



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

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Mr Renai Moothilal

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Dear Renai

Re: AIS CLAIMS AND APPLICATIONS AFFECTED BY NON-COMPLIANCE

Your e-mail and letter of 13 March 2017, regarding the feedback on the status of AIS claims affected by B-BBEE Non-Compliance has reference.

At the inaugural NAACAM Show and Localisation Indaba in Durban on 5 April 2017, it was said by Dr Rob Davies, Minister of Trade and Industry, that transformation of the automotive industry can lead to an advanced and inclusive growth of the manufacturing sector and while discussions are continually unfolding on developing and growing the domestic automotive component industry towards its objectives of higher levels of localisation, employment creation, and improved competitiveness, it must be noted that its' transformation is as important and cannot be negotiable.

As mentioned in your letter, DG October provided for a leniency relating to AIS projects with a non-compliant B-BBEE status, where portion payments of a claim would be considered after assessment of concrete plans with purchase orders from Black suppliers confirming a practical commitment towards B-BBEE and achievement of compliant status by 31 March 2017.

The efforts by NAACAM to refocus its transformation strategy towards a range of compliance enhancing activities for its members, such as delivering best practice workshops, developing a proposed model for ownership points, and a black supplier development programme through ASCCII, are highly appreciated. The challenge in terms of time for companies to achieve a B-BBEE compliant status is also noted.

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In order to accommodate AIS projects with a Non-Compliant B-BBEE status, the following will be applicable:

- (a) For all approved AIS projects with a Non-Compliant B-BBEE status, which have or still have to submit claims, a leniency is allowed until 30 September 2017 in which to achieve B-BBEE compliance (i.e. B-BEE levels 1 – 8) and a B-BBEE certificate of compliance must be submitted by latest 31 October 2017 in order not to forfeit claims payments.
- (b) If a B-BBEE certificate of compliance is not received by 31 October 2017, the AIS claim(s) [referring to all claims on hand or received by 31 October 2017] will be forfeited.
- (c) Claims and subsequent claims and claims received from 1 November 2017, will only be considered for payment if a valid B-BBEE certificate of compliance is submitted with such a claim.
- (d) If a valid B-BBEE certificate of compliance cannot be provided for claims under (c) above, the relevant claim or claims will be forfeited. If it is a third and final AIS claim, the claim will be forfeited and the approval cancelled.
- (e) All AIS applications to be received from 1 April 2017 should be submitted together with a valid B-BBEE certificate of compliance. Failure to submit such a valid B-BBEE certificate of compliance will result in the application not being considered for an approval.

All claims as stated above must meet all requirements as per the AIS Guidelines.

Yours sincerely



Lionel October

Director General: the dti

Date 12/10/2017