



the dti

Department:  
Trade and Industry  
REPUBLIC OF SOUTH AFRICA

**SUBJECT:** INTRODUCTION OF B-BBEE COMPLIANCE  
REQUIREMENTS FOR THE CIP

**EFFECTIVE DATE:** 25 JULY 2016

**REFERENCE:** CIP INTERPRETATION NOTE 01/2016

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## 1. PURPOSE

This interpretation note serves to address additional provisions on the Critical Infrastructure Programme (CIP), following the Ministers approval for IDAD incentive schemes to accept applications with B-BBEE levels of up to at least level eight (8) contribution.

## 2. INTERPRETATION

2.1 Sections 5.2; 7.1.1 and 11.2.6 of the CIP Guidelines have been amended to include a section on the Broad-Based Black Economic Empowerment compliance as follows:

2.1.1 Section 5.2 of the CIP Guidelines has been amended as follows:

The project must be **at least a level eight (8) B-BBEE contributor** in terms of the Codes of Good Practice for B-BBEE. This requirement takes into account the exemptions in terms of Qualifying Small Enterprises (QSEs) as set-out in terms of the Codes of Good Practice.

2.1.2 Section 7.1.1 of the CIP Guidelines has been amended as follows on the first row of the table showing Economic Benefit Criteria:

Table 1

CRITERION	B-BBEE STATUS	QUALIFICATION	B-BBEE RECOGNITION LEVEL	MAX POINTS
B-BBEE Compliance	Level Eight (8)	$\geq 40$ but $< 55$	10%	25
B-BBEE Compliance	Level seven(7) to Level one (1)	$> 55$ but $\geq 100$	50% to 135%	

2.1.3 Section 11.2.6 of the CIP Guidelines has been amended as follows:

A valid level eight (8) B-BBEE certificate or higher.