

INITIAL PROPOSED PRINCIPLES FOR THE BEE LIQUOR SECTOR CODE

1. The Liquor Industry BEE Code is drafted as a Section 9 i.e. as a Sector Code. As soon as the Sector Code is gazetted in terms of section, it will become the **only** basis for the application and measurement of BEE initiatives in the sector.

2. Sound balance between adherence to economic principles and affirmative action.
3. Beneficiary should be independent from the measured entity – prohibitive, unlawful and anti-competitive restrictions should not be imposed on the beneficiary. The beneficiary should be allowed to make independent business decisions.

4. Remove all barriers to broad based black economic empowerment.
5. All entities registered or seeking registration with the various liquor and other similar authorities will be bound by the Liquor Industry Sector Code.
6. Annual BEE verifications should be conducted through accredited verification agencies only.

7. The NLA is allowed access to evidence submitted to the verification agency by the measured entity.

8. Misrepresentation or attempted misrepresentation by a measured entity may lead to cancellation of its registration or license.

9. The BEE contribution status of all entities will be measured on the basis of their single registration (no registrations with the NLA) and not on the basis of their sub-registrations/branches. The same principle should apply for licenses with provincial liquor authorities.

10. The general principles espoused in the Codes of good Practice shall prevail and apply to the Sector Code. Variations will be allowed only to the extent that they improve on the general principles.

