

on

CODE SERIES FS300, STATEMENT 300

**MEASUREMENT OF THE SKILLS DEVELOPMENT ELEMENT OF BROAD-BASED BLACK ECONOMIC
EMPOWERMENT**

Application of the EAP Formula

1. Objectives

The objectives of this Guidance Note are to:

- 1.1** Define management categories
- 1.2** Clarify the EAP figures and how EAP points will be calculated
- 1.3** Clarify the difference between item 2.4 and item 2.5 of the Scorecard

2. Management Categories – Refer to categories as defined in paragraph 2 of guidance note GN200

3. EAP figures – Refer to paragraph 3 of guidance note GN200

4. EAP Points

In interpreting the EAP targets for Skills Development it is hereby clarified that the African proportion of EAP applied is not to the leviable amount per management category but is the African proportion applied to the target percentage of the management category.

1. To calculate Adjusted
EAPA % EAP A %

$$\text{-----} \times \text{Category Black} \\ \text{Skills Target \%} = \text{Adjusted EAP A \% EAP AIC \%}$$

2. To calculate the points achieved African Skills Spend%

$$\text{-----} \times \text{Number of points} = \text{Points} \\ \text{achieved Adjusted EAPA}$$

For example, under Senior Management the EAP target will be the (78%/90.6%) of the 2% Senior Management target.

African Skills	Leviable Amount	African Skills
R10 000.00	R 1 000 000.00	1.00%

African %	EAPA %	EAPAIC %	Adjusted EAPA %	Available Points	Points Achieved
1.00%	79%	91.0%	1.73%	0.5	0.28

Workings

- 1. To calculate the African representation per category

$$\frac{R10\ 000}{R1\ 000\ 000} = 1.00\%$$

- 2. To calculate Adjusted EAPA Percentage

$$\frac{79\%}{1.73\%} \times 91.0\% =$$

- 3. To calculate the points achieved

$$\frac{1.00\%}{1.73\%} \times 0.5 = 0.28$$

5. Difference between item 2.4 and item 2.5 of the Scorecard

5.1 Paragraph 2.4 refers to black non-management employees and black women non-management employees of the measured entity.

5.2 Paragraph 2.5 and 2.6 refers to Skills Development for **black unemployed people, black people with disabilities and black students.**

5.3 Skills development expenditure on black people who are counted under 2.5 may not be counted again in 2.