

ISO/IWA 34

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Secretariat: SIS

Women's entrepreneurship – Terminology and general guidance

WD2

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Reading instructions for the second draft

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42 **Foreword**

43 ISO (the International Organization for Standardization) is a worldwide federation of national standards
44 bodies (ISO member bodies). The work of preparing International Standards is normally carried out
45 through ISO technical committees. Each member body interested in a subject for which a technical
46 committee has been established has the right to be represented on that committee. International
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48 collaborates closely with the International Electrotechnical Commission (IEC) on all matters of
49 electrotechnical standardization.

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52 different types of ISO documents should be noted. This document was drafted in accordance with the
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59 constitute an endorsement.

60 For an explanation of the voluntary nature of standards, the meaning of ISO specific terms and
61 expressions related to conformity assessment, as well as information about ISO's adherence to the World
62 Trade Organization (WTO) principles in the Technical Barriers to Trade (TBT), see
63 www.iso.org/iso/foreword.html.

64 This document was prepared by ISO/IWA 34, *Definition of a woman-owned business and guidance on its*
65 *use*.

66 Any feedback or questions on this document should be directed to the secretariat. A complete listing of
67 these bodies can be found at www.iso.org/members.html.

Commented [MG(1): 006 - delete ACCEPTED

68 **Introduction**

69 Gender equality contributes to faster economic growth, productivity, and innovation. Equal access to
70 education, employment, entrepreneurship, trade opportunities, and leadership positions enlarges the
71 pool of labour and talent available to the economy and contributes to productivity and innovation.

72 Gender equality makes good business sense. Lead firms with supplier-diversity programmes outperform
73 other companies. Finally, gender equality is a precondition to reduce poverty. Expanding women's and
74 girls' opportunities contributes to increasing household income, asset accumulation, and spending on
75 child welfare.

76 There are numerous initiatives at global, regional and domestic levels focused on women's economic
77 empowerment. However, the lack of a clear and universally agreed upon definition/s to describe
78 enterprises owned or led by women has created challenges across the women entrepreneurial
79 ecosystem. Particularly, these challenges revolve around collection of sex-disaggregated data, research,
80 policymaking, international comparability, and access to capacity building, finance and markets. Creating
81 a definition for enterprises owned or led by women and guidance on its use will allow for clear and
82 targeted efforts in advancing women's economic empowerment and will contribute to the overall
83 achievement of the 2030 Global Goals for Sustainable Development, including several gender-specific
84 targets under SDG 5 on Gender Equality.

85 Stakeholders worldwide have been using various definitions to describe enterprises owned or led by
86 women. These definitions have often been adapted to context-specific factors, such as cultural norms,
87 policy and legal frameworks, nature of the initiative, and ease of verification. Some definitions have been
88 found to be difficult to apply in informal or cooperative sectors, or to not adequately capture the growth
89 stages of an enterprise.

90 The nuances among the definitions rest primarily on the terminology, women's percentage of ownership,
91 and women's level of management and control of the enterprise. For example, multiple terminologies
92 exist, including *women-owned*, *women-led*, *women-driven*, and *women-influenced* enterprise. Often,
93 various stakeholders apply different sets of criteria to their definitions. Moreover, some stakeholders
94 have not adopted a definition at all, which slows down the implementation of targeted programmes.

95 In this context, the International Workshop Agreement (IWA) 34 on "Women's entrepreneurship –
96 Terminology and general guidance" establishes clear and universally agreed upon terms and definitions
97 for use in programmes and initiatives aimed at women's economic empowerment. This allows
98 stakeholders to use an internationally recognized definition appropriate to their specific objectives and
99 social, cultural and economic context.

Commented [MG(2)]: 009 – delete PROPOSAL to accept

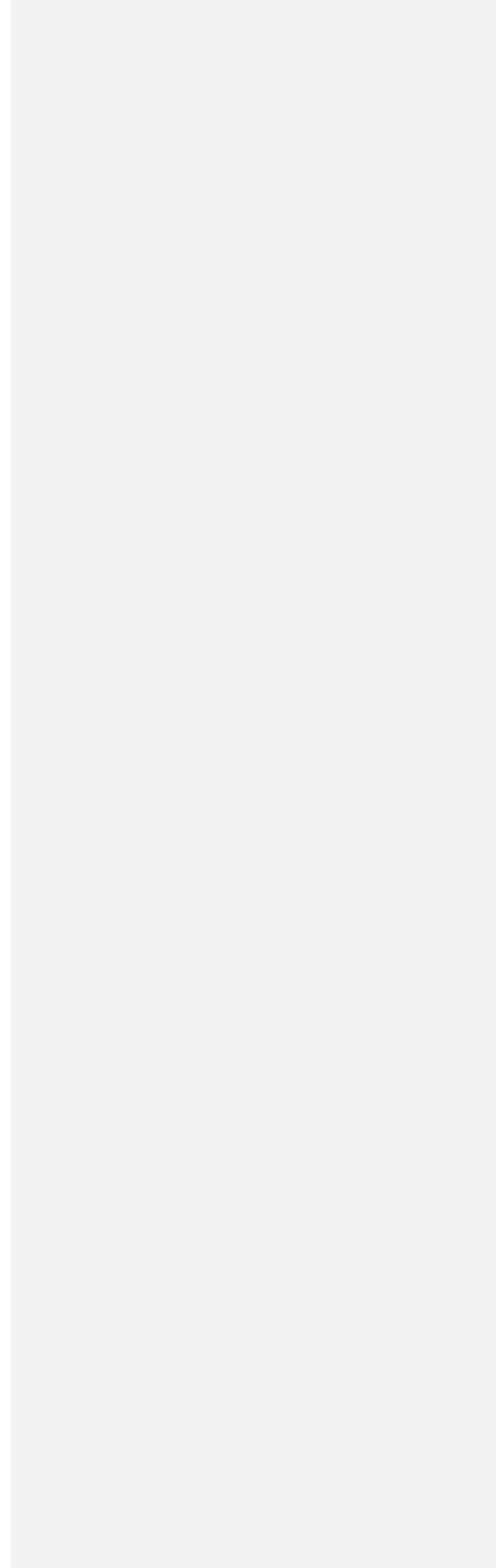
Commented [MG(3)]: 007, 008 – change to "gender-disaggregated data" PROPOSAL to accept

Commented [MG(4)]: 010 – soften statement PROPOSAL to add "often"

Commented [MG(5)]: 011 - add explanation that we have several definitions PROPOSAL to add sentence: "Recognizing the challenge in establishing one common definition, this document provides a selection of terms and definitions." ... [1]

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100



101 Women's entrepreneurship – Terminology and general guidance

102 1 Scope

103 This document establishes a set of common definitions related to women's entrepreneurship, such as
 104 women-owned business, women-led business and women-governed business. This document also
 105 defines women-led cooperatives and informal enterprises. These definitions can be used in e.g. women's
 106 economic empowerment programmes (such as procurement and trade programmes) and for the
 107 collection of internationally comparable data on women's entrepreneurship (including the impact on
 108 local and national economies). This document also provides criteria for evaluating important factors
 109 related to these definitions; such as ownership, management and control as well as how to handle dilution
 110 by investment. This document also provides guidance to businesses, governments and international
 111 initiatives on how the definitions can be used.

112 This document does not provide recommendations on how to operationalise programmes based on this
 113 definition, for example on public procurement. This document does not address issues such as how to
 114 promote compliance and certification.

115 2 Normative references

116 There are no normative references in this document.

117 3 Terms and definitions

118 For the purposes of this document, the following terms and definitions apply.

119 ISO and IEC maintain terminological databases for use in standardization at the following addresses:

120 — ISO Online browsing platform: available at <https://www.iso.org/obp>

121 — IEC Electropedia: available at <http://www.electropedia.org/>

122 3.1

123 [majority] women-owned business

124 business that is at least 51% owned by one or more women, whose management and day-to-day
 125 operations are controlled by one or more women, and that is operated independently from other non-
 126 women-owned businesses, and where a woman is also a signatory of the company's legal accounts and
 127 that is operated independently from other non-woman-owned businesses

128 3.2

129 women-led business

130 business that has a woman CEO who is actively involved in the business and that is at least 30% owned
 131 by one or more women, whose management and day-to-day operations are controlled by one or more
 132 women decision-makers; has at least [30% or other percentage?] of the board of directors comprised of
 133 women, where a board exists; and where a woman is also a signatory of the company's legal accounts
 134 and that is operated independently from other non-women-led and/or non-woman-owned businesses

135

136 3.3

137 women-governed business

138 business that has a woman CEO who is actively involved in the business, whose management and day-

Commented [MG(6): 012 - add a disclaimer that if a business does not fall under the provided definitions, it does not necessarily mean that the business is male-owned/led DISCUSS
014 – add social enterprises PROPOSAL not to accept

Commented [MG(7): 013 - change to "leadership" PROPOSAL not to accept

Commented [MG(8): 018 – change to "may apply" PROPOSAL to not accept, not in line with ISO use of verbal forms

Commented [MG(9): Keep if we add examples and/or guidance to this effect

Commented [MG(10R9): 015, 016, 017, 019 – keep sentence
Proposed examples: a) Chambers of Commerce should implement the company registration certificate with the definition of women's enterprise b) Promoting gender equality requires the possibility to measure the gender status when a government and public institutions form their policies and financing of private sector development and interventions. It also guides private funders and investors, who for different reasons may want to understand who receives and benefits from funding, since the private capital has in the past benefited businesses started and owned by men.
PROPOSAL to add examples in annex and keep sentence

Commented [MG(11): 152 – add definition of (gender) equal led/owned/governed business. Is it a percentage of 40/60 or what? If we want to use and compare data, we need this definition/clarification as well.
DISCUSS
087 – add new term women-majority enterprises DISCUSS

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139 to-day operations are controlled by one or more women decision-makers; has at least [30% or other
140 percentage?] of the board of directors comprised of women, where a board exists; and where a woman
141 is also a signatory of the company's legal accounts and that is operated independently from other non-
142 women-governed businesses

143 3.4

144 **women[-led] cooperative**

145 cooperative in which at least 51% of total number of votes are held by women, and where the majority
146 of the board of directors are women and the majority of leadership positions, if applicable, are held by
147 women

148 [NOTE 1 to entry: This definition does not include non-profit organizations.]

149 3.5

150 **women-led informal enterprise**

151 [independent] enterprise whose management and day-to-day operations are controlled by one or more
152 women

154 [NOTE1 to entry: They make the important strategic and operational decisions about the economic unit
155 for which their work is performed and the organization of their work, are not accountable to or
156 supervised by other persons, nor are they dependent on a single other economic unit or person for access
157 to the market, raw materials or capital items.]

158 [NOTE2 to entry: All or at least some of the goods or services produced are mainly meant for sale or
159 barter, with the possible inclusion in the informal sector of households which produce domestic or
160 personal services in employing paid domestic employees.]

161 3.6

162 **management**

163 ability to control basic functions and day to day activities of the enterprise, including, but not limited to,
164 signature responsibility of insurance and/or bonds, investments, the ability to sign payroll checks and
165 letters of credit, authority to negotiate contracts and financial services

166 3.7

167 **operational authority**

168 ability to manage the day-to-day activities of the enterprise

169 3.8

170 **control**

171 power to direct the management of the enterprise as evidenced through the governance documents when
172 applicable and actual day-to-day operation, and to direct or cause the direction of management or policies
173 and the ability to make decisions on strategy and the direction of the enterprise without any provisions
174 which restrict the ability of the woman/women from exercising this power

175 3.9

176 **managerial control**

177 demonstrated ability to make independent and unilateral decisions regarding the enterprise necessary
178 to guide the future and destiny of the enterprise

180 3.10

181 **independence**

182 ability of the enterprise to perform in the enterprise's area of specialty/expertise without substantial
183 reliance upon finances and resources (e.g., equipment, automobiles, facilities) of males or nonwoman
184 enterprise

Commented [MG(12)]: 103 - comment to add labour
PROPOSAL: accept

Commented [MG(13)]: 106 - change to non-women
enterprise PROPOSAL: accept
105- needs definition
107 - delete nonwoman enterprise DISCUSS

185 NOTE 1 to entry: Investment or start-up capital is not included in "substantial reliance".

186 NOTE 2 to entry: The enterprise may rely on finances and resources of non-woman enterprise(s) if these
187 are obtained at market value.

188
189 **3.11**
190 **business**
191 undertaking carried out for profit in the course of which **products** are acquired or supplied whether at a
192 price or otherwise

Commented [MG(14): 108, 110 – add "and/or services"
PROPOSAL: to not accept as products include both goods
and services

193 NOTE 1 to entry: Pass-through entities or sales representatives are not included by this term.

194 [SOURCE: ISO 22059:2020(en), 3.1, adapted, NOTE 1 to entry added]

195 **3.12**
196 **cooperative**
197 autonomous association of persons united voluntarily to meet their common economic, social, and
198 cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise

199 [SOURCE: Statement of cooperative identity, International Cooperative Alliance]

200 **3.13**
201 **enterprise**
202 institutional unit in its capacity as a producer of goods and services; an enterprise may be a corporation,
203 a quasi-corporation, a non-profit institution, or an unincorporated enterprise

Commented [MG(15): 113 – remove non-profit
institutions DISCUSS with 114 below

204 NOTE 1 to entry: Includes all types of organisations in definitions 3.1-3.5.

Commented [MG(16): 116 – circular def, delete "an"
and "enterprise" PROPOSAL: accept

205 NOTE 2 to entry: This definition [include for profit enterprises and social enterprises].

Commented [MG(17): 114 – keep text DISCUSS with
113 above

206 [SOURCE: Glossary of the 1993 SNA - Definition of Term]

207 **3.14**
208 **sole proprietorship**
209 individually owned business whose assets are wholly owned by a single individual

Commented [MG(18): 117 – in text the term "sole
proprietor" is used. Change term or in text. PROPOSAL: to
use term sole proprietor
118 – change term to "sole proprietorships that are
female-owned PROPOSAL to not accept

211 **3.15**
212 **subsidiary**
213 entity in which another entity (i.e. the parent) owns at least a majority of the shares, and thus has control

Commented [MG(19): 119, 120 – term not used – use or
delete PROPOSAL to delete

214 **3.16**
215 **partnership (general)**
216

Commented [MG(20): 121 – change to percentage –
depends on if kept

217 ongoing, formalized cooperation between an enterprise and one or more other enterprises, including
218 other enterprises, usually concerning particular services or activities

Commented [MG(21): 122 – delete brackets PROPOSAL:
keep brackets

219 NOTE 1 to entry: A partnership will usually have a contractual basis. Partners can make different
220 contributions, e.g. expertise, funding, training, materials in kind, premises, etc.

Commented [MG(22): 123 – change term to
"partnership consortium/consortia" PROPOSAL to not
accept

221 NOTE 2 to entry: Cooperation between two or more enterprises within a single administrative unit is
222 excluded.

Commented [MG(23R22):

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223 NOTE 3 to entry: Time-limited cooperation on a specified project is excluded and counted as a
224 cooperative project (see 2.5.2).

225 NOTE 4 to entry: A one-way relationship, whether paid or unpaid, where one partner is only supplying,
226 the other only receiving services, is excluded.

227 [SOURCE: ISO 2789:2013, 2.5.5, adapted; the words "business" and "organization" changed to
228 "enterprise" throughout]

229 **3.17**
230 **partnership (limited)**
231 separate legal entities which behave like corporations but whose members enjoy limited liability; in
232 effect, the partners are at the same time both shareholders and managers

Commented [MG(24)]: 126 –delete brackets PROPOSAL:
keep brackets

Commented [MG(25)]: 127 – change term to partnership
group practice" PROPOSAL to not accept

233 **3.18**
234 **limited liability company**
235 private company whose owners are legally responsible for its debts only to the extent of the amount of
236 capital they invested

237 **3.19**
238 **corporation**
239 a large business or group of businesses authorized to act as a single entity and recognized as such in law

240 **3.20**
241 **pass-through entity**
242 business entity whose income is taxed as the owner's personal income at the individual rate rather than
243 as business income

Commented [MG(26)]: 128,129 – delete term and def
PROPOSAL: keep as important

244 **3.21**
245 **informal sector enterprise**
246 private unincorporated enterprises (excluding quasi-corporations), i.e. enterprises owned by individuals
247 or households that are not constituted as separate legal entities independently of their owners, that are
248 not legally registered in the business registry and for which no complete accounts are available that
249 would permit a financial separation of the production activities of the enterprise from the other activities
250 of its owner(s)
251

252 NOTE 2 to entry: All or at least some of the goods or services produced are [mainly] meant for sale or
253 barter, with the possible inclusion in the informal sector of households which produce domestic or
254 personal services in employing paid domestic employees.

255 NOTE 3 to entry: "Registration in the business registry" does not include e.g. registration in listings of
256 informal enterprises.

257 4 **Scope of the definitions**

Commented [MG(27)]: 136 – proposal to split and move
4.1 and 4.2 in other places PROPOSAL: to not accept

258 4.1 **General**

259 Definitions shall apply without regard to:

Commented [MG(28)]: 138 - Add other intersectional
dimensions such as ethnicity, disability, sexual
orientation, religion DISCUSS

- 260 — marital status and community property laws;
- 261 — regional or country context;
- 262 — education level;

- 263 — age;
- 264 — sector; and/or
- 265 — participation in trade.

266 4.2 Informal enterprises

267 Informal enterprises can be divided into four categories:

- 268 — Enterprises without licences
- 269 — Enterprises without addresses
- 270 — Enterprises without a bank account
- 271 — Enterprises without documents
- 272

273 Some informal enterprises can belong to more than one of the categories listed above.

Commented [MG(29)]: 137 – clarify PROPOSAL "sector of activity"
139 – text should include sector-specific approaches NOT FEASIBLE within the time limits of this project

274 **5 Criteria for determination**

275 **5.1 General**

276 This clause sets criteria for determination of different factors that are important to evaluate if an
 277 enterprise is in fact women-owned, women-led or women-governed. These criteria can be used by both
 278 an enterprise wanting to declare itself as belonging to one of these categories and by other organisations
 279 wanting to check one or more enterprises – i.e. they are suitable for first party, second party and third-
 280 party assessment.

281 **5.2 Ownership**

282 **5.2.1 Determination of ownership**

283 Ownership shall be determined based on title to, and beneficial ownership of, stock, membership
 284 interests, or other equity in an enterprise.

285 More specifically:

- 286 — the ownership of the enterprise by the woman/women shall be real, substantial and beyond pro-
 287 forma ownership as reflected in its ownership documents;
- 288 — the woman/women shall share in all risk and profits commensurate with her/their ownership
 289 interest;
- 290 — the woman/women shall not be minors and the securities/funds that constitute the majority
 291 ownership shall not be held in trust that she/they do not control; and
- 292 — the woman/women shall demonstrate they have contributed capital and/or expertise.

294 Contribution of capital and/or expertise by the woman/women to acquire her/their ownership interest
 295 shall be real and substantial and be in proportion to the interest(s) acquired. Insufficient contributions
 296 shall include, but shall not be limited to, promises to contribute capital or expertise in the future, a note
 297 payable to the enterprise or its owners who are not women, or the mere participation as an employee.

298 **5.2.2 Ownership percentage needed to be considered a women-owned business**

299 Ownership by a woman/women shall be determined as follows based on the business type:

- 300 — Sole Proprietor: The woman shall own 100% of the company assets.
- 301 — Corporation: The woman owner(s) shall own at least 51% of each class of voting stock and 51%
 302 of the aggregate of all outstanding stock.
- 303 — [ii. Any voting agreements among the shareholders must not dilute the beneficial ownership,
 304 the rights, or the influence of the women owners of the stock or classes of stock of the
 305 corporation.]
- 306 — [iii. Women owners shall possess the right to all customary incidents of ownership (e.g.,
 307 ability to transfer stock, title possession, enter binding agreements, etc.).]
- 308 — Partnership (General): The woman owner(s) shall own at least 51% of the partnership interests.
- 309 — Partnership (Limited): The woman owner(s) shall own at least 51% of the general partnership
 310 interest and have at least 51% control among the general partners.
- 311 — In addition, the women limited partners shall receive at least fifty-one percent (51%) of the
 312 profits and benefits, including tax credits, deductions and postponements distributed or
 313 allocable to the limited partners.
- 314 — Limited Liability Companies: The woman owner(s) shall own at least 51% of membership
 315 interests and have at least 51% of the control among the members. The woman owner(s) shall

Commented [MG(30): 155 - add intellectual property PROPOSAL to not accept

Commented [MG(31): 153 - add bullet "the women/women shall demonstrate they have inherited ownership and expertise" PROPOSAL to not accept, cannot inherit expertise

Commented [MG(32): 154 - add intellectual property PROPOSAL to not accept

Commented [MG(33): 156 - change title to "Criteria for minimum 51% ownership" PROPOSAL to not accept

Commented [MG(34): 157 - add introductory sentence "These criteria apply for women-owned business, women-led business and women-led cooperative" PROPOSAL to not accept as three different clauses are included for the three types of enterprises

Commented [MG(35): 169, 171 - keep in document PROPOSAL keep
159 - consider class A and class B shares, see comments compilation for more details DISCUSS

Commented [MG(36): 170, 171 - keep in document PROPOSAL keep

316 also participate in all risks and profits of the business at a rate commensurate with her/their
 317 membership interests.

- 318 — [need to add Trusts?]
- 319 — [i. In order to be counted as owned by women, ownership held in a trust must meet the
 - 320 following requirements, as applicable:
 - 321 — Irrevocable trusts. If the trust is an irrevocable trust, ownership held for the benefit of a
 - 322 woman who is not a minor and who is a beneficiary with a present interest in the trust may
 - 323 be counted as owned by women.
 - 324 — Revocable trusts. If the trust is a revocable trust, all the grantors must be women, and
 - 325 ownership held for the benefit of a woman who is not a minor and who is a beneficiary with
 - 326 a present interest in the trust may be counted as owned by women.
 - 327 — ESOPs. Ownership by women who are participants in an employee stock ownership plan
 - 328 qualified under 12 Section 401 of the Internal Revenue Code, 1986, as amended, may be
 - 329 counted as owned by women.
 - 330 — Trustees. In all cases, all the trustees must be women, provided that a financial institution
 - 331 may act as trustee. (Male co-trustees are not acceptable.)
 - 332 — Determination of present interest in the trust. A beneficiary has a present interest in a trust if
 - 333 he or she is currently eligible to receive distributions of income or principal from the trust. If
 - 334 more than one beneficiary has a present interest in the trust, each beneficiary shall be deemed
 - 335 to have an equal interest unless the instrument that creates the trust provides otherwise.
 - 336 — Other requirements. Businesses whose ownership, in whole or part, is held in a trust are not
 - 337 thereby exempt from the other requirements in this document.]

- Commented [MG(37):** 161 – add bullet “Holding companies: The women shall have at least 51% ownership, management and control of the holding company.” PROPOSAL accept with small edits
- Commented [MG(38):** Need to decide whether trusts should be included or not. Please provide your comments on this..
- Commented [MG(39R38):** 162 – change text to “Trusts: The women shall have at least 51% ownership, management and control of the trust.” 163, 166, 168, 172-174, 176, 204 – include text on trusts 164-165 – do not include text on trusts DISCUSS
- Commented [MG(40):** 167- What if there are multiple beneficiaries? At least one woman as beneficiary or a %? DISCUSS
- Commented [MG(41):** 175 – is this a universal code? PROPOSAL to delete

338

5.2.3 Ownership percentage needed to be considered a women-led business

Ownership by a woman/women shall be determined as follows based on the business type:

- Sole Proprietor: The woman shall own 100% of the company assets.
- Corporation: The woman owner(s) shall own at least [30] % of each class of voting stock and [30] % of the aggregate of all outstanding stock.
 - [ii. Any voting agreements among the shareholders must not dilute the beneficial ownership, the rights, or the influence of the women owners of the stock or classes of stock of the corporation.]
 - [iii. Women owners shall possess the right to all customary incidents of ownership (e.g., ability to transfer stock, title possession, enter binding agreements, etc.).]
- Partnership (General): The woman owner(s) shall own at least [30] % of the partnership interests.
- Partnership (Limited): The woman owner(s) shall own at least [30] % of the general partnership interest and at least [30%] control among the general partners.
 - In addition, the women limited partners shall own at least [thirty percent (30%)] of the limited partnership interests and receive at least [thirty percent (30%)] of the profits and benefits, including tax credits, deductions and postponements distributed or allocable to the limited partners.
- Limited Liability Companies: The woman owner(s) shall own at least [30%] of membership interests and at least [30%] of the management and control among the members. The woman owner(s) shall also participate in all risks and profits of the business at a rate commensurate with their membership interests.

Commented [MG(42): 177 - Change title to "Criteria for minimum 30% ownership" PROPOSAL to not accept

Commented [MG(43): 178 - Add introductory sentence "These criteria apply for women-led business." PROPOSAL accept

Commented [MG(44): 181, 193 - keep PROPOSAL accept

Commented [MG(45): 182, 193 - keep PROPOSAL accept

5.2.4 Ownership criteria for women[-led] cooperatives

The statutes of a cooperative are a key identifier of a women[-led] cooperative. The statutes of a women[-led] cooperative shall stipulate that at least 51% of the total number of votes shall be held by women, as well as that the majority of the board of directors shall be women and that the majority of leadership positions, if applicable, shall be held by women.]

Commented [MG(46): New proposal. Justification: 1. As the statute is binding for all coop members and for the coop governance bodies, with such addition the cooperative (if it wishes to be identified as a women coop) has to commit in its statute to enhance women power and leadership in the cooperative. 2. These need to be requirements, thus the use of the word shall. 3. "if applicable" - in some small sized coops we might not have leadership positions as we may perceive them in commercial companies (e.g. all decisions are made by the board).

5.3 Management

5.3.1 Criteria

5.3.1.1 Businesses

The following criteria shall be applied when proving management of a business by one or more women; she or they shall:

- have the power to direct or cause the direction of the management and policies of the business and to make the day-to-day, as well as major, decisions on matters related to policy and operations; and
- have the ability to hire and fire managers who are charged with running the business; and
- hold the highest defined officer position in the company and/or chair of the board; and
- have operational authority and managerial control and oversight (unless she chairs the board); and
- be the signatory of the banking accounts and legal documents (unless she chairs the board).

Commented [MG(47): 215 - change title to "Business" PROPOSAL not to accept

Commented [MG(48): 216 - delete or change to "hold one of the highest defined officer positions in the company and/or chair of the board; and" PARKED topic will be discussed under terms

379 **5.3.1.2 Cooperatives and informal enterprises**

380 When proving management by one or more women for cooperatives and/or informal enterprises
 381 she/they shall have the power to direct or cause the direction of the management and policies of the
 382 enterprise and to make the day-to-day, as well as major, decisions on matters related to operations.

383 **5.3.2 Operational authority**

384 Operational authority shall be evidenced by the woman/women having:

- 385 — responsibility for decision making;
- 386 — sufficient knowledge of the enterprise to manage and evaluate the work of subordinates; and
- 387 — managerial control whereby the woman/women make independent and unilateral business
 388 decisions necessary to guide the enterprise.

389 **5.4 Control**

390 The following factors shall be used in determining who controls an enterprise:

- 391 — **Governance**
 - 392 — The organizational and governing documents shall not contain any provision, which restricts
 393 the ability of the woman/women from exercising managerial control and operational
 394 authority of the enterprise.
 - 395 — In reviewing governance documents and issues, special attention shall be given to:
 - 396 — The composition of the enterprise's governing body (e.g. board of directors or
 397 management committee);
 - 398 — The functioning of the governing body;
 - 399 — The content of shareholder's agreements, bylaws, operating agreements, partnership
 400 agreements or state incorporation statutes, and the extent to which such agreements,
 401 bylaw(s), or statutes affect the ability of the woman/women to direct the management
 402 and policy of the enterprise;
 - 403 — A woman shall hold [one of] the highest (defined) officer position in the company (i.e. President,
 404 Chief Executive Officer, Chair of the Board, Managing Member or Managing Partner, in each case
 405 by whatever title).
- 406 — **Operation and management**
 - 407 — The woman/women shall possess the power to direct or cause the direction of the
 408 management and policies of the enterprise and to make the day-to-day as well as major
 409 decisions on matters of management, policy and operations. The enterprise shall not be
 410 subject to any formal or informal restrictions that limit the customary discretion of the
 411 woman/ women.
 - 412 — The woman/women shall possess documents that clearly indicate her control of basic
 413 business functions, e.g., authority to sign payroll checks and letters of credit, signature
 414 responsibility for insurance and/or bonds, authority to negotiate contracts and financial
 415 services.
 - 416 — A previous and/or continuing employer-employee relationship between or among present
 417 owners shall be demonstrated to ensure that the female employee-owner has management
 418 responsibilities and capabilities.
 - 419 — In the event that the actual management of the enterprise is contracted or carried out by
 420 individuals other than the woman/women, those persons who have the ultimate power and
 421 expertise to hire and fire the managers can, for this purpose, be considered as controlling the
 422 enterprise.

Commented [MG(49): 218, 223 – split in two sections, one for 51% control and one for 30% control, see comments for more details PARKED depends on outcome of discussion regarding terms & def

Commented [MG(50): 221 – add bullet " - Woman/women shall hold min. 51% shares or votes." PROPOSAL not to accept as these criteria are for all types of enterprises.

Commented [MG(51): 219 – delete text within brackets or replace with (i.e. President, Chief Executive Officer or other C Suite role, Chair of the Board, Managing Member or Managing Partner, in each case by whatever title). DISCUSS

Commented [MG(52): 222 – move bullet to under operation and management PROPOSAL not to accept as this should be stand-alone requirement – i.e. not under any of the headings

423 **5.5 Independence**

424 **5.5.1 General**

425 The following factors shall be demonstrated to determine independence:

- 426 — the woman/women expertise and skills shall be indispensable to the running of the enterprise;
- 427 — the woman/women shall be able to operate the enterprise without substantial reliance on outside
- 428 resources (excluding financial support for start-ups and funds from investors); and
- 429 — the woman/women shall control or cause to be controlled all major business decisions affecting
- 430 the enterprise.

431 Recognition of the woman/women as a separate and distinct entity by governmental taxing authorities
432 shall not be a sole determinant of any enterprise's assertions of independence. Criteria shall include, but
433 shall not be limited to the following:

434 **5.5.2 Criteria for a women-owned business**

435 When evaluating the independence of a women-owned business, the following criteria shall be taken into
436 account:

- 437 — [Enterprise's relationship with a non-women-owned business that involves any long-term contract
- 438 or lease agreements.]
- 439 — Enterprise's status as a party to any contract or lease agreement on terms at variance with industry
- 440 standards or prudent business practices.]
- 441 — Interlocking ownership of the enterprise and non-women-owned business in the same industry.
- 442 — Common directors, officers, or members between the enterprise and non-women-owned business.
- 443 — Enterprise's use of employees, equipment, expertise, facilities, etc., "shared" with or obtained from a
- 444 non- women-owned business.
- 445 — The receipt by the non-women-owned business of financial benefits (i.e. profits, wages, etc.) shall be
- 446 commensurate with the duties performed.
- 447 — The enterprise shall possess all applicable legal requirements necessary to legally conduct business.

Commented [MG(53): 224 – reword ending of sentence "Criteria shall include, but shall not be limited to those given in the following clauses:" PROPOSAL to accept with some editorial changes

Commented [MG(54): 229 – change "enterprise" to "business in whole clause 5.5.2 PROPOSAL to accept

Commented [MG(55): Comment from the first workshop: This is too restrictive, includes too much e.g. government contracts and customers. Maybe some guiding examples could help? Please provide suggestions on this in your comments.

Commented [MG(56R55): 225 – agree restrictive 226,228, 230, 235 – delete
227 - Qualify line 437 and 438 on the enterprise's relationship with other non-women owned business that provide key support for functions such as management consulting, procurements and other key outsourced services.
231 - I agree for being it too restrictive. To empower women, try to build bridges rather than walls. In that way women widens their opportunities for influence and development
232 – agree restrictive, also raised subcontracting and relationship with clients
233 - needs to be clear in that it is a cooperation with a women-owned - business and should be acknowledge in the contract as such – in decisions – negotiation of any change in the contract.
DISCUSS

Commented [MG(57): 234 – delete – PROPOSAL to not accept, keep text

448 **5.5.3 Criteria for a women-led business**

449 When evaluating the independence of a women-led business, the following criteria shall be taken into
450 account:

- 451 — Enterprise's relationship with a non-women-led business that involves any long-term contract or
452 lease agreements.
- 453 — Enterprise's status as a party to any contract or lease agreement on terms at variance with industry
454 standards or prudent business practices.
- 455 — Interlocking ownership of the enterprise and non-women-led business in the same industry.
- 456 — Common directors, officers, or members between the enterprise and non-women-led business.
- 457 — Enterprise's use of employees, equipment, expertise, facilities, etc., "shared" with or obtained from a
458 non-women-led business.
- 459 — The receipt by the non-women-led business of financial benefits (i.e. profits, wages, etc.) shall be
460 commensurate with the duties performed.
- 461 — The enterprise shall possess all applicable legal requirements necessary to legally conduct business.

462 **5.5.4 Criteria for women[-led] cooperatives**

463 **5.6 Dilution by investment**

Commented [MG(58): 241 - change "enterprise to
"business in entire subclause" PROPOSAL to accept

Commented [MG(59): Comment from the first
workshop: This is too restrictive, includes too much e.g.
government contracts and customers. Maybe some
guiding examples could help? Please provide suggestions
on this in your comments.

Commented [MG(60R59): 235, 236, 231, 237, 238, 239
- delete PARKED - treat as above

Commented [MG(61): 240 - delete - PARKED treat as
above

Commented [MG(62): 242 - delete bullet PROPOSAL to
not accept

Commented [MG(63): 243 - add non-women-owned in
all three bullets. PROPOSAL to accept

Commented [MG(64): Please provide suitable criteria
for cooperatives in your comments.

Commented [MG(65R64):

Commented [MG(66): This text will be circulated later
as the small group developing this text needs more time. A
proposed draft will be shared before the end of the
commenting period so that all experts will have the
opportunity to provide their comments on the text.

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Annex A
(informative)

Examples

Commented [MG(67)]: If examples are added to the document for clarity, we propose to put them in an informative annex to underline the informative status as opposed to the normative value of these examples. If you have a good example on a topic where you think this example would help the understanding if the document, please provide it with your comments.

Commented [MG(68R67)]: 265 agree that examples should be in annex if given

Bibliography

Commented [MG(69): The bibliography will be developed later

468

469 [1] ISO #####-#, *General title — Part #: Title of part*

470 [2] ISO #####-##:20##, *General title — Part ##: Title of part*

471

011 - add explanation that we have several definitions PROPOSAL to add sentence:

"Recognizing the challenge in establishing one common definition, this document provides a selection of terms and definitions."	145	Proposal to do away with categories given that these are not mutually exclusive and therefore might not be useful.	For discussion.
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