



FOREST SECTOR
CHARTER COUNCIL

10th November 2015

Statement of Clarity– Draft Revised Forest Sector Code

The Forest Sector Charter Council wishes to formally announce that the Draft Revised Forest Sector Code has finally been publicized in terms of section 9 (5) of the Broad Based Black Economic Empowerment (B-BBEE) Amendment Act, 46 of 2013. This basically means stakeholders are expected to forward comments for consideration within a sixty (60) days period. The sixty days commentary period commenced on the 6th November 2015.

However, for clarity, as earlier indicated by the Department of Trade and Industry (Dti), that all Revised Sector Codes were required to have been revised by the 31st October 2015, failing which a consideration to repeal them will be considered (see gazette, 38764, released on the 5th May 2015). Therefore Sectors will have to revert to the Codes of Good Practice, 36928.

The Forest Sector Charter Council consulted the Dti regarding the statement referred to above, considering that the Draft Revised Forest Sector Code was submitted in June 2015. Its gazetting in terms of section 9(1) of the B-BBEE Amendment Act into a Sector Code (legally binding to all entities falling within the Forest Sector) was anticipated to be finalised within the extended transitional period ending on the 31st October 2015.

In response, the Dti confirmed that this will not be applicable for the Forest Sector since it submitted its Draft Revised Forest Sector Code before the 31st October 2015. Therefore the old Forest Sector Code, 32320 remains in effect until amended and announced.

In view of Dti's clarification, all verification agencies are required to conduct the verification of entities operating in the Forest Sector using the old Forest Sector Code, 32320 until a time when the Revised Forest Sector Code is promulgated.

Verification agencies are also reminded to consider awarding deserving entities the automatic empowering supplier status as indicated in the gazette statement 38764.

In addition, reporting entities in the Forest Sector are also encouraged to ensure that they are verified even after the 31st October 2015 using the old Forest Sector Code. All certificates issued under the old Forest Sector Code will be valid for a year from date of issue as indicated in the certificates.



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Furthermore, the Revised Forest Sector Code will only be effective once it is promulgated. As indicated also, in the B-BBEE Amendment Act, 46 of 2013, all entities operating in a sector that has a Sector Code must be verified using the applicable sector Code in terms of B-BBEE implementation and compliance.

For further clarity, please contact, the Executive Director, Simangaliso Mkhwanazi on the contact details shown below.

Sincerely

Mr. Simangaliso Mkhwanazi
FSCC: Executive Director