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Cross-Border Corporate Crime and Jurisdictional Challenges: A Study of India's Position in Global Corporate Prosecutions

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ABSTRACT

Corporate crime refers to unlawful acts committed by corporations, or by individuals acting on behalf of corporations, in order to benefit the organisation. Unlike traditional crimes committed by individuals for personal gain, corporate crimes are usually committed within the structure of a company and often aim at maximising profits, avoiding regulation, or gaining unfair competitive advantages. These crimes may involve complex financial transactions, the manipulation of markets, the falsification of accounts, or violations of regulatory frameworks. Corporate crime is often considered a form of white-collar crime, in which individuals in positions of power and authority within corporate organisations engage in illegal activities that may cause significant economic and social harm. In many cases the victims are not easily identifiable individuals but large groups such as investors, consumers, governments, or society at large. Because corporations operate through complex organisational structures and multiple layers of management, determining responsibility and accountability becomes challenging, particularly when the crime involves multiple jurisdictions.

Keywords: Deepfake, Cross border, Data Sovereignty, Privacy, Artificial Intelligence, Cyber Law, Digital Corporate crime.

I. INTRODUCTION: THE CONCEPT AND NATURE OF CORPORATE CRIME

A. Defining Corporate Crime

The concept of corporate crime has been defined by various scholars and legal authorities. The sociologist Edwin Sutherland, who introduced the concept of white-collar crime, described corporate crime as offences committed by corporations and their representatives in the course of business operations. From a legal perspective, corporate crime may be defined as any illegal activity carried out by a company, its employees, or its agents in order to achieve economic gain or competitive advantage. In the Indian legal context, corporate crime is not defined under a single statute but is addressed through various laws, such as the Companies Act, 2013, the

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Prevention of Money-laundering Act, 2002, the Information Technology Act, 2000, and provisions under the criminal law. These laws collectively regulate corporate conduct and impose penalties for violations.

B. The Nature of Corporate Crime

Corporate crime differs fundamentally from traditional crime in its nature, scope, and consequences. It typically involves sophisticated planning, the misuse of corporate structures, and the exploitation of regulatory loopholes. The perpetrators are often individuals holding managerial or executive positions, and their actions are usually carried out under the guise of legitimate business activity.

The nature of corporate crime is often complex and concealed, making detection and prosecution difficult. Such crimes frequently involve the manipulation of financial records, the misuse of insider information, or the exploitation of technological systems. In many cases the criminal activity extends beyond national borders, involving international financial networks, offshore companies, and digital platforms. This transnational dimension creates jurisdictional challenges for law-enforcement agencies and judicial systems.¹

C. Types of Corporate Crime

Corporate crime manifests in various forms. One common type is financial fraud, which involves the manipulation of financial statements, the misrepresentation of financial information, and the deception of investors; such offences are addressed under the Companies Act, 2013, particularly Section 447, which deals with punishment for fraud. Another major category is money laundering, in which illegally obtained money is processed through financial institutions to disguise its origin; in India this offence is governed by the Prevention of Money-laundering Act, 2002,² which provides mechanisms for investigation, the attachment of property, and prosecution.

Insider trading and securities fraud represent a further significant category, involving the misuse of confidential information to gain an unfair advantage in securities trading; regulatory oversight is provided under the securities laws and by regulatory bodies such as the Securities and Exchange Board of India.³ Cyber-related corporate crimes, including data theft, hacking, online financial fraud, and the manipulation of digital systems, have also increased with technological advancement, and are governed by the Information Technology Act, 2000,

¹ The Companies Act, 2013, No. 18, Acts of Parliament, 2013, § 447 (India).

² The Prevention of Money-laundering Act, 2002, No. 15, Acts of Parliament, 2003 (India).

³ The Securities and Exchange Board of India Act, 1992, No. 15, Acts of Parliament, 1992 (India).

particularly the provisions dealing with unauthorised access to computer systems and data breaches. Corporate crime may also involve corruption and bribery, where companies provide illegal payments or incentives to public officials or private entities to secure business advantages; in India, such acts may fall under the Prevention of Corruption Act, 1988 where public officials are involved.

D. The Impact of Corporate Crime

Corporate crime has far-reaching consequences that extend beyond immediate financial loss. One of the most significant impacts is the erosion of public trust in corporate institutions and financial markets: when corporations engage in fraudulent or unethical practices, investors and consumers lose confidence in the integrity of the business environment. Corporate crime also causes substantial economic damage by disrupting markets, reducing investment, and increasing regulatory costs, and large-scale scandals can result in bankruptcy, unemployment, and economic instability. In cases involving environmental violations or public-safety breaches, corporate crime may cause serious harm to human health and the environment. Such crimes often carry international implications, particularly where they involve cross-border transactions or multinational corporations, affecting international trade relations, financial systems, and global regulatory cooperation.

E. Characteristics of Corporate Crime

Corporate crime possesses several distinguishing characteristics. It is usually committed within an organisational structure rather than by isolated individuals, and the decision-making process often involves multiple actors, making it difficult to identify the primary offender. A further characteristic is its complexity and sophistication: these offences frequently involve advanced financial instruments, accounting techniques, and technological systems, and therefore require specialised knowledge and investigative expertise to detect and prosecute.

Corporate crimes are also characterised by their concealed nature. Unlike violent crimes, which produce immediate and visible consequences, corporate crimes are often hidden through the manipulation of records, the falsification of documents, or the misuse of legal mechanisms,⁴ which makes detection difficult and allows offenders to evade accountability for long periods.

F. Theories of Corporate Criminal Liability

The concept of corporate criminal liability has evolved over time to address the difficulty of holding corporations accountable for criminal acts. One of the earliest theories is the

⁴ JOSEPH T. WELLS, *CORPORATE FRAUD HANDBOOK* (Wiley, latest ed.).

identification theory, which attributes the actions and intentions of senior corporate officials to the corporation itself; on this view the corporation may be held liable when individuals representing its “directing mind and will” commit offences. The vicarious liability theory holds corporations responsible for the acts of their employees or agents performed within the scope of their employment, recognising that corporations operate through individuals and should bear responsibility for their actions.

The corporate culture theory represents a more modern approach, focusing on the internal culture, policies, and practices of an organisation that may encourage or tolerate unlawful behaviour; under this theory a corporation may be held liable where its culture facilitates or fails to prevent criminal conduct. Additionally, a strict liability approach may apply to certain regulatory offences, where the prosecution need not prove criminal intent and the mere violation of a statutory provision suffices to establish liability. These theories collectively provide the legal basis for holding corporations accountable, particularly in cases involving complex organisational structures and transnational operations.

G. Corporate Crime in the Context of Cross-Border Prosecutions

In the modern global economy, corporate crimes frequently transcend national borders.⁵ Multinational corporations operate through subsidiaries, affiliates, and digital platforms across different countries, so that offences may involve multiple jurisdictions and complicate prosecution. Cross-border corporate crimes raise issues such as jurisdictional conflict, the need for international cooperation, and differences between legal systems, and their investigation and prosecution require coordination among national authorities, international organisations, and regulatory agencies. India, like many other countries, faces significant challenges in this regard; strengthening legal frameworks, improving mechanisms for international cooperation, and enhancing investigative capacity are essential to combating cross-border corporate crime effectively.

II. MAJOR CORPORATE CRIME CASE LAWS IN INDIA AND GLOBALLY

Corporate crime jurisprudence has evolved significantly through judicial decisions across jurisdictions. Courts have played an essential role in defining corporate criminal liability, interpreting statutory provisions, and establishing principles for prosecuting corporations. Several landmark cases in India and elsewhere have contributed to the development of the

⁵ United Nations Convention Against Transnational Organized Crime, Nov. 15, 2000, 2225 U.N.T.S. 209.

doctrines governing corporate crime, particularly in relation to fraud, corruption, financial misconduct, and cross-border offences.

One of the most important cases in the Indian context is *Standard Chartered Bank v. Directorate of Enforcement*, in which the Supreme Court addressed whether a corporation could be prosecuted for offences that prescribed mandatory imprisonment together with a fine. The Court held that a company could be prosecuted and punished with a fine even though imprisonment could not be imposed on a corporate entity.⁶ The judgment clarified that corporations cannot escape criminal liability merely because the punishment includes imprisonment, strengthening the doctrine of corporate criminal liability and allowing courts to impose penalties on companies involved in financial offences.

Another landmark decision is *Iridium India Telecom Ltd. v. Motorola Inc.*, which clarified the concept of corporate *mens rea*. The Supreme Court held that a company can possess criminal intent through the actions and decisions of the directors or senior officials who represent its “directing mind and will.”⁷ The case affirmed the application of the identification theory in India and established that corporations could be held liable for fraudulent activities carried out by their controlling officers.

A significant example of corporate fraud in India is the Satyam Computer Services accounting scandal, which involved massive manipulation of financial statements and falsification of accounts by company executives. Although primarily a matter of regulatory and criminal prosecution rather than a single landmark judgment, it had profound legal consequences: it led to increased scrutiny of corporate-governance practices and influenced reforms in company law, ultimately contributing to the strengthening of the provisions of the Companies Act, 2013 relating to corporate fraud and accountability.

Another notable case addressing corporate criminal liability is *Sunil Bharti Mittal v. Central Bureau of Investigation*, in which the Supreme Court considered whether directors and corporate officers could automatically be held liable for offences committed by the company. The Court clarified that corporate officials cannot be prosecuted solely on the basis of their position unless there is clear evidence of their involvement in, or consent to, the alleged criminal acts,⁸ emphasising that liability must rest on active participation or knowledge of the offence.

⁶ *Standard Chartered Bank v. Directorate of Enforcement*, (2005) 4 S.C.C. 530 (India).

⁷ *Iridium India Telecom Ltd. v. Motorola Inc.*, (2011) 1 S.C.C. 74 (India).

⁸ *Sunil Bharti Mittal v. Central Bureau of Investigation*, (2015) 4 S.C.C. 609 (India).

On the global level, one of the most influential cases is *New York Central & Hudson River Railroad Co. v. United States*, which established the doctrine of corporate criminal liability in the United States by recognising that corporations could be held responsible for the actions of their employees where those actions were performed within the scope of employment and intended to benefit the corporation.⁹ The decision laid the foundation for modern corporate criminal law in many jurisdictions. Another important case is *Tesco Supermarkets Ltd. v. Natrass*, which developed the identification theory in English law: the House of Lords held that a corporation could be held liable only for offences committed by individuals representing its “directing mind and will.”¹⁰ This principle has influenced corporate criminal liability jurisprudence in many common-law countries, including India.

A further landmark decision is *United States v. Park*, which introduced the “responsible corporate officer” doctrine, under which corporate officers may be held liable for regulatory violations even if they did not personally participate in the wrongdoing, provided they had the authority and responsibility to prevent it.¹¹ These cases collectively demonstrate how judicial decisions have shaped the understanding of corporate crime and liability, progressively expanding the scope of corporate accountability so that corporations cannot evade responsibility for criminal conduct committed through their organisational structures. In the context of cross-border corporate crime these precedents are particularly significant, illustrating the evolving approach of courts toward holding multinational corporations accountable for offences spanning multiple jurisdictions.

III. EVOLUTION OF CORPORATE CRIME LAWS IN INDIA

The evolution of corporate crime in India reflects the transformation of the country’s economic, legal, and regulatory landscape. From a largely controlled economy with limited corporate activity to a liberalised and globally integrated market, India has witnessed significant changes in the nature, scope, and complexity of corporate misconduct, a process closely linked with the emergence of cross-border corporate crime and the growing challenges of jurisdiction and enforcement.

A. Pre-Liberalisation Era (Before 1991)

Before the economic reforms of 1991, India followed a regulated and protectionist economic model often described as the “Licence Raj.” Corporate activity was strictly controlled by the

⁹ *New York Central & Hudson River R.R. Co. v. United States*, 212 U.S. 481 (1909).

¹⁰ *Tesco Supermarkets Ltd. v. Natrass*, [1972] A.C. 153 (H.L.) (U.K.).

¹¹ *United States v. Park*, 421 U.S. 658 (1975).

government, and the scope for large-scale corporate crime was relatively limited. The period was marked by strong state control over industry, a limited presence of multinational corporations, and a focus on domestic economic offences. Corporate offences were mainly confined to tax evasion, the misrepresentation of accounts, and the violation of licensing conditions, and legal regulation was directed primarily at monopolistic and restrictive trade practices rather than at complex financial crime.

B. Post-Liberalisation Era (1991–2000)

The economic reforms of 1991 marked a turning point. Liberalisation, privatisation, and globalisation led to increased foreign investment and the expansion of private-sector enterprise, including the entry of multinational corporations and the growth of the capital markets. New forms of corporate crime emerged, such as securities fraud, insider trading, and market manipulation. The establishment of regulatory bodies such as SEBI strengthened oversight of the financial markets, but the rapid growth of corporate activity also exposed regulatory gaps.

C. Early Twenty-First Century (2000–2010): The Rise of Complex Financial Crimes

With globalisation and technological advancement, corporate crime became more sophisticated. This period saw the increased use of digital technologies, the growth of cross-border financial transactions, and the emergence of offshore corporate structures, accompanied by accounting fraud, corporate scams, and banking irregularities. India began to recognise the need for stronger enforcement mechanisms and specialised agencies to deal with complex corporate fraud.

D. Post-2010 Era: Strengthening the Legal Framework

The period after 2010 witnessed significant legal and regulatory reform aimed at addressing corporate crime more effectively, including the enactment of the Companies Act, 2013, the strengthening of the Prevention of Money-laundering Act, and the expansion of the powers of enforcement agencies. Key features included the recognition of corporate criminal liability, the establishment of the Serious Fraud Investigation Office (SFIO) as a statutory body, and an increased focus on corporate governance and compliance, even as large-scale financial frauds, cross-border money laundering, and corporate corruption continued to emerge. This period marked a shift toward a more structured and comprehensive approach to corporate crime.

E. The Digital and Global Era (2020–Present)

In recent years the nature of corporate crime in India has evolved further as a result of digitalisation and globalisation, with the rise of cybercrime and digital fraud, the use of

cryptocurrencies and blockchain technology, and an increase in cross-border corporate transactions. The associated offences include online investment scams, data breaches and cyber-attacks, and cross-border financial fraud, and they present jurisdictional challenges such as the difficulty of tracing digital transactions, conflicts of jurisdiction across countries, and dependence on international cooperation. This phase highlights the growing importance of addressing cross-border corporate crime through coordinated global efforts.

IV. MAJOR CROSS-BORDER CORPORATE CRIME LAWS IN INDIA BEFORE REFORMS

Prior to the economic liberalisation of 1991 and the subsequent legal reforms, India's framework for addressing cross-border corporate crime was limited, fragmented, and primarily control-oriented. Although certain statutes indirectly dealt with international financial transactions and foreign corporate activity, there was no comprehensive or specialised regime for transnational corporate offences. The laws of this period were largely designed to regulate foreign exchange, prevent economic concentration, and control external trade rather than to combat sophisticated cross-border crimes such as money laundering, cyber fraud, or global financial manipulation; nevertheless, they formed the foundational framework for addressing early forms of cross-border corporate misconduct.

A. The Foreign Exchange Regulation Act, 1973 (FERA)

FERA was the most significant legislation dealing with cross-border financial transactions before the reforms.¹² It provided for strict regulation of foreign-exchange transactions, control over foreign investment and foreign companies, and a requirement of government approval for foreign dealings. It addressed illegal foreign-exchange dealings, prevented the unauthorised transfer of funds abroad, and regulated the operations of foreign corporations in India, covering offences such as hawala transactions, unauthorised remittances, and the concealment of foreign assets. Its limitations were that it focused on control rather than on the detection of complex crime, lacked investigative sophistication, and did not address modern financial crimes such as money laundering.

B. The Indian Penal Code, 1860 (IPC)

Although primarily a domestic criminal law, the IPC had limited application to cross-border corporate offences.¹³ Its relevant provisions concerned cheating and fraud (Sections 415 and 420), criminal breach of trust (Section 405), and forgery and the falsification of accounts. It applied where part of the offence occurred within India and allowed the prosecution of foreign

¹² The Foreign Exchange Regulation Act, 1973, No. 46, Acts of Parliament, 1973 (India).

¹³ The Indian Penal Code, 1860, No. 45, Acts of Parliament, 1860, §§ 405, 415, 420 (India).

entities where the impact was felt in India, but it contained no specific provisions for transnational crime, was difficult to enforce across borders, and lacked mechanisms for international cooperation.

C. The Companies Act, 1956

The Companies Act, 1956 governed corporate entities, including certain aspects of foreign companies operating in India.¹⁴ It regulated the operations of foreign companies, imposed disclosure requirements for overseas transactions, and provided for investigation into company affairs, offering basic oversight of cross-border corporate activity and addressing fraudulent conduct involving foreign entities. Its limitations were limited provisions for cross-border enforcement, weak investigative powers, and the absence of a comprehensive framework for transnational corporate crime.

D. The Monopolies and Restrictive Trade Practices Act, 1969 (MRTP Act)

The MRTP Act addressed anti-competitive practices, including those involving foreign entities.¹⁵ It regulated monopolistic practices with cross-border implications and controlled foreign corporate dominance in Indian markets, but it focused on market competition rather than corporate crime, had weak enforcement mechanisms, and made no provision for global coordination.

E. The Income-tax Act, 1961

The Income-tax Act, 1961 indirectly addressed cross-border corporate crime through provisions relating to international taxation.¹⁶ It regulated foreign income and assets, sought to prevent tax evasion, and gave effect to double-taxation-avoidance agreements, thereby addressing offshore tax evasion and regulating transfer pricing and international transactions. Its limitations were limited tools to detect complex tax-avoidance schemes, dependence on foreign cooperation for information, and a lack of enforcement in offshore jurisdictions.

F. The Customs Act, 1962

The Customs Act, 1962 played an important role in regulating cross-border trade and preventing illegal activity.¹⁷ It prevented smuggling and illegal import and export and regulated the cross-border movement of goods, addressing corporate-crime aspects such as the misdeclaration of goods, under- and over-invoicing, and early forms of trade-based money laundering. It was,

¹⁴ The Companies Act, 1956, No. 1, Acts of Parliament, 1956 (India).

¹⁵ The Monopolies and Restrictive Trade Practices Act, 1969, No. 54, Acts of Parliament, 1969 (India).

¹⁶ The Income-tax Act, 1961, No. 43, Acts of Parliament, 1961 (India).

¹⁷ The Customs Act, 1962, No. 52, Acts of Parliament, 1962 (India).

however, focused on goods rather than financial transactions and was limited in addressing complex corporate fraud.

G. The Prevention of Corruption Act, 1988

This Act addressed corruption involving public officials, including cases where corporate entities were involved in bribery.¹⁸ It addressed bribery involving foreign entities and transactions with international implications, but it focused on domestic corruption and contained limited provisions for the enforcement of foreign bribery.

H. The Absence of Specialised Cross-Border Crime Laws

A significant feature of the pre-reform era was the absence of dedicated legislation specifically targeting cross-border corporate crime.¹⁹ The consequences were a fragmented legal approach, a lack of coordination among enforcement agencies, and the ineffective prosecution of transnational offences.

I. Key Limitations of Pre-Reform Cross-Border Laws

The pre-reform laws suffered from several key limitations. They were control-oriented, with statutes such as FERA emphasising strict control over foreign exchange rather than facilitating the investigation and prosecution of crime. They afforded limited extraterritorial jurisdiction, restricting the ability to prosecute offences committed outside India. International cooperation was weak, with no formal mechanisms such as mutual legal assistance treaties and a consequent dependence on diplomatic channels. Enforcement mechanisms were inadequate, with no specialised agencies and a lack of technical expertise. Finally, there was no technological framework, and hence no provision for dealing with digital transactions or cybercrime.

J. The Transition Towards Reform

The limitations of these laws became evident with the liberalisation of the economy and the rise of globalisation, as increasing cross-border transactions, foreign investment, and technological advancement exposed the inadequacies of the existing framework. This led to the replacement of FERA with the Foreign Exchange Management Act, 1999, the introduction of the Prevention of Money-laundering Act, 2002, the enactment of the Information Technology Act, 2000, and the strengthening of corporate-governance laws.

¹⁸ The Prevention of Corruption Act, 1988, No. 49, Acts of Parliament, 1988 (India).

¹⁹ Prevention of Money-laundering Act, *supra* note 2.

V. THE ROLE OF INTERNATIONAL ORGANISATIONS IN CORPORATE CRIME REGULATION

International organisations contribute to the regulation of corporate crime by establishing global standards and guidelines, facilitating cross-border cooperation, providing technical assistance and capacity-building, and promoting the harmonisation of legal frameworks. Their influence helps to align domestic laws with global practice and thereby enhances the effectiveness of cross-border enforcement.

A. The Financial Action Task Force (FATF)

The Financial Action Task Force is one of the most influential international bodies combating money laundering and the financing of terrorism.²⁰ India became a member of FATF in 2010, which contributed to the strengthening of the Prevention of Money-laundering Act, the introduction of stricter compliance norms for financial institutions, and enhanced monitoring of suspicious transactions. Among its key contributions in India have been the adoption of the FATF recommendations, the establishment of the Financial Intelligence Unit (FIU-IND), and improved regulatory oversight of the banking and financial sectors. FATF has played a major role in aligning India's anti-money-laundering framework with global standards.

B. The United Nations (UN)

The United Nations has significantly influenced India's corporate crime policies through various conventions and initiatives.²¹ India ratified the UN Convention Against Corruption in 2011, which strengthened its anti-corruption laws and enforcement, while the UN Convention Against Transnational Organized Crime promoted international cooperation in combating organised crime. The result has been the adoption of measures to prevent corruption and financial crime and an increased focus on international cooperation and asset recovery.

C. The Organisation for Economic Co-operation and Development (OECD)

Although India is not a member of the OECD, its guidelines and frameworks have influenced Indian corporate governance and anti-corruption policy.²² Through the principles of the OECD Anti-Bribery Convention and its corporate-governance guidelines, with their emphasis on transparency and accountability, the OECD has contributed to the adoption of better corporate-

²⁰ FINANCIAL ACTION TASK FORCE, THE FATF RECOMMENDATIONS: INTERNATIONAL STANDARDS ON COMBATING MONEY LAUNDERING AND THE FINANCING OF TERRORISM & PROLIFERATION (2012).

²¹ United Nations Convention Against Corruption, Oct. 31, 2003, 2349 U.N.T.S. 41.

²² ORG. FOR ECON. CO-OPERATION & DEV., G20/OECD PRINCIPLES OF CORPORATE GOVERNANCE (2023).

governance practices, the strengthening of compliance mechanisms, and the shaping of regulatory reform in India.

D. The World Bank and the International Monetary Fund (IMF)

The World Bank and the IMF have played an important role in shaping economic and financial policy in India. By promoting transparency and accountability, strengthening financial regulatory systems, and supporting anti-corruption initiatives, and through technical assistance, policy recommendations, the encouragement of legal reform, and capacity-building for enforcement agencies, they have influenced India's approach to corporate crime.

E. INTERPOL

INTERPOL facilitates international police cooperation and plays a key role in cross-border investigations.²³ In India it has assisted in tracking fugitives, issuing Red Corner Notices, and coordinating cross-border investigations, enhancing India's ability to deal with transnational corporate offenders.

F. The World Trade Organization (WTO)

The WTO influences corporate regulation indirectly through trade-related policy. By promoting the liberalisation of trade and investment and increasing the presence of multinational corporations, it has heightened the need for stronger regulatory frameworks. WTO-driven globalisation has expanded the scope of cross-border corporate activity and so necessitated stronger legal mechanisms.

G. Critical Evaluation

While international organisations have contributed significantly to strengthening India's corporate crime framework, their influence is not beyond criticism. Concerns include an over-reliance on external standards, a lack of customisation to local conditions, and gaps in implementation. India must therefore ensure that international frameworks are adapted to suit its domestic needs.

VI. COMPARATIVE ANALYSIS OF CORPORATE CRIME LAWS IN INDIA, THE USA, AND THE UK

As businesses expand beyond national borders, the need for effective legal frameworks to regulate corporate misconduct has grown. Different jurisdictions have adopted varying approaches that reflect their legal traditions, regulatory philosophies, and enforcement

²³ INTERPOL, FINANCIAL CRIME AND ANTI-CORRUPTION CENTRE REPORTS (latest ed.).

mechanisms. A comparative analysis of corporate crime laws in India, the United States, and the United Kingdom offers valuable insight into how these jurisdictions handle corporate criminal liability, enforcement, and cross-border prosecution.²⁴

A. Corporate Criminal Liability in India

In India, corporate criminal liability has evolved gradually through legislative provisions and judicial interpretation. Traditionally, criminal law was designed to punish individuals, and there was uncertainty as to whether corporations could be held criminally liable, since they lack physical existence and cannot be imprisoned. Over time, the courts recognised that corporations must be held accountable for criminal acts committed through their organisational structures. The Companies Act, 2013 plays a central role in regulating corporate conduct, with Section 447 providing stringent punishment for corporate fraud and establishing the accountability of responsible officers, while financial crimes involving corporate entities are addressed under the Prevention of Money-laundering Act, 2002.

Judicial decisions have also shaped this area. The Supreme Court in *Standard Chartered Bank v. Directorate of Enforcement* clarified that corporations can be prosecuted for criminal offences even where imprisonment is part of the prescribed punishment, allowing the imposition of a fine so that corporations cannot evade liability merely because they cannot be imprisoned; and in *Iridium India Telecom Ltd. v. Motorola Inc.* the Court confirmed that the criminal intent of senior officials can be attributed to the company, establishing that corporations can possess the requisite *mens rea*. Despite these developments, enforcement challenges remain in India because of procedural delay, overlapping jurisdiction among regulatory authorities, and the difficulty of investigating complex cross-border financial transactions.

B. Corporate Crime Laws in the United States

The United States has one of the most comprehensive and aggressively enforced corporate crime regimes in the world. Corporate criminal liability there rests on the doctrine that a corporation may be held responsible for the acts of its employees where those acts were performed within the scope of employment and intended to benefit the corporation. The foundation was established in *New York Central & Hudson River Railroad Co. v. United States*, where the Supreme Court held that corporations can be criminally liable for the acts of their agents, significantly expanding the scope of corporate accountability.

²⁴ Sarbanes-Oxley Act of 2002, Pub. L. No. 107-204, 116 Stat. 745.

Corporate crime regulation in the United States is further strengthened by federal statutes. Financial fraud and securities violations are addressed under the Sarbanes-Oxley Act, 2002, enacted following major scandals involving companies such as Enron and WorldCom, which introduced strict corporate-governance standards, enhanced financial-reporting requirements, and severe penalties for fraud. Another important statute is the Foreign Corrupt Practices Act, 1977, which prohibits American companies from bribing foreign public officials to obtain business advantages.²⁵ The Act has a broad extraterritorial reach, allowing United States authorities to prosecute corporations for corrupt practices occurring abroad, an aggressive approach that has made the United States a global leader in prosecuting cross-border corporate crime. Enforcement agencies such as the Department of Justice and the Securities and Exchange Commission actively pursue corporate misconduct through criminal prosecution, civil penalties, and negotiated settlements, and the use of deferred prosecution agreements and corporate compliance programmes further strengthens the framework.

C. Corporate Crime Laws in the United Kingdom

The United Kingdom has also developed a robust framework, particularly in relation to fraud and corruption. Corporate criminal liability was traditionally based on the identification doctrine, which attributes the actions of senior officers to the corporation. The principle was articulated in *Tesco Supermarkets Ltd v. Nattrass*, where the court held that a corporation could be held liable only for offences committed by individuals representing its “directing mind and will”; this doctrine limited corporate liability by requiring proof that senior management was directly involved in the criminal act.

To address these limitations, the United Kingdom introduced modern reforms such as the Bribery Act, 2010, which created a new corporate offence of failing to prevent bribery, allowing companies to be held liable where they fail to implement adequate procedures to prevent corruption, and which applies both to domestic companies and to foreign corporations conducting business in the United Kingdom.²⁶ The United Kingdom also enacted the Criminal Finances Act, 2017, which introduced corporate offences relating to the failure to prevent the facilitation of tax evasion.²⁷ These reforms reflect a shift from the traditional identification doctrine toward a broader approach emphasising corporate responsibility and compliance.

D. Comparative Evaluation

²⁵ Foreign Corrupt Practices Act of 1977, 15 U.S.C. §§ 78dd-1 to 78dd-3 (2024).

²⁶ Bribery Act 2010, c. 23 (U.K.).

²⁷ Criminal Finances Act 2017, c. 22 (U.K.).

A comparison reveals significant differences in regulatory approach. The United States adopts a highly aggressive enforcement strategy, relying on extensive investigative powers and extraterritorial jurisdiction to prosecute corporate offences worldwide. The United Kingdom has moved toward a compliance-based approach focused on corporate responsibility and preventive measures. India's framework has evolved significantly but still faces challenges in enforcement and coordination: although it has strong statutory provisions addressing corporate fraud, money laundering, and financial misconduct, the effectiveness of these laws often depends on the efficiency of enforcement agencies and the speed of judicial proceedings. The analysis demonstrates that effective corporate crime regulation requires not only comprehensive legislation but also strong enforcement mechanisms, international cooperation, and corporate compliance frameworks.

VII. CONCLUSION

Cross-border corporate crime has emerged as one of the most serious challenges facing modern legal systems in an era of globalisation and digitalisation. The rapid expansion of multinational corporations, international financial transactions, technological advancement, and digital communication has increased the complexity of corporate offences and made their detection and prosecution more difficult. Crimes such as fraud, money laundering, corruption, insider trading, cybercrime, and tax evasion frequently involve multiple jurisdictions, offshore entities, and international financial networks, creating significant jurisdictional and enforcement challenges.

This study shows that India's corporate crime framework has evolved considerably from the pre-liberalisation period to the present digital era. Earlier laws such as the Foreign Exchange Regulation Act, 1973 and the Companies Act, 1956 focused primarily on regulation and control rather than on the investigation and prosecution of sophisticated cross-border offences. Economic liberalisation and globalisation exposed the limitations of that framework and created the need for stronger mechanisms, leading to important reforms through legislation such as the Prevention of Money-laundering Act, 2002, the Companies Act, 2013, the Information Technology Act, 2000, and the Fugitive Economic Offenders Act, 2018.

Judicial decisions in India and abroad have also played an important role in shaping the doctrine of corporate criminal liability. Cases such as *Standard Chartered Bank v. Directorate of Enforcement* and *Iridium India Telecom Ltd. v. Motorola Inc.* established that corporations can be held criminally liable for offences committed through their officers and agents, while international precedents from the United States and the United Kingdom have expanded the

principles of corporate accountability and influenced global jurisprudence. Effective control of cross-border corporate crime will ultimately depend on comprehensive legislation, strong enforcement, and sustained international cooperation.
