

**GUIDANCE NOTE GN600(e)**

on

**CODE SERIES FS600, STATEMENT 600****MEASUREMENT OF EMPOWERMENT FINANCING AND ENTERPRISE SUPPLIER  
DEVELOPMENT****1. Objective**

The purpose of this Guidance Note is to clarify paragraph 3.6.1 of FS600 Statement 600. The intention of this paragraph is to allow Financial Sector institutions to support the financing of SMEs in other sectors, such as manufacturing, mining etc. up to the threshold of 40%. Therefore, this paragraph should read as follows:

- 1.1 The Measured Entity must spend at least 60% of the Supplier Development Contributions on their own Supplier Development Beneficiaries (Tier 1 suppliers).
- 1.2 Up to 40% of Supplier Development Contributions can be claimed for Contributions made to:
  - a) Suppliers of the Measured Entities suppliers' ("Tier 2 suppliers") or
  - b) Suppliers that are already Supplier Development Beneficiaries to another company (e.g. part of a Supplier Development programme)
- 1.3 With reference to the above 2 categories, for Supplier Development Contributions to be counted there must be an appropriate agreement between the Measured Entity, the other company to whom the Supplier Development Beneficiary is a supplier and the Supplier Development Beneficiary themselves.
- 1.4 The bonus point under clause 2.5.3 – the 0.5% NPAT target is a non-recoverable spend target. The same principle of non-recoverability also applies to the 0.5% NPAT target for bonus points in clause 2.4.5 in FS 400