

Efficacy of Piercing the Corporate Veil in Sri Lanka: A Comparative Legal Analysis

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An essential dichotomy of legal concepts also exists in the field of company law. The lifting of the corporate veil can generally be lifted based on statutory provisions and judicial interpretations. However, it states that it can be pierced by the application of the terms of a statute or contract or in a broader view as a common law. However, the relative importance may vary depending on factors such as the completeness of the statute and the authority of the courts. In this background this study seeks to examine the concept of lifting the veil, which on the one hand, significantly recognizes separate legal personality, and on the other hand, tends to ignore the separate legal personality of a company. It is supposed to put a veil over the personality of the limited company which is often invisible to the court. But courts can often set aside the veil. They can often peel off the mask and see what lies behind. Under the inadequacy of Sri Lanka's constitutional provisions and case laws as compared to other jurisdictions, the concept of separate legal personality and veil piercing theory should be efficient and modernized. An attempt has been made to develop an implicitly accepted framework to elaborate the implementation of Sri Lanka's judicial and statutory instrument framework by uncovering the foundations and principles that enable the removal of the corporate veil by English common law. It is emphasized through this and attempts are made to establish Possible Recommendations and uniform rules to overcome the obstacles and practical problems arising in the use of each concept in the courts of Sri Lanka. This research was based on the mixed methodology, because this research is mostly based on the "positivist paradigm". A comparative analysis of veil piercing jurisprudence in the USA, UK and Germany as set out in the Companies Act No. 07 of 2007 and generally applicable. Finally, the author draws a conclusion by comparing the constitutional provisions supporting the lifting of the veil and studying current judicial trends under possible recommendations for establishing uniform laws for piercing the corporate veil in Sri Lanka. In order to build a strong economy free from fraud and corruption through a specific law, pointing out the social and legal practical values of establishing veil piercing jurisprudence in the laws of Sri Lanka.

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