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## BEP Ownership Measurement: A step by step guide

### Statement CSC100 – Amended Construction Sector Code

In giving effect to the measurement principles contained in paragraph 3.1.3 of the BEP Ownership Measurement, where Measured Entities are faced with uncertainty regarding certain aspects of the BEP ownership measurement, the following Step-by-step guide has to be taken into account;

Steps	Measurement Enquiry	Applicable Answer
Step 1	Determine whether the Measured Entity is a Built Environmental Professional (BEP) as defined in the ACSC.	If the answer is YES, then clause 3.1.3.1 become applicable & you then proceed to Step 2 If the answer is NO, then clause 3.1.3 is not applicable and the Measured Entity is measured in terms of the provisions of the ownership element in the ACSC.
Step 2	Where it is established that the Measured Entity is in fact a BEP  Ascertain whether more than 50% of the ownership is in the measured entity in the hands of Registered Professionals.  NOTE - If ownership is held in a holding company or a trust, you measure the ownership of registered professionals in the holding company or trust and apply the ownership factor to determine effective ownership held by registered professionals in the measured entity.	If the answer is YES, then the Modified Flow-Through principle (MFTP) may NOT apply) – Then go to step 3 But if the answer is NO, then go to Step 5

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**Executive Committee Members**

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		E.g Where Registered Professionals hold 26% in the holding company and the holding company owns 51% in the Measured Entity, then the ownership held by professionals in the Measured Entity is <b>26% x 51% = 13.3%</b>	
Step 3	Whether the Registered Professionals as measured in step 2 (the 13% as per the example above) make up more than 50% of the executive management team of the Measured Entity		If the answer is YES, then go to step 4
			But if the answer is NO, then go to step 5
Step 4	Where the ownership and executive management requirements are met, so include full ownership by black people under the black ownership element. The calculation of the ownership may be in terms of the normal provisions of the ownership element, allowing for the Modified Flow-Through principle and exclusions as applicable.		
Step 5	Where the ownership and executive management criteria is not met, then measure the effective ownership held by black people in terms of the normal provisions without applying the Modified Flow-Through principle or exclusion principle and only account for 50% of what is measured under the ownership element. The provision for bonus points may not be applied.		

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