

LEGAL SECTOR COMPLIANCE GUIDELINES FOR LEGAL PRACTITIONERS

ISSUED BY LEGAL SECTOR CHARTER COUNCIL

DATE: 20 AUGUST 2026

The purpose of this Guidance Notice is to provide compliance guidelines for Exempted Legal Entities (ELE), Qualifying Small Enterprises (QSE), and Large Legal Sector Measured Entities under the Legal Sector Code (LSC).

1. CLASSIFICATION OF LEGAL SECTOR MEASURED ENTITIES	
1.1.Exempted Legal Entities (ELEs)	
A legal practice qualifies as an ELE if its annual turnover falls below specified thresholds:	
Category	Thresholds
Attorneys	R5 million or less
Advocates	R3 million or less
1.2.Qualifying Small Enterprises (QSEs)	
A legal practice qualifies as a QSE if its annual turnover falls below specified thresholds:	
Category	Thresholds
Attorneys	R5 million – R25 million
Advocates	R3 million – R15 million

1.3. Large Legal Sector Measured Entities (Large LSMEs)

A legal practice qualifies as a Large LSME if its annual turnover falls below specified thresholds:

Category	Thresholds
Attorneys	Above R25 million
Advocates	Above R15 million

2. COMPLIANCE REQUIREMENTS FOR ELES (ATTORNEY AND ADVOCATE)

2.1. Required Documentation

ELEs are exempt from full B-BBEE verification and are only required to annually provide:

- A Sworn Affidavit or CIPC-issued certificate.
- Confirmation of:
 - Annual turnover
 - Percentage of Black ownership if attorney
 - race if advocate

No SANAS-accredited verification is required for ELEs.

2.2. Automatic Recognition Levels

Any misrepresentation in terms of the above constitutes a criminal offence as set out in section 13 (O) (1) (a) of the B-BBEE Act. as read with paragraph 4.7 of the Generic Codes.

Ownership Status	B-BBEE Level	Recognition Level
100% Black Owned	Level 1	135%
At least 51% Black Owned	Level 2	125%
Less than 51% Black Owned	Level 4	100%

2.3. Enhanced Recognition

ELEs may choose to be measured under the QSE scorecard if they wish to achieve enhanced recognition through contributions to skills development, enterprise development, or the Legal Sector Transformation Fund (LSTF).

2.4. Reporting

ELEs and Black-owned QSEs are not required to file a report referred to therein, except in the event that they elect to obtain enhanced recognition in terms of LSC 000 in the case of ELEs. They are only required to submit a sworn affidavit, or a certificate issued by the Companies and Intellectual Property Commission (CIPC) provided for in paragraph 14 to the Charter Council on an annual basis.

2.5. Documents Links for ELEs (Attorneys and Advocates)

2.5.1. <https://lsc.org.za/wp-content/uploads/2025/11/Legal-Sector-ELE-Confirmatory-Affidavit-%E2%80%93-Law-Firm-1.pdf>

2.5.2. <https://lsc.org.za/wp-content/uploads/2025/11/LEGAL-SECTOR-ELE-Confirmatory-Affidavit-Advocates.pdf>

3. COMPLIANCE REQUIREMENTS FOR QSE

3.1. Black-Owned QSE (Attorney and Advocate)

Black-Owned QSE (51% or more Black ownership) is only required to obtain a sworn affidavit on an annual basis confirming:

1. Annual turnover
2. Percentage of black ownership

Automatic recognition levels for Black-Owned QSE:

Ownership Status	B-BBEE Level
100% Black Owned	Level 1
At least 51% Black Owned	Level 2

3.2. Full Scorecard Route for Non-Black-Owned QSEs (Attorneys)

QSEs that are not black-owned must undergo full B-BBEE verification by a SANAS accredited verification agency. The QSE scorecard includes four elements:

1. **Ownership** – (priority element) compulsory element
2. **Management Control**

3. **Skills Development** – (priority element) must comply with either this OR Enterprise and Supplier Development
4. **Enterprise and Supplier Development** – (priority element) must comply with either this OR Skills Development
 - Must achieve at least 40% of the points for each priority element.
 - Failure to meet sub-minimum results in a one-level discount in B-BBEE status.

3.3. Non-Black-Owned QSEs Advocate

QSEs that are **not Black-owned** must undergo full B-BBEE verification by a SANAS-accredited verification agency. The QSE scorecard for advocates includes one element:

1. Skills Development
2. Contribution into the LSTF in lieu of expenditure incurred on recognisable training and tutoring of Black junior advocates.

Priority element is not applicable to the Advocate scorecard.

3.4. Documents Links for QSEs (Attorneys and Advocates)

- 3.4.1. <https://lsc.org.za/wp-content/uploads/2025/11/Legal-Sector-QSE-Confirmatory-Affidavit-%E2%80%93-Law-Firm.pdf>
- 3.4.2. <https://lsc.org.za/wp-content/uploads/2025/11/LEGAL-SECTOR-QSE-Confirmatory-Affidavit-Advocates.pdf>
- 3.4.3. <https://lsc.org.za/wp-content/uploads/2025/11/Legal-Sector-Affidavit-Training-Advocates-Specialized-Areas-in-LSC-301.3-1.pdf>
- 3.4.4. <https://lsc.org.za/wp-content/uploads/2026/05/Annual-Report-Template-for-QSEs.pdf>
- 3.4.5. <https://lsc.org.za/wp-content/uploads/2025/11/Legal-Sector-Equity-Confirmation-Affidavit.pdf>
- 3.4.6. <https://lsc.org.za/wp-content/uploads/2025/09/Legal-Sector-Charter-Council-Measurement-Guidelines.pdf>

4. COMPLIANCE REQUIREMENTS FOR LARGE LSMES

4.1. Attorneys:

Law firms must undergo full B-BBEE verification by a SANAS-accredited verification agency. The LSME scorecard includes four elements:

1. Ownership – (priority element)
 2. Management Control
 3. Skills Development – (priority element)
 4. Enterprise and Supplier Development – (priority element)
- Must achieve at least 40% of the points for each priority element.
 - Failure to meet sub-minimum results in a one-level discount in B-BBEE status.

4.2. Reporting:

1. Annual report to the Charter Council, including scorecard and progress on compliance.

4.3. Advocates

Advocates must undergo B-BBEE verification by a SANAS-accredited verification agency. The Advocate scorecard includes one element:

1. Skills Development
2. Contribution into the LSTF in lieu of expenditure incurred on recognisable training and tutoring of black junior advocates.

Priority elements provision is not applicable to the Advocate scorecard.

4.4. Documents Links for Large LSMes (Attorneys and Advocates)

- 4.4.1. <https://lsc.org.za/wp-content/uploads/2026/05/Template-For-Large-LSMEs.pdf>
- 4.4.2. <https://lsc.org.za/wp-content/uploads/2025/11/Legal-Sector-Affidavit-Training-Advocates-Specialized-Areas-in-LSC-301.3-1.pdf>
- 4.4.3. <https://lsc.org.za/wp-content/uploads/2025/09/Legal-Sector-Charter-Council-Measurement-Guidelines.pdf>

5. SPECIALISED SCORECARD

All organs of state and public entities procuring legal services from legal practitioners shall be measured in terms of this scorecard insofar as the procurement of legal services is concerned.

The Specialised scorecard in the LSC include one element:

1. Preferential Procurement, Supplier and Enterprise Development (PSED)

For the purpose of measuring management control and skills development and preferential procurement, enterprise and supplier development of general goods and services are concerned, all organs of state, public entities and SOEs shall apply the Specialised Scorecard in Code Series 000, Statement 004.

5.1. Documents Links for Public Entities

5.1.1. <https://lsc.org.za/wp-content/uploads/2026/02/Annual-Report-Template.pdf>

5.1.2. <https://lsc.org.za/wp-content/uploads/2026/02/3-Year-History-Template.pdf>

6. LEGAL SECTOR TRANSFORMATION FUND (LSTF)

The LSTF has been established to:

1. Provide financial assistance and support to Black legal practitioners.
2. Fund skills development and enterprise development initiatives.
3. Support Black Women and designated groups.

Annual Contributions to the LSTF can enhance recognition levels for ELEs seeking voluntary compliance.