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## ***ABOUT US***

WHITE BLACK LEGAL is an open access, peer-reviewed and refereed journal providededicated to express views on topical legal issues, thereby generating a cross current of ideas on emerging matters. This platform shall also ignite the initiative and desire of young law students to contribute in the field of law. The erudite response of legal luminaries shall be solicited to enable readers to explore challenges that lie before law makers, lawyers and the society at large, in the event of the ever changing social, economic and technological scenario.

With this thought, we hereby present to you

**ANALYSIS OF TNC REGULATIONS TO IDENTIFY THE  
BEST PRACTICES & AREAS FOR POLICY ENHANCEMENT**  
**“Comparative Study between India & Singapore”**

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**I. ABSTRACT**

This research paper analyses and compares regulatory systems that control Transnational Corporation (TNC) in light of Singapore's TNC guidelines and regulations versus India's current legal framework. India and Singapore have close relationships with a history based on robust commercial, cultural, and people-to-people connections spanning a millennium. As per the reports of United Nations Conference on Trade and Development (UNCTAD), information has been gathered and compared to study the reasons behind Singapore being ranked number one in TNC regulations and guidelines. Furthermore, the Economist Intelligence Unit's (EIU) latest Business Environment Ranking ranked India at 62nd rank worldwide, which reflects India's continued efforts towards improving its business environment for multinational companies. Whereas both countries strongly pursue foreign investment, their compliance mechanism, legal approach, and corporate governance model differ considerably.

India's previous TNC regulations have caused numerous transnational companies to close down shop and move operations to other nations at the expense of huge retrenchments and an increase in unemployment. Some of these include General Motors, Harley Davidson, Cairn Energy and Vodafone which either exited or downsized operations due to regulatory hurdles, high compliance burdens and policy uncertainty. This research will help India to strengthen its economy by implementing the required suggestions and amendments in TNC guidelines which would yield in more job opportunities leading to a decrease in the unemployment rate. The regulatory structure of a country directly affects its population because TNCs significantly contribute towards the employment of skilled citizens.

Such workers, in return, get rewards which improve their lifestyle and welfare. More specifically, their economic impact fuels countrywide growth, thereby making pro-TNC policies fundamental to the general development of nations. Also, this research would help



India to implement adopted adapted TNC legislations and standards and to upgrade its ranking to business-friendly nation compared to Singapore, by solving to loopholes in present TNC legislations.

## II. INTRODUCTION

International investment and Globalization have played a key role for the economic growth and stability of a nation. At the very beginning it should be pointed out that very frequently the term 'Multinational Corporations' is used interchangeably with the term TNCs. Transnational Corporations further enhance the process of globalization, international operation is a vital aspect of globalization. The business of a firm in various countries has given rise to the Transnational Corporations. Transnational Corporations engage in the world operations of both the goods and services economy. The characteristics of a transnational corporation are the geographic extent of the firm's value chain, management approach, ownership of productive assets and strategic vision.

Few of the well-known big TNC firms are General Motors (United States) for Automotive, Toyota Motor Corporation (Japan) for Automotive, Royal Dutch Shell plc (United Kingdom) for Petroleum, Vodafone (United Kingdom) for Telecommunication, Volkswagen Group (Germany) for Automotive, Amazon.com, Inc. (United States) for E-commerce and Technology, Microsoft Corporation (United States) for Technology, Saudi Aramco (Saudi Arabia) for Petroleum.

Transnational Corporations are, according to UNCTAD, either unincorporated or incorporated enterprises with parent firms and overseas affiliates. A parent enterprise is an enterprise that possesses a definite equity capital investment in foreign countries other than its own home country and controls their assets. A control threshold over property is stated as an equity capital contribution of at least 10% of the common stock or voting power of an incorporated enterprise, and its equivalent in the case of an unincorporated one. Consequently, a TNC exercises central control in the purpose of profit maximization.

A subsidiary describes an incorporated enterprise based in the host country when a different entity holds voting power exceeding fifty percent together with the ability to select or oust the majority of those who run the business in charge and supervisory functions. An associate



represents an incorporated business in the foreign country when shareholders grant voting power amounting to between 10 percent and 50 percent to an investor. A branch represents a business enterprise in the host country which either belongs to one entity or shares ownership among investors through unincorporated operations. They may be a permanent establishment or office of the foreign investor and Foreign direct investment within a joint venture between one or more third parties with the foreign direct investor takes the form of either an incorporated partnership or a venture.

### **III. HISTORICAL DEVELOPMENT OF TNC REGULATIONS**

#### **A. Development of India's TNC Regulations**

The early development of the TNC regulations resulted in the establishment of British East India Company dated back to 1600, the historical development of TNC regulations began in India. The Dutch East India Company along with British East India Company represented some earliest forms which focused on trade and resource extraction. In order to meet the demands of the industrialized Europe these corporations exploited the natural wealth of India particularly during the Britain's Industrial Regulation.

After Independence from (1947-1991) a protectionist economic model was adopted by India in order to achieve self-reliance. The Foreign capital and investment have been imposed with strict regulations by the government with prioritizing the domestic industries development. In order to monitor and control the TNC activities, this phase saw the enactment of several regulatory frameworks. This resulted in a investment friendly environment which emerged after the 1991 economic reforms.

#### **B. Development of Singapore's TNC Regulations**

The Singapore Regulatory Framework for TNCs have been evolved aligning with its broader economic development goals. Singapore introduced foreign investor friendly measures like tax incentives, free trade zones and pro-business regulations which successfully positioned itself as a Global Business Hub during the 1960s to the 1980s. During the period of 1961, the establishment of the Economic Development Board (EDB) played an important role in Industrial growth and gaining attraction of multinational enterprises. Singapore's intention in order to attract TNCs seeking a stable and operational base the Government of Singapore continued liberalizing the economy and focusing on high value sectors such as electronics, pharmaceuticals and finance resulted in promoting finance and innovation within its territorial

borders during the period of 1990 to 2000. In the fields like data protection, corporate governance and sustainability Singapore emphasized the regulatory enforcement from the year 2000. In the year 2012 the Personal Data Protection Act (PDPA) was established in order to regulate the ways companies handled personal data. It came up with Singapore Green Plan 2030 (SGP) which aimed to position the nation as a business leader globally in sustainable finance and services reinforcing its appeal to environmentally conscious TNCs.

## **IV. LEGAL FRAMEWORK & KEY LEGISLATION OF BOTH THE COUNTRIES**

### **A. Examination of the Companies Act 2013 in India**

In order to enhance the Commercial Governance responsibility and translucency India's Corporates Legal Framework i.e. the Companies Act 2013 replaced the earlier Act of 1956. This Act introduced several emendations which included the obligatory allocation of 2% of average Net gains towards the Commercial Social Responsibility (CSR) enterprise, performing in stimulant of businesses to contribute to social and environmental causes. This Act also led to the foundation of 1 companies (OPCs) making it easy for business objectification for the individual entrepreneurs. The act established bars like The National Company Law Tribunal (NCLT) and The National Company Law Appellate Tribunal (NCLAT) to resolve any commercial controversies effectively and efficiently.

The Act introduced enhanced exposure conditions for affiliated party deals and directorial remuneration which led to conformation of panels like inspection and Nomination, & Remuneration Committee. It strengthened the Governance programs by setting stricter rules for espousing independent directors. To maintain inspection integrity the Auditor rotation rules were executed and the stakeholders were empowered with the right to file Class Action Suits when causing any misconduct, hence promoting lesser responsibility.

### **B. Overview of the Companies Act 1967 in Singapore**

The Corporate regulation in Singapore is outlined under the Companies Act 1967 providing legal frameworks for company formation, operation, governance and dissolution. In order to provide key information on ownership and structure, this Act requires businesses to register with the Accounting and Corporate Regulatory Authority (ACRA). The Act mandates directors to Act responsibly, disclosed individuals with significant control and enforces with count corporate governance. The Companies are mandated to submit Audited Financial Statements

with proper rules and norms to ensure that Auditors are Independent through rotation.

The voting rights, protections and remedies for minority operation are granted to the shareholders under the Companies Act 1967. This Act provides with provisions of corporate restructuring such as Mergers, Acquisition and Winding-up to ensure fair treatment of shareholders. Beneficial Ownership Register (BOR) was introduced through recent amendments under this Act to boost transparency and combat financial misconduct. This Act containing provisions and regulations have collectively aided Singapore to positioned itself as a reliable and an attractive hub for global business operations.

### **C. Comparison of specific provisions related to TNC of both countries**

India and Singapore both have their own Trans National Corporations (TNCs) legal frameworks and guidelines both of it focusing on different regulatory priorities. The Act 2013 of India mandates registration of foreign companies and corporations by submitting the essential documents, on the other hand the Act 1967 of Singapore mandates ACRA registration which requires constitutional documents and appointment of a local agent.

In terms of corporate governance, the appointment of independent directors and formation of specialized committees is mandatory in India while in Singapore it is required to have one locally resident director and public disclosure of controllers.

Both the Nations involves preparing an accurate financial statement where India enforces auditor rotation and Singapore adheres to Singapore Financial Reporting Standards (SFRS) in terms of financial reporting.

The eligible companies of India are mandated for CSR spending on the other hand Singapore encourages CSR through good governance practices with no specific mandatory contribution. In Singapore the data protection is controlled through Singapore's PDPA while, India made its movement towards similar regulatory control through the proposed Personal Data Protection Bill. These provisions altogether show a shared commitment in promoting transparency, accountability and sustainable business environment for TNCs.

## **V. REGULATORY BODIES & THEIR ROLES**

### **A. Roles of the Ministry of Corporate Affairs (MCA) & other relevant bodies in India**

Under Ministry of Corporate Affairs (MCA) operates the Companies Act 2013 as its primary task because it regulates the formation and management of companies throughout India. The Limited Liability Partnership Act 2008 maintains responsibility to guarantee that LLPs follow their statutory requirements. The governance body sustained by MCA promotes corporate



compliance through directives for independent director appointment and mandate formation of critical committees.

The application of regulations protects investment sectors through the utilization of transparency mechanisms and operational accountability measures for defence. Regulation of Professional Bodies: Overviews professional bodies like the Institute of Chartered Accountants of India (ICAI), Institute of Company Secretaries of India (ICSI), and Institute of Cost Accountants of India (ICAI). The board-level Corporate Social Responsibility (CSR) function governs social and environment-oriented activities of companies under Section 135 of the Companies Act 2013. The institution has governance powers to facilitate improvement in the efficiency of bankruptcy processes and introduce swift solutions for struggling assets under the Insolvency and Bankruptcy Code (IBC)

### **B. Role of regulatory bodies like the Accounting & Corporate regulatory Authority (ACRA) in Singapore**

The role of ACRA ensures Singapore maintains both efficient business operations and transparent business practices. ACRA fulfils its mission through business registration oversight in addition to financial reporting regulations for public accountants and corporate service providers which ensures companies maintain legal integrity. The work of ACRA to establish accounting standards as well as develop the accountancy sector helps Singapore maintain its position as a global business centre.

The Singapore authorities at ACRA manage the procedure of business entity registration for companies and both limited liability partnerships (LLPs) and business names. ACRA performs business registrations as a part of the Companies Act 1967 Part II – Incorporation of Companies and Matters Incidental Thereto. ACRA acts as a compliance agency to evaluate companies' financial reporting standards which must follow the Singapore Financial Reporting Standards (SFRS) regulations. The regulatory function stems from Part VI of the Companies Act 1967 which covers Accounts and Audit procedures. ACRA maintains substantial oversight of public accountants and their public accounting entities through mandatory adherence to professional ethics as well as required standards. ACRA enforces corporate service providers to follow both the statutory needs of the Corporate Service Providers Act and to maintain top-level service quality standards. The ACRA possesses responsibility to create accounting standards which companies alongside charities and co-operative societies and societies in Singapore must follow. Through its primary functions the organization supports accountancy sector development through CA qualification promotion and professional development of

accountants.

## **VI. COMPLIANCE & REPORTING REQUIREMENTS**

### **A. Analysis of Compliance requirements for TNC in India and Singapore**

#### ***Compliance Requirements for TNC in India:***

TNCs operating in India are required to comply and adhere to environmental laws, labour regulations, tax obligations, and the provisions under the Indian Data Protection Bill. They must also follow rules and norms of foreign exchange in areas like profit repatriation and investments. Along with industry specific regulations in areas like pharmaceuticals, telecom, finance, compliance with anti-corruption laws, intellectual property rights and competition policies are essential. The TNCs must engage itself in CSR initiatives, maintain a robust internal code of conduct and implement effective practices of due diligence. These policies and norms are enforced by the regulatory bodies through inspections, audits and legal oversight aiming to ensure TNCs meet the operational standards within the Jurisdiction of India.

#### ***Compliance Requirements for TNC in Singapore:***

Every Singapore company needs to select a company secretary as taken effect from incorporation during the first six months. Local residents of Singapore as well as non-directors comprise the requirements for appointing the Company Secretary of the firm.<sup>1</sup> A company operating in Singapore needs to deliver financial statements together with annual reporting requirements. A company requiring audit must select an auditor who must join within three months from incorporation unless audit is not needed under company law.<sup>2</sup> Organizations must keep precise transaction records while upholding every applicable legal duty.<sup>3</sup>

### **B. Comparison of Reporting Standards and Transparency measures**

#### **Reporting Standards**

##### **India:**

Indian Accounting Standards (Ind AS) under Indian Accounting Standards (Ind AS) use International Financial Reporting Standards (IFRS) while seeking to improve the transparency and reliability and develop similar comparability in financial statements.<sup>4</sup> Ind AS offers

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<sup>1</sup> [Singapore Financial Reporting Standards - Premia TNC](#)

<sup>2</sup> [Singapore Financial Reporting Standards SFRS | 3 Types - Premia TNC](#)

<sup>3</sup> [Our Accountability | The Nature Conservancy India](#)

<sup>4</sup> [Indian Accounting Standards \(Ind AS\): The Comprehensive Guide for ...](#)

complete guidance for the presentation and recognition along with measurement and disclosure of financial activities. The financial statements need a chartered accountant audit before submission within set deadlines.

### **Singapore:**

Singapore Financial Reporting Standards (SFRS) follow IFRS standards to enable worldwide transparent financial reporting. Detailed accrual-based accounting standards in SFRS help companies accurately determine their financial health as per the published guidelines. Every enterprise operating in Singapore must create financial statements followed by submitting annual reports to regulatory authorities. A company needs to name an appointed auditor unless it qualifies for audit exceptions.

### **Transparency Measures**

#### **India:**

Transnational News Corporation operates under a policy of ethics and compliance through principles of transparency and accountability. The company maintains a Code of Conduct dedicated to upholding every law and rule and regulatory requirement. Under Public Disclosure TNC provides full transparency of its financial operations and operational activities to the public to prove effective donation usage.<sup>5</sup>

#### **Singapore:**

Singapore maintains its position as a highly transparent nation through robust measures that fight corruption because it ranks among the least corrupt countries worldwide.<sup>6</sup> As an integral entity The Corrupt Practices Investigation Bureau (CPIB) functions to keep both transparency and integrity strong. The combination of robust public trust and strict regulatory systems creates an ethical and transparent operation environment for organizations.<sup>7</sup>

## **VII. FOREIGN INVESTMENT POLICIES**

### **A. Examination of (FDI) policies in Singapore and India**

#### **India**

The Government of India has established a framework of relaxed FDI policy measures to draw

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<sup>5</sup> [Our Accountability | The Nature Conservancy India](#)

<sup>6</sup> [Singapore ranked least corrupt Asian country and fifth overall of 180 ...](#)

<sup>7</sup> [\] Singapore Ranked 5th Least Corrupt Country in 2023 by Transparency ...](#)



foreign capital investments.<sup>8</sup> The automatic route of FDI provides full freedom to invest 100% of capital in most economic sectors without prior governmental authorizations.<sup>9</sup> The "Make in India" initiative has two objectives which include enhancing production while drawing foreign capital investments.<sup>10</sup> The government requires approval for investors to enter both defence and telecommunications sectors but most industries are free for FDI without restrictions.<sup>11</sup> Economic stability in India is maintained through the administration of foreign investments by the Foreign Exchange Management Act (FEMA). The Indian government provides different incentives to foreign direct investors that include tax holidays and subsidies and streamlined regulatory procedures. Foreign investors gain more advantages through participation in Special Economic Zones (SEZs).<sup>12</sup>

## **Singapore**

Singapore attracts a substantial amount of global foreign direct investment via its transparent investment environment which welcomes international money flow.<sup>13</sup> The government controls FDI entry through minimal restrictions while keeping real estate and media sectors subject to limitations. Foreign investors benefit from government incentives which include tax benefits alongside funding programs and fiscal assistance to enhance their enterprise presence in Singapore.<sup>14</sup> The country benefits from both its strategic location combined with solid infrastructure and business-supportive framework to draw investors.

The roles of Monetary Authority of Singapore (MAS) and Economic Development Board (EDB) remain crucial for FDI regulation and promotion according to the third reference document. Strong intellectual property protection laws operate in the country to build a secure investment framework.<sup>15</sup>

## **B. Impact of these policies on the operation of TNCs**

### **India**

The extensive growing consumer base in India provides substantial business prospects to Transnational Companies. The liberalized FDI policies enable TNCs to enter markets and

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<sup>8</sup> [Indian Economy: Foreign Direct Investment \(FDI\) Policies](#)

<sup>9</sup> [FAQs related to FDI Policy Section - FIFP](#)

<sup>10</sup> [Foreign Direct Investment \(FDI\) in India, FDI Inflows | IBEF](#)

<sup>11</sup> [Indian Economy: Foreign Direct Investment \(FDI\) Policies](#)

<sup>12</sup> [Foreign Direct Investment \(FDI\) in India, FDI Inflows | IBEF](#)

<sup>13</sup> [Foreign direct investment \(FDI\) in Singapore - International Trade Portal](#)

<sup>14</sup> [Singapore - United States Department of State](#)

<sup>15</sup> [Singapore - United States Department of State](#)

develop their business facilities effortlessly. Through the "Make in India" initiative the government promotes TNCs to establish their production sites which generates employment and drives overall economic development.<sup>16</sup> Companies doing business in India can still encounter obstacles stemming from implementation restrictions alongside bureaucratic administrative procedures although business conditions have become more favourable.<sup>17</sup> The current economic reforms alongside infrastructure improvements provide TNCs with favourable ground for expansion.

### **Singapore**

Open and transparent investment conditions in Singapore support transnational corporations (TNCs) by making their business operations simpler. Business operations in Singapore became simpler due to quick regulatory structures and robust legal frameworks which provide protection. The strategic position of Singapore serves as a passage to Southeast Asia which enables TNCs to reach a larger market base.<sup>18</sup> Singapore allows TNCs to conduct high-value activities and technological advances through its innovation and R&D efforts which enjoy government backing. TNC operations gain additional support from both a qualified labour force and improved infrastructure systems.

## **VIII. TAXATION OF FINANCIALS REGULATIONS**

### **A. Taxation Policies affecting TNCs in India & Singapore**

#### **India:**

The Corporate Tax rate for domestic companies matches 25% if their turnover remains below INR 400 crore whereas other companies must pay 30% tax. The tax rate for foreign business revenue stands at 40%.<sup>19</sup> Digital advertisements made by Indian businesses to foreign companies that trigger Equalisation Levy cost 6% in tax. The 2% electronic commerce operator tax was added to the existing scope of what equalization levy covered during the year 2020.<sup>20</sup> India maintains strict regulations on transfer pricing which require related parties to conduct their transactions at market value rates. A combination of strict documentation rules along with compliance standards exists to stop tax profit transfers. The Goods and Services Tax (GST) a comprehensive indirect tax produces its impact on the manufacturing and marketing and

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<sup>16</sup> Foreign Direct Investment (FDI) in India, FDI Inflows | IBEF

<sup>17</sup> Indian Economy: Foreign Direct Investment (FDI) Policies

<sup>18</sup> Singapore - United States Department of State

<sup>19</sup> Taxation Aspects of Multinational Corporations in India

<sup>20</sup> Taxing Digital Transnational Corporations: Indian Policy Initiatives

consumption of goods and services. Goods and services applying to the standard GST rate receive a taxation charge of 18% but individual rates exist for different product categories.<sup>21</sup>

### **Singapore:**

The corporate tax system of Singapore operates with a fixed 17% rate which stands as one of the lowest worldwide.<sup>22</sup> Various tax incentives together with exemptions help businesses decrease their actual tax burden. Goods and Services Tax (GST) operates at 8% in Singapore while the legislative body plans to increment the rate to 9% during the upcoming years. Goods and services supply along with imported goods-related transactions trigger GST application.<sup>23</sup> Base Erosion and Profit Shifting (BEPS) Measures operate in Singapore to prevent multinational enterprises (MNEs) from tax avoidance as a protective measure. Singapore enforces a minimum of 15% effective tax rate for massive MNEs to support international tax guidelines.<sup>24</sup>

Foreign investors can receive diverse types of tax incentives in Singapore such as Pioneer Certificate Incentive and the Development and Expansion Incentive. The incentives provide qualifying businesses with effective methods to decrease their tax obligations.<sup>25</sup>

### **B. Financial regulations and their impact on TNC operations**

The regulatory environment in India operates under the oversight of three main mechanisms which include Reserve Bank of India (RBI) and Securities and Exchange Board of India (SEBI) together with the Ministry of Corporate Affairs (MCA). Business operations become complicated by financial requirements thus creating lengthy processes that reduce overall business convenience.<sup>26</sup> Business operations of TNCs present difficulties in India because they need to address the country's complicated regulatory system. Recent business environment reforms and simplified regulatory procedures have effectively minimized operating difficulties for TNCs in India.<sup>27</sup>

Singapore operates a financial regulatory system that achieves operational stability through open processes and efficient methodology. Financial regulations within Singapore fall under the oversight of the Monetary Authority of Singapore to provide thorough compliance

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<sup>21</sup> ISSUES AND CHALLENGES: PRESENT TAX POLICIES IN INDIA

<sup>22</sup> Minimum 15% tax on multinational enterprises will sustain Singapore's ...

<sup>23</sup> The Singapore tax system - IRAS

<sup>24</sup> Minimum 15% tax on multinational enterprises will sustain Singapore's ...

<sup>25</sup> The Singapore tax system - IRAS

<sup>26</sup> International regulation of transnational business: providing the ...

<sup>27</sup> Transnational corporations (TNCs) and economic development



monitoring.<sup>28</sup> TNCs experience less operational challenges because Singapore offers a friendly regulatory system through which they can succeed. Strong legal protection together with transparent regulatory frameworks in Singapore allow investors to feel confident and leads to operational stability.<sup>29</sup>

## **IX. IMPACT OF GLOBAL ADMINISTRATIVE LAW**

### **Comparative analysis of International legal Standards and their adoption**

India has incorporated international legal policy across different areas such as trade, environmental safeguarding, and human rights. India has signed numerous international treaties and conventions, including the Paris Agreement on climate change and the United Nations Convention against corruption.<sup>30</sup> Implementation of international standards has led to rise the standards of regulations and therefore challenging to exist in terms of enforcement and compliance. Ongoing reforms and capacity-building activities are projected to tackle these challenges and enhancing the utility of international standards in India.<sup>31</sup>

Singapore has a strong framework for adopting global standards especially in fields like financial regulation, trade, and intellectual property. Singapore is actively involved in international standard-setting organizations and positioned its national regulations with leading global practices.<sup>32</sup> The ultimate challenge for Singapore is to sustain its competitive benefit and to comply with changing international standards. Nevertheless, the initiative-taking strategy for regulatory alignment creates opportunities for Singapore to involve in foreign investments and promote its status to a global business centre.<sup>33</sup>

## **X. FUTURE TRENDS & RECOMMENDATIONS**

### **A. Emerging trends in TNC Regulations Globally**

The changing trends in the TNCs show a shift towards enhanced standardization, accountability and technological oversight. A major development is the demand growth for harmonised regulatory frameworks to simplify International Business operations and enhance cross border collaboration. The major concern at present is data privacy and cyber security which is driven by robust laws such as GDPR and CCPA requiring companies to maintain data

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<sup>28</sup> Financial Services Regulatory Risk and Compliance Digest - April 2024 - PwC

<sup>29</sup> The impact of Singapore's financial regulatory landscape on investments ...

<sup>30</sup> IMPLEMENTATION OF INTERNATIONAL LAW IN INDIAN LEGAL SYSTEM

<sup>31</sup> IMPLEMENTATION OF INTERNATIONAL LAW IN INDIAN LEGAL SYSTEM

<sup>32</sup> Ch. 05 Singapore and International Law - singaporelawwatch.sg

<sup>33</sup> OVERVIEW OF INTERNATIONAL AND SINGAPORE STANDARDS ECOSYSTEM - ohdsi.org

protection standards uniformly and globally.

The Environmental, Social and Governance (ESG) compliance is prioritized with businesses which are expected to report on their sustainability efforts and social impacts. New regulatory challenges have been introduced in terms of Algorithmic fairness, data usage and responsibility with the rise of AI and automation.

The protection of intellectual property in the digital environment has obtained prominence because of the complexities in managing software, data and digital content. The remote work and gig economy are reshaping regulations of employment with the changing labour laws. The litigation risks are increasing with the legal actions which is accompanying regulatory investigations concerning data misuse and international data flows. Therefore, companies must embrace a globally conscious approach to legal and regulatory compliance in this changing landscape.

### **B. Recommendations for Improving TNC regulatory framework in India**

In order to improve and strengthen TNC regulatory framework of India it is necessary to-

- Disclose every financial detail, ownership structure and environmental impacts in order to strengthen the reporting obligations. In order to ensure effective oversight enforcement, it is necessary to establish independent regulatory authorities with proper functions and resources. The right to public access to key information about TNCs activities will promote transparency. To safeguard individuals involved in corporate misconduct, whistleblowers protection frameworks is assumed to be necessary.
- With the help of comprehensive audits and inspections, the regulatory authorities can enhance oversight in order to monitor compliance effectively. Proper coordination among the various regulatory authorities will eliminate overlapping and ensure a unified enforcement approach. Additionally, involving in the training and development of capacity of the regulatory personnel will facilitate them with the required expertise and tools helping them to manage the complexities of TNC operations efficiently.
- By promoting open and transparent access to markets of both local and international businesses will encourage equitable economic growth, innovation and healthy competition within its borders.
- In order to establish clear, consistent and easy to understand regulations, promoting a stable and predictable regulatory environment is necessary to minimize uncertainty for TNCs. To maintain the long-term stability is crucial to build the investors confidence

and enabling strategic planning. The investors who are actively involved i.e. TNCs civil society groups and government bodies in the regulatory process has to ensure the rules remain practical, relevant and responsive to evolving needs.

- It is essential that the TNCs adapt labour and environmental standards for ensuring fair and responsible business in the nation. Safeguarding the workers right i.e. fair pay and safe working conditions, an effective and efficient labour laws should be enforced. TNCs must also follow environmental rules to reduce burden of pollution and to protect the natural resources. TNCs tend to build trust and should support sustainable development caring for the employees and the environment promoting social responsible practices.

