



KAMARAJ IAS ACADEMY
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Corporate Laws (Amendment) Bill, 2026 Introduced

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The Government of India has introduced the Corporate Laws (Amendment) Bill, 2026 in the Lok Sabha to amend key provisions of the Companies Act, 2013 and the Limited Liability Partnership (LLP) Act, 2008. The Bill, presented by Nirmala Sitharaman, aims to simplify corporate regulations, improve ease of doing business, and align India's corporate framework with global best practices.

Key Provisions of the Bill

The Bill introduces several important reforms:

Decriminalisation of offences: Minor procedural violations will be shifted from criminal penalties to monetary fines, reducing legal burden on companies.

Share buyback flexibility: Certain companies may be allowed to undertake two buybacks in a year instead of one, improving capital management.

Fast-track mergers: Simplified merger procedures for startups, small companies, and group entities with reduced compliance requirements.

CSR framework changes: Greater flexibility in Corporate Social Responsibility provisions.

Digitisation & compliance: Increased emphasis on digital filings and simplified regulatory processes.

Objectives of the Amendment

The primary objective of the Bill is to promote a business-friendly environment by reducing compliance burden and enhancing transparency. It seeks to encourage entrepreneurship, attract investments, and make India a more competitive global business destination.

Concerns and Criticism

Some experts and stakeholders have raised concerns that excessive decriminalisation may weaken corporate accountability and enforcement. Additionally, the success of these reforms will depend largely on effective implementation and regulatory oversight.

Related Institutional Reforms

The Bill also proposes strengthening regulatory bodies like the National Financial Reporting Authority (NFRA) by expanding their powers to oversee auditors and enforce compliance.

Additional Key Facts:

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Companies Act, 2013: Governs incorporation, regulation, and dissolution of companies in India

LLP Act, 2008: Governs Limited Liability Partnerships

Ease of Doing Business: India has been focusing on regulatory reforms to improve global rankings

Decriminalisation trend: Ongoing reform in corporate laws to shift minor offences to civil penalties

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