



VERIFICATION PROCESS
(GUIDE FOR ENTITY)

P-VP-01

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1. Purpose and Scope

This document provides necessary information on the ABACUS VERIFICATION AGENCY (PTY) Ltd verification process to enable applicants to apply for BEE verification. This document should be read in full prior to submitting a formal application for BEE verification.

2. Verification

Verification by ABACUS VERIFICATION AGENCY (PTY) Ltd is official recognition that an organisation has been measured in terms of the Broad Based Black Economic Empowerment Act. ABACUS VERIFICATION AGENCY (PTY) Ltd's verification is an independent and in-depth verification process aimed at establishing the BEE status of companies, closed corporations and other economic entities. A verified entity demonstrates through formal verification, and the provision of evidence, its level of compliance with the BEE Act and the BEE Codes of Good Practice.

3. Application Process

The verification process is described in Appendix 1 together with the average time required to complete each action in the process. All applications are processed internally in accordance with the process outlined in the ABACUS VERIFICATION AGENCY (PTY) Ltd Administration process. When submitting an enquiry, ABACUS VERIFICATION AGENCY (PTY) Ltd will forward the verification guide to the applicant.

The verification guide shall include the following documents:

- Information on the Application Process
- Application Form
- Standard Terms and Conditions(Terms of Engagement)
- Fees
- Policies on Impartiality and Confidentiality and declarations
- Procedures to deal with Complaints, Appeals and Disputes

An application will not be processed until the completed application form has been received by ABACUS VERIFICATION AGENCY (PTY) Ltd.

4. The Application Form

Applicants are advised to read the Standard Terms and Conditions document prior to completing and submitting the ABACUS VERIFICATION AGENCY (PTY) Ltd Request for Verification Form. When the applicant is confident that the organisation satisfies these requirements, the ABACUS VERIFICATION AGENCY (PTY) Ltd Request for Verification form should be completed and submitted.

5. Review of the application

Once the completed form, have been received, a review of the application is done in order to determine whether the application will be accepted or rejected. The entity will be informed in writing and the entity will be provided with the verification manual if the application is accepted.

6. Verification Plan and Manual

Once ABACUS VERIFICATION AGENCY (PTY) Ltd has accepted the application the Compliance Director will liaise with the authorised representative of the entity to finalise the terms of the verification engagement and conclude the agreement (Standard Terms And Conditions) where after a verification plan will be developed in consultation with the entity. The entity will also be provided with the names and information on the members of the verification team to afford the entity the opportunity to object to an appointment. An objection must be in writing and directed to the Compliance Director of ABACUS.

The entity has 5 working days to accept or recommend changes to the Verification Plan and raise any objections against any member of the verification team. If an objection is valid ,the Compliance Director will replace such a member and inform the entity accordingly in writing.

The relevant Verification Manual/Information pack(**F-VIP-01**) must now be completed within 14 days. **The completed manual and evidence documents must not be sent to ABACUS VERIFICATION AGENCY (PTY) Ltd, but must be available during the on-site visit. Failure to produce all the required info as set out in the Information Pack will result in additional fees as set out in the fee structure.**

7. On-site Verification

At the on-site verification visit, the BEE analyst or verification team considers the evidence presented by the client and once evidence has been accepted as true and relevant the analyst calculates the score and status of the enterprise. On completion of the on-site verification, the verification team recommends one of the BEE Compliance levels to the client by means of a Recommendation Report regarding the applicants BEE status and the relevant industry charter.

8. The Approval of the BEE status of the client

The ABACUS VERIFICATION AGENCY (PTY) Ltd Compliance Director evaluates the findings presented by the verification team that did the on-site visit and makes the final approval on behalf of ABACUS VERIFICATION AGENCY (PTY) Ltd. The Compliance Director reviews all documentation associated with the verification to ensure that all ABACUS VERIFICATION AGENCY (PTY) Ltd's verification requirements have been met and applied and that the documentation can demonstrate this.

ABACUS VERIFICATION AGENCY (PTY) Ltd then notifies the applicant client in writing of the outcome of the Compliance Director's decisions with respect to their verification. Applicants' cannot claim to be BEE verified until they have received the official notification (i.e. a verification certificate and report) of the Compliance Director's decision. This can be done electronically.

It is possible that the Compliance Director may make recommendations and/or decisions that are different to those made by the verification team or request that a re-evaluation be done. In these instances ABACUS VERIFICATION AGENCY (PTY) Ltd will inform the applicant immediately and depending on the nature of the difference implement the appropriate actions.

9. Complaints

The effective resolution of complaints is an important means of protection for ABACUS VERIFICATION (PTY) Ltd, its verified entities, and other users against errors, omissions or unreasonable behaviour. Confidence in verification activities is safeguarded when complaints are processed appropriately. The ABACUS Complaints Procedure will be followed to deal with complaints.

Upon receipt of a complaint the ABACUS VERIFICATION (PTY) Ltd confirms whether the complaint relates to BEE verification activities that it is responsible for, and if so will deal with it in accordance with the Complaints Procedure.

10. Appeals

Should an organisation wish to appeal a decision by ABACUS VERIFICATION AGENCY (PTY) Ltd about a BEE score ,the ABACUS Appeal Procedure must be followed . An appeal must be lodged with ABACUS VERIFICATION AGENCY (PTY) Ltd on the ABACUS Appeal-form within 1 month of the date on the Verification certificate issued.

11. Confidentiality

All information submitted to ABACUS VERIFICATION AGENCY (PTY) Ltd in support of the form is treated as confidential. All analysts used by ABACUS VERIFICATION AGENCY (PTY) Ltd are required to sign confidentiality agreements and contracts. Any breaches of confidentiality are treated extremely seriously. ABACUS VERIFICATION AGENCY (PTY) Ltd will request written permission from all applicants prior to releasing any information to a third party. ABACUS VERIFICATION AGENCY (PTY) Ltd may be required to release confidential information in compliance with the law or in response to regulatory requirements.

12. Time Scale for verification process

ABACUS VERIFICATION AGENCY (PTY) Ltd ensures that all applications are processed as efficiently as possible. The time needed to process an application depends on a number of factors, some of which are outside the control of ABACUS VERIFICATION AGENCY (PTY) Ltd. The timing is dependent on:

- a) The quality of the applicants documentation and the extent to which it complies with ABACUS VERIFICATION AGENCY (PTY) Ltd's requirements.
- b) The availability of the resources within ABACUS VERIFICATION AGENCY (PTY) Ltd.

Generally verification takes between 2-4 weeks from receipt of the application form to the on-site verification. The final report and certificate is normally issued within days from the on-site visit. See Appendix 1 for an indication of the expected time allocation for each stage of the verification process.

13. ABACUS VERIFICATION AGENCY (PTY) Ltd Verification Logo

No Organisation is permitted to use the ABACUS VERIFICATION AGENCY (PTY) Ltd verification logo until they have received permission to do so in writing from ABACUS VERIFICATION AGENCY (PTY)

Ltd. Organisations that receive written confirmation that they have been verified can use the ABACUS VERIFICATION AGENCY (PTY) Ltd verification logo.

APPENDIX 1

Process for BEE Verification

