

## E-Registry proposal by DCS satisfies much-needed reform for MSEs, says Advocata

THE Advocata Institute has commended the decision taken by the Department of Census

and Statistics (DCS) to launch an e-registry portal to register unregistered and registered

businesses in Sri Lanka. In a statement Advocata Institute said it looks forward to the

fruition of this proposal and calls upon Cabinet to support this reform.

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### E-Registry...

"This will allow thousands of Sri Lankan entrepreneurs, unregistered micro, small and medium businesses to formalise their ventures and gain access to formal sources of finance," said Advocata, an independent policy think tank based in Colombo.

Research carried out by the Advocata Institute identifies a significant array of regulatory barriers that discourage or hinder micro and small enterprises. An all-island survey carried out during the course of our research identifies access to finance as a critical problem. Further analysis identifies the complexity of the business registration process and related regulation as a barrier to registration.

According to the DCS, 45% of micro-enterprises and 10% of small enterprises remain unregistered in Sri Lanka, even though sole proprietorships account for 63.1% of all businesses in the country, and account for 27.1% of national employment. Reforming the registration process through the proposed e-registry achieves the commendable objective of reducing barriers faced by micro and small enterprises.

Advocata Institute's report titled 'Barriers to Micro and Small Enterprises in Sri Lanka' which can be accessed on [www.advocata.org/](http://www.advocata.org/), provides a comprehensive analysis of the problems faced by these businesses.

A key reform recommendation of the report is the establishment of an E-Registry. While commending the DCS for putting forward this timely reform, we further invite all policymakers to rally behind the task of reducing the documentation and approvals required to register a sole proprietorship or a partnership in Sri Lanka and bring the process in line with that of registering a private company.

It said implementing policies that incentivise the registration of businesses would be a step towards achieving the Government's vision of empowering entrepreneurs and creating a vibrant national ecosystem for businesses.