

Financial Sector Charter

The Financial Sector Charter, released on 17 October 2003, constitutes a framework establishing the principles upon which Black Economic Empowerment (BEE) will be implemented in the financial sector. It was voluntarily developed by key stakeholders in the financial sector and outlines processes for implementing the charter and mechanisms to monitor and report on progress. The charter sets out targets which will be pursued from January 2004 to December 2014.

The focus of the charter includes, among others:

- Investment in *human resource development* aimed at reaching a minimum of 20 to 25 per cent black people at senior management level by 2008, of which 4 per cent should be black women.
- A *procurement policy* which targets 50 per cent of all procurement from BEE accredited companies by 2008 and 70 per cent by 2014.
- A commitment to BEE *enterprise development*.
- Improved delivery and *access to financial services*, such as bank savings products and life assurance industry products, to a greater segment of the low-income population.
- The mobilisation of resources for *empowerment financing*.
- A minimum of 25 per cent black *ownership*, of which 10 per cent by way of direct ownership measured at holding company level, by 2010.
- *Control* in the financial sector is targeted at 33 per cent black people, of which 11 per cent should be black women, on the board of directors by 2008.
- The encouragement of *shareholder activism* in promoting the objectives of the charter.
- The directing of 0,5 per cent per annum of after-tax operating profits to *corporate social investment* aimed at education, training and job creation.

Each financial institution will report annually to the Charter Council on its progress in implementing the provisions of the charter and publish for general information an annual BEE progress report, which will include an audited scorecard measured against the targets set out in the charter.