry as it takes up a vital role in the transformation of the South African economy. The first and only industry Professional Body of its kind, the ABP aims to facilitate the accreditation of qualifying BEE Verification Agencies as set out in the Codes of Good Practice.



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The South African National Accreditation System (SANAS) is the only national body responsible for carrying out accreditations in respect of conformity assessment, as mandated through the Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act (Act 19 of 2006)



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We are established by Section 13B of B-BBEE Act 46 of 2013 and we have jurisdiction throughout the South Africa. We must be impartial and perform our functions without fear, favor or prejudice, in the most cost-effective manner and in accordance with the values and principles mentioned in section 195 of the Constitution, In terms of Section 13E, we are financed from money that is appropriated by Parliament for the B-BBEE Commission, and money lawfully received from any other source. The Auditor - General is mandated to audit our financial records every year.

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OUR SERVICE

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OUR SPECIALIZED OFFERINGS

 Indicative Rating process Ownership Analysis certificate Joint Ventures & Consortium certificate Enterprise & Supplier development Analysis certificate

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Azania BEE solutions provides a range of services relating to B-BBEE and Transformation. Our services have been designed and refined from experience to ensure that our clients get the best service and solutions required in maximizing their rating position

Our Verification and Rating process is an independent verification process aimed at verifying, confirming, and validating the BBBEE status of a measured entity.

Azania BEE Solutions verification process provides an accurate, efficient, and cost-effective way for businesses to establish and present their BBBEE status.

Services include:

- 1.SANAS Accredited Verification Agency
2. Training
3. Ownership analysis



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BEE Legislation and Legal Framework in South Africa

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Broad-Based Black Economic Empowerment (B-BBEE) plays a critical role in South Africa's drive for socio-economic redress. When properly implemented, it is a key mechanism for fostering transformation and inclusive growth. For businesses operating locally, understanding the legal foundations of BBBEE is vital to ensure alignment with policy and compliance requirements.

Core BBBEE Legislation in South Africa

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BBBEE is guided by several significant pieces of legislation, each contributing to addressing historical economic inequalities and encouraging meaningful participation of black South Africans (including African, Coloured, and Indian, including Chinese since 2008 who are citizens by birth, descent and naturalisations as black persons for purpose of B-BBEE Act and related legislations and regulations.) in the mainstream economy. Together, these laws promote equitable access, skills growth, fair employment practices, and inclusive procurement.





The 5 Acts of Parliament Shaping B-BBEE

The following acts of parliament serve as the core foundation of BEE legislation and laws:

- Employment Equity Act, 1998 (as amended in 2023)
- Skills Development Act, 1998 (last amended in 2011)
- Skills Development Levies Act, 1998 (amended in 2010)
- Preferential Procurement Policy Framework Act (PPPFA), 2000 (updated in 2023)
- Broad-Based Black Economic Empowerment Act (B-BBEEA), 2003 (amended in 2023)

Codes of Good Practice & Sector Codes Governing B-BBEE

In addition to these core Acts, the B-BBEE framework is governed by the Generic Codes of Good Practice, alongside industry-specific sector codes. These sectoral guidelines outline tailored compliance measures, targets, and reporting standards that reflect the unique characteristics and transformation needs of different industries. The Department of Trade, Industry and Competition regularly reviews these codes to keep them aligned with the overarching B-BBEE principles and changing industry landscapes.

Employment Equity Act

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A cornerstone of South Africa's transformation journey, the Employment Equity Act aims to eliminate workplace discrimination and foster equal representation for historically disadvantaged groups, which include black Africans, Coloureds, and Indians. The Act obligates employers to implement affirmative action measures, set diversity targets, and regularly report progress towards equitable workforce representation.

Employment Equity Act Amendments

In April 2023, the Employment Equity Amendment Bill of 2020 was enacted, bringing important changes. One key shift is that companies with over 50 employees now fall under the definition of "designated employers," regardless of turnover, and must submit Employment Equity plans and reports. Over the years, the Act has evolved through amendments that strengthened reporting duties, established oversight bodies such as the Commission for Employment Equity (CEE), and introduced equal pay for work of equal value provisions.

The Skills Development Act

Complementing the Employment Equity Act, the Skills Development Act of 1998 promotes upskilling and continuous learning across the workforce. It provides for the creation of Sector Education and Training Authorities (SETAs), which channel employer-paid levies into training and development initiatives. This helps build a competitive workforce equipped with the skills needed to drive economic growth.



Complementing the Employment Equity Act, the Skills Development Act of 1998 promotes upskilling and continuous learning across the workforce. It provides for the creation of Sector Education and Training Authorities (SETAs), which channel employer-paid levies into training and development initiatives. This helps build a competitive workforce equipped with the skills needed to drive economic growth.

Skills Development Act Amendments

Amendments to this Act have refined how skills initiatives are governed, including the formation of the Quality Council for Trades and Occupations (QCTO) and updates to SETA governance rules. These refinements aim to better align skills training with industry needs and national growth objectives.

Skills Development Levies Act

Under this Act, employers must contribute a levy dedicated to funding training programmes in line with the Skills Development Act. The levy ensures that businesses actively invest in upskilling their employees, helping to grow South Africa's talent pipeline and enhance economic competitiveness.

Skills Development Levies Act Amendments

The Skills Development Levies Amendment Act of 2010 entails minor changes to the definitions of "Director-General" and "Minister". Director-General now refers to the Director of Higher Education and Training. In addition, Minister now refers to the Minister of Higher Education and Training.





Preferential Procurement Policy Framework Act (PPPFA)

Enacted in 2000, the PPPFA provides a structure for government procurement policies that give preference to businesses owned by historically disadvantaged individuals. This supports broader economic participation and opens access to state contracts for black-owned enterprises and other designated groups.

Preferential Procurement Policy Act Amendments

The latest proposed amendments, published in 2013, aim to expand preference points for designated groups, strengthen supplier development obligations, and simplify compliance processes to make it easier for qualifying businesses to benefit.

Broad-Based Black Economic Empowerment Act

At the heart of South Africa's transformation laws is the B-BBEE Act of 2003. It provides the policy foundation for all related Acts and Codes, driving inclusive growth, fair representation, and economic redress. The Act encourages companies to contribute to transformation through initiatives spanning employment equity, skills development, and preferential procurement – all of which directly influence a business's B-BBEE scorecard and, in turn, its competitive positioning.

B-BBEE Amendments

Since its inception, the Broad-Based Black Economic Empowerment Act has seen several amendments to adapt to evolving socio-economic circumstances in South Africa.



Major BBBEE amendments instated by the South African government include:

- 2002: Employment Equity Reports were introduced as a requirement for businesses to submit to the Department of Labour.
- 2003: The Commission for Employment Equity (CEE) was introduced to oversee BBBEE compliance.
- 2006: Major emphasis on equal pay for work of equal value.
- 2013: Provisions for compliance assessments were introduced, as well as measures to eliminate unfair discrimination.
- 2014: Designated groups were specifically defined as black people, women, and individuals with disabilities.
- 2018: The state pushed for greater transparency in Employment Equity reporting to address BBBEE fronting.
- 2020: Compliance requirements were extended to businesses with over 50 employees, regardless of annual turnover.

Overall, the Employment Equity Act, Skills Development Act, and the Preferential Procurement Policy Framework Act underpin BBBEE, driving both compliance and conscious efforts to redress historical inequalities. These laws collectively shape an economic landscape that has the potential to be more dynamic, diverse, and prosperous, reflecting South Africa's ongoing commitment to creating an inclusive and equitable society.

General Amended BEE Recognition Levels

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Your BBBEE status level is determined by the number of points your business receives across the five B-BBEE elements. The higher your status level, the more procurement recognition your company will receive

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BBBEE Rating	BBBEE Points	Procurement Recognition Level
BEE Level 1	100+	135%
BEE Level 2	95 – 99	125%
BEE Level 3	90 – 94	110%
BEE Level 4	80 – 89	100%

BEE Level 5	75-79	80%
BEE Level 6	70-74	60%
BEE Level 7	55-69	50%
BEE Level 8	40-54	10%
Non-Compliance	0-39	0%

Amended General Generic BEE Scorecard

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The B-BBEE scorecard assesses the structure of your business according to ownership, management control, skills development, enterprise and supplier development, and socio-economic development. The points you earn on your scorecard determine your BBBEE Level.

BBBEE Scorecard Element	Description	Available Points
Ownership	Ownership measures the unencumbered economic interest, voting rights and net value of shares held by black people.	25
Management Control	Evaluates the percentage of executive boards, senior, middle and junior management positions held by black members.	19
Skills Development	The amount of money spent on skills development initiatives and training for employees, and the amount made available for bursaries, apprenticeships.	20 (+5 bonus points)

25

Enterprise and Supplier Development (ESD)	Measures the level of spend on preferential procurement, enterprise development and supplier development. Preferential procurement is the amount of goods and services procured from empowering suppliers and companies with high BBBEE ratings. Enterprise development is the amount spent on developing small black-owned enterprises. Supplier development refers to monetary, training and equipment contributions made to black-owned suppliers to help grow their own businesses.	40 (+4 bonus points)
Socio-Economic Development (SED)	Refers to a business' overall CSI contributions.	5
TOTAL		118

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BBBEE Fronting

BEE fronting is a tactic to bypass the B-BBEE Act and the Codes while claiming you adhere to them. Being found guilty of BEE fronting can result in fines, imprisonment, and reputational damage.

Understanding BEE Fronting: Risks, Examples, and Legal Implications

Broad-Based Black Economic Empowerment (B-BBEE), when properly implemented, serves as a powerful mechanism to promote economic inclusion in South Africa. However, BEE fronting threatens the credibility of this initiative by undermining its intended outcomes.

In response to rising concerns about fronting, the Employment Equity Amendment Bill was introduced in 2018 to strengthen enforcement. Companies or individuals found guilty of fronting face serious consequences, including hefty fines, imprisonment, and reputational harm that can significantly impact their ability to do business in the country.

This guide provides insight into what BEE fronting entails, the potential long-term effects, and how to identify and address it effectively.



What Is BEE Fronting?

According to the **Department of Trade, Industry and Competition (DTIC)**, fronting involves intentionally attempting to bypass the B-BBEE Act and associated Codes. Simply put, fronting occurs when businesses falsely present themselves as compliant with BEE requirements to gain a competitive or financial advantage. It is a form of fraud, and claiming ignorance is not considered a valid defense.

Anyone who knowingly engages in, is aware of, or **fails to report fronting** can be held legally accountable. Even those who should reasonably have known about such activities may be liable if they neglect to investigate or take corrective action.

The consequences are far-reaching—not just for the businesses involved, but also for their stakeholders and the broader economy. Fronting undermines the effectiveness of true empowerment efforts, and companies found guilty may suffer long-term reputational and financial losses.

Common Types of BEE Fronting

1. Window Dressing

This tactic involves appointing Black individuals to senior roles (e.g., director, executive) without granting them actual authority or involvement in the business. While they may hold a title on paper, they are excluded from key decision-making processes.

Examples include:

- Listing junior Black staff as executives without their knowledge
- Paying Black executives significantly less than their peers
- Preventing appointed Black directors from exercising their full responsibilities



2. Diversion of Benefits

This form occurs when the economic advantages that should flow to Black stakeholders are **withheld or redirected** elsewhere.

Examples include:

- A Black shareholder owning 51% of a business but being excluded from dividends or shareholder meetings
- Using an NPC or NPO to claim 51% Black ownership, without meeting the compliance standards for actual ownership structures (like BBOS or ESOP)
- Creating a company where Black partners have ownership on paper, but the structure ensures minimal profit and no real benefit

3. Opportunistic Intermediaries

These are third parties who **exploit legitimate B-BBEE partnerships** for their own gain, often under the guise of collaboration.

Red flags include:

- Agreements that unfairly limit suppliers or service providers
- Unbalanced contractual terms that weren't properly negotiated
- Partnerships formed under suspicious or irrelevant circumstances



Legal Consequences of BEE Fronting

The **B-BBEE Amendment Act** (Section 130(3)(a)) criminalizes fronting. Key penalties include:

- Individuals may face **up to 10 years in prison** and/or substantial fines
- Companies can be fined **up to 10% of annual turnover**
- B-BBEE professionals, procurement officers, or public officials who are complicit or negligent may be imprisoned for **up to 12 months**
- Offenders may be **barred from doing business with government departments** for up to a decade

Legal repercussions can also include **civil claims** to recover any ill-gotten financial gains. Beyond court actions, **reputational damage** can lead to lost clients, partnerships, and business opportunities.

How to Report Suspected BEE Fronting

All individuals and entities have a duty to report signs of fronting. Reports should be submitted in writing to the **B-BBEE Commission**. If deemed credible, the Commission will initiate an investigation and may escalate the matter to the **National Prosecuting Authority (NPA)** for criminal proceedings.

If a business is found guilty, its **B-BBEE status may be suspended** until corrective measures are taken. Offending parties will also be listed in a DTIC database.

Final Thoughts

BEE fronting is a serious violation of South African law and goes against the spirit of economic transformation. It is not just a regulatory risk—it's a **criminal act** with real-world consequences for companies and individuals alike.

To ensure authentic compliance, businesses should work closely with **reputable BEE verification professionals**. This not only helps avoid legal pitfalls but also contributes meaningfully to a more inclusive and fair economy.

APPEALS OF VERIFICATION DECISION

The Client has the opportunity to appeal the findings in their report. This can be done within five days of receiving the preliminary Verification Report. The appeal needs to be in writing, addressed to the Verification Manager or Admin Manager in charge, and will be resolved or addressed, as per the company policy on appeals, within 30 days of receipt.

COMPLAINTS PROCEDURE

The Client has the right to lodge a formal complaint during any stage of the verifications process. The complaint needs to be in writing, addressed to the Manager: Complaints, and will be resolved or addressed, as per the company policy on complaints, within 30 days of receipt.

Impartiality Policy Statement

It is important and imperative for AZANIA B-BBEE SOLUTIONS (Pty) Ltd, (AZANIA) to strictly observe impartiality in the entire verification process. Impartiality is critically crucial to our professional integrity and reputation, so all AZANIA management and staff shall understand the importance and shall remain impartial in all services for AZANIA.

This policy shall assist all staff in understanding, identifying, documenting, and managing threats and for the resolution of issues that arise prior to or during engagements.

BBBEE FAQs



What is B-BBEE?

Why does my business need a B-BBEE Verification Certificate?

How often must my business be verified?

How does the verification process work?

What documents do I need for verification?

How do I get started?

32.2

Contacts Us

Your Name**Your Email**

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Company Location**Industry****Financial year to be rated**

57.2

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Unlock your business potential with our streamlined B-BBEE certification process, designed to support companies of all sizes.

18.2

Annual Turnover

Your Message

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