

Combating White Collar Crimes: A Comparative Study on Regulating the Rapid Evolution of White Collar Crime in Sri Lanka

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Abstract: *It is undeniable that corporate entities engage in what are now classified as white-collar crimes, with senior managerial figures and high-ranking officials being the skilled perpetrators. Consequently, a number of crimes such as money laundering, bribery, forgery, tax evasion, human trafficking, intellectual property theft and financial embezzlement have taken an epidemic form thus becoming a ubiquitous phenomenon in a nation like Sri Lanka. Although the diverse socio-economic felonies committed by the top class may not trigger any bodily harm to the victim, they may significantly damage the economic fabric through the disintegration of stock market, public interest and the government thus, becoming a serious threat and difficult to prevent not only at the domestic context but also at the global context thereby raising an immediate concern. Therefore, the focus of this paper revolves around the multi-faceted issue of white-collar crimes which are much of a controversy today and also attempts to analyse the loopholes in the law in force at present with regard to corporations and further recommends to regulate legal measures in order to prevent and suppress these crimes, or at the very least to diminish their frequency and severity through a comprehensive legal analysis comparing the jurisdictions of UK, USA and India that can immensely contribute to the development of an adequate legal framework for Sri Lanka to combat these crimes. Accordingly, the author has incorporated a methodology that is qualitative and normative in nature to accomplish the purpose of the paper and has utilized both primary and*

secondary sources of law regarding white-collar crimes.

Keywords : *Corporate entities, White-collar crime, Socio-economic issue*

1. Introduction

It is an ascertained fact that white-collar crime is a relatively new phenomenon, compared to most type of offences. White-collar crime is a crime committed in the course of one's employment or profession by a person of high social standing and moral character (Montreal, Sri Lanka Guardian, 2011). These crimes are usually committed by concerned executives or other white-collar workers of both public and private corporations against the corporate entity they work for. Kuriyal and Parveez (2018) have stated that white-collar crime is a distinct wrongdoing that seems to do no physical harm. Even yet, it fetches significant and detrimental impact on the society as a whole in terms of socio-economic growth. As a result, the threats from white-collar crimes have turned into a global issue affecting both developed and least developed countries making them struggle relentlessly to combat threat for the persistence of their economic growth.

It is also noteworthy that according to McGee and Byington (2010) the manifestation of technological advancement and industrial evolution being the most looming grounds for white-collar crimes to rise worldwide, many examples of white-collar crimes are considered more extensive than conventional crimes as they elicit intense concern and threaten national

security. Generally speaking, as it is said by Anand (2019) there are many professions that offer lucrative and illegal opportunities to obtain financial gain through unethical ways, but sadly, such unlawful activities hardly ever draw the attention of the public and thereby of the law.

Author has further stated that white-collar perpetrators are often people with extensive knowledge of discipline in IT, engineering, management, organizational philosophy and medicine, etc. and what encourages them to commit such offences whilst breaching the trust placed upon them is their eminent positions. Therefore, it is not a secret that law enforcement and regulatory authorities often fail to trace and punish such offenders and although they are caught the only penal sanctions for white-collar crimes are restitution, where the victim can be identified and loss is quantifiable; remedial order that remedies damage such as environmental pollution where the culprit will be ordered to clean up the mess he made; and payment of compensation and not any severe form of punishment thereby mitigating the seriousness of the crime (Abeyratne, 2011).

As per the crime statistics of Sri Lanka which has revealed forgery, bribery, mischief, cheating and criminal misappropriation of property as the most recurrent white-collar crimes that are uprising in no small measure, it can be expressed that from a legal point of view, although numerous laws have been initiated in Sri Lanka in order to safeguard the national economy from the curse of white-collar crime those have not been able to attain much of a success yet.

The prime purpose of this paper being to explore numerous illustrations of white-collar crimes that are common in Sri Lanka, their impact and legal measures that can be implemented to combat such crimes the paper is focused on covering the objectives of analysing the existing legal regime and other statutory provisions in respect of companies pertaining to white-collar crimes and identifying the practices that can be incorporated to the domestic legal framework from the lessons

learned through a comparative legal analysis of the jurisdictions of UK, USA and India.

2. Methodology

For the purpose of achieving the objectives of this paper a methodology that is qualitative in nature has been adopted. The author has picked up research materials to obtain data relevant to the study through numerous primary sources such as domestic legislations, statutes, enactments of other jurisdictions and landmark judicial decisions and secondary sources such as books, journals, web articles and newspapers that provide the legal provisions regarding white-collar crimes and necessary knowledge about such crimes respectively.

Furthermore, the author has adapted a comparative approach while analysing the jurisdictions of United Kingdom (UK), United States of America (USA) and India.

3. Results and Discussion

A. THE CONCEPT OF WHITE-COLLAR CRIME

Over the past two decades, there has been a dramatic increase in white-collar crimes which are known to be a range of crimes committed by professionals who are either in business or government, the aim behind being to either gain assets such as money, property or services or to obtain some sort of personal advantage. The term 'white-collar crime' was first used by the criminologist and sociologist Edwin Sutherland in 1939 as "a crime committed by a person of high social status and respectability in the course of his occupation" (Sutherland, 1950). Although this term was not coined since 1939, the earliest documented case of a white-collar crime traced back to 15th century which is a landmark case in England known as *Carrier's case* of 1473 where the authorized agent to transport wool attempted to steal some for himself thereby committing an offence constituted as the crime of larceny (Nagarajan and Sheriff, 2012). Later on, the definition of white-collar crime was further

developed by Sutherland as “crimes committed by a person of the upper socio-economic class who violates the criminal law in the course of his occupational activities and professional activities” (Upadhyay, 2014). Since then, many definitions have arisen, by which white-collar crime is described as separate and distinct from “common crime”.

Accordingly, white-collar crimes being referred to as non-violent, illegal activities that are committed for financial and personal gain by individuals, businesses and even government organizations it can be expressed upper and middle-class offenders, motivation by financial gain, lack of violence, a systematic aspect, a breach of trust and widespread victimization as some of the elements involved in a white-collar crime (Berghoff and Spiekermann, 2018). Among these the most standard features of white-collar crimes are that they are perpetrated during trade, business within the professions of upper and middle-class people as a result of greed, capacity and scope.

Today white-collar crimes encompass a broad array of offences that range from moral ethical violations of regulatory and civil corporate laws, occupational crimes and breach of trust that are prone to cause a pure socio-economic harm.

1. Ramification of Common White-collar Crimes in Sri Lanka:

White-collar crimes generally include corruption, fraud, money laundering, embezzlement and bribery. When looking at a real-life scenario the case of Enron can be presented as the most notorious example for a corporate fraud and insider trading where the executives of Enron greatly overstated the company’s stock value thereby allowing them to sell off their shares for millions of dollars only days and weeks prior to the company’s collision in bankruptcy (Law shelf, 2022).

In the context of Sri Lanka, it is evident that almost 50% of the companies are victims of many types of such crimes where only two thirds of

these offences being detected by chance (Sunday Times, 2006). It can be stated that the most common types of white-collar crimes that often occur in the country as legally recognized are criminal breach of trust, mischief, fraud, criminal misappropriation of property, forgery and cybercrimes while forgery, bribery, credit card frauds, fraudulent foreign employment schemes, embezzlement, extortion, currency schemes, fake employment placement, insider dealing, tax evasion, false invoicing, manipulation of stock valuations, non-payment of customs, misuse of company or business funds, various forms of bribery and corruption, overstating prices, improperly auditing accounts of top management fees, misstatements and misinterpretations and money laundering can be considered as the common undetected or least detected forms of white-collar crimes in Sri Lanka.

When looking at the situation in the country the attention shall be drawn to the recent examples which involved white-collar crimes such as the over pricing of essential food items on a website by a reputed e-commerce company, the data scam which is known as the worst white-collar crime in Sri Lanka where some most sensitive and secured data from the National Medicines Regulatory went missing due to an action of an unnamed systems engineer and irregularities that took place in the Treasury Bond issuance in 2015 and 2016.

2. White-collar Crime in UK, USA and India:

Firstly, in the United Kingdom the efforts of the law enforcement authorities have been to stamp out the criminal activities such as bribery, corruption, money laundering, cheques and credit card frauds, embezzlement, obtaining money or property under false pretences and terrorist financing activities.

Secondly, in the context of USA it is well known that American outrage over white-collar crimes is not new as it is a reaction that stems from a serial of corporate misdeeds going back to sixty years

such as the misconducts of companies like Wright-Mills in 1940's and 1960's which grew public distrust towards big businesses (Nelken, 2007). Lawmakers had realized the socio-economic impact of white-collar crimes due to the rising of crimes such as bribery, computer and internet fraud, antitrust violations, counterfeiting, credit card fraud, trade secret theft, embezzlement, insider trading, financial, government, healthcare, insurance, mail, phone, telemarketing, credit card and securities fraud, intellectual property theft and tax evasion.

Thirdly, when looking at the situation in India it can be expressed, forged recruitment, bribery, counterfeiting of currency, cybercrime and misappropriation of public property as the most familiar forms of white-collar crimes in the country. In 2009 public attention was drawn towards the fraud relating to financial statements in Satyam Computer Services Ltd where the offender fabricated profits and cash accounts for years thereby becoming the biggest scam in the history of India (Beohar and Singh, 2018).

3.. Socio-economic Cost of White-collar Crime:

It is apparent that white-collar crimes such as tax evasion, corruption and bribery that are often concealed have a significant adverse impact on the government revenue, economic growth, public confidence and especially on the recovery from COVID-19. Although white-collar crimes are viewed from a traditional perspective as less serious than other types of crimes, in the modern context it is evident that the recognition of the significant harm it causes to the economy of the country has grown. Accordingly, due to the impacts such as economic misbalance which occurs when a group of resourceful people gain more profit through unlawful means thereby causing majority class to suffer the evils of their actions, adverse effect to future generations where disturbance caused by white-collar criminality can make the future generations suffer from poverty and unemployment, adverse

impact on infrastructural progress when a large amount of money is embezzled during construction work of the government causing government infrastructure to fall down before the time of completion, impact on parliamentary budget when large amounts of money are smuggled to other countries, being a crime against society through allowing black money to float in the market for personal gains at the cost of heavy loss to state and loss to government revenues where the whole fiscal policy is disturbed because of tax evasion it can be asserted that white-collar crimes directly affect the financial condition of the country (Ali, 2019). However, it is also important to note that the cost of a white-collar crime cannot be measured in monetary damages alone as it results in posing damage to the victims in terms of violating their rights, health risks, compromising security and bringing harm to the wildlife and the environment. The majority of the experts agree that white-collar crime has a much greater economic cost than other ordinary crimes. And on the other hand, it is also agreed that such crimes can lead to organizational failures and job losses and can also put employees in risk through unsafe working conditions, harm consumers through the sale of hazardous products and cause pollution issues for the community. Furthermore, sociologists have also outlined those white-collar crimes are particularly detrimental to the society due to the fact that they are committed by those in positions of power who are expected to act responsibly and set a good example. (Meier and Short, 1982).

When looking at the social impact of white-collar crimes according to Sri Lankan context developing the existing legal framework can be justified on the grounds of threats than can be caused upon the public life and the environment due to corruption such as in the case of *Chunnakam case* (SC/FR Application No. 141/2015) which involved a huge pollution of ground water; omissions in respect of worker's

safety when companies are only focused on maximization of profit and embezzle money of the funds allocated for implementing safety measures for example such as in the case where a worker confronted the tragedy that happened in a rubber factory in Horana where he fell into a tank collecting ammonia waste and similarly, on the ground of violation of right to health and life of the public through embezzling money that is allocated to enhance the safety and quality of goods especially essential food items such as in the case where Edna Chocolate Company was held liable for using milk powder contained with melamine which can bring forth negative health effects.

B. LEGAL FRAMEWORK PERTAINING TO WHITE-COLLAR CRIME

1. Legal Framework in Sri Lanka:

The Penal Code being the main source of laws in respect of white-collar crimes in Sri Lanka it sets out a number of offences such as cheating, mischief, criminal breach of trust, dishonest misappropriation of property and forgery which incriminates a variety of acts as white-collar crimes.

Financial Transaction Act No. 6 of 2006 (FRTA) which was introduced as a reaction to LTTE terrorism and most importantly as a part of a global reaction to curb money laundering from international drug trafficking and terrorism (Weerasooriya, 2011) of which the overall objective is to combat money laundering, terrorist financing and related crimes, Prevention of Money Laundering Act No. 5 of 2006 (PMLA) which seeks to prohibit money laundering in Sri Lanka and to provide measures to combat and prevent money laundering (Preamble of the Act), the Banking (Amendment) Act No. 2 of 2005 which was introduced to strengthen the Monetary Board and prohibit pyramid schemes, Payment Devices Fraud Act No. 30 of 2006 which purports to prevent the possession and use of unauthorized or counterfeit payment devices, to

create offences connected with the possession or use of unauthorized payment devices, to protect persons from lawfully issuing and using such payment devices and to make provisions for the investigation, prosecution and punishment of offenders (Preamble) which was mainly brought forth to combat credit card and bank teller machine frauds and Computer Crimes Act No. 24 of 2007 which provides for the identification of computer crimes and procedure for the investigation and prevention of such crimes can be named as other important statutes that seek to criminalize various types of white-collar criminal practices.

Apart from the aforesaid laws the Companies Act No.7 of 2007 also regulates provisions with regard to combating of white-collar crimes such as; Sections 189, 190- 200, 212, 217, 218, 219 and 220 that regulate the conduct of directors of a company. Section 374 which provides fraudulent situations where a director can be held criminally liable after the winding up of the company, Section 375 which provides for fraudulent trading, Section 376 power to require repayment of money or returning of property in case of default or breach of duty or trust, Section 377 disclaimer of onerous property, Section 380 that provides offences of companies in liquidation, Section 381 where accounts are not kept properly, Section 382 on prosecution of delinquent officers, Section 384 on corrupt inducement affecting appointment as liquidator, Sections 224 which provides for oppression, Section 225 which provides for mismanagement where shareholders of the company are given the power to speak up against the actions that are oppressive and prejudicial to the interests of the company and Section 234 under which derivative action was recognized by where the company itself or shareholders as held in the case known as Colombo Hilton Case (1 SriLR 20, 2003) can bring an action to the court in order to protect the interests of the company.

2. Sri Lankan Judicial Response towards White-collar Crimes:

When looking at the judicial response towards white collar crimes in Sri Lanka, few of the judicial decisions pertaining to several penal code offences that are legally recognized can be taken into account.

Accordingly, cases such as *Smith vs. Jayasuriya* (1899 Koch's Report 42) and *King vs. Lavena Maricar* (10 NLR 369) have dealt with the constituent elements of establishing the offence of mischief which is a crime as provided under Section 408 of the Penal Code.

Under the offence of dishonest misappropriation of property as per Section 386, *Stickney vs. Sinnatamby* (1886, 5 CL Rev.112), *Fernando vs. Charles* (4 NLR 215) which defines the mens rea element of the said offence can be set out.

As provided in Section 388 under the offence of criminal breach of trust the case, *Buchanan vs. Conrad* (1982 2 CLR 135) can be held important where a clerk was charged in respect of a deficiency of an account.

The offence under Section 398 Cheating was also held in a number of cases such as *Gunijee vs. Silva* (2 NLR 85) which relates to a false representation, *Kadirama Tamby vs. Venasitamby* (1908 3 Bal. Rep. 278) relating to a mortgage, *Eliyatomby vs. Kathiravel* (37 NLR 16) in relation to making of a false statement regarding a pawned article and *Ellawala vs. Inspector of Police* (45 NLR 60) which involved a case of continuance of false representation.

3. Legal Framework in UK:

Due to the increased recognition of white-collar crime as a problem that draws a larger public attention and involves high profile scandals agencies such as Serious Fraud Office (SFO) and Financial Services Authority (FSA) were established for the monitoring and investigating of corporate crimes in the United Kingdom. SFO has the powers of prosecution as well as investigation whereas, FSA has the criminal prosecution powers to reduce financial crimes. As

a pre-emptive step in enforcing white-collar crime UK parliament in addition to establishing agencies created Serious Crime Prevention Orders (SCPOs). These can be issued to corporations and individuals by having power over a business's financial property, or business dealings and the employment of the staff (Huynh, 2010).

Furthermore, the main fraud offences in UK are contained in Fraud Act of 2006 by which the general offence of fraud is punishable with up to 10 years of imprisonment was introduced containing offences of fraud by false representation (Section 2), failure to disclose information (Section 3) and abuse of position (Section 4) and the Theft Act of 1968 which contains the offences of false accounting (Section 17) and false statements by company directors (Section 19).

The Bribery Act of 2010 is considered the primary piece of legislation in respect of bribery and corruption in UK.

Also, there are a number of anti-corruption conventions that are applicable to England and Wales such as OECD Convention of Combating Bribery of Foreign Public Officials in International Business Transactions of 1997, Council of Europe Criminal Law Convention on Corruption of 1999 and UN Convention against Corruption of 2003.

For the insider dealing and market abuses relevant provisions are provided in Section 52 of the Criminal Justice Act of 1993 and Part 7 of Financial Services Act of 2012 whereas Section 37 of the Serious Crime Act of 2015 and Criminal Finances Act of 2017 provide for the main regulatory provisions with regard to money laundering.

Moreover, the European Union's Market Abuse Regulation (MAR) governs offences of carrying on unauthorized activities, insider dealing, producing of misleading statements and market abuse.

Under Section 993 of the Companies Act of 2006 under fraudulent trading it is recognized as an

offence to carry on any business with the intention of defrauding creditors.

It is also important to note that under the common law in UK there are two main types of corporate criminal liability which are 'Vicarious Liability' where companies can be held criminally liable for the illegal acts committed by their employees or agents and the 'Identification Principle' or 'directing mind and will' under which a company will normally be liable for serious offences that do not impose strict liability where the commission of the offence is attributed to an individual who was the directing mind of the company or an embodiment of the company at the material time (Geary and others, 2021).

4. Legal Framework in USA:

Activities that constitute white-collar offences are enumerated by both state and federal legislations. The US Constitution under its Commerce Clause has given authority to the federal government which includes the FBI, the Internal Revenue Service (IRS) and the Securities and Exchange Commission (SEC) for the enforcement and regulation of white-collar crimes.

As established in the case of *United States vs. Dotterweich* (320 U.S. 277) under the 'Responsible Corporate Officer' doctrine it is presumed that a high-ranking corporate official is with the knowledge about the wrongdoings of his or her corporation.

In 1934, Securities and Exchange Commission (SEC) was established by the US Congress as an economic watchdog under the Securities Exchange Act of 1934. SEC has the power to enforce and regulate the US states stock and securities market under this act and also to collect monies from securities violations and to disburse those for the compensation of fraud victims (Black, 2008). Under the Sarbanes-Oxley Act of 2002 according to Section 308, SEC is also granted the power to compensate victims of corporate fraud. Under this act of Sarbanes-Oxley which was introduced in 2002 as a response to large corporate scandals such as Enron, Adelphia,

WorldCom and Tyco International it is required additional obligations from publicly held companies to encourage transparency and accuracy during their public financial disclosures and to ensure compliance with securities laws. Also, this act established the Public Company Accounting Oversight Board (PCAOB) for the prevention of fraud in larger scale through granting of power upon PCAOB to oversee and regulate auditing functions of accounting firms when auditing public companies.

Furthermore, the statute, Racketeer Influenced and Corrupt Organizations Act of 1970 (RICO) was established under the Organized Crime Control Act of 1970 in order to provide enhanced criminal penalties making it illegal to acquire, operate or receive income from an entity through a pattern of racketeering activity (Salinger, 2004). It was held in the Supreme Court case of *Sedima S.P.L.R vs. Imrex Co., Inc.* (473 US 479) that RICO can be applied to legal commercial enterprises where the purchase orders and credit memos were forged by the business for the increment of their purchase price.

5. Legal Framework in India:

The Indian Government has passed a number of regulatory legislations to deal with cases of white-collar crime. Most importantly the Indian Penal Code and the Essential Commodities Act of 1955, Foreign Exchange (Regulation) Act of 1974, Import and Exports Control Act of 1947, the Industrial Development and Regulation Act of 1951, Prevention of Money Laundering Act of 2002, the Prohibition of Corruption Act of 1986, Companies Act of 1956, the Code of Criminal Procedure of 1973 and the Information Technology Act of 2000 contain numerous provisions with regard to penalty of white-collar crime (Jain and Others, 2017).

Accordingly, in order to prevent banks from acting as a chain in money laundering process and to maintain public safety through keeping adequate knowledge of the sources of money the Prevention of Money Laundering Act was passed

in 2002. The Code of Criminal Procedure Act and the Prohibition of Corruption Act of 1986 have made all public employees accountable for their corrupt activities committed while performing their official duties and have made provisions to take legal actions against them. The Companies Act of 2013 further contains provisions on a number of corporate crimes such as Section 447 which provides a list of offences and specifies special courts for speedy trials for Section 447 offences. Additionally, the white-collar crimes which involves production, supply and distribution of essential goods in regular market are also governed by the Essential Commodity Act of 1955. Importantly, the Indian Government has implemented the Information Technology Act of 2000 for the handling of cases of computer related offences that are punishable such as copying of data without permission, unapproved access and download, virus insertion and causing malicious harm to computer systems.

C. A COMPARATIVE ANALYSIS BETWEEN THE LEGAL FRAMEWORKS PREVAILING IN SRI LANKA, UK, USA AND INDIA PERTAINING TO WHITE-COLLAR CRIMES:

The systems of handling white-collar crimes in UK and USA are quite similar but do differ in several aspects. Firstly, when looking at the similarities it is evident that both jurisdictions have broad, far-reaching statutes such as RICO and SCA which are used for the conviction of white-collar criminals by prosecutors. It is also expressed that both the statutes allow seizure of funds and property in order to help victims recoup some of their losses. And further regulatory agencies for the oversight of securities markets and investigation of potential violations have been established under both jurisdictions. Secondly, when looking at the differences it is clear that the way each country approaches to deter white-collar crime is different as USA has a harsher punishment system while UK does not grant harsher penalties. Accordingly, RICO and Sarbanes-Oxley allows enhanced penalties for racketeering charges and

securities violations respectively. Although the USA system is not preventative in nature it relies on harsher punishments and larger fines heavily for the prevention of corporate persons from committing white-collar crimes. However, on the other hand, UK is comprised with a system of preventative nature thereby do not grant harsher penalties for white-collar criminals. For instance, SCPOs allow restrictions to be put on those who are likely to commit white-collar crimes. Likewise, the SEC, SFO and FSA are authorized to monitor public companies.

From the legal perspective of India, it is evident that there exist various legislations that have been enacted to deal with white-collar crimes. However, it is noteworthy that these special enactments pertaining to white-collar crimes and the Indian Penal Code provisions are not harmonies to each other. For instance, when looking at the Prohibition of Corruption Act and CrPC although these statutes contain provisions with regard to taking action against public officers for commission of crimes within their professional capacity, at the same time, these laws provide that no proceeding against such public official shall be initiated without the prior approval for prosecution by superior authority in any court of law.

When looking at the situation in Sri Lanka that is similar to India although there have been numerous statutes drafted by the law makers for the prevention of white-collar crimes from happening not having severe punishments like under the jurisdiction of USA which imposes longer time periods for imprisonment and higher penalties, preventive measures for the avoidance of malpractices and lack of regulatory authorities to investigate or detect such crimes in many cases where most of the Sri Lankan companies being more family owned are huge drawbacks in the domestic legal system.

4. Conclusion

It is clear that globalization and modern business development has opened up new opportunities for human corruption. In the past few decades, the development of science and technology has brought forth the novel concept of culpability known as white-collar crime which is in the form of financial crime that is inevitably viewed and treated as a serious danger to a country's economy and society.

Especially, for a developing country like Sri Lanka which is burdened with numerous complexities has become further agonized due to the adverse impacts of this socio-economic issue of white-collar crimes. Therefore, while being in a struggle to develop the economy the country has fallen into a position where it is forced to suffer from the curse of those crimes due to many attributes that has led to the commission of such crimes such as non-violent nature thereby refraining criminals from thinking that they are committing a wrongdoing, illegal trade schemes, voracity for assets, monetary needs, technological amplification and the absence of an effective legal system as visible in many cases. Although Sri Lanka has promulgated a number of strict laws and regulations it is evident from the study that the country's legal framework pertaining to white-collar crimes still struggles to combat those crimes effectively unlike in UK and USA which has largely contributed for the regulation of the rapid evolution of white-collar crimes ensuring good governance and public tranquillity.

In the given context, it is inevitable to note that prioritizing the prevention of white-collar crime is crucial in order to protect the economy of the country from jeopardize.

5. Recommendations

In the light of the above discussion following recommendations for the combating of rapid evolution of white-collar crime can be proposed as follows;

To begin with, the Companies Act of 2007 being the substantive law relating to companies it does not address violent crimes that are borne from white-collar crimes. Thus, from the need for a separate legislation revealed, it is proposed to enact a legislation that solely deals with corporate crimes that are committed as results of white-collar crimes.

Due to the evolving nature of white-collar crimes, it is recommended to law makers to enact updated laws that are revised from time to time. Most importantly, it is proposed a stronger stance is required to be taken with a more severe form of punishments as learned from the legal framework pertaining to white-collar crimes in USA in order to prevent such crimes from happening.

On this note, it is also suggested to incorporate the numerous types of white-collar crimes that range from minor to major offences in the Penal Code of the country as by doing so the perpetrators can be punished adequately.

Also, as per the UK jurisdiction it is also proposed to regulate legally preventative measures for the avoidance of such crimes.

Also, it is inevitable to consider white-collar crimes as serious crimes with rigorous punishment as they are highly responsible for the injury of country's economy.

Furthermore, not only judicial actions but also departmental actions shall be taken against every professional alleged to have involved in corruption, misuse of position or violation of his or her service for unlawful gains.

In addition, adequate regulatory authorities such as SFO and FSA should be established to detect white-collar crimes that are often overshadowed and are only detected by chance and for the investigation of operations of a company to prevent frauds which are often committed in the face of fraudulent recruitment and falsifying accounts.

Furthermore, the Company Act can be amended by including new provisions as to how best practices should be strictly followed in accounting, auditing, reporting, corporate

governance and other capital market related functions. And also, as another important mechanism it can be proposed an internal friendly procedure that gives a secured opportunity where anyone employed in the corporation to report any malpractice to relevant officials who are authorized to deal with such complaints. For further success, whistle-blower protection shall be ensured as it is noteworthy that they are the people who often knows information within the corporation and attempts

to disclose knowledge they have with regard to commission of white-collar crimes by the high-ranking officials.

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Abbreviations and Specific Symbols

FRTA- Financial Transaction Act
PMLA- Prevention of Money Laundering Act
SFO- Serious Fraud Office
FSA- Financial Services Authority
SCPO- Serious Crime Prevention Orders
MAR- Market Abuse Regulation
IRS- Internal Revenue Service
SEC- Securities and Exchange Commission
PCAOB- Public Company Accounting Oversight Board
RICO-Racketeer Influenced and Corrupt Organizations Act

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