Growth and Empowerment Solutions Newsletter

Navigating the 2026 Draft B-BBEE Code Amendments: What the Proposed Changes Mean for Inclusive Growth

The 2026 Draft B-BBEE Amendments:
A Structural Shift Toward Scalable Transformation

On 29 January 2026, the Department of Trade, Industry & Competition (DTIC) gazetted draft amendments to key B-BBEE Code Statements for public comment. These include proposed amendments to the Generic Scorecard, Enterprise & Supplier Development (ESD), QSE Codes, Definitions, and the introduction of a proposed Transformation Fund mechanism.

General Principles and the Generic Scorecard

The draft restructures the Generic Scorecard within the Enterprise & Supplier Development pillar. Entities may choose between traditional ESD contributions or contributing 3% of NPAT to the proposed Transformation Fund. Subminimum thresholds remain critical, with discounting risks for non-compliance.

For 104⁺, this increases the need for structured, compliant implementation. As compliance risk rises, corporates will seek credible partners to manage delivery, reporting and verification. The shift from spend to measurable impact strengthens the case for professionally managed programmes.

Enterprise & Supplier Development (ESD)

The draft formalises mandatory needs analysis, performance metrics, and annual Monitoring & Evaluation reporting. Contributions must demonstrate measurable outcomes such as turnover growth, job creation and market access.

This reinforces 104⁺'s core model. As administrative and reporting burdens increase, corporates are less likely to self-manage ESD. Demand for structured programme design, impact tracking and compliance assurance is expected to grow.

QSE Codes

The amendments tighten procurement and empowerment requirements affecting QSEs, particularly those not majority Black-owned. Compliance complexity and cost may increase.

For 104+, this creates an opportunity to strengthen governance and operational readiness within supported enterprises - extending more growth support for 100% black-owned businesses, ensuring they remain competitive within revised procurement frameworks.

Definitions

The Transformation Fund is defined as an aggregated mechanism to pool resources from measured entities to accelerate Black enterprise development, particularly for EMEs and QSEs.

While this signals a move toward scale and coordinated impact, aligning with 104+'s ecosystem approach rather than fragmented interventions, it is likely that aspects of this definition are still subject to refinement. Current indications from the DTIC suggest that certain provisions may be an oversight in drafting and could be tightened to apply more specifically to the Transformation Fund mechanism.

104+ Perspective: Structured Empowerment Requires Structured Implementation

The draft amendments reflect a maturing transformation framework prioritising measurable impact, deeper supply chain development, scalable funding and long-term enterprise sustainability. However, the increased compliance scrutiny and procurement pressure may place additional strain on the long-term sustainability and growth of Black-owned suppliers, particularly where support is not sufficiently structured or aligned to real market demand.

This elevates the importance of professionally managed, procurement-aligned ESD programmes. For 104+, the strategic imperative is clear: design needs-based, outcome-driven programmes that deliver measurable growth in turnover, jobs and market access, while supporting both SMMEs and corporates in navigating increased compliance requirements sustainably.

Preferential Procurement Tightening

The draft significantly increases emphasis on procurement from 100% Black-owned and Black women-owned suppliers, redistributing weighting points accordingly.

This raises the importance of structured supplier pipeline development. For 104+, this reinforces alignment between enterprise development and procurement readiness, ensuring supported SMMEs are commercially viable participants in corporate value chains.

Introduction of a Proposed Transformation Fund Mechanism

Entities may contribute 3% of NPAT as a cash grant to the Transformation Fund, earning 20 weighting points (plus 4 bonus points). Only direct cash grants qualify. The Fund forms part of a Priority Element, meaning subminimum thresholds apply if selected as an option by the contributing entity.

Partnering for Sustainable Impact

104+ remains committed to enabling structured, compliant and high-impact Enterprise and Supplier Development solutions that strengthen the SMME ecosystem while supporting corporate transformation objectives.

104+ SMME
Growth and Empowerment Solutions
seeded and supported by Sanlam group

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