

INFORMATION ON BEE VERIFICATION PROCESS
1. Purpose and Scope

The purpose of this document is to provide information on the mPowerRatings BEE Verification process to facilitate the applicants understanding of the sequence of events and outcomes of the BEE verification process.

2. Definitions

BEE – Black Economic Empowerment

3. Description
3.1 Policy

mPowerRatings shall follow the below verification process when performing a verification of a client's BEE status.

mPowerRatings' verification process is an independent and in-depth Verification process aimed at establishing the BEE status of companies, closed corporations and economic entities. Types of BEE Verifications

Type of scorecard	Size of company	Element & number of points	Time lines
Exempt Micro Enterprise(EME): DTI, Tourism, Transport, ICT , Agri, Property, Financial Sectors and MAC	An enterprise with an annual turnover of less than R 10 million per annum or a start-up company in its first year and MAC (Public Relations <R5m) Tourism: Less than R5m Property: Less than R2.5m/R30m NAV, ICT, Finance: Transport and Agri Less than R5m	None	Immediate as per Sworn Affidavit

INFORMATION ON BEE VERIFICATION PROCESS

<p>Qualifying Small Enterprise(QSE): DTI, Tourism, Transport, ICT, Agri, Property ,Financial Sector and MAC</p>	<p>An enterprise with an annual turnover of between R10mil and R50mil per annum which include MAC (Public Relations >5m to <10m) based on the last audited financials. Tourism: > R5 - < R 45m Property: > R2.5m - < R30 m - R280m NAV, ICT, Finance: Transport and Agri : Less than R35m</p>	<p>Amended codes - all five elements applicable. Old codes – select four of the seven elements</p>	<p>Dependent on the how soon and accurate the information is provided to MPowerRatings. This also depends on the capacity within mPowerRatings</p>
<p>Generic Scorecard: DTI, Tourism, Transport, , ICT, Agri, Property ,Financial Sector and MAC</p>	<p>An enterprise with an annual turnover of more than R50mil including MAC (Public Relations >10m) per annum based on the latest financial audited results Tourism: > R 45m Property: > R 30m/> 280m NAV , Finance: Transport and Agri : more than R35m</p>	<p>Amended codes - all five elements applicable. Old codes – all of the seven elements applicable</p>	<p>Dependent on the how soon and accurate the information is provided to mPowerRatings. This also depends on the capacity within mPowerRatings</p>
<p>Adjusted Scorecards</p>	<p>As per the DTI Generic Codes</p>	<p>Amended codes - all elements applicable excluding Ownership. Old codes – all elements applicable excluding Ownership</p>	<p>As Above</p>
<p>Joint Ventures</p>	<p>Varies</p>	<p>Based on info on valid BEE Certs of JV partners. Rating a combination of data aggregated in proportion to partners share in JV per contract.</p>	<p>As Above</p>

INFORMATION ON BEE VERIFICATION PROCESS**3.2 Procedure and implementation****Application Process**

- a. Upon receipt of a request for a quotation for verification, mPowerRatings will forward the potential client a:
 - Company information Form (F 213)
 - Information on BBEE Verification Process (AD005)
- b. Once the completed Company Information form has been received, mPowerRatings will forward the client a:
 - Quotation (F212)
 - Standard Terms and Conditions (L 005)
 - Verification Application Document (F 140)

An application will **not** be processed until the fully **completed company information form, signed engagement letter and the appropriate application fee has been received by mPowerRatings.**

Verification Process

1. Once mPowerRatings received the above-mentioned documents we will furnish the client with a letter confirming that they have engaged our services (**F 205 - BEE Verification Letter**)
2. The Verification Manager will appoint the Ratings team which will consist of the Analyst(s) and the Reviewer.
3. The Verification Analyst appointed will contact the client to discuss the elements that the client will score points under. The discussion will lead to a Checklist being sent to the client requesting the relevant documentation and evidence or at this stage it will be determined whether a pre-site visit is warranted. All information received must be in an electronic format or as per the document sent to the client to populate. Faxes are accepted, however, there will be exceptions when the client may send us hardcopies via the courier. The Verification Analyst must confirm this with the client.

Document Review

Upon receipt of the required supporting documents the verification analyst will perform a document review and request information or evidence should the need be.

INFORMATION ON BEE VERIFICATION PROCESS

All evidence/information provided must relate to the measurement period. During the document review, samples are selected from the information provided. The client will be asked to provide additional evidence based on the sample selected prior to the site visit.

On-site Verification

The site visit will only be scheduled once all the necessary information/evidence is received by the Verification Analyst. The **Verification Plan (F150)** is sent to the client as confirmation of this visit and, detailing the responsibilities of each member of the verification team. The Verification Analyst will follow mPowerRatings internal Verification process. On completion

of the on-site visit, the verification analyst will prepare the client's electronic file for the review process. The file is sent to the Verification Manager for Review.

Review Process

The Verification Manager (VM) will review and evaluate the findings as presented by the verification analyst and makes the final decision with respect to the client's BEE status. The Verification Manager will hand over the sign off sheet (F191) back to the Verification Analyst. Once the signoff sheet is addressed for any outstanding issues the Verification Analyst will send the client the preliminary report and invoice for the balance of the 50% payment due. Once the client signs off the preliminary report and sends mPowerRatings the proof of payment, the final BEE certificate is prepared and sent to the client.

Outcome of the BEE Verification process

The measured entity can expect the following deliverables as part of our verification service

- A BEE Verification Certificate electronic version
- A BEE Verification Scorecard electronic version

The client will receive a Verification Pack of the original documents via Registered Mail in the post.

Appeals

Should the client wish to appeal a decision or any of the verification process conducted by mPowerRatings, they should refer to the mPowerRatings Appeals Procedure for guidance on how to lodge a complaint or appeal a decision. An appeal must be lodged with mPowerRatings within 1 month of the incident.

Time scale verification process

The timing is dependent on:

1. The quality of the application's documentation and the extent to which it complies with mPowerRatings requirements.

INFORMATION ON BEE VERIFICATION PROCESS

2. The availability of the resources within mPowerRatings.

Generally verification takes between **4-8 weeks** from receipt of the application form to the onsite verification.

4. Responsible Persons

Admin and Sales Department	Verification Manager
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5. Conclusion

mPowerRatings aims to provide an independent quality service to all its clients.

6. References

F 120 Clause 17.1 and Clause 18.3.2.1 (b)	F 213 Company information form
F 205 BEE Verification Letter	