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Strengthening Corporate Transparency in India: Legal and Regulatory Challenges in Enforcing Significant Beneficial Ownership Norms

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Abstract

The proliferation of global financial scandals and exposés, including the Panama and Pandora Papers, has highlighted how opaque corporate entities can be exploited to conceal true beneficial ownership and facilitate illicit financial flows. In February 2012, the Financial Action Task Force (FATF) adopted Recommendation 24, which calls on countries to ensure that competent authorities have timely access to adequate and accurate information on the beneficial ownership and control of legal persons. India's legal reforms, set out in Section 90 of the Companies Act, 2013 and the Companies (Significant Beneficial Owners) Rules, 2018, represent a serious attempt to identify those who exercise control without formal ownership. These reforms, however, face significant implementation barriers owing to inadequate technical infrastructure, poor enforcement coordination and the absence of a single centralised public register of beneficial owners. This paper explores the legal and institutional hindrances that limit effective enforcement, examines the enforcement gap, and highlights issues of overlapping mandates, inadequate enforcement action and weak deterrent penalties. The paper also undertakes a comparative study of the United Kingdom and Singapore, which provide relevant benchmarks in legal architecture, regulatory adaptability and enforcement tools. On the basis of these comparisons, it proposes policy reforms for India: a centralised, tiered-access SBO registry, investment in regulatory technology, and capacity building for enforcement agencies. India needs a strong, technology-enabled and cooperative enforcement ecosystem to enhance accountability and align with global financial transparency standards.

Keywords: *Significant Beneficial Ownership, Corporate Transparency, Beneficial Ownership Disclosure, Regulatory Enforcement, Regulatory Technology (RegTech)*

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I. INTRODUCTION

Companies play a vital role in economic growth, innovation and capital mobilisation. However, the layered structures that make for corporate efficiency are often manipulated to mask the identities of real owners. Global calls for corporate transparency have intensified, especially after the Panama Papers (2016)[1] and the Pandora Papers (2021),[2] which disclosed the role of such entities in facilitating tax evasion, money laundering and the concealment of the proceeds of crime.

In this context, India introduced a regulatory framework for identifying and disclosing Significant Beneficial Owners (SBOs) through Section 90 of the Companies Act, 2013[3] and the Companies (Significant Beneficial Owners) Rules, 2018[4] ("the Rules"). The SBO provisions require individuals to disclose their identity where they hold a beneficial interest of at least 10% or rights of significant influence or control over a company. SBO disclosure is a compliance obligation for both individuals and companies, and the provisions attach statutory penalties to an individual's failure to make the required declaration.

While the Indian regime satisfies the formal requirements of international standards, such as those issued by the Financial Action Task Force (FATF)[5] and the UN Convention against Corruption (UNCAC), its enforcement raises serious issues. In its 2024 Mutual Evaluation Report, the FATF rated India largely compliant with Recommendation 24 and substantially effective in preventing the misuse of legal persons and arrangements, an assessment that recognises real progress but stops short of full compliance.[6]

This paper contends that the primary deficiency in India's SBO regime lies not in the legal framework but in the lack of an effective, technology-based enforcement mechanism. By

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[1] Int'l Consortium of Investigative Journalists, *The Panama Papers: Exposing the Rogue Offshore Finance Industry*, ICIJ (Apr. 3, 2016), https://www.icij.org/investigations/panama-papers/.

[2] Int'l Consortium of Investigative Journalists, *Offshore Havens and Hidden Riches of World Leaders and Billionaires Exposed in Unprecedented Leak*, ICIJ (Oct. 3, 2021), https://www.icij.org/investigations/pandora-papers/global-investigation-tax-havens-offshore/.

[3] The Companies Act, No. 18 of 2013, INDIA CODE (2013), § 90.

[4] The Companies (Significant Beneficial Owners) Rules, 2018, G.S.R. 561(E), GAZETTE OF INDIA, pt. II sec. 3(i) (June 13, 2018), as amended by the Companies (Significant Beneficial Owners) Amendment Rules, 2019, G.S.R. 100(E) (Feb. 8, 2019), the Companies (Significant Beneficial Owners) Second Amendment Rules, 2019, G.S.R. 466(E) (July 1, 2019), and the Companies (Significant Beneficial Owners) Amendment Rules, 2024, G.S.R. 404(E) (July 15, 2024) (India).

[5] FIN. ACTION TASK FORCE, *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation: The FATF Recommendations*, Recommendation 24 (Feb. 2012, as amended).

[6] FIN. ACTION TASK FORCE, *Anti-Money Laundering and Counter-Terrorist Financing Measures: India* (Mutual Evaluation Report, Sept. 2024), https://www.fatf-gafi.org/en/publications/Mutualevaluations/India-MER-2024.html; *see also* Vivek Chadha, *India's Mutual Evaluation Report 2024: Assessment and Implications* 5 –6 (MP-IDSA Issue Brief, Oct. 3, 2024), https://www.idsa.in/wp-content/uploads/2024/10/ib-vchadha-031024-1.pdf (reproducing the report's ratings: Recommendation 24, largely compliant; Immediate Outcome 5, substantial).

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examining institutional barriers, regulatory fragmentation and failures of inter-agency coordination, the analysis draws attention to significant areas for reform. The paper further draws comparisons with jurisdictions that face comparable legal and governance challenges, namely the United Kingdom and Singapore, to present applicable models.

Ultimately, this study proposes a phased reform plan, which calls for a centralised SBO registry with multiple levels of access, improved regulatory cooperation, and data analytics to identify concealed ownership. Improving enforcement capacity is essential to India's goal of being a transparent and investment-friendly jurisdiction.

II. Understanding significant beneficial ownership (SBO) in India

A. Legal foundation and statutory definition

The concept of a Significant Beneficial Owner (SBO) in India is contained in Section 90(1) of the Companies Act, 2013[7] and developed further in Rule 2(1)(h)[8] of the Companies (Significant Beneficial Owners) Rules, 2018.

The SBO framework is administered by the Ministry of Corporate Affairs (MCA) through the Registrars of Companies (RoC), while several other agencies, such as SEBI, FIU-IND and the Enforcement Directorate, provide sectoral support.

An SBO is an individual who, acting alone or together, or through one or more persons or trusts (including a joint arrangement, trust or partnership structure), holds indirectly, or together with any direct holdings, 10% or more of the shares, voting rights or distributable dividend of a company, or has the right to exercise, or actually exercises, significant influence or control over the company otherwise than through direct holdings alone. An individual who holds no right or entitlement indirectly is not an SBO.

This definitional marker shifts the focus from legal ownership to substantive control. The rules built around it seek to lift the corporate veil to reach the natural persons who benefit from, or exert power over, a corporate entity.

B. Core compliance framework

SBO disclosure obligations consist of a multi-step process with practical implications for individuals and companies:

[7] The Companies Act, 2013, *supra* note 3, § 90(1).
[8] The Companies (Significant Beneficial Owners) Rules, 2018, *supra* note 4, r. 2(1)(h).

1. Individual declaration (Form BEN-1): individuals who meet the SBO threshold must file a declaration with the company in Form BEN-1 setting out the nature and extent of the beneficial interest they hold.
2. Company filing (Form BEN-2): once the company receives a BEN-1, it must file the information with the Registrar of Companies in Form BEN-2 within 30 days of receipt.
3. Internal register (Form BEN-3): companies must maintain a register of SBOs in Form BEN-3 and keep it open for inspection by members.
4. Notice and investigation (Form BEN-4): where the company knows or has reasonable cause to believe that a person is an SBO but no declaration has been made, it must give notice in Form BEN-4; if the person fails to respond, or the information given is not satisfactory, the company must apply within fifteen days to the National Company Law Tribunal (NCLT) for an order restricting the rights attached to the shares, under Section 90(7).[9]

C. Applicability across legal structures

The rules for identifying SBOs trace indirect holdings through each kind of entity that may be a member of the company:[10]

- Companies: individuals who hold 10% or more of the shares or voting rights, including through a majority stake in a corporate member or in its ultimate holding company, or who control the company in other ways.
- Partnerships and LLPs: where a partnership firm or limited liability partnership is a member, an individual who is a partner, or who holds a majority stake in a body corporate that is a partner (or in its ultimate holding company), is treated as holding the member's rights indirectly.
- Trusts: where a trust is a member (through its trustee), the trustee of a discretionary or charitable trust, the beneficiary of a specific trust, and the author or settlor of a revocable trust are treated as holding the trust's rights indirectly.
- Senior managing officials: under the Rules as first notified in June 2018, where no natural person could be identified, the individual holding the position of senior

[9] The Companies Act, 2013, *supra* note 3, § 90(5)–(8); The Companies (Significant Beneficial Owners) Rules, 2018, *supra* note 4, rr. 6–7.
[10] The Companies (Significant Beneficial Owners) Rules, 2018, *supra* note 4, r. 2(1)(h), expl. III.

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managing official was treated as the SBO. This fallback was not carried into the definition recast in February 2019, and the Rules no longer contain it.[11]

The SBO framework aims to achieve completeness and transparency across these different ownership structures and to prevent individuals from concealing themselves behind layers of legal arrangements.

D. Emerging jurisprudence

Indian regulators are gradually beginning to enforce the spirit of the SBO laws by prioritising substantive disclosure over formalities. For example:

In re LinkedIn Technology Information Pvt. Ltd.:[12] the Registrar of Companies, NCT of Delhi and Haryana, acting as adjudicating officer, imposed penalties totalling ₹27.1 lakh on the company, its directors, two group companies and two individuals resident outside India whom it treated as SBOs, for what it held were failures under Sections 89 and 90 to identify and disclose significant beneficial ownership.

This order indicates that regulators are willing to look through layered group structures to the individuals at the top, although the limited depth of precedent must be acknowledged; the order, affirmed on appeal by the Regional Director, has since been stayed by the Delhi High Court pending a writ challenge.

However, other instances show that enforcement has generally been inconsistent and subpar:

In re Sunjin India Feeds Pvt. Ltd.:[13] in May 2024 the Registrar of Companies, Punjab and Chandigarh, imposed penalties totalling ₹14 lakh on the company and two of its officers for not filing Form BEN-2 and not taking steps to identify its SBOs.

[11] The Companies (Significant Beneficial Owners) Rules, 2018, r. 2(1)(e) (as originally notified by G.S.R. 561(E) (June 13, 2018)), recast by the Companies (Significant Beneficial Owners) Amendment Rules, 2019, G.S.R. 100(E) (Feb. 8, 2019) (India); *see* The Companies (Significant Beneficial Owners) Rules, 2018, *supra* note 4, r. 2(1)(h).

[12] *In re LinkedIn Tech. Info. Pvt. Ltd.*, Order No. ROC/D/Adj/Order/Section 89&90/2246-2256 (Registrar of Cos., NCT of Delhi & Haryana May 22, 2024) (India), https://taxguru.in/company-law/linkedin-india-penalized-companies-act-section-89-90-violations.html, *aff'd* (Reg'l Dir., N. Region, Ministry of Corp. Affs. Feb. 27, 2026), *operation stayed*, *LinkedIn Tech. Info. Pvt. Ltd. v. Union of India*, W.P.(C) 6677/2026 (Del. HC May 15, 2026) (interim order); *see Delhi High Court Stays MCA Penalty Orders Against Microsoft CEO Satya Nadella, LinkedIn*, LiveLaw (May 21, 2026), https://www.livelawbiz.com/top-stories/delhi-high-court-stays-mca-penalty-orders-against-linkedin-india-microsoft-ceo-satya-nadella-535193.

[13] *In re Sunjin India Feeds Pvt. Ltd.*, Order No. ROC-CHD/2024-25/Sec.90/48429/149 (Registrar of Cos., Punjab & Chandigarh May 27, 2024) (India), *summarized in Non-filing of e-Form BEN-2: MCA Imposes ₹14 Lakh Penalty for Section 90(4) Violation*, TaxGuru (May 27, 2024), https://taxguru.in/company-law/non-filing-e-form-ben-2-mca-imposes-rs-14-lakh-penalty-section-904-violation.html.

In re Shree Digvijay Cement Co. Ltd.:[14] in May 2024 the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, imposed penalties of about ₹25 lakh in all on the company, its officers and six individuals for Section 90 defaults in 2018-19, namely the failure to identify and disclose the individuals who ultimately controlled its then holding company, Votorantim Cimentos. The amount is insignificant compared with the company's turnover and is not dissuasive.

Even though these regulatory steps signal the seriousness of compliance, enforcement remains reactive and inconsistent. Many corporations appear to operate without scrutiny, given limited resources and the absence of real-time monitoring by the RoC.

III. Rationale and necessity for SBO norms in India

A. Combating illicit financial flows

Opaque corporate structures are often exploited for illicit activities such as money laundering, tax evasion and the diversion of illicit financial flows. The Panama and Pandora Papers demonstrated the widespread and international scale of these abuses, including many cases involving Indian nationals and entities. Without business registry laws and other disclosure laws to aid regulators and civil society, persons can create shell companies or complex legal structures to hide their true financial interests and evade regulatory attention.

B. Fulfilling international commitments

As a member of the FATF, India must implement Recommendation 24, which, as revised in March 2022, requires countries to ensure that competent authorities have access to adequate, accurate and up-to-date information on the beneficial ownership of legal persons.[15] The FATF's 2024 Mutual Evaluation Report rated India largely compliant with this Recommendation and substantially effective on legal persons and arrangements, which recognises India's formal alignment while leaving room for improvement in implementation.[16]

C. Promoting corporate governance and investor confidence

Transparency about beneficial ownership increases accountability, deters fraud and promotes investor trust. It enables regulators, shareholders and financial institutions to understand who

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[14] *In re Shree Digvijay Cement Co. Ltd.* (Registrar of Cos. & Adjudicating Officer, Gujarat, Dadra & Nagar Haveli May 30, 2024) (India), *as disclosed in* Shree Digvijay Cement Co. Ltd., Disclosure to the Stock Exchanges Regarding the Order Passed by the Office of the Registrar of Companies & Adjudicating Officer, Ministry of Corporate Affairs, Gujarat, Dadra & Nagar Haveli (June 6, 2024).

[15] Fin. Action Task Force, *Public Statement on Revisions to R.24* (Mar. 2022), https://www.fatf-gafi.org/en/publications/Fatfrecommendations/R24-statement-march-2022.html; *see also* Fin. Action Task Force, *Revisions to Recommendation 24 and Its Interpretive Note: Public Consultation* (2021), https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Public-consultation-r24.html.

[16] Fin. Action Task Force, *Anti-Money Laundering and Counter-Terrorist Financing Measures: India*, *supra* note 6.

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controls companies and how they control them. Sound systems for reporting SBOs are a good governance practice, which also means identifying individuals in positions of hidden control and clarifying lines of accountability in complex corporate structures.

D. Enhancing domestic enforcement capacity

Before 2018, Indian regulators did not have sufficient statutory powers to demand disclosure of beneficial owners. The SBO regime addressed this gap by allowing regulators such as the Ministry of Corporate Affairs (MCA), the RoC, SEBI and FIU-IND to request disclosures and take action. However, as discussed above, institutional weaknesses such as capacity gaps, a lack of digital infrastructure and overlapping jurisdiction continue to impede sound enforcement.

E. Protecting India's economic and security interests

Non-transparent ownership structures can serve as vehicles for covert foreign strategic control, conceal terrorism financing, or otherwise facilitate the subversion of regulatory standards. SBO enforcement is therefore not merely a compliance matter; it is an essential element of national economic and security strategy. Identifying who truly owns and controls an Indian company allows the state to contain financial risks, maintain market integrity and protect the public interest.

IV. Comparative analysis: insights from global jurisdictions

India's SBO enforcement regime stands to benefit from comparative insights drawn from jurisdictions whose legal systems are compatible with India's and whose approaches to enforcement are adaptable. This section provides an overview of practice in the UK and Singapore, which differ in the scope and philosophy of enforcement, to identify useful lessons.

A. United Kingdom: public registers and legal accountability

The People with Significant Control (PSC) regime in the United Kingdom, inserted into the Companies Act 2006 as Part 21A by the Small Business, Enterprise and Employment Act 2015, is often considered a global benchmark for beneficial ownership transparency. Under that regime, a company must identify every person who holds, directly or indirectly, more than 25% of its shares or voting rights, or who otherwise has significant influence or control, and enter that person in its PSC register, or state that it has no such person.[17] The information is delivered to Companies House, which makes it available on a public, searchable digital register.

[17] Small Business, Enterprise and Employment Act 2015, c. 26, § 81, sch. 3 (UK); Companies Act 2006, c. 46, pt. 21A, §§ 790A–790ZG, sch. 1A (UK); Companies House, *People with Significant Control (PSCs)*, GOV.UK, https://www.gov.uk/guidance/people-with-significant-control-pscs (last visited July 27, 2025).

The public and searchable register allows stakeholders to identify discrepancies, establishing a virtual oversight network. The regime also imposes criminal liability for failure to comply with its information duties and for false statements, with penalties ranging from fines to imprisonment. Validation of filings by the registrar adds further protection to the integrity of the data.

For India, there are two key lessons: a public register is a significant means of enhancing external scrutiny by stakeholders, and penal liability for wilful failure to disclose can act as a deterrent that encourages compliance.

B. Singapore: technology-integrated private enforcement

Singapore's model of beneficial ownership enforcement prioritises regulatory exclusivity and technological accuracy. The Companies (Amendment) Act 2017[18] requires companies to maintain registers of registrable controllers, that is, of persons holding more than 25% of the shares or voting rights or exercising significant control. These registers are not open to the public, but must be made available to the Accounting and Corporate Regulatory Authority (ACRA) and to other public agencies, including the tax authority; since July 2020 the information must also be lodged with a central register kept by ACRA, which is likewise not public. Although this model reduces transparency, Singapore has accepted the trade-off given its high digital maturity and sophisticated regulatory technology (RegTech) capability.

India, by contrast, has relied on siloed databases and antiquated systems dependent on manual checks, but it can move closer to Singapore's digital effectiveness by modernising its common infrastructure and integrating MCA portals to enable real-time reporting and monitoring. Singapore shows Indian regulators that effective regulation does not require complete public transparency, so long as technological sampling, risk detection and the monitoring of companies are sufficiently established and resourced.

C. Comparative lessons for India

Country	Threshold	Registry type	Public access	Enforcement mechanism
United Kingdom	>25%	Central, public	Yes	Criminal and administrative sanctions

[18] Companies (Amendment) Act 2017 (Act No. 15 of 2017) (Sing.), https://sso.agc.gov.sg/Acts-Supp/15-2017/Published/20170330170000?DocDate=20170330170000; *see* ACCOUNTING & CORP. REGUL. AUTH., *Registers of Registrable Controllers: Guidance for Companies* paras. 9.1–9.2, 10.1.1 (version 2.0, June 16, 2025), https://isomer-user-content.by.gov.sg/277/3b2b2616-4ee0-420a-ab6d-46a38701b628/acra-guidance-on-register-of-controllers-for-companies-(v2)-17-jun.pdf.

Country	Threshold	Registry type	Public access	Enforcement mechanism
Singapore	>25%	Company-level, with non-public central register	No	Regulator access and RegTech tools
India	≥10%	Partial, MCA-led	No	Monetary penalties (limited impact)

Table 1: Beneficial ownership regimes compared: United Kingdom, Singapore and India

India's lower threshold of 10% is an excellent starting point. Yet the lack of dynamic enforcement, real-time analytics and enforceable deterrents diminishes its relative value. A hybrid of Singapore's RegTech-driven system and the transparency of the UK's public register, adapted to India's size and sensitivities, would help close the enforcement gap while remaining conscious of privacy concerns.

V. Structural and institutional barriers hindering enforcement of SBO norms in India

The regulatory regime on Significant Beneficial Ownership in India, instituted under Section 90 of the Companies Act, 2013, aimed to break down opaque and convoluted ownership structures and to identify the individuals who ultimately exercise control. Enforcement against existing structures, however, is weak because of systemic deficiencies at the legal, institutional and technological levels.

Strategic, layered ownership schemes are routed through offshore companies in conduit jurisdictions such as the British Virgin Islands and the Cayman Islands,[19] creating multiple layers of ownership that hide the actual owners behind nominees and shell companies. The Pandora Papers and other major leaks suggest that Indian regulators could not penetrate these structures for want of investigative technology and international legal frameworks.

Institutional enforcement is fragmented across agencies such as the MCA, SEBI, FIU-IND, RBI and ED, which consequently operate in silos. There is no real-time, interoperable infrastructure to share information, flag inconsistencies or coordinate investigations. Since the Companies (Amendment) Act, 2020 replaced the fines under Section 90 with civil penalties, an individual who fails to make a declaration faces a penalty of ₹50,000, with a further ₹1,000 for each day of continuing default up to a maximum of ₹2 lakh, and a defaulting company a penalty of ₹1 lakh, with a further ₹500 a day up to ₹5 lakh.[20] These are disproportionately weak sanctions for

[19] Fin. Action Task Force & Egmont Grp., *Concealment of Beneficial Ownership* (July 2018), https://www.fatf-gafi.org/content/dam/fatf-gafi/reports/FATF-Egmont-Concealment-beneficial-ownership.pdf.
[20] The Companies Act, 2013, *supra* note 3, § 90(10)–(11), as substituted by the Companies (Amendment) Act, No. 29 of 2020, India Code (2020).

corporate offenders: criminal liability survives only for wilfully furnishing false information or suppressing material information, and there is no disqualification or escalating sanction for repeated non-compliance. Additionally, the RoCs are understaffed and under-digitised, relying on manual scrutiny and outdated tools to assess complex SBO declarations.

Transparency is also limited because India keeps no open, searchable register of beneficial owners: SBO declarations filed with the Registrar can be inspected only company by company, on payment of a fee. While data protection under the Digital Personal Data Protection Act, 2023 (DPDPA) is significant, this limited access constrains the oversight role that third parties such as journalists and civil society can perform. Moreover, India's limited network of Mutual Legal Assistance Treaties (MLATs) slows or deters access to data held abroad, particularly about politically exposed persons or cross-border structures.

VI. Reform proposals and recommendations

To address these weaknesses, India needs a forward-looking, DPDPA-compliant reform agenda that moves SBO enforcement from a static filing obligation to an active, intelligence-led and evidence-based enforcement regime. The agenda must focus on technological resilience, legal deterrence and privacy-conscious transparency.

The fundamental reform is the establishment of a central, real-time SBO registry within the Ministry of Corporate Affairs. To connect databases that have so far remained separate, the new platform should integrate with SEBI, FIU-IND, RBI and ED systems. It should have AI-enabled flagging features that detect inconsistencies, nominee layering and mismatches in beneficial ownership descriptions. The registry must be not a static repository but the focal point of enforcement.

Access to the registry must be tiered in line with the data minimisation and purpose limitation principles of the DPDPA. Enforcement authorities should receive complete access; regulated entities, including banks, auditors and legal practitioners, should receive controlled access; and vetted public stakeholders should have access to anonymised or redacted data. The registry's architecture should embrace privacy-by-design, including access logs, encryption and restrictions on automated processing.

Disclosure thresholds should be aligned with risk. The 10% threshold applies equally to lower-risk and higher-risk entities. A lower threshold is warranted where governance or geopolitical risk is higher, as with politically exposed persons (PEPs) or companies operating in sensitive sectors such as defence, media or extractives. Where complex cross-border holdings are involved, the threshold for beneficial ownership should be lower, perhaps 5% or even 2%. That

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would be more consistent with the FATF's risk-based approach and would focus regulatory attention where concealment is most likely.

The deterrent framework also requires substantial reform. Section 90(10) should be amended to create a three-tier penalty structure: administrative penalties for a first default; administrative penalties and the disqualification of directors for habitual default; and criminal penalties, possibly including imprisonment, for wilful failure to disclose, which at present attracts only a civil penalty (a false declaration, by contrast, is already exposed to action under Section 447 by Section 90(12)).[21] A credible deterrent regime must make concealment costlier than disclosure.

Operational supervision should be assigned to a new MCA SBO Enforcement and Analytics Cell (SEAC), staffed by forensic accountants, lawyers, AI specialists and international cooperation officers. The SEAC should issue real-time red flags, carry out predictive compliance risk assessment and make arrangements with foreign regulators for cross-jurisdictional data exchange. It should also maintain enforcement dashboards informed by company-level histories of non-compliance and sector-level vulnerabilities.

Investment in regulatory technology should underpin the new regime. Natural language processing (NLP) could be used to scan corporate filings, shareholder agreements and contracts for indications of indirect control. Machine learning (ML) models trained on past violations could generate company-specific risk scores and identify patterns consistent with nominee layering or shell structuring. Blockchain-based audit trails could provide tamper-proof compliance logs. All RegTech tools must comply with the DPDPA and be subject to human review, algorithmic accountability and audit trails.

International cooperation also needs to be strengthened. India should modernise the mechanisms of its MLATs and pursue reciprocal beneficial ownership disclosure agreements with FATF-compliant jurisdictions. The MCA could establish a dedicated legal cooperation division to manage inter-governmental data-sharing protocols, expedite evidence gathering abroad and overcome procedural barriers with foreign counterparts.

Finally, institutional reform must be underpinned by capacity building across all relevant stakeholders. The government should introduce mandatory certification programmes on SBO compliance for company secretaries and compliance officers, linked to continuing professional education credits. It should also run a public awareness campaign on the duties of SBOs and on whistleblower protections.

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[21] The Companies Act, 2013, *supra* note 3, §§ 90(12), 447.

The transition from an obstructive, historically confined compliance regime to a risk-calibrated, technology-enabled and privacy-respecting enforcement regime will require sustained institution-building, trust and continuing corporate accountability in an increasingly complex financial environment.

VII. CONCLUSION

Corporate transparency is no longer a regulatory choice but a prerequisite of economic integrity, investor confidence and national security. The existing SBO framework in India, while formally aligned with FATF and UNCAC standards, is operationally ambivalent. Enforcement delays, technological deficits, weak deterrent penalties and a lack of inter-agency coordination continue to undermine its effectiveness.

The experience of the UK and Singapore shows that enforcement progress depends not on statutory language alone but on digital interfaces, data maturity and regulatory accountability. India's challenge is one not only of compliance but of credibility. As India positions itself as a global investment destination and a digital economy, its enforcement capabilities will build or diminish international confidence. Centralising the SBO function in a technology-enabled, risk-based system can shift the conversation from policy rhetoric to regulatory credibility.

In a world increasingly intolerant of opacity and financial abuse, securing transparent beneficial ownership is not simply a legal duty; it is an imperative for safeguarding the rule of law, fostering fair markets and protecting India's long-term national interest.

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