India Inc has to deal with 1,536 Acts, 69,233 compliances: Study

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Bengaluru: Despite attempts to improve the ease of doing business, India Inc still has to deal with numerous laws and compliances.

A research paper released by TeamLease RegTech, a regulatory compliance management firm, finds there are 1,536 Acts and rules, 69,233 compliances, and 6,618 annual filings to comply with. However, each company may not have to contend with all the compliances. That varies depending on the nature of business, geographical location and reach, and employee headcount.

It says that a major part of the compliances for corporates is with regard to labour. Labour accounts for 30.1% of the applicable laws and rules, 47% of the compliances, 46% of the filings, and 68% of the provisions that carry clauses for imprisonment.

Govt had sought to streamline several labour laws by enacting four labour codes but has failed to implement them, citing lack of support from some states. Most economists have argued that the new labour codes should be among the first set of key reforms that the new govt should implement.

The current sets of laws and regulations come with their own set of internal processes with labour consultants seen to be heavily reliant on spreadsheets for data storage and sharing, the paper said.

"Currently, the digitalisation of compliance processes is limited to monitoring and administrating regulatory obligations. Automation will enable businesses to reduce both the expense of compliance and the cost of poor compliance," the report said.

TeamLease RegTech pointed out that there is a lot of redundancy and overlap in labour laws.

It suggested that companies and govt should start using open APIs so that they can exchange data seamlessly with regulators. "It will allow regulators to publish updates to compliance requirements, which affected businesses can quickly ingest. In addition, using a network of RegTechs, the infrastructure will enable enterprises to complete straight-through filings. Eventually, the grid will eliminate the need to create, maintain, and submit paper documents. It will automatically detect compliance obligation delays, evasions, and leaks," TeamLease RegTech said.