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Reg No: 2012/181277/08

**03 November 2015**

<b>Communication to</b>	<b>All Construction Sector Stakeholders All Industry Voluntary Associations All Verification Agencies All Construction Sector BBEE Practitioners</b>
<b>Subject</b>	<b>Verification Measurement Position Beyond the 31<sup>st</sup> October 2015</b>

This communication replaces all communications previously issued by the CSCC in respect of the measurement position.

### **Background Information**

1. The Construction Sector Code (The CSC) was gazetted on the 06<sup>th</sup> June 2009 in terms of Section 9 (1) of the BBEE Act 2003 following extensive industry consultations and engagements. Although the CSC's gazette was derived from the BBEE Generic Codes of Good Practice (CoGP) issued in February 2007, the June 2009 gazette meant that the CSC was effective and binding on all construction industry-related businesses, as such compelling all verification measurement to be done in terms of the sector code.
2. In May 2013, the Department of Trade and Industry (The Dti), published and gazetted the revised CoGP that would be effective from October 2014, but after numerous requests, this effective date postponed until the 1<sup>st</sup> May 2015. In a notice of the clarification that was issued in April 2015, the DTI advised that "All Sector Codes Gazetted i.t.o Sec. 9 (1) should be aligned to the revised CoGP by the 31<sup>st</sup> October and failure of which will result in the Minister of Trade and Industry considering repealing those sector codes".
3. It is a requirement of the gazette of every sector code that all the "major commercial associations" that will be directly affected and impacted upon by the

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#### **Executive Committee Members**

Felix Fongoga (Chairperson) | Thabo Masombuka (Chief Executive Officer (CEO))  
Gregory Mofokeng | Ingrid Campbell | Sam Moleshiwa | Devan Pillay | Eunice Forbes | Hennie Bester | Isaac Ntshangase | Qinisani Mbatha

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sector code must agree on the conditions, terms and the measurement principles of the sector code.

4. Despite ongoing industry alignment negotiations & consultations between the major industry commercial associations (Established and Emerging sectors), no new alignment targets have been agreed upon and consequently, it remains unlikely that, as of November 01, an aligned construction sector code would have been published and gazetted.

#### **Applicable Measurement position after the 31<sup>st</sup> October 2015**

5. Following the attached letter of communication issued by the Minister of Trade and Industry on the 30<sup>th</sup> October 2015, although no additional extension has been granted by the DTI, major construction industry associations/stakeholders under the Charter Council have however been provided an opportunity to finalise outstanding areas of the CSC alignment process and targets.

In the interim, all construction measured entities seeking to renew their BBBEE Verification Certificates will make use of the revised generic BBBEE code as gazetted on the 1<sup>st</sup> May 2015.

All communication and queries in respect of the above is to be forwarded to the CSCC.

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Issued by the CSCC: 03 November 2015