

**AMENDED FSC SERIES FS800
CODE SERIES FS800: CODES OF GOOD PRACTICE FOR
QUALIFYING SMALL FINANCIAL INSTITUTIONS (QSFI)**

Issued under section 9 (1) of the Broad-Based Black Economic Empowerment Act of
2003 as amended by Act 46 of 2013

Arrangement of Statement FS800

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AMENDED FSC SERIES FS800
STATEMENT FS800: THE FRAMEWORK FOR THE QSFI SCORECARD

**Issued under section 9 (1) of the Broad-Based Black Economic Empowerment Act of
 2003 as amended by Act 46 of 2013**

1. OBJECTIVES OF STATEMENT FS800

- 1.1 The objectives of this statement are to:
- 1.1.1 specify the elements of B-BBEE measurable in the QSFI scorecard;
- 1.1.2 specify the principles in the Financial Sector Code (FS100 – FS700) applicable to QSFI's;
- 1.1.3 specify the scorecard for measuring the QSFI contributions to B-BBEE.

2 KEY MEASUREMENT PRINCIPLES

- 2.1 The key measurement principles for measuring QSFI contribution to B-BBEE are specified in Statement FS000: General Principles and the Generic Scorecard.

3 THE QSFI SCORECARD

- 3.1 The following table represents the QSFI scorecard and contains the elements of the scorecard and their weightings for each element:

The weighting points in respect of any element in the scorecard represent the maximum number of points possible for each of the criteria.

Element	Weighting	Code Series FS800
Ownership	25 points	FS801
Management control	15 points	FS802
Skills Development	25 points	FS803
Enterprise and Supplier Development	30 points	FS804
Socio-Economic Development	5 points	FS805

- 3.2 The B-BBEE compliance of a QSFI must be determined in accordance with Code FS000. Any matter concerning the application of the QSFI scorecard that is not dealt with explicitly in this scorecard must be dealt with in terms of Codes FS000-FS700.

STATEMENT FS801: OWNERSHIP FOR QSFIs

1. THE QSFI OWNERSHIP SCORECARD

The following table represents the indicators and method for calculating a score for ownership in this statement:

Category and Ownership Indicator	Weighting points	Compliance target
1.1 Voting rights:		
1.1.1 Exercisable voting rights in the enterprise by black people	5	25%+1 vote
1.1.2 Exercisable voting rights in the enterprise by black women	2	10%
1.2 Economic Interest:		
1.2.1 Economic interest of black people in the enterprise	5	25%
1.2.2 Economic interest of black women in the enterprise	2	10%
1.2.3 Economic interest of new entrants or black designated groups	3	2%
1.3. Net value:	8	Refer to Annexe FS100 (C)
Total	25	
1.4 Bonus Points		
1.4.1 Bonus: Direct / Indirect ownership in excess of 15%	2	10%
1.4.2 Bonus: Economic interest and voting rights above 25%	2	1 @ 32.5% and 1 @ 40%

2. KEY MEASUREMENT PRINCIPLES AND SUB-MINIMUM REQUIREMENTS

- 2.1 Key measurement principles and sub-minimum requirements in statement FS100 are applicable to this statement.
- 2.2 Any interpretation or calculations of a QSFI score for ownership must be made in accordance with statement FS 100.

STATEMENT FS802: MANAGEMENT CONTROL FOR QSFI**1 THE QSFI MANAGEMENT CONTROL SCORECARD**

The following table represents the indicators and method for calculating a score for management control in this statement:

Criteria	Weighting Points	Compliance Target
1.1 Executive Management		
1.1.1 Black representation in executive management	5	50%
1.1.2 Black female representation in executive management	2	25%
1.2 Senior, Middle and Junior management		
1.2.1 Black representation in Senior, Middle and Junior management	6	60%
1.2.2 Black female representation in Senior, Middle and Junior Management	2	30%
Total	15	

2 KEY MEASUREMENT PRINCIPLES

- 2.1 For the purpose of the QSFI scorecard, executive management include other executive management as described in the general principles of statement FS200.
- 2.2 For the purpose of the QSFI Scorecard, Senior, Middle and Junior management refers to those positions as categorised for Employment Equity purposes.
- 2.3 A measured entity must use the current payroll data in calculating its score under the management control scorecard.
- 2.4 Key measurement principles in statement FS200 are applicable to this statement.
- 2.5 Any interpretation or calculation of a QSFI score for management control must be made in accordance with statement FS 200.
- 2.6 The demographic representation of black people as defined in the Regulations of the Employment Equity Act and the Commission on Employment Equity report are not applicable to the QSFI Scorecard.

STATEMENT FS803: SKILLS DEVELOPMENT FOR QSFIS**1 THE QSFI SKILLS DEVELOPMENT SCORECARD**

1.1 The following table represents the indicators and methods for calculating a score in this statement:

Skills Development Element	Weighting points	Compliance target
1.1 Skills development expenditure on learning programmes specified in the learning programme matrix for black people as a percentage of the leviable amount.	20	3%
1.2 Skills development expenditure on learning programmes specified in the learning programme matrix for black females as a percentage of leviable amount.	5	1%
Total	25	

2 KEY MEASUREMENT PRINCIPLES AND SUB-MINIMUM REQUIREMENTS

- 2.1. The sub-minimum requirements and discounting principle in Statement FS300 are applicable to this statement.
- 2.2. The demographic representation of black people as defined in the Regulations of the Employment Equity Act and the Commission on Employment Equity report are not applicable to the QSFI Scorecard.
- 2.3. Where applicable, the following criteria must be fulfilled in order for the measured entity to receive points on the Skills Development element scorecard (where applicable):
- 2.3.1 workplace Skills Plan, an Annual Training Report and Pivotal report which are SETA approved; and
- 2.3.2 implementation of a priority skills programme in general, and for black people in particular.
- 2.4. Key measurement principles in statement FS300 are applicable to this statement.
- 2.5. Any interpretation or calculation of a QSFI score for skills development must be made in accordance with statement FS300.
- 2.6. The learning programme matrix under code series FS300 is applicable to this statement.

STATEMENT FS804: ENTERPRISE AND SUPPLIER DEVELOPMENT FOR QSFI's**1. THE QSFI ENTERPRISE AND SUPPLIER DEVELOPMENT SCORECARD**

The following table represents the criteria for deriving a score for Enterprise and Supplier Development in this statement.

Criteria	Weighting points	Compliance targets
1.1 PREFERENTIAL PROCUREMENT		
1.1.1 B-BBEE procurement spend from all empowering suppliers based on the B-BBEE procurement recognition levels as a percentage of total measured procurement spend	15	60%
1.1.2 B-BBEE procurement spend from empowering suppliers that are at least 51% black owned, based on the applicable B-BBEE procurement recognition levels as a percentage of total measured procurement spend	5	15%
1.2 SUPPLIER DEVELOPMENT		
1.2.1 Annual value of all supplier development contributions made by the measured entity as a percentage of NPAT.	5	1%
1.3 ENTERPRISE DEVELOPMENT		
1.3.1 Annual value of enterprise development contributions and sector specific programmes made by the measured entity as a percentage of NPAT.	5	1%
Total	30	

2. KEY MEASUREMENT PRINCIPLES AND SUB-MINIMUM REQUIREMENTS

- 2.1 Key Measurement Principles and sub-minimum requirements in Statement FS400 are applicable to this statement.
- 2.2 Qualifying Enterprise Development and Supplier Development Contributions will be recognised as a percentage of the previous year's annual Net Profit after Tax (NPAT) of the measured entity. If the entity does not make a profit, then Qualifying Enterprise Development and Supplier Development Contributions of an average of the previous 3 years contributions will earn the measured entity the full points in paragraphs 1.2 and 1.3 respectively.
- 2.3 Any interpretation or calculation of a QSFI's score for Enterprise and Supplier Development must be made in accordance with statement FS400.

STATEMENT FS805: SOCIO-ECONOMIC DEVELOPMENT AND CONSUMER EDUCATION CONTRIBUTIONS FOR QSFIs**1 THE QSFI SOCIO-ECONOMIC DEVELOPMENT AND CONSUMER EDUCATION SCORECARD**

1.1 Qualifying socio-economic development (SED) and consumer education (CE) contributions will be recognised as a percentage of the previous year's annual Net Profit after Tax (NPAT) of the measured entity. If the measured entity does not make a profit, then qualifying SED and CE contributions of an average of the last 3 years contributions will earn the full points in paragraphs 1.3.1 and 1.3.2 respectively.

1.2 For banks, the NPAT is the NPAT generated by retail operations.

1.3 The following table represents the criteria and method used for deriving a score for SED in this statement:

1.3.1	Criteria	Weighting Points	Compliance Target
1.3.1.1	Annual value of all SED by the measured entity as a percentage of NPAT	3	0.60%
1.3.1.2	Annual value of all qualifying CE contributions made by the measured entity as a percentage of NPAT	2	0.40%
	Total	5	
1.3.2	Bonus Points		
1.3.2.1	Additional SED contributions made by the measured entity as a percentage of NPAT	1	0.20%
1.3.2.2	Additional CE contributions made by the measured entity as a percentage of NPAT	1	0.10%
1.3.2.3	Contributions to the Fundisa Retail Fund or to other similar initiatives made by the measured entity as a percentage of NPAT	2	0.20%

2 KEY MEASUREMENT PRINCIPLES

Key measurement principles in statement FS500 are applicable to this statement. Any interpretation or calculation of a QSFI score for Socio-economic Development and Consumer Education must be made in accordance with statement FS500.