THE SRI LANKA INSTITUTE OF DIRECTORS

The Director

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The
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Redefining Customer Experience in the Digital Age

Prof. Jochen Wirtz

Mr. Nikhil Advani

Mr. Vipula Gunatilleke

The Sri Lanka Institute of Directors (SLID) CEO Forum organised in partnership with Daily FT, ACCA and CA, an online panel discussion to share thoughts and insights on 'Redefining Customer Experience in the Digital Age', was held recently.

The keynote address was delivered by services marketing guru, National University of Singapore MBA Program Vice Dean Prof. Jochen Wirtz. The eminent panel moderated by AIA Insurance Sri Lanka CEO Nikhil Advani, comprised of SriLankan Airlines former CEO and Jet Airways CFO Vipula Gunatilleke, Lion Brewery Ceylon Ltd. Director/ CEO Dr. Rajive Meewakkala, BCG Center for Customer Insights Director/Partner Kanika Sanghi, and Bookingwhizz Ltd. UK CEO/Founder Karim Mawani.

Delivering his keynote address, Prof. Wirtz the author of the bestselling books on Amazon in 20-22 titled 'Services Marketing' and 'Intelligent Automation' said, "We are at an inflection point in our economies. Having passed the Agriculture and

Industrial Ages, the economies in the 2020s are moving into an accelerated service revolution with the exciting developments in technologies such as Robotic Process Automation (RPA), biometrics, facial recognition, Natural Language Processing (NLP), Machine Language, the cloud, mobile technologies, and IoT which are all coming together and are getting more powerful," and added that what can be automated is based on three dimensions which are whether the service is physical or tangible in nature, is the core of the service cognitive/analytical or social/emotional, and how often it happens and its heterogeneity or homogeneity when it happens.

Explaining his company's automation process moderator Nikhil Advani said, "Last year, having brought in three bots to automate 34 mostly back-office processes handling mundane, repetitive tasks, we have seen 40 hours of work reduced to just a couple and the employees are now happier causing our NTS to go up. These are clear benefits of bringing technology into all businesses.

Responding to the moderator's question on the acceleration of digital transformation and application of quick fixes during COVID, Vipula Gunatilleke said: "We were compelled to make some quick fixes. While most airlines don't own any aircraft, what we do own is the data related to 5-10 million customers. Airlines have been reinventing themselves even before the lockdown. Today's customers are more demanding, and they want personalised service, the best deal. We are working on developing and evolving the quick fixes that we applied during the COVID period."

"The beer industry, being highly regulated, limits our ability to interact and deploy experiential platforms and transactions with consumers. Amidst these constraints, we developed service delivery approaches where we were able to inform consumers digitally where and how they could buy alcoholic beverages," said Rajive Meewakkala.

Responding to a question from the moderator, Karim Mawani said, "As a software development company specialising in the hospitality industry, even before COVID we were conducting research on how to digitally transform the industry. As COVID hit, everybody wanted to get into the digital space and give digital experiences to clients which required a lot of automation. The hotel industry in Sri Lanka is adopting digital fast. We are already thinking about what's next."

Sharing her thoughts on how digitalised customer service evolves in different industries, Kanika Sanghi said, "Digital experiences are no longer local or international but are being set by the Amazons and Netflix's of the world and when consumers are thinking of digital experiences, their expectation is that it will be as simple as it is to use these platforms which are flexible to make changes and be personalised. As we work with our clients across sectors, we build in simplicity, flexibility, and personalisation."

The panel concluded that today many businesses are realising the imperative for digital transformation and to compete using digital marketing, data and technology, a structured process of digital transformation is needed.


Mr. Karim Mawani


Mr. Rohit Ramesh


Mr. Rajlve Meewakkala

A North Star when we need it most

By Rachael Johnson, Global Head of Risk and Corporate Governance at the ACCA (the Association of Chartered Certified Accountants)

Today's chaotic world, not least here in Sri Lanka and the South Asia region, requires a new type of thinking and leadership. On top of the economic woes and geo-politics, organisations are confronted with increasing stakeholder needs, new public policy directions and climate change risks, as well as the many different industry and digital transformations taking place. The way everyone in the world lives, works and consumes is changing before our eyes, but as this article will address, with a well-defined and enacted purpose, boards can navigate their organisations during these more uncertain times more successfully.

Through our engagement with ACCA members around the world, we have seen how once established and put into practice, purpose can serve as a compass to help them better understand the risks they face as well as reap the opportunities they otherwise might have missed. Throughout the pandemic, and now this year with the war in Ukraine, the cost of living crisis and associated disruptions and uncertainties, we see how members who follow a purpose, a purpose that is in practice, not just in a statement, are the ones that are able to identify risks that they might never have realised until they became material and cost them greatly.

ACCA members, especially those on boards, are having to ask a lot more and sometimes uncomfortable questions needed to survive the volatility and plan and budget for the future more effectively. Although most of us predicted 2022 to be more of a 'bounce back' year, inflation risk and the war in Ukraine's implications on it threw us all a curveball, and now all over the world we see how organisations without a purpose are struggling to cope, how they are visibly less able to deal with the mix of risks facing them.

Purpose is becoming more important to building resiliency as the likelihood and severity of risk increases, for example with power outages and cyber threats, such as ransomware and concentration risk on the cloud. We also see a lot of our members talking about how major talent gaps are keeping their businesses from staying competitive, and meeting their objectives, and that they realise the best talent out there wants to know about the organisation's purpose and how it guides the business.

To me these trying times have once again emphasised the crucial relationship between accounting and risk management – not only in creating the appropriate metrics for measuring all these hard to measure risks, such as with people, R&D and tech investment, all of which are both our greatest assets and our biggest risks. But also with building on our fundamental analysis and predictive analysis to help define, enact and verify the benefits of enacting purpose across the organisation's activities, ensuring it is part of the culture.

As stakeholders of all types increasingly ask how this is being done, there is an ever pressing need to place 'a number' on these risks and making these intangibles visible has become what I see as the new frontier of accountancy. Accountancy is a key component to understanding how leading with purpose can create value for the organisation and society at large. It plays an ethical part in making sure the appropriate information is gathered and guarded, that the appropriate internal controls are in place, and that the behaviours at risk are audited.

Nevertheless, accountancy could also be doing more to provide boards with greater foresight needed for well-informed decision making and long-term value creation for all stakeholders. So, on top of revising and updating scenario strategies, finance teams could conduct more due diligence and gather more unexpected loss data to help price and provision for risk. An unexpected loss can make a very detrimental dent into the company's finances, so it is imperative that we properly account for these risks as they intensify and accumulate.

ACCA's Forum of Chief Risk Officers (CROs) from around the world, many of whom come up the ladder through credit, compliance or finance, or even many who are what I call risk-entrepreneurs, attest that the threats that keep them up at night are these hard to measure risks, such as cyber security, data breaches, floods, fraud and all sorts of people and conduct risks that potentially damage their reputation, their competitiveness and therefore their bottom line. In a recent virtual meeting, 85% of them agreed that 'operational risk information at their firm is back-ward looking, shallow, not dynamic and hard to compare across the organisation'. Another 71% said that they agree 'leading with purpose could help make their risk management more effective' with many concluding that purpose helps get risk into all the conversations because it requires collaboration.

Our CROs also say that getting the necessary resources and buy-in necessary to build resiliency is ultimately about aligning everything they do with their purpose, shared values and vision. A well-defined and communicated purpose is fundamental to developing a healthy culture where teams and managers are all acting together on the same principles. Effective risk appetite strategy, for example, must be understood by all and having continuity plans and internal control processes, that are properly tested and monitored, must be clear to everyone up and down the organisation. As we have discussed in both our Forum of CROs and our Global Forum for Governance, Risk and Performance, a robust risk culture is one that also ensures we hold the boards and decision makers accountable as stewards of the organisation's values, assets that they do not want to lose or put at risk.

If boards and business leaders are not thinking about their purpose and how it affects long term performance, then they will soon be forced to because regulators, investors, business partners, staff, and customers are increasingly asking them for more proof about whether they are in fact doing what they say they do.

Accounting is especially important today in making sure that the language, particularly around the science when it comes to environmental and social issues, continues to converge and become cohesive. Industries will be affected in different ways by climate change and the implications of the war in Ukraine, for example, but using a shared language is key not only for the long-term performance of individual organisations but also for all people and the planet to make sure that we are going down the right path. Climate change and the record rising inflation we are grappling with today are global threats, so the reporting metrics must be able to provide comparability if we are to make progress.

Accountancy professionals must do what society expects of us today given all these fast and existential risks. There's a lot at stake and our profession is in a powerful position to influence and change mindsets about how the financial world measures and creates value. Getting risk into strategy requires more collaboration to understand what information we might already be sitting on and not doing anything about or what additional data is required if we are to understand the various future scenarios and help our decision makers plan effectively for them, and in the end create more positive outcomes for stakeholders.

ACCA is working with other partner organisations, such as the Risk Accounting Standards Board (RASB) and the Professional Risk Managers' International Association (Prmia) to help lead this shift in making our primary accounting measure of 'corporate performance' about corporate sustainability rather than short-term profit. As I have learned throughout these multiple crises, a sustainable company is one that addresses all potential risks and externalities, and ensures its strategy, in that respect, is about fulfilling a well-defined purpose that meets changing stakeholders needs.

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"ASK THE GURU"

By popular request "***ASK THE GURU***" column has been re-introduced.

Question - 1

The Company failed to forward EPF & ETF monthly contribution to the Dept. Who is liable? (a) Company or (b) current Directors of Directors of the period concerned or (c) all three?

Answer

Although it is the technically the liability of the Employer Company, under the EPF ad ETF Acts, an officer or manager responsible for compliance will also be manager. Thus, both the Company and the directors at time of non-compliance can become liable in a personal capacity.

The Acts also recognize a defense by an officer or manager (or Director) that the non-compliance was committed without his consent or knowledge or connivance despite using due diligence to ensure compliance. In this context Directors of Companies should ensure that the compliance mechanisms of Companies are robust and reported regularly to the Board.

Question – 2

The Company issued debentures. Subsequently rating agency downgraded the debentures. The secretaries of the Company failed to inform the Colombo Stock Exchange. Who is liable? (a) Company or (b) Directors of the Company or (c) Company Secretary?

Answer

It is the responsibility of the Company to ensure the required disclosure is made to the Colombo Stock Exchange. The Company Secretary as the officer in charge of compliance and the Board of Directors would be liable. The act pins accountability to "all officers of the Company" and the Secretary is viewed as an "Officer" in this context and not as an outsources entity or agent.

Please send in your questions to ops@slid.lk

**The responses are advisory and does not constitute the opinion of the Institute or of the Council of the Institute.*

The Education & Training Committee of SLID recently launched a series of "Board Snippets" to present aspects of special importance to Directors in an easily digested, singe page capsule.

The second in the series is on the Data Protection Act No. 9 of 2022 developed by F J & G de Saram and the third series is on Effective Meetings developed by Mr. Richard Ebell.

The snippets are also available on the SLID website. SLID acknowledges the contributions of Ms. Aruni Rajakarier for her thought leadership on this initiative and Mr. Dusty Alahakoon in achieving the distinctive branding of "Board Snippets".

BOARD
SNIPPETS

SERIES 2 – IT GOVERNANCE

2.1 - Personal Data Protection Act

The Personal Data Protection Act No. 9 of 2022 ("PDPA") was passed by the Parliament on 19th March 2022 with a transitional time period provided therein before the PDPA provisions are brought into operation so that each entity which processes personal data takes necessary steps towards compliance during such transitional time period.

CORE OBLIGATIONS AND PRINCIPLES OF DATA PROTECTION

1. PURPOSE

1.1.Specified
1.2.Explicit
1.3.Legitimate

2. LAWFULNESS

2.1. Lawful basis
2.2. Sensitive data
- Additional condition

3. MINIMIZATION

3.1. Adequate
3.2. Relevant
3.3. Proportionate

4. ACCURACY

4.1. Accurate
4.2. Kept up to date

5. RETENTION

5.1. Defined retention period

6. INTEGRITY & CONFIDENTIALITY

Appropriate organizational and technical measures to prevent,
6.1. Unauthorized/unlawful processing
6.2. Loss, destruction or damage

7. TRANSPARENCY

7.1. Privacy notice
7.2. Rights of data subjects
- 7.2.1. Right of access
- 7.2.2. Right to object
- 7.2.3. Right of withdrawal
- 7.2.4. Right to rectification and completion
- 7.2.5. Right of erasure
- 7.2.6.Right to review automated decisions

8. ACCOUNTABILITY

DATA PROTECTION MANAGEMENT PROGRAMME

8.1. Designed on the basis of structure, scale, volume and sensitivity of processing
8.2. Provide for appropriate safeguards based on data protection impact assessments
8.3. Establish internal oversight
8.4. Updated based on periodic monitoring and assessments
8.5. Mechanism to receive complaints, conduct inquiries and to identify breaches
8.6. Integrated into the governance structure
8.7. Maintain duly catalogued records
8.8. Facilitate exercise of rights by the data subjects

Prepared by FJ&G de Saram
Attorneys-at-law
Commenced 1841

This is part of a series developed by the Sri Lanka Institute of Directors to strengthen corporate governance. For inquiries on membership, activities and training, please contact please contact the Secretariat on e: ops@slid.lk t: 0779485210.

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SERIES 3 – IN THE BOARDROOM

3.1 - Effective Meetings

BOARD SNIPPETS

01 Minimize meetings

Use email whenever it can be a substitute

02 Focus on

1. *Objectives*
2. *Agenda*
3. *Participants – keep it small*

03 Be time conscious and time realistic

04 Pay attention to methodology

1. *Keep preparatory material clear and brief*
2. *Keep it paperless*
3. *Allow clarification before/at meetings*

05 Conducting the meeting

1. *Ensure punctuality*
2. *Encourage open and meaningful debate*
3. *Ensure focus*
4. *Avoid domination by one or a small group*

06 Recording the meeting

1. *Cover essentials only*
2. *Be Brief*
3. *Be quick*
4. *Identify follow-up action needed*

Regular meetings are a critical component of corporate governance and ensuring these are effective is just as important.

A HBR article (August 2017) on the effectiveness of meetings says

"We surveyed 182 senior managers in a range of industries: 65% said meetings keep them from completing their own work. 71% said meetings are unproductive and inefficient. 64% said meetings come at the expense of deep thinking. 62% said meetings miss opportunities to bring the team closer together."

Here we present some tips on conducting effective meetings.

After the meeting

- Check follow- up progress- frequently.
- Take soundings from time to time, and improve approach.
- Consider use of technology to enhance productivity and quality of information

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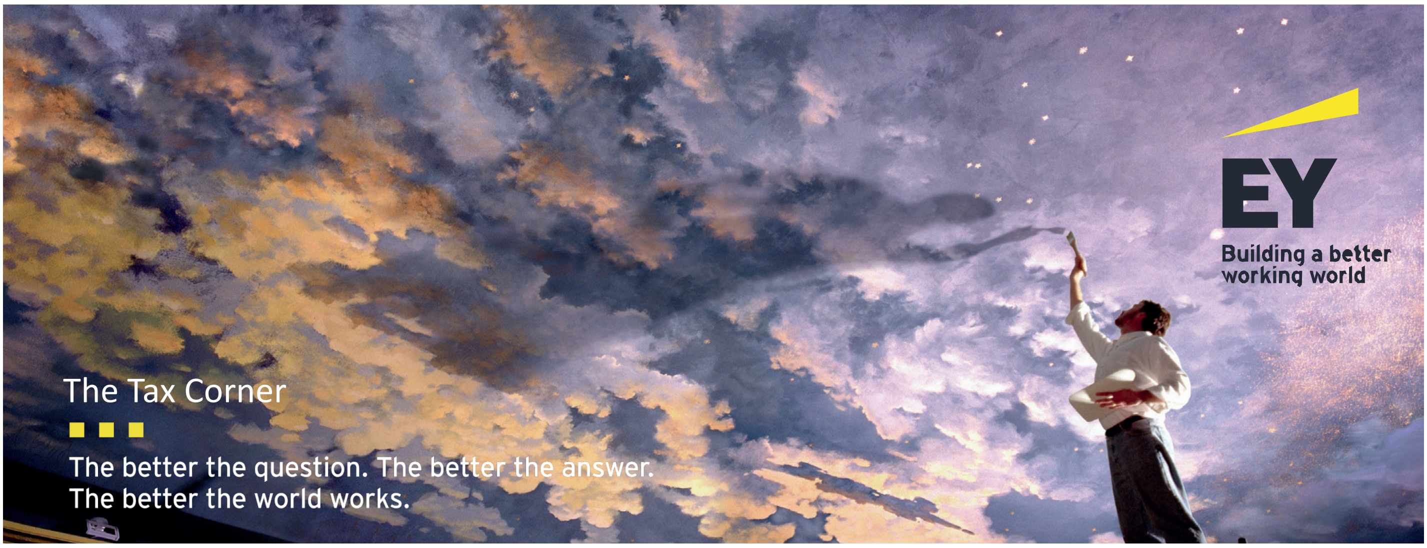

What are the new taxes that are proposed to be implemented which affects my business?

Social Security Contribution Levy (SSCL)

SSCL, which was proposed in the Budget 2022 is set to be implemented effective from August 1, 2022. The 2.5% levy would be applicable at the point of import and subsequent sale. The tax base at the point of import is the tax base like for VAT, which includes CIF, 10% mark up, surcharge, excise special provision duty etc. Therefore, the effective rate of duty/ tax at the point of import would be much higher.

SSCL would also be applicable at each layer of the supply chain and thus would have a cascading effect due to the absence of an input mechanism. However, there are certain reliefs and exemptions granted mainly to the foreign currency earning sectors and for essential goods and services. A careful analysis of the supply chain and the impact of SSCL would help businesses to understand the overall effect to guide pricing decisions.

The SSCL Bill is yet to be passed in the Parliament.

What are some of the best practices that can be adopted by an organization to manage tax risk?

An organization should aim to implement a robust system to monitor the completeness and accuracy of the tax compliance process and systems. This is to ensure that payments are discharged, and applicable returns filed on time. An adequate level of review and reporting should also be embedded to the compliance cycle. The processes and systems should act as the first line of defense and capable of not only facilitating high level of compliance but also highlighting areas of non-compliance.

Special attention should be given to disputes with the Tax Authorities, which should be monitored on a regular basis. The present tax law includes complexed procedures, which are time sensitive and attract penalty and interest for non-compliance. Therefore, a formal mechanism should be implemented and maintained, and the progress monitored.

Proper maintenance of records as required by regulations is essential and documentation of all decisions taken would facilitate transparency. Copy of returns, supporting documents, meeting minutes etc. should be maintained in a retrievable manner.

What are the areas likely to be focused on the near future by the Tax Administration?

Some of the areas, which have already been reviewed by the Tax Administration and likely to gather momentum in the future are highlighted.

The treatment of exchange gains/ losses for corporate income tax has been a popular topic due to the prevailing economic situation, which has resulted in organizations recording significant gains / losses in the financial statement. This has led to complexities on the treatment of exchange gains for tax purposes and the deductibility of exchange losses including identifying whether it is realized or not.

The prevailing economic climate where high interest rates are paid would also lead to scrutiny on the deductibility of such interest expense along with the treatment of gain/ loss on financial instruments for income tax purposes.

An amendment made to the VAT Act requires zero rated persons to remit sales proceeds within 6 months from the end of the taxable period. Accordingly, the details of bank accounts need to be declared in a schedule when filing the VAT return.

Has your organization been issued with a notice of assessment for the year of assessment 2018/2019?

The notice of assessment on income tax issued for the year of assessment 2018/2019 is distinct because it is issued in terms of the Inland Revenue Act No. 24 of 2017 (IRA 2017) for the first time. IRA 2017 is effective from April 1, 2018 (Y/A 2018/1029).

Organizations have recently been issued notices of assessment for the year of assessment 2018/2019 due to the time bar taking effect by May 31, 2022. The most striking feature has been interest charged on tax assessed in addition to penalty and is computed at 1.5% per month.

Further, instead of lodging an appeal, the law requires a request for an "administrative review" from the Commissioner General of Inland Revenue (CGIR) within 30 days of being notified. Further, an application in the prescribed format is required to hold over the taxes. The decision of the CGIR must be made within 7 months. The appellate procedure involves appeal to the Tax Appeals Commission and further to the Court of Law.

The administrative provisions including determination of due dates, submission dates and procedures involved are significantly different and requires careful attention.

What are the challenges to your organization during quarter ended September 30, 2022, when discharging compliance obligations?

July 20, 2022 – 2nd installment – Surcharge Tax

The Surcharge Tax Act, No. 14 of 2022 imposed a 25% tax liability on identified categories, which have exceeded the LKR 2,000 Mn threshold. The Rs. 2,000 Mn threshold is also applicable to group of companies and thus a careful analysis is required in order to determine if a company is part of a group for Surcharge Tax purposes.

The tax shall be payable in two installments with the 2nd and last due on July 20, 2022.

August 15, 2022 – 1st instalment (Y/A 2022/2023) – Corporate Income Tax

The 1st installment for the above period needs to be discharged by August 15, 2022. The organization needs to estimate the income tax liability for the full year based on which the above installment needs to be discharged.

September 30, 2022 – Final payment (Y/A 2021/2022) – Corporate Income Tax

The final income tax liability for the above period needs to be calculated and discharged by September 30, 2022.

Preparation of separate financial statements

The tax law requires a taxpayer to maintain separate financial statements where the profits are taxed at multiple rates or where there is an exemption. For example, where a business, which manufactures goods for export as well as sells in the local market need to separately compute the gains and profits attributable to export as well as the sale in the local market. This exercise can be challenging due to many reasons including the allocation of common resources and expenses.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. If you would like to know more about these developments and how they may affect your business, please contact one of the EY tax professionals.

Role of the Board in the ESG Agenda

Hiranthi Fonseka
Partner-EY
Chairperson – INED Forum of SLID

As Sri Lanka struggles through an economic crisis and people's protests intensify across the island, we also witness spectacular instances of environment consciousness, social unity, and calls for better governance from within these people led movements. ESG (Environment, Social, and Governance) issues remain relevant in this time of unrest, an indicator to organizations that even in turbulent times sustainability needs to be a matter of priority.

Certainly, Corporate Social Responsibility (CSR) or sustainability are not new concepts. However, ESG goes beyond by defining a wider range of topics under each of its three pillars.

Environment

Under this pillar attention is drawn to the natural environment in which a business operates, the natural capital that the business affects or is affected by. The E pillar of ESG frames several considerations including climate risks, carbon emissions, energy efficiency, pollution and waste management, use of natural resources, clean energy and technologies, biodiversity loss and restoration. Entities are called to not only do no harm to the environment but to also protect it.

Social

If the E pillar is the element 'Planet' of the triple bottom line, the S pillars which comprises of those considerations that affect society is the element on 'People'. This frame captures concerns such as Human Rights, Human Capital, Labor relations and working conditions, Forced Labour, Child Labour, Inclusivity & Diversity agenda, Employee safety, Product safety, Public Health and so on.

Governance

All Environment and Social commitments would be of no real value if the organization is deemed unethical and its operations are unsustainable. Considerations such as anti-corruption, wrongdoing & bribery, anti-money laundering, business compliance & ethics, risk tolerance, board diversity & composition and management under this pillar seeks to ensure reputability, resilience, and business continuity.

While the dialogue on ESG (CSR or Sustainability) has been ongoing for over three decades, in recent times there has been heightened urgency to 'walk the talk'. Actors such as increasing Regulatory & Industry standards, Macro-economy & Geo-political trends, Demographic shifts, and Customer expectations have been driving ESG to the limelight while the COVID-19 Pandemic further accelerated concern. According to the inaugural EY 2022 CEO Outlook Survey which interviewed 2,000 global CEOs, a vast majority of businesses (86%) have been impacted by COVID-19. For some (21%) this meant a drastic shift for the worse (operations coming to a halt, severe financial burdens, and in some cases rendering the business model obsolete) In contrast some other industries (13%) have been 'fundamentally reshaped for the better'. Nearly 5.9% of CEOs have chosen Mergers and Acquisitions (M&A) as their strategic growth driver in these challenging times, up from 49% in 2021. Interestingly, strengthening ESG ranking/ performance/ sustainable footprint was one of the key M&A Activities prioritized by companies, second only to acquisition focused on increasing operational capabilities.

The imminent climate crisis is another major driving force. The latest Intergovernmental Panel on Climate Change (IPCC) Impacts Report finds that global temperatures will surpass 1.5°C by the year 2040. Unless this trajectory is drastically slowed down, the world is set to meet unimaginable catastrophes. Today, at 1.1°C pre-industrial levels the world is experiencing adverse weather patterns not previously known. Disruptions to supply chains, destruction of lives and livelihoods, scarcity of food and water will become inevitable.

All this is to say that ESG needs to be embedded as a core activity in all levels of a business. Being ESG minded is not about meeting the legal minimum. Entities may meet all statutory obligations to its employees; remunerate above the minimum wage, make payments to social security schemes and spend on employee welfare and training. Companies may expertly manage their waste or have even obtained quality management certifications, while also empowering its workforce and community. These are no doubt noteworthy but ESG thinking nudges companies to require such commitments across their entire supply chains, and to be innovative and proactive in meeting ESG targets.

Doing so has obvious monetary benefits as seen in the case of M&As, where sustainability of the takeover is a key factor considered by acquirers. Likewise, before investing in any company, most foreign investors today will review ESG practices adopted by the company, as companies with strong policies and practices are better positioned to manage and mitigate challenges. The strong performance of 'Green Bonds' as well as other 'Impact Bonds' (sustainable investment instruments) in the financial markets in comparison to their 'brown' counterparts, is further evidence to investor sentiment on ESG performance.

Embarking on the ESG journey can seem daunting especially for Small and Medium Enterprises. The wealth of research, the inexhaustive list of considerations, the various standards, regulations, and frameworks can be confusing to navigate. Identifying the need for consensus, the International Financial Reporting Standards Board (IFRS) together with the Task Force on Climate-Related Financial Disclosures (TCFD) and several other entities formed the International Sustainability Standards Board (ISSB) in November 2021. The ISSB aims to deliver high quality, comprehensive disclosure standards that would enable companies to provide reliable and comparable reporting on ESG matters. The adoption of such frameworks should be on a Board of Director's action plan.

How can Boards get involved?

As with any other transformation, ESG requires the vision and direction of Boards to become an effective strategic matter. To this end Directors are called to:

- Set ambitious targets, especially in terms of achieving net zero targets and social progress
- Identify those ESG concerns that are most relevant and material to its business
- Understand the ESG requirements of investors and other stakeholders
- Identify systematic and transitional risks and opportunities of climate change that the business is exposed to
- Champion the causes that it has thus chosen, while ensuring no significant harm is made in other ESG areas.
- Establish sound policies and practices on anti-corruption as corruption can significantly damage business reputation.
- Convert ESG to a companywide agenda by stewarding a purposeful, measurable and time bound sustainability plan
- Ensure Sustainability reports and communication are not greenwashed

The INED Forum is an initiative of The Sri Lanka Institute of Directors in partnership with EY. It provides an interactive platform for knowledge and experience sharing among INEDs across diverse industries and businesses in both the private and public sectors.


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Artificial Intelligence for Board Members

Romesh Ranawana

The Innovation & Technology Committee of The Sri Lanka Institute of Directors (SLID) organized a webinar titled "Artificial Intelligence: What Board Members Should Know", recently. The keynote presentation was delivered by AI expert Dr. Romesh Ranawana – Founder/CEO, Enterprise Machine Learning (Pvt) Ltd, Enterprise Machine Learning Advisors, and a consultant for several multinational organizations on scaling their AI (Artificial Intelligence) and ML (Machine Learning) capabilities.

"Sri Lanka as a nation is one of the lowest ranking countries in the world in terms of AI mostly because companies have not adopted AI at the same level as companies in most countries have done. That type of transformation must be led by the Boards of the companies that want to adopt AI. AI is quite a buzzword these days, and it is changing every industry from finance, manufacturing, retail etc. Just like digital disruption changed the world where more than half of the Fortune 500 companies from the year 2000 have gone out of business" emphasizing that AI too will bring in a similar level of transformation where those companies who adopt AI in the proper way and proper strategy are forging ahead of others in terms of scalability, capacity, products and features that they offer.

He added that adopting AI requires a clear long-term strategy, significant investment and building of capacity. "Transformation or AI adoption is not a small decision, and it is not a one-off investment, but one which is made over a period with a gradual increase in capacity and what you can do with AI. Experimenting with small AI use cases rarely shows significant benefits. Companies that adopt AI across the entire company and transform its processes, technology, and people are the ones which get the value of AI".

AI is important to companies to increase profits and customer satisfaction, streamline processes, offer personalized services and introduce new products and services. "An organizational transformation is needed to get the most out of AI investments and contribute to the bottom line. It involves strategy and execution, a companywide transformation of staff and processes, building capability foundations and capacity even if you decide to outsource building the systems. Systems for governance and compliance are important to be put in place. A significant change is required in the main elements of the company – people, process, and technology which needs to be led by the Board".

He also pointed out that many of the Boards have just a few members who are comfortable with advanced technology. Relying on a single techie is no replacement for having a full Board mastering at least a basic understanding of AI and its disruptive potential. Boards and companies must move fast to remain competitive. It is important to understand that AI is math, not magic and a well-run AI project should be easily understood. Companies need to get the most out of the data that they possess. AI is an operating expense and not a capital investment and Boards should understand that it is a journey where you incrementally improve your systems as you go.

"If an AI system that is being developed for you sounds very complicated, the chances are that it isn't laid out properly or it lacks a proper strategy. Executives and Boards need to understand the system before they can develop the strategy and long-term priorities" said Dr. Ranawana and suggested that the Boards do their own research on what AI can do for the company which will allow them to define strategic direction and decide which technology should be adopted and what products and services will the company be able to get out of these systems. It will also give you an idea of how your processes will change based on the AI that you are bringing into the company.

Speaking of barriers to AI adoption in companies, Dr. Ranawana said one of the biggest barriers is the cultural barrier including resistance to change, not seeing the need for AI including understanding the advantages that AI could offer. Awareness and education are key to overcoming these barriers. He also stated that other barriers included fear of redundancy, shortage of talent, and lack of a strategic approach to AI in the company.

Colombo Coffee Company; Home to the coffee that makes your heart smile

Kushan Samararatne
DGM,Colombo Coffee Company

Fuelled by the simple notion that everybody deserves the most enjoyable coffee experience, it's best kept in mind that 'The Colombo Coffee Company' is Sri Lanka's leading overall coffee solutions supplier and the home of 'Lavazza,' the globally recognized Italian coffee brand.

It is the country's leading coffee supplier to hotels, restaurants, cafés, and workplaces, with a solid track record of over 10 years of expertise and more than 350 clients throughout Sri Lanka.

Following the devastating impact of the pandemic in the previous two years, the firm stayed resolute, making outstanding decisions to keep the business functioning efficiently. The Company chose to emphasize the epidemic's positive influence on people's lives.

The Colombo Coffee Company currently drives its efforts on obtaining high-quality green coffee beans from various locations of Sri Lanka. Thriving to offer greater quality and competitive pricing to Ceylon Coffee in the future by closely collaborating with coffee processors in certain areas to educate farmers on proper harvesting techniques and technology while also improving the efficacy and efficiency of operations.

Ceylon coffee, like Ceylon tea, has the potential to become an international brand in its own right. This is owing to the fact that it is of higher quality than other coffee products now available on the international market. CCC has already begun investing in local coffee through Toscana Ceylon, a 100% locally grown coffee brand that already represents 15% of the company's turnover, with the goal of restoring Ceylon Coffee and raising it to its due place on the international map. It not only sources its coffee locally, but it also acts as a CSR initiative, aiding rural communities by providing jobs for farmers, empowering women, and even assisting farmer children with their educational needs. The Colombo Coffee Company and the Toscana brand have joined arm-in-arm in an effort to improve society and Ceylon coffee. The firm is presently putting up enormous effort to resurrect this long-dormant sector, and has already begun to approach the global market, examining all opportunities for bringing Ceylon coffee to the rest of the world.

"Standing out as pioneers in the local coffee business, we at CCC believe it is our duty to take Ceylon coffee to new heights, and we want to invest in the sector's growth from ground level" the deputy general manager, Kushan Samararatne, states. "Together with our Toscana brand, we attempt to enhance society and Ceylon coffee. The goal is to help Ceylon coffee flourish as a whole, rather than simply one brand. This is because, when we look at our exports, we see that the Ceylon Coffee brand has a far higher value than any particular brand", he further adds.

Coupled with the already world-renowned well-established brands such LavAzza coffee and esteemed coffee machine brands such as WMF, La-Cimbali, Nuova Simonelli & Gaggia, Colombo Coffee Company is making enormous strides in introducing Ceylon coffee to global markets while maintaining outstanding quality standards on the surface, not to mention making the world a better place, while it climbs the success ladder. Our aim is to see all people in the world gets to enjoy this wonderful beverage, that is a cup of Ceylon coffee.

New Members

Mr. Romesh Fernando
Director
R C R M Global (Pvt) Ltd

Mr. Sanje Gunasekera
Finance Director
Box Colony (Pvt) Ltd

Mr. Sanjay Wijemanne
Director
HNB General Insurance Ltd

Mr. Amitha Amaratunga
INED
Carson Cumberbatch PLC

Mr. Ramindu Randeni
Director
Ramindu Randeni Leadership Academy (Pvt) Ltd

Mr. Brian Selvanayagam
Director
Shaw Wallace Investments PLC

Mr. Kevin Edwards
CEO – Logistics
E B Creasy & Company PLC

Ms. Onalie Dissanayake
Country Head (SL & Maldives)
The Chartered Institute of Marketing (CIM)

Mr. Fairoze Uvais
Managing Director
Perceptual Portals (Pvt) Ltd

Mr. Antony Clarance
Director
R J A Solar Solutions (Pvt) Ltd

Ms. Dinithi Ratnayake
Chairperson
SANASA Develoment Bank PLC

Mr. Thushara Thomas
Executive Director/MD
Commercial Insurance Brokers (Pvt) Ltd

Mr. Dulanjan Kariyawasam
Executive Director
Professional MET Consultancy Servics (Pvt) Ltd

Himali Mudadeniya

Shanaka Gunasekara

Amanda Perera

Personal Data Protection Act of Sri Lanka

The Education and Training Committee of The Sri Lanka Institute of Directors (SLID) recently organized a webinar to share in-depth insights into the legal and compliance obligations for Sri Lankan companies processing personal data of persons, consequent to the enactment of the Personal Data Protection Act No. 9 of 2022 (PDPA)in March 2022. The eminent panel comprised of moderator - Himali Mudadeniya – Partner, FJ&G de Saram and speakers Shanaka Gunasekara – Partner, Head of Data Protection & Privacy, FJ&G de Saram and Amanda Perera – Senior Associate, FJ&G de Saram.

"This Act has significant implications consisting of both legal and compliance obligations for companies in Sri Lanka that process personal data. Until its enactment, Sri Lanka did not have a statute of general application which protected personal data other than limited statutory confidentiality obligations which were imposed on certain regulated entities such as banks and finance companies. As the obligations are serious in nature and require extensive preparation time, we advise companies to commence their compliance process immediately. Some of our clients have already started this process," said Himali Mudadeniya in her opening remarks.

"The PDPA grants rights to data subjects, imposes obligations on entities that process personal data, regulates direct marketing, provides for an enforcement authority, and imposes severe penalties for violations. To understand the enactment, there are a few fundamental terms that need to be understood clearly such as personal data, special categories of personal data, data subject and processing of data. Personal data means practically anything which can be used to identify an individual either directly or indirectly. A special category of personal data or sensitive data is identified in the enactment including personal data revealing racial/ethnic origin, political opinions, religious/philosophical beliefs, biometric, genetic, health related data, personal data relating to offences and criminal proceedings, sex life and orientation and personal data relating to a child for which there are more stringent requirements applicable. A data subject is any human being who is a natural person whether living or deceased, and processing is any operation performed on personal data. Customer data, third party service provider data and employee data including a person's business contact information are all considered as personal data. It has to be kept in mind that a person need not be a citizen of Sri Lanka for the enactment to be applicable," said Shanaka Gunasekara in his presentation.

He added that the two parties regulated under the PDPA are the Controller who determines why (the purpose) and how (the means) personal data is processed, and the Processor who is a third party that processes personal data on behalf of the Controller. The Processor does not include persons who are under the Controller's hierarchical control (i.e. employees). "Your employees and consultants are not Processors but are part of the Controller itself. In the case a Controller does not engage a third-party service provider, the Controller is deemed to be doing all acts or processing of personal data".

Speaking about the Data Protection Authority (DPA) set up under the PDPA to regulate processing of personal data, safeguard privacy of data subjects and provide protection for personal data used in digital transactions and communications, speaker Amanda Perera said that it is empowered issue directives, make rules, investigate complaints, conduct inquiries, examine people under oath, inspect any information held by a Controller or Processor, enter their premises and inspect or seize their records, and carry out investigations if there are any reasonable grounds to believe that the processing possesses an imminent risk to data subjects. She also said that in the case of a violation, the DPA will issue a directive which may direct the Controller or Processor to cease and refrain from engaging in such acts/omissions, to take action to rectify the situation or to make payment to an aggrieved person as compensation, and in the case a directive is not complied with, to impose penalties. In case a Controller or Processor receives an order to pay a penalty, they may appeal to the Court of Appeal within 21 working days of receiving the notice of penalty.

The presentations were followed by a Q&A session.



Sri Lanka – A tropical paradise for your next MICE and Business Event

Sri Lanka offering great value with exceptional venues, excellent service and good air connectivity to make your event memorable. Sri Lanka Convention Bureau (SLCB) functioning under the Sri Lanka Tourism is a government organization dedicated to the development of MICE/Business Events. As a niche segment to the tourism industry, MICE comprise of four key pillars; Meetings, Incentives, Conferences and Exhibitions/Events. Combining its intimate knowledge of the country, experience, strong relationship with suppliers and vast network of connection, Sri Lanka Convention Bureau will support organizers and help to co-ordinate logistics to ensure an unforgettable event. SLCB is the main contact point for MICE Tourism in Sri Lanka.

Sri Lanka is blessed with many experiences and MICE is also blend with the experiences. Here are some of the attractions in the destination avails to make your business and MICE event memorable.

MICE Venues
From the Bandaranaike Memorial International Conference Hall (BMICH) to the many hotels and boutique properties available in Sri Lanka. There are MICE facilities around the country include, Lotus Pond, Lotus Tower and Magam Ruhunupura International Convention Centre (MRICC) are all purpose built for events. The various international hotel brands have helped to shape the MICE industry in Sri Lanka.

Easy Access
Air Connectivity is one of the most important criteria for MICE tourism and which provides extra mileage when deciding MICE destinations. SriLankan Airlines is Sri Lanka's national carrier and a member of the Oneworld airline alliance, has been a global leader in safety, punctuality, and customer service. The airline currently has a global route network of 103 destinations in 48 countries, including codeshare operations, connecting key cities in Europe, the Middle East, the Far East, and India.

The land with promise
No matter what part of the island you choose to host an event, Sri Lanka will deliver the ultimate experience. from accommodation, food, service and entertainment, you are guaranteed to stimulate all five senses. So, indulge your senses, expand your experience and discover exotic locations, it's all inclusive when you bring your next corporate event to Sri Lanka – Meet in Sri Lanka.

Beaches
with more than 1,300 kms of shoreline, Sri Lanka is blessed with some of the best beaches in the world. Take to the seas for surfing, diving, snorkeling, deep sea fishing and whale watching. From serene, palm fringed beaches and hidden bays surrounded by jungle to busy seaside hubs buzzing with a party atmosphere. Choose from luxury resorts, small boutique hotels, eco villas and private hideaways

Culture
The culture of the country step back 2,000 years and uncover a land of lost cities, ruined temples, sacred caves and ancient rock fortresses

Wildlife
Sri Lank rich with more than 26 national parks and reserves, this is the place to see elephant, leopard, sloth bear, buffalo and crocodile. Sri Lanka's 'Big Five' can be found in Wilpattu, yala, Udawlawe and Wasgamuwa. The World Heritage Site of Sinharaja Rainforest Reserve is a unique primeval paradise. Stay in a wilderness resort, eco villa or luxury tented camp.

Adventure
wild or mild; on water, land or in the air. White water rafting, kayaking and canoeing, kite surfing and windsurfing. Rock climbing, camping, caving, cycling and mountain biking; hiking and trekking awaits inland as well as a safari by boat, Jeep or tuk tuk

Culinary
Sri Lanka is a foodie's paradise. Try the delicious local dishes: head north for the Jaffna Crab curry, south for fish 'Ambul Thiyal', and into the hills for the famed Ceylon Tea. Explore spice gardens, help to harvest rice, learn to make local dishes from a renowned chef and taste the 'real thing' at a village home.

Wellness
Sri Lanka is home to Ayurveda, meaning 'the Science of Life', a tradition of holistic healing that dates back 5,000 years. Its restorative therapies combined with the age-old art of Yoga will relax, revive and rejuvenate. Choose from massages, body masks and wraps, herbal baths, saunas and facials at sea view resorts, mountain retreats or jungle hideaways.

Click on below link to connect with SLCB Social Media Platforms to experience more on Sri Lanka:

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