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இலங்கை மத்திய வங்கி  
CENTRAL BANK OF SRI LANKA

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வங்கியல்லா நிதியியல் நிறுவனங்களின் மேற்பார்வைத் திணைக்களம்  
DEPARTMENT OF SUPERVISION OF NON-BANK FINANCIAL INSTITUTIONS

අංක 30, ජනාධිපති මාවත, කොළඹ 01, ශ්‍රී ලංකාව  
இல. 30, சனாதிபதி மாவத்தை, கொழும்பு - 01, இலங்கை  
No. 30, Janadhipathi Mawatha, Colombo 01, Sri Lanka

Ref: 24/10/001/0038/001

20 August 2024

To: All Chief Executive Officers of Finance Companies

**Amendments to the Financial Information Network Reporting System (FinNet) formats**

Kindly be informed that the reporting of gender-disaggregated data through the following quarterly FinNet returns needs to be amended in line with the national definition for women-owned/ led business formulated by the Ministry of Finance, Economic Stabilization and National Policies, as given in Annexure I.

- NBD-QF-16-FI: National Financial Inclusion Council Survey
- NBD-QF-23-C10: District Wise Credit Exposures

Therefore, you are required to disaggregate and report the data related to loans granted under the name of a business (which was previously reported under the “*Other*” column) as male or female, if applicable, based on the aforementioned national definition, with effect from the third quarter of 2024. However, if the required information is not available for disaggregation as mentioned above, **only** such loan exposures of businesses can be reported under the “*Other*” columns in the aforementioned FinNet returns.

Further guidance extracted from a document provided by the Ministry of Finance, Economic Stabilization and National Policies that will help in disaggregating and reporting data based on the aforementioned definition is given in Annexure I.

For any further clarification in this regard, you may contact Mr. Kanchana Nanayakkara, Senior Assistant Director, attached to this Department on 0112398856.

Yours faithfully

Director

**National Definition for women-owned/ led business**

A business qualifies as a **women-owned/ led business** if it meets the following criteria:

- >50% owned by females, or
- >=20% owned by females, and
  - has >=1 female as a major decision maker; and
  - has >=30% of the Board of Directors comprising of females, where a Board exists.

**Proposed Parameters for Initial Data Collection**

The following parameters are provided to ensure consistency and reliability of the collection and reporting of sex-disaggregated data with regards to the identification and categorization of women-owned/ led businesses as per the definition given above.

**A. Ownership**

“Ownership” refers to legal responsibility/ownership and/ or fiduciary responsibility for the business.

Evidenced by verifiable proof of business ownership:

<b>Type of Business</b>	<b>Proof of ownership</b>	<b>Owner(s)</b>	<b>Percentage of ownership</b>
Limited liability company (LLC)	Certificate of Incorporation issued by the Registrar of Companies (ROC).	Names of shareholders as indicated in Form 15 “Annual Return of a Company” and Form 6 “Notice of Issue of Shares”, issued by ROC.	Based on percentage of shares as indicated in Form 15 and Form 6.
Sole proprietorship	Certificate of Registration of Business Name of an Individual Business issued by the Divisional Secretariat.	Name of owner as indicated in Certificate of Registration of Business Name of an Individual Business.	100% ownership.
Partnership	Certificate of Registration of Business Name of a Partnership Business issued by the Divisional Secretariat.	Names of partners as indicated in Partnership Agreement (PA).	Based on either: <ul style="list-style-type: none"> <li>• Percentage of shares as indicated in PA,</li> </ul> Or

			<ul style="list-style-type: none"> <li>If no indication of percentage, equal ownership among all partners.</li> </ul>
Cooperative Society	Certificate of Registration issued by the Commissioner of Cooperative Development.	Names of members as indicated in Membership Register.	Based on percentage of membership as indicated in Membership Register.

**B. Major Decision Maker**

“Major decision maker” refers to an individual within the business who has decision making power for the business concern.

Evidenced by:

Type of Business	Major decision maker
Limited liability company (LLC)	Individual in the position of either: <ul style="list-style-type: none"> <li>Chief Executive Officer (CEO),</li> </ul> Or <ul style="list-style-type: none"> <li>Chief Operating Officer (COO),</li> </ul> Or <ul style="list-style-type: none"> <li>Chief Financial Officer (CFO).</li> </ul>
Sole proprietorship	Owner
Partnership	Individual who has influence in the day-to-day decision-making of the business, evidenced by demonstrated knowledge of the following aspects of the business <sup>1</sup> : <ul style="list-style-type: none"> <li>Product branding, positioning, target customers and market segmentation; and</li> <li>Pricing strategies being adopted; and</li> <li>Inventory management policies and processes being adopted; and</li> <li>Key staffing requirements, selection and recruitment process, staff training and development.</li> </ul>
Cooperative Society	Individual in the position of either: <ul style="list-style-type: none"> <li>Chairman,</li> </ul> Or <ul style="list-style-type: none"> <li>Secretary,</li> </ul> Or <ul style="list-style-type: none"> <li>Treasurer.</li> </ul>

<sup>1</sup> Assessment on the basis of field observation and responses to probing questions.

### C. Other

In addition to the key considerations of ownership and decision-making, it is proposed that in cases where formal ownership cannot be established, additional parameters relating to control over the business and engagement in business operations, may be included. It is anticipated that these parameters would facilitate towards the identification and classification of woman-led businesses, where the female is the major decision maker who controls and operates the business.

Parameter	Description	Evidenced by
Control	<ul style="list-style-type: none"> <li>A woman has ownership, access and decision-making power over the physical and/ or financial resources of the business or beneficial ownership of the business;</li> </ul> <p>And</p> <ul style="list-style-type: none"> <li>Observable involvement of female in processes and procedures that guide, promote and ensure business continuity.</li> </ul>	<ul style="list-style-type: none"> <li>Registered under a woman's name with a relevant government institution<sup>2</sup>,</li> </ul> <p>Or</p> <ul style="list-style-type: none"> <li>Loan facility taken by female for business purposes from a licensed bank, licensed NBFIs or licensed MFI under supervision of the Central Bank of Sri Lanka.</li> </ul>
Major decision maker	Female has influence in the day-to-day decision-making of the business.	<p>Demonstrated knowledge of women in the following aspects of the business<sup>3</sup>:</p> <ul style="list-style-type: none"> <li>Product branding, positioning, target customers and market segmentation.</li> <li>Pricing strategies being adopted.</li> <li>Inventory management policies and processes being adopted.</li> <li>Key staffing requirements, selection and recruitment process, staff training and development.</li> </ul>
Operate	Observable engagement of women in key functions of production, marketing or financial operations of the business	<ul style="list-style-type: none"> <li>Key business assets registered under a woman's name (such as business premises deed of ownership or lease agreement, business vehicle lease agreement, etc.).</li> <li>Bank account utilized for business transactions and proceeds under own name.</li> <li>Purchase orders for raw materials or movable assets and/ or sales invoices</li> </ul>

<sup>2</sup> It is suggested to compile a list of government institutions issuing industry licenses and offering business development support, with a standardized format for data collection from each institution.

<sup>3</sup> Assessment on the basis of field observation and responses to probing questions.

		<p>issued to a Limited Liability Company (LLC) under a woman's name and with corresponding bank account transactions.</p> <ul style="list-style-type: none"> <li>• Demonstrated knowledge of the following aspects of the business<sup>4</sup>: <ul style="list-style-type: none"> <li>▪ Specifications and quality of raw materials and/ or inputs being used in the business.</li> <li>▪ Inventory levels and value</li> <li>▪ Key suppliers and customers of the business.</li> <li>▪ Average monthly turnover, volumes and prices.</li> </ul> </li>   <li>• Demonstrated command over the core skills required to perform the key functions of the business<sup>5</sup>.</li>   <li>• Indication of having founded and/ or launched the business: <ul style="list-style-type: none"> <li>▪ Having invested startup capital<sup>6</sup>.</li> <li>▪ Possessing a clear and focused vision for the business<sup>7</sup>.</li> </ul> </li>   <li>• Indication of having sustained and continuous engagement in business activity for a period of more than 1 year<sup>8</sup>.</li>   <li>• Indication of being engaged for a minimum of 50% of the total business operating hours, on an ongoing basis<sup>9</sup>.</li> </ul>
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<sup>4</sup> Assessment on the basis of field observation and responses to probing questions.

<sup>5</sup> Preferably with supporting documentation e.g., certificates of training participation/ completion in related fields of work.

<sup>6</sup> Preferably with supporting documentation e.g., bank statements.

<sup>7</sup> Assessment on the basis of field observation and responses to probing questions.

<sup>8</sup> Preferably with supporting documentation e.g., utility bills, lease/ rental agreements or issued business licenses.

<sup>9</sup> Assessment on the basis of field observation and responses to probing questions.