GENERAL NOTICE

NOTICE 407 OF 2015

DEPARTMENT OF TRADE AND INDUSTRY

a) By virtue of the powers vested in me in terms of sections 9(1) and 14 (2) of the Broad-Based Black Economic Empowerment Act, 2013 (B-BBEE Act No. 46 of 2013), I Dr. Rob Davies, Minister of Trade and Industry, hereby amend the amended Codes of Good Practice gazette 36928 as set out in the Schedule

b) The amendments embodied in this Notice will become effective on the date of publication of this Notice.

Dr. ROB DAVIÉS, MP

MINISTER OF TRADE AND INDUSTRY

DATE: 30 / 4 /2015

SCHEDULE

AMENDMENT OF CODE SERIES 400, STATEMENT 400 - ADD A FIFTH CRITERION FOR THE EMPOWERING SUPPLIER

(a) Amended Code Series 400, Paragraph 3.3 is hereby amended by the additional Criteria that reads as follows:

At least 85% of labour costs should be paid to South African employees by service industry entities.

ELIGIBILITY AS AN EXEMPTED MICRO ENTERPRISE (EME)

(b) Paragraph 4.5 of Amended Code Series 000 gazette 36928 is Hereby amended by the following:

An EME is only required to obtain a sworn affidavit or Certificate issued by Companies and Intellectual Property Commission (CIPC) on an annual basis, confirming the following:

- Annual Total Revenue of R10 million or less; and
- Level of Black ownership.
- Any misrepresentation in terms of para 1 above constitutes a criminal offence as set out in the B-BBEE Act as amended.

DISCOUNTING PRINCIPLE EFFECT

(c) State that only the discounted levels of Measured Entities as per paragraph 3.3.3 Amended Code Series 000, shall appear on the face of a B-BBEE certificate.

DEMOGRAGRAPHIC REPRESENTATION OF BLACK PEOPLE

(d) The demographic representation of black people as defined in the Regulations of Employment Equity Act and Commission on

Employment Equity report are not applicable under paragraph 2.6 on Statement 200 and paragraph 2.1.1.2 and 2.1.3 Statement 300.

MEASUREMENT OF SENIOR MANAGEMENT, MIDDLE MANAGEMENT AND JUNIOR MANAGEMENT INDICATORS

(e) Repeal paragraphs 4A "the formula" under Amended Code Series 200 of the Amended Codes of Good Practice gazette Number 36928. The paragraphs are replace by the following:

ANNEXE 200(A)

Formula 1

The management control criteria provided for in paragraphs 2.3.1, 2.4.1 and 2.5.1, is calculated by following the sub calculations below.

The measurement criteria targets for 2.3.1, 2.4.1 and 2.5.1 are broken down according to the relevant EAP statistics i.e. splitting the compliance target and points in proportion to the EAP statistics.

The EAP Statistics are reported on the following race groups:

Statistic	African	African	Coloured Coloured		Indian	Indian Indian		White
	Male	Female	Male	Female	Male	Female	Male	Female
Abbrevi	AM	AF	СМ	CF	IM	IF	WM	WF
ation								

The maximum points per race group needs to be adhered to in order to achieve the outcomes of Statement 200. These calculations will need to be repeated for every race group due to the maximum score for each race group.

The first parameter to be defined is the percentage of black employees in the measured entity for the measurement criteria (senior, middle and junior management). The formula to calculate this will need to be repeated six times, for each of the six black EAP statistics.

Let

$$\% \ Black_{AM} = \frac{Number \ of \ AM \ employees}{Total \ of \ all \ employees \ in \ all \ race \ groups}$$

$$\% \ Black_{AF} = \frac{Number \ of \ AF \ employees}{Total \ of \ all \ employees \ in \ all \ race \ groups}$$

$$\% \ Black_{\mathit{CM}} = \frac{\textit{Number of CM employees}}{\textit{Total of all employees in all race groups}}$$

$$\% \ Black_{\mathit{CF}} = \frac{\textit{Number of CF employees}}{\textit{Total of all employees in all race groups}}$$

$$\% \ Black_{IM} = \frac{Number\ of\ IM\ employees}{Total\ of\ all\ employees\ in\ all\ race\ groups}$$

$$\% \ Black_{IF} = \frac{Number \ of \ IF \ employees}{Total \ of \ all \ employees \ in \ all \ race \ groups}$$

Where:

RG:

Race Group

% Black_{RG}:

Percentage of black employees in the

measured entity for the specific race

group

Number of RG Employees:

Number of employees in the

management level for the measurement

criteria

Total of all race groups:

Total of all employees in the

management level for the measurement

criteria

(AM+AF+CM+CF+IM+IF+WM+WF)

Due to the Codes not awarding points for meeting the EAP statistics for the white race groups, the EAP statistics need to be adjusted to exclude the white categories. The following formula shows how this is accomplished:

Let

$$ADJ EAP_{AM} = \frac{EAP(AM)}{EAP(Sum)}$$

$$ADJ \ EAP_{AF} = \frac{EAP(AF)}{EAP(Sum)}$$

$$ADJ EAP_{CM} = \frac{EAP(CM)}{EAP(Sum)}$$

$$ADJ EAP_{CF} = \frac{EAP(CF)}{EAP(Sum)}$$

$$ADJ EAP_{IM} = \frac{EAP(IM)}{EAP(Sum)}$$

$$ADJ EAP_{IF} = \frac{EAP(IF)}{EAP(Sum)}$$

ADJ EAP_{RG}:

Adjusted EAP for a specific race group

EAP (RG):

EAP statistic for the calculated race group

EAP (Sum):

Sum of published EAP statistics for all black race

groups (AM+AF+CM+CF+IM+IF)

Since the calculation for each of the race groups need to be done individually, the compliance target also needs to be split in proportion to the EAP statistics. This formula is defined below:

Let

$$SCT_{AM} = ADJ \; EAP_{AM} \times \frac{Compliance \; target}{100}$$

$$SCT_{AF} = ADJ \; EAP_{AF} \times \frac{Compliance \; target}{100}$$

$$SCT_{CM} = ADJ \; EAP_{CM} \times \frac{Compliance \; target}{100}$$

$$SCT_{CF} = ADJ EAP_{CF} \times \frac{Compliance target}{100}$$

$$SCT_{IM} = ADJ \ EAP_{IM} \times \frac{Compliance \ target}{100}$$

$$SCT_{IF} = ADJ \; EAP_{IF} \times \frac{Compliance \; target}{100}$$

SCT_{RG}: Split Compliance Target for race group

ADJ EAP_{RG}: Adjusted EAP for the race group as calculated above

Compliance target: Compliance Target as specified for 2.3.1, 2.4.1 and

2.5.1

The points allocated for the measurement criteria will also be split in proportion to the EAP statistics. The split points for the measurement criteria represent the maximum allowable points for the race groups, and must be enforced as such. The formula for calculating the maximum allowable points is shown below:

$$MAP_{AM} = ADJ EAP_{AM} \times Points$$

$$MAP_{AF} = ADJ EAP_{AF} \times Points$$

$$MAP_{CM} = ADJ EAP_{CM} \times Points$$

$$MAP_{CF} = ADJ EAP_{CF} \times Points$$

$$MAP_{IM} = ADJ EAP_{IM} \times Points$$

$$MAP_{IF} = ADJ EAP_{IF} \times Points$$

Where:

MAP: Maximum allowable points for a race group

Points: Weighting points as specified for 2.3.1, 2.4.1 and 2.5.1

The achieved score per race group (Score_{RG}) will be calculated using the above four equations. The formula must be completed for each race group using the four results from above for each race group. This formula is shown below:

$$Score_{AM} = \frac{\%Black_{AM}}{SCT_{4M}} \times MAP_{AM}$$

$$Score_{AF} = \frac{\%Black_{AF}}{SCT_{AF}} \times MAP_{AF}$$

$$Score_{CM} = \frac{\%Black_{CM}}{SCT_{CM}} \times MAP_{CM}$$

$$Score_{CF} = \frac{\%Black_{CF}}{SCT_{CF}} \times MAP_{CF}$$

$$Score_{IM} = \frac{\%Black_{IM}}{SCT_{IM}} \times MAP_{IM}$$

$$Score_{IF} = \frac{\%Black_{IF}}{SCT_{IF}} \times MAP_{IF}$$

Note that the score per race group may not exceed the maximum allowable points for that race group. The following shows how the total score for 2.3.1, 2.4.1 and 2.5.1 is calculated:

$$Total\ Score = Score_{AM} + Score_{AF} + Score_{CM} + Score_{CF} + Score_{IM} + Score_{IF}$$

Formula 2

The management control criteria provided for in paragraphs 2.3.2, 2.4.2 and 2.5.2, is calculated by following the sub calculations below.

The measurement criteria targets for 2.3.2, 2.4.2 and 2.5.2 are broken down according to the relevant EAP statistics i.e. splitting the compliance target and points in proportion to the EAP statistics.

These calculations will need to be repeated for every race group due to the maximum score for each race group.

The first parameter to be defined is the percentage of black employees in the measured entity for the measurement criteria (senior, middle and junior management). The formula to calculate this will need to be repeated six times, for each of the six black EAP statistics.

Let

$$\% \ Black_{AF} = \frac{Number \ of \ AF \ employees}{Total \ of \ all \ employees \ in \ all \ race \ groups}$$

$$\% \ Black_{\mathit{CF}} = \frac{\textit{Number of CF employees}}{\textit{Total of all employees in all race groups}}$$

$$\% \, Black_{\mathit{IF}} = \frac{\textit{Number of IF employees}}{\textit{Total of all employees in all race groups}}$$

Where:

RG: Race Group

% Black_{RG}: Percentage of black employees in the

measured entity for the specific race group

Number of RG Employees: Number of employees in the management level

for the measurement criteria

Total of all race groups: Total of all employees in the management level

for the measurement criteria

(AM+AF+CM+CF+IM+IF+WM+WF)

Due to the Codes not awarding points for meeting the EAP statistics for the white race groups, the EAP statistics need to be adjusted to exclude the white categories. The following formula shows how this is accomplished:

Let

$$ADJ EAP_{AF} = \frac{EAP(AF)}{EAP(Sum)}$$

$$ADJ EAP_{CF} = \frac{EAP(CF)}{EAP(Sum)}$$

$$ADJ EAP_{IF} = \frac{EAP(IF)}{EAP(Sum)}$$

Where:

ADJ EAP_{RG}: Adjusted EAP for a specific race group

EAP (RG): EAP statistic for the calculated race group

EAP (Sum): Sum of published EAP statistics for all female black

race groups (AF+CF+IF)

Since the calculation for each of the race groups need to be done individually, the compliance target also needs to be split in proportion to the EAP statistics. This formula is defined below:

Let

$$\textit{SCT}_{AF} = \textit{ADJ} \; \textit{EAP}_{AF} \times \frac{\textit{Compliance target}}{100}$$

$$SCT_{CF} = ADJ \; EAP_{CF} \times \frac{Compliance \; target}{100}$$

$$SCT_{IF} = ADJ \; EAP_{IF} \times \frac{Compliance \; target}{100}$$

Where:

SCT_{RG}: Split Compliance Target for race group

ADJ EAP_{RG}: Adjusted EAP for the race group as calculated above

Compliance target: Compliance Target as specified for 2.3.2, 2.4.2 and

2.5.2

The points allocated for the measurement criteria will also be split in proportion to the EAP statistics. The split points for the measurement criteria represent the maximum allowable points for the race groups, and must be enforced as such. The formula for calculating the maximum allowable points is shown below:

$$MAP_{AF} = ADJ EAP_{AF} \times Points$$

$$MAP_{CF} = ADJ EAP_{CF} \times Points$$

$$MAP_{IF} = ADJ EAP_{IF} \times Points$$

Where:

MAP: Maximum allowable points for a race group

Points: Weighting points as specified for 2.3.2, 2.4.2 and 2.5.2

The achieved score per race group (Score_{RG}) will be calculated using the above four equations. The formula must be completed for each race group using the four results from above for each race group. This formula is shown below:

$$Score_{AF} = \frac{\%Black_{AF}}{SCT_{AF}} \times MAP_{AF}$$

$$Score_{CF} = \frac{\%Black_{CF}}{SCT_{CF}} \times MAP_{CF}$$

$$Score_{IF} = \frac{\%Black_{IF}}{SCT_{IF}} \times MAP_{IF}$$

Note that the score per race group may not exceed the maximum allowable points for that race group. The following shows how the total score for 2.3.2, 2.4.2 and 2.5.2 is calculated:

$$Total\ Score = Score_{AF} + Score_{CF} + Score_{IF}$$

MEASUREMENT OF SKILLS DEVELOPMENT INDICATORS

(f) Similarly paragraph 9 A and B "Formula 1 and 2" under Code Series 300 of the Amended Codes of Good Practice gazette Number 36928 is repealed. The paragraph is replace by the following:

ANNEXE 300 (A)

Formula 1

The skills development criteria provided for in paragraphs 2.1.1.1 is calculated by following the sub calculations below.

The measurement criteria targets for 2.1.1.1 are broken down according to the relevant EAP statistics i.e. splitting the compliance target and points in proportion to the EAP statistics.

The EAP Statistics are reported on the following race groups:

Statistic	African	African	Coloured	Coloured	Indian	Indian	White	White
	Male	Female	Male	Female	Male	Female	Male	Female
Abbreviation	AM	AF	СМ	CF	IM	IF	WM	WF

The maximum points per race group needs to be adhered to in order to achieve the outcomes of the code. These calculations will need to be repeated for every race group due to the maximum score for each race group.

The first parameter to be defined is the percentage of spend on black employees in the measured entity as a percentage of the Leviable Amount. The formula to calculate this will need to be repeated six times, for each of the six black EAP statistics.

Let

% Spend_{AM} =
$$\frac{Spend\ on\ AM\ employees}{leviable\ Amount}$$

$$\%$$
 Spend_{AF} = $\frac{Spend\ on\ AF\ employees}{Leviable\ Amount}$

$$\% Spend_{CM} = \frac{Spend \ on \ CM \ employees}{Leviable \ Amount}$$

%
$$Spend_{CF} = \frac{Spend \ on \ CF \ employees}{Leviable \ Amount}$$

$$\% Spend_{IM} = \frac{Spend \ on \ IM \ employees}{Leviable \ Amount}$$

$$\%$$
 Spend_{IF} = $\frac{Spend\ on\ IF\ employees}{Leviable\ Amount}$

Where:

RG:

Race Group

% Spend_{RG}:

Percentage of spend on black employees in the measured entity for the specific race group

Spend on RG Employees: Rand value of Skills Development Expenditure on Learning Programmes specified in the

Learning Programme Matrix for the specified Race Group for 2.1.1.1

Leviable Amount:

As defined in Code Series 300

Due to the codes not awarding points for meeting the EAP statistics for the white race groups, the EAP statistics need to be adjusted to exclude the white categories. The following formula shows how this is accomplished:

Let

$$ADJ EAP_{AM} = \frac{EAP(AM)}{EAP(Sum)}$$

$$ADJ\;EAP_{AF} = \frac{EAP(AF)}{EAP(Sum)}$$

$$ADJ EAP_{CM} = \frac{EAP(CM)}{EAP(Sum)}$$

$$ADJ \ EAP_{CF} = \frac{EAP(CF)}{EAP(Sum)}$$

$$ADJ EAP_{IM} = \frac{EAP(IM)}{EAP(Sum)}$$

$$ADJ EAP_{IF} = \frac{EAP(IF)}{EAP(Sum)}$$

Where:

ADJ EAP_{RG}: Adjusted EAP for a specific race group

EAP (RG): EAP statistic for the calculated race group

EAP (Sum): Sum of published EAP statistics for all black race groups (AM+AF+CM+CF+IM+IF)

Since the calculation for each of the race groups need to be done individually, the compliance target also needs to be split in proportion to the EAP statistics. This formula is defined below:

Let

$$\textit{SCT}_{\textit{AM}} = \textit{ADJ EAP}_{\textit{AM}} \times \frac{\textit{Compliance target}}{100}$$

$$SCT_{AF} = ADJ \ EAP_{AF} \times \frac{Compliance \ target}{100}$$

$$SCT_{CM} = ADJ \; EAP_{CM} \times \frac{Compliance \; target}{100}$$

$$SCT_{CF} = ADJ \ EAP_{CF} \times \frac{Compliance \ target}{100}$$

$$SCT_{IM} = ADJ \; EAP_{IM} \times \frac{Compliance \; target}{100}$$

$$SCT_{IF} = ADJ EAP_{IF} \times \frac{Compliance target}{100}$$

Where:

SCT_{RG}: Split Compliance Target for race group

ADJ EAP_{RG}: Adjusted EAP for the race group as calculated

above

Compliance target: Compliance Target as specified for 2.1.1.1

The points allocated for the measurement criteria will also be split in proportion to the EAP statistics. The split points for the measurement criteria represent the maximum allowable points for the race groups, and must be enforced as such. The formula for calculating the maximum allowable points is shown below:

$$MAP_{AM} = ADJ EAP_{AM} \times Points$$

$$MAP_{AF} = ADJ EAP_{AF} \times Points$$

$$MAP_{CM} = ADJ EAP_{CM} \times Points$$

$$MAP_{CF} = ADJ EAP_{CF} \times Points$$

$$MAP_{IM} = ADI EAP_{IM} \times Points$$

$$MAP_{IF} = ADI EAP_{IF} \times Points$$

MAP: Maximum allowable points for a race group

Points: Weighting points as specified for 2.1.1.1

The achieved score per race group (Score_{RG}) will be calculated using the above four equations. The formula must be completed for each race group using the four results from above for each race group. This formula is shown below:

$$Score_{AM} = \frac{\%Spend_{AM}}{SCT_{AM}} \times MAP_{AM}$$

$$Score_{AF} = \frac{\%Spend_{AF}}{SCT_{AF}} \times MAP_{AF}$$

$$Score_{CM} = \frac{\%Spend_{CM}}{SCT_{CM}} \times MAP_{CM}$$

$$Score_{CF} = \frac{\%Spend_{CF}}{SCT_{CF}} \times MAP_{CF}$$

$$Score_{IM} = \frac{\%Spend_{IM}}{SCT_{IM}} \times MAP_{IM}$$

$$Score_{IF} = \frac{\%Spend_{IF}}{SCT_{IF}} \times MAP_{IF}$$

Note that the score per race group may not exceed the maximum allowable points for that race group. The following shows how the total score for 2.1.1.1 is calculated:

$$Total\ Score = Score_{AM} + Score_{AF} + Score_{CM} + Score_{CF} + Score_{IM} + Score_{IF}$$

Formula 2

The Skills Development criteria provided for in paragraphs 2.1.2.1 and 2.1.2.2, is calculated by following the sub calculations below.

The measurement criteria targets for 2.1.2.1 and 2.1.2.2 are broken down according to the relevant EAP statistics i.e. splitting the compliance target and points in proportion to the EAP statistics.

The maximum points per race group needs to be adhered to in order to achieve the outcomes of the code. These calculations will need to be repeated for every race group due to the maximum score for each race group.

The first parameter to be defined is the percentage of black employees in the measured entity for the measurement criteria (Number of black people participating in Learnerships, Apprenticeships and Internships OR Number of black unemployed people participating in the learning programme matrix). The formula to calculate this will need to be repeated six times, for each of the six black EAP statistics.

Let

$$\% \ Black_{AM} = \frac{Number \ of \ AM \ learners}{Total \ of \ all \ employees \ in \ all \ race \ groups}$$

$$\% \ Black_{AF} = \frac{Number \ of \ AF \ learners}{Total \ of \ all \ employees \ in \ all \ race \ groups}$$

$$\% \ Black_{CM} = \frac{Number \ of \ CM \ learners}{Total \ of \ all \ employees \ in \ all \ race \ groups}$$

$$\% \ Black_{CF} = \frac{Number \ of \ CF \ learners}{Total \ of \ all \ employees \ in \ all \ race \ groups}$$

$$\% \ Black_{IM} = \frac{Number \ of \ IM \ learners}{Total \ of \ all \ employees \ in \ all \ race \ groups}$$

$$\% \ Black_{IF} = \frac{Number \ of \ IM \ learners}{Total \ of \ all \ employees \ in \ all \ race \ groups}$$

Where:

RG: Race Group

% Black_{RG}: Percentage of black employees in the measured

entity for the specific race group

Number of RG learners: Number of people participating in Learnerships,

> Apprenticeships and Internships OR number of unemployed people participating in training specified

in the learning programme matrix

Total of all race groups: Total of all employees in the measured entity

(AM+AF+CM+CF+IM+IF+WM+WF)

Due to the codes not awarding points for meeting the EAP statistics for the white race groups, the EAP statistics need to be adjusted to exclude the white categories. The following formula shows how this is accomplished:

Let

$$ADJ EAP_{AM} = \frac{EAP(AM)}{EAP(Sum)}$$

$$ADJ EAP_{AF} = \frac{EAP(AF)}{EAP(Sum)}$$

$$ADJ EAP_{CM} = \frac{EAP(CM)}{EAP(Sum)}$$

$$ADJ EAP_{CF} = \frac{EAP(CF)}{EAP(Sum)}$$

$$ADJ EAP_{IM} = \frac{EAP(IM)}{EAP(Sum)}$$

$$ADJ EAP_{IF} = \frac{EAP(IF)}{EAP(Sum)}$$

Where:

ADJ EAP_{RG}:

Adjusted EAP for a specific race group

EAP (RG):

EAP statistic for the calculated race group

EAP (Sum):

Sum of published EAP statistics for all black race

groups (AM+AF+CM+CF+IM+IF)

Since the calculation for each of the race groups need to be done individually, the compliance target also needs to be split in proportion to the EAP statistics. This formula is defined below:

Let

$$SCT_{AM} = ADJ \ EAP_{AM} \times \frac{Compliance \ target}{100}$$

$$SCT_{AF} = ADJ \ EAP_{AF} \times \frac{Compliance \ target}{100}$$

$$SCT_{CM} = ADJ \ EAP_{CM} \times \frac{Compliance \ target}{100}$$

$$SCT_{CF} = ADJ \ EAP_{CF} \times \frac{Compliance \ target}{100}$$

$$SCT_{IM} = ADJ \ EAP_{IM} \times \frac{Compliance \ target}{100}$$

$$SCT_{IF} = ADJ \ EAP_{IF} \times \frac{Compliance \ target}{100}$$

SCT_{RG}: Split Compliance Target for race group

ADJ EAP_{RG}: Adjusted EAP for the race group as calculated

above

Compliance target: Compliance Target as specified for 2.1.2.1 OR

2.1.2.2

The points allocated for the measurement criteria will also be split in proportion to the EAP statistics. The split points for the measurement criteria represent the maximum allowable points for the race groups, and must be enforced as such. The formula for calculating the maximum allowable points is shown below:

$$MAP_{AM} = ADJ EAP_{AM} \times Points$$

$$MAP_{AF} = ADJ EAP_{AF} \times Points$$

$$MAP_{CM} = ADJ EAP_{CM} \times Points$$

$$MAP_{CF} = ADJ EAP_{CF} \times Points$$

$$MAP_{IM} = ADJ EAP_{IM} \times Points$$

$$MAP_{IF} = ADJ EAP_{IF} \times Points$$

Where:

MAP: Maximum allowable points for a race group

Points: Weighting points as specified for 2.1.2.1 **OR** 2.1.2.2

The achieved score per race group ($Score_{RG}$) will be calculated using the above four equations. The formula must be completed for each race group using the four results from above for each race group. This formula is shown below:

$$Score_{AM} = \frac{\%Black_{AM}}{SCT_{AM}} \times MAP_{AM}$$

$$Score_{AF} = \frac{\%Black_{AF}}{SCT_{AF}} \times MAP_{AF}$$

$$Score_{CM} = \frac{\%Black_{CM}}{SCT_{CM}} \times MAP_{CM}$$

$$Score_{CF} = \frac{\%Black_{CF}}{SCT_{CF}} \times MAP_{CF}$$

$$Score_{IM} = \frac{\%Black_{IM}}{SCT_{IM}} \times MAP_{IM}$$

$$Score_{IF} = \frac{\%Black_{IF}}{SCT_{IF}} \times MAP_{IF}$$

Note that the score per race group may not exceed the maximum allowable points for that race group. The following shows how the totals score for 2.1.2.1 **OR** 2.1.2.2 is calculated:

$$Total\ Score = Score_{AM} + Score_{AF} + Score_{CM} + Score_{CF} + Score_{IM} + Score_{IF}$$

Formula 3

This equation explains the method of measurement of the criteria under paragraph 2.1.1.2 and 2.1.3

$$A = \frac{B}{C} \times D$$

Where

A is the score for measurement category indicator

B is the percentage of spend in the measurement category that are black disabled people

B is the percentage of absorbed people in the measurement category that are black people

C is the target for the applicable criteria as referred to in the scorecard under statement 300

D is the Weighting points for the applicable criteria as referred to in the scorecard under statement 300