



# EES-SIYAKHA

Employment Equity Software & Consulting

EES-SIYAKHA has specialised in the development and implementation of EE Plans, and assisting non-compliant employers to comply with D-G Reviews for the past 23 years.

Let us help you to benefit from our knowledge and practical EE expertise in complying with all EE Act requirements.

**15 April 2023**

President Cyril Ramaphosa signed the Employment Equity Amendment Bill of 2020 into law on 12 April 2023.

The Amended Act will, among other things, require Designated Employers to set EE Numerical Goals that are aligned to (much higher) Sector Targets for each Sector and some Sub-Sectors.

There is good news for companies with fewer than 50 employees. They will no longer be designated employers (regardless of turnover) and won't need to develop EE Plans or submit EEA2 reports annually.

The Amended Act has been introduced with the aim of speeding up the pace of EE transformation by providing for the issuing of EE Compliance Certificates (which will be required from companies wanting to do business with the State or to include Management Control points in their B-BBEE Scorecards).

To obtain a Compliance Certificate, Designated Employers need either to achieve their sector targets aligned EE Annual Targets or be able to show justifiable reasonable grounds for not doing so.

The Amendments will come into effect on 1 September 2023; however, **employers with less than 50 employees are advised to remain compliant until then to avoid unnecessary risk and potential fines because of non-compliance.** Employers with less than 50 employees who need Compliance Certificates for their businesses, will still have to avoid unfair discrimination judgements and findings of paying below the minimum wage to obtain a Certificate.

The Department of Employment and Labour ('DEL') is already focusing on EE Plan implementation compliance and has started beefing up its inspectorate. This monitoring can be expected to increase after 1 September. Only reporting to the DEL will not be enough to prove compliance with the EE Act. All designated employers will have to develop **strategies and systems** to achieve their existing and, later, sectoral targets, which will withstand the increased scrutiny that will be placed on the reasons for not achieving them.

**Do you need help in dealing with these changes?**

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