# FOREIGN DIRECT INVESTMENT LAWS IN USA, INDIA AND CANADA: A COMPARATIVE ANALYSIS

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ABSTRACT

Foreign Direct Investment occurs when a firm acquires controlling ownership in a company or sector in another nation. Through Foreign Direct Investment, foreign enterprises are directly involved with the day-to-day responsibilities of the other country, resulting in a transfer of money, knowledge, skills, and technology. Over the previous two decades (April 2000-March 2023), India has received more than US$919.63 billion in total Foreign Direct Investment. India ranks ninth among major Foreign Direct Investment destinations in 2023, reflecting decades of economic and policy changes. Canada's Foreign Direct Investment increased by 9.1 USD bn in Jun 2023, compared with an increase of 15.1 USD bn in the previous quarter. The United States has traditionally been one of the largest recipients of Foreign Direct Investment globally. This paper presents a detailed comparative analysis of Foreign Direct Investment policies in three jurisdictions: the United States, India, and Canada. Foreign Direct Investment is a key driver of global economic integration and knowing the regulatory frameworks of these major economies is critical for policymakers, investors, and researchers. The paper analyses the regulatory structures, offering insight into the bodies in charge of regulating Foreign Direct Investment, the approval processes and the criteria used to determine foreign investor eligibility. By finding similarities and differences in legal frameworks, the study sheds light on the policy processes that influence Foreign Direct Investment legislation. It assesses the effectiveness of the restrictions in attracting Foreign Direct Investment and promoting economic growth.

Keywords: Foreign Direct Investment, Company, Legislation, Economic Integration, Restrictions

## INTRODUCTION

Foreign Direct Investment is one of the main driving factors of globalization. In this evolving period, capital from outside nations has expected a lot of significance in facilitating business and exchange exercises of a nation and expanding its global exchange. Foreign direct investment (FDI) is now widely perceived as an important resource for expediting the industrial development of developing countries in view of the fact that it flows as a bundle of capital, technology, skills and some times even market access.[1] Foreign Direct Investment has shown to be an impulse for interest in creating and arising economies like India. The economic reforms in general and liberalization of FDI policy in particular have affected the magnitude and pattern of FDI inflows received by India.[2] Almost all economies have attempted to attract Foreign Direct Investment since the early 1980s by regulating their policies and relying on market forces. FDI inflows could contribute to growth rate of the host economy by augmenting the capital stock as well as with infusion of new technology.[3] Foreign Direct Investment is a vital instrument for the development and monetary prosperity of a state. Economies centre around advancing their FDI position to have the option to accomplish development. Foreign Direct Investment advances capital development as well as in light of the fact that it can draw tremendous worth of the capital stock. As new Foreign Direct Investment companies enter the market, they carry alongside them the most recent and proficient innovations which significantly affect the homegrown firms. MNCs give positive externalities, for example, the executives and work preparing which thus boosts the homegrown firms to integrate these into their functioning model which prompts expanded guidelines of creation all through the business. Foreign Direct Investment is likewise viewed as a significant wellspring of outside funding for developing and developed nations. Foreign Direct Investment provides the host country or the foreign organisation with a wellspring of new improvements, ignored and anticipated marketplaces, ample job, executives, and preparation skills, which accelerates the degree of financial development in that country. Foreign Direct Investment is a simple aspect of an open and changed economy and a vital energizer to financial and social development. A more significant role is performed by the country's FDI strategy and global speculative construction to attract FDI. "Investment that is made to acquire a lasting interest in an enterprise operating in an economy other than that of

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[1] Nagesh Kumar, Liberalisation Foreign Direct Investment Flows and Development: Indian Experience in the 1990s, 40 EPW 1459, 1459 (2005).
[2] *Id.* at 1460.
[3] *Id.* at 1463.

the investor, the investor's purpose being to have an effective voice in the management of the enterprise," is how the IMF defines foreign direct investment.

## HISTORICAL EVOLUTION OF FOREIGN DIRECT INVESTMENT IN INDIA

Indian government policy towards FDI has evolved over time in tune with the requirements of the process of development in different phases.[4] On the basis of the objectives, government's policy towards FDI, it may be classified into different phases:

Period of Restrictive Approach Towards FDI (1968-1979);

The Period of Semi-Liberalization -1980-1990

The Phase of Liberalization- 1991-2024

### Period of Restrictive Approach Towards FDI (1968-1979):

The government adopted a more restrictive attitude towards FDI in the late 1960s as the local base of machinery manufacturing capability and local entrepreneurship developed and as the outflow on account of remittances of dividends, profits, royalties, and technical fees, etc, abroad on account of servicing of FDI and technology imports grew sharply.[5] Furthermore, India began to see large-scale outflows of foreign cash as a result of massive dividend and profit transfers by overseas investors, reducing the necessity for foreign investment in the nation. Further limitations were imposed in the 1970s with the goal of promoting indigenous industry and decreasing the danger of private capital. From 1973 onwards the further activities of foreign companies (along with those of local large industrial houses) were restricted to a select group of core or high priority industries.[6] The government also aimed to extend state control over other sectors, which resulted in the nationalisation of banks, insurance firms, and coal mines. Legislations as the MRTP Act of 1969, Patent Act of 1970, and FERA of 1973 further reinforced the restrictions on foreign investment.

### The Period of Semi-Liberalization (1980-1990):

Compared to most industrialising economies, India followed a fairly restrictive foreign private investment policy until 1991 relying more on bilateral and multilateral loans with long maturities.[7] Mrs. Indira Gandhi was elected Prime Minister for the third time in 1980, and her administration believed that the limitations had done more harm than good during the

[4] Nagesh, *supra* note 1.
[5] Nagesh, *supra* note 1.
[6] Nagesh, *supra* note 1.
[7] R Nagaraj, Foreign Direct Investment in India in the 1990s: Trends and Issues, 38 EPW 1701, 1701 (2003).

previous three decades. The fiscal deficit, which was moderate till early 1980s suddenly started rising 1980s and if we see the data available from various studies it was over 8% of the GDP from 1985-86 to 1989-90 mainly due to expenditures on subsidies, interest payments, salaries defence and this gap was managed by external borrowing.[8] Such a restrictive policy is believed to have retarded domestic technical capability (as reflected in the poor quality of Indian goods); it also meant a loss of export opportunity of labour- intensive manufactures - in contrast to many successful east Asian economies.[9] Few steps were taken to liberalize economy in 1985 in form of delicensing industries but those unplanned and ad hoc measures resulted in macroeconomic destabilisation of the economy leading to large fiscal deficit.[10] Equity restrictions and licensing procedures for the foreign firms in the export-oriented industries under the MRTP Act was simplified. Another step towards reducing limitations was permitting foreign businesses to manufacture electric equipment, chemicals, medicinal items, transportation apparatus, and industrial machinery and tools, which were previously forbidden for them. Non-resident Indians were also permitted to invest in Indian companies through stock holdings. The 1980s witnessed a gradual relaxation of the foreign investment rules perhaps best symbolised by the setting up of Maruti, a central government joint venture small car project with Japan's Suzuki Motors in 1982 and it was followed by Pepsi's entry in the second half of the decade, to primarily export processed food products from Punjab, and also to bottle its well known beverages for the domestic market.[11] During the 1980s the main concentration in the five year plans were to liberalize imports by promoting export oriented industries, reducing physical controls on production and regulations for technology upgradation by FDI.[12]

**The Period of Liberalization (1991):**

India began liberalising the FDI rules with the New Industrial Policy in 1991. In the liberalization era, India is known to have attracted a huge quantum of FDI.[13] The 1991 reform profoundly modified India's stance towards foreign ownership. The reform policy prompted immediate substantial structural changes. The gradual elimination of quantitative trade barriers, tariff reductions, greater FDI and FII, and so on were only the beginning of the

[8] Mohammad Iftekhar Khan and Amit Banerji, A Study of Drivers, Impact, and Pattern of Foreign Direct Investment in India, 48 JDA 327, 328 (2014).
[9] R Nagaraj, *supra* note 7.
[10] Mohammad Iftekhar Khan and Amit Banerji, *supra* note 8.
[11] R Nagaraj, *supra* note 7.
[12] Mohammad Iftekhar Khan and Amit Banerji, supra note 8.
[13] B.K. Lokesha and D.S. Leelavathy, Determinants of Foreign Direct Investment: A Macro Perspective, 47 IJIR 459, 459 (2012).

reformation process. Industrial policy liberalization is one of the most important determinants of FDI in India and several liberal policies have been adopted since 1991 and these policies, while freeing the Indian economy from official controls, promoted the opportunities for foreign investment in India and liberalised the economy towards foreign investment and technology.[14] The services sector in India including financial services, consultancy, transport services and telecommunications accounted for around 40 per cent of the total inflows of $38 billion of FDI for the period 1991 to 2006.[15] The factors which have facilitated FDI inflows are India's endowments of skilled labour and the presence of financial and legal institutions fashioned after those in developed countries.[16] According to several historians and economists, the 1991 reform has produced mixed results to date. The balance of payment issue was resolved by 1993, following a steady decrease in the budget deficit during 1991-92. The 1991 reforms, which followed a balance-of-payments crisis, resulted in a major shift in Indian policy towards international trade and investment. One of the most significant aspects of the 1991 reform was the decision to liberalise FDI. This decision was largely driven by the notion that foreign direct investment will contribute to economic progress, technological transfer, and market globalisation. Surprisingly, at such an early stage, the government permitted foreign businesses to hold 100 percent stock in some industries via an automated procedure. Eventually, the screening and approval processes for getting entrance clearance were significantly streamlined.

## IMPEDIMENTS FOR FOREIGN DIRECT INVESTMENT IN INDIA

Some of the problems and obstacles for FDI in India:

**Tariffs and Taxation:** India is known for its high taxation on both the citizens as well as foreign investors. Corporate taxes in India go as high as forty-eight percent, which is much higher in comparison to other East Asian countries.

**Red Tapism and High Corruption:** India was ranked 80 out of 180 countries in the Corruption Perceptions Index (CPI) making India one of the most corrupt developing countries in theworld. Indian bureaucracy is in an abysmal state and institutional reforms are the need of the hour.

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[14] *Id.* at 462.
[15] V. N. Balasubramanyam and David Sapsford, Does India Need a Lot More FDI?, 42 EPW 1549, 1554 (2007).
[16] *Id.*

**Poor Infrastructure:** It is one of the paramount problems with FDI in India. Foreign firms are looking for countries with good quality infrastructure and India badly fails in this respect. This obstruction in the form of poor infrastructure dispirits foreign investors from investing in India.

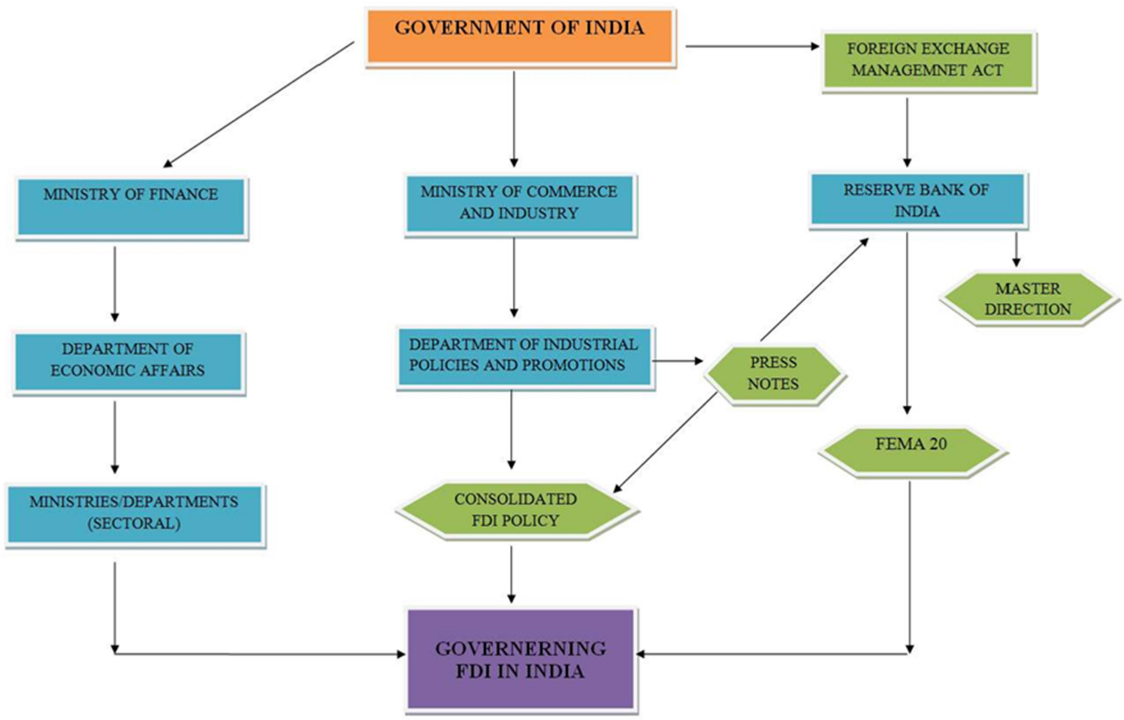
**Unclear Policies:** Labor laws in India are quite infamous throughout the world. Foreign companies have to take prior permission from the state and central governments to close down their operations or for mass lay-offs. Trade Unions are very active in India and they act not like facilitators but as 'goondas', extorting money from companies in the name of different schemes.

## LEGAL FRAMEWORK IN INDIA, USA AND CANADA

### Legal Framework in India:

Since 1991, India has developed many regulatory frameworks to govern and manage FDI inflows. India's regulatory framework has gradually become more enabling than restricting for investors since the LPG Policy in 1991 and with the implementation of liberalization, privatization and globalization (LPG) reforms, India has certainly emerged as a gorgeous destination for foreign investments.[17] The following figure depicts the network of authorities and restrictions governing FDI in India.

[17] Madanjit Kumar Singh, Framework for FDI in India, 2 IJHSSM 537, 537 (2022).




**Foreign Exchange Management Act, 1999**

In the pre-1991 era, suspicions of colonial control prompted the creation of a tighter investment policy. The Foreign Exchange Regulation Act (FERA) served as a model of the current system. Contraventions of any provision were criminalised under FERA, whilst any violation of FEMA laws was deemed civil wrongs. However, the growth in capital inflows in the Indian economy resulted in the development of a flexible system. As a result, FERA was replaced by the Foreign Exchange Management Act (FEMA), and the government now seeks to manage capital inflows and outflows rather than rigorously restrict them. An Act to consolidate and amend the law relating to foreign exchange with the objective of facilitating external trade and payments and for promoting the orderly development and maintenance of the foreign exchange market in India.[18] If any transaction involves asset alteration on Indian soil by any person resident outside India, those are generally prohibited, unless otherwise provided.[19]

[18] INDIACODE, https://www.indiacode.nic.in/bitstream/123456789/1988/1/A1999_42.pdf (last visited Mar 17, 2024).
[19] *Id.*

**Consolidated FDI Policy of the Government of India**

The Department of Industrial Policy and Promotion of the Ministry of Commerce and Industry regulates India's FDI policy. The Government has put in place a policy framework on Foreign Direct Investment, which is transparent, predictable and easily comprehensible and this framework is embodied in the Circular on Consolidated FDI Policy, which may be updated every year, to capture and keep pace with the regulatory changes, effected in the interregnum.[20] By way of the FDI Policy, the Government of India intent to attract and promote FDI in order to supplement domestic capital, technology transfer and skills for accelerated economic growth. Under the Automatic Route, the foreign investor does not require any approval from the Government of India for the investment, whereas under the Government Route, the foreign investor is required to obtain prior approval from the government. Previously, the government would issue press notes on foreign investment policies on a regular basis. These press notes were dispersed, and a single policy document was required. In 2010, the DIPP decided to unify all of the press notes released on foreign investment into a single policy circular. The DIPP will update this Policy Circular every year to reflect the government's policy changes. Although the DIPP discontinued the practice of providing press notes to consolidate the policy, any policy modifications that will occur within the year after the notice of the Consolidated Policy will be disclosed only through press notes. The first FDI Policy circular was released on March 31, 2010, under Circular No. 1 of 2010. As a result, under the FDI Policy, the Indian government intends to encourage and promote FDI to augment local capital, technology transfer, and skills for rapid economic growth.

**DIPP Press Notes/Notifications/Clarifications**

The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through Press Notes/Press Releases which are notified by the Reserve Bank of India as amendments to the Foreign Exchange Management (Transfer or Issue of Security by Persons Resident Outside India) Regulations, 2000 (notification No. FEMA 20/2000-RB dated May 3, 2000). These notifications take effect from the date of issue of Press Notes/ Press Releases, unless specified otherwise therein.[21] Press Notes, also known as DIPP Press Notes, are policy documents developed and released by the Ministry of Commerce and Industry, Government

[20] https://www.mofpi.gov.in/sites/default/files/fdi_circular_20161.pdf ( last visited Mar 17, 2024).
[21] *Id.*

of India. The Press Notes though do not go through the formal legislative law making process, but they are still considered as laws. Press Notes to that extent are non-legislative state actions. On the other hand, these Press Notes effectively increases or decreases sectoral equity limits for FDI (that is why DIPP issue Press Notes, for instance, Press Note No. 1 of 2018). These Press Notes announce important economic policy topics, such as the government's foreign direct investment strategy. In other words, DIPP publishes these Press Notes on an ad hoc basis whenever it considers the need to update or clarify the current FDI Policy or Regulations. After that, the RBI reviews them and makes any required changes to the FEMA 20. Only after this do they get legal standing. The regulatory framework, over a period of time, thus, consists of Acts, Regulations, Press Notes, Press Releases, Clarifications, etc.[22] However, in their latent form, they never traverse the legislative process and are not put before Parliament, but they nonetheless have a large influence on the country's economic implications.

**Legal Framework in United States of America:**

The United States now accommodates almost 300 million people. It has a huge and increasing market. Most Americans work, making them an ideal market for all international investors. In United States many treaties and other agreements protect foreign investment and these include Friendship, Navigation, and Commerce (FCN) treaties with thirty-two states, 24 Bilateral Investment Treaties (BITs) with forty countries, 25 and eight bilateral Free Trade Agreements that contain similar provisions for the protection of foreign investors.[23] Investors Foreign investment and foreign investors are generally entitled to the same standard of legal protection as American investments and investors.[24] The standard of treatment of foreign investors prescribed in international treaties of the United States generally reflects its position as a proponent of the strong protection of the property rights of investors.[25] Committee on Foreign Investment in the United States (CFIUS) operates under the authority of the Defense Production Act of 1950 and the Foreign Investment Risk Review Modernization Act (FIRRMA) of 2018. FIRRMA expanded CFIUS's jurisdiction to cover a broader range of transactions, including non-controlling investments in critical technology, infrastructure, and

[22] *Id.*
[23] Fred L. Morrison, The Protection of Foreign Investment In The United States of America, 58 AJCL 437, 440 (2010).
[24] *Id.* at 441.
[25] *Id.* at 442.

sensitive personal data. The Exon-Florio Amendment to the Defense Production Act grants the President the authority to block or suspend foreign acquisitions of U.S. businesses if there is credible evidence that the transaction threatens national security. This authority is exercised based on recommendations from CFIUS. Foreign investors in the United States generally do not require special registration or authorization, except in a few economic areas.[26] A merger, acquisition, or takeover of an existing American business is, however, subject to review by the United States Committee on Foreign Investment, an agency consisting of high-level government officials and may be prohibited or suspended by the President if he determines that it threatens to impair the national security of the United States and in the case of a few sensitive industries, ownership is limited to American citizens and corporations, or the magnitude of foreign holdings is limited.[27] Certain industries, such as defense, telecommunications, energy, and critical infrastructure, are subject to additional regulations and restrictions on foreign investment. For example, the Department of Defense administers regulations related to defense-related investments, while the Federal Communications Commission (FCC) oversees foreign investment in telecommunications. Foreign investors may be required to submit notifications or applications to CFIUS or other relevant agencies for review and approval before completing certain transactions. Failure to comply with these requirements can result in penalties and enforcement actions. The United States maintains export controls on certain sensitive technologies, products, and information to prevent their unauthorized transfer to foreign entities. These controls, administered by agencies such as the Department of Commerce (through the Export Administration Regulations) and the Department of State (through the International Traffic in Arms Regulations), may affect foreign investments in U.S. companies involved in the development or production of controlled items. The per capita income of Americans is 62794.59 USD, the highest among the top developed economies. The United States is the world's third most populated country, behind China and India. Following the 1975 recession, most of the so-called developed economies struggled to grow, although the United States' robust economy battled the recessions valiantly. Today's world is as active as it can be. The globalised world is inherently disordered and untrustworthy. In comparison to other industrialised countries, the United States has a more stable and trustworthy policy framework and labour regulations. Foreign investors like the United States due to rising political uncertainty and meddling from their own government. Investors are hesitant to invest in emerging nations due to

[26] Fred, *supra* note 26, at 442.
[27] Fred, *supra* note 26, at 443.

uncompensated expropriations, discriminatory treatment of international enterprises, and abrupt swings in political direction. Since the 1930s the United States has pursued a liberal trade policy encouraging the free flow of goods and capital among the nations of the world.[28] Since the 1975 slump, the US dollar's value has plummeted, making acquisitions of domestic American enterprises viable. Major acquisitions came from nations such as Japan and Switzerland, who were previously dependent on US exports. As the exchange rate declined, exports from the United States were highly expensive for the nations that previously relied on them, but this turned out to be a gift in disguise because it reduced the cost of American assets. The United States of America is unquestionably the world leader in research and development. America invests the majority of its money on technological research, with hundreds of patents issued each year. It boasts the most advanced technologies in the industrial and computing industries. Many nations have bought US corporations just to gain access to their technology and applied science. Europe and Japan have made major purchases in the technology industry. As long as the United States remains a technological leader in such key areas, and as long as the economic strength of foreign enterprises increases, such acquisitions will continue.

**Legal Framework in Canada:**

Canada, as a prominent destination for foreign investment, has established a set of guidelines and policies to facilitate and regulate FDI. The Investment Canada Act (IC Act) was introduced by the Conservative government of Canada in December of 1984 and was proclaimed in force on June 30, 1985.[29] The IC Act repealed the Foreign Investment Review Act (FIR Act) and replaced it with a law which substantially limits the investments that are reviewable, provides for the encouragement and facilitation of investment in Canada and establishes an agency, Investment Canada Agency, to advise and assist in the administration of the IC Act.[30] In Canada, FDI is subject to a well-defined regulatory framework overseen by government authorities. The Investment Canada Act (ICA) is a pivotal piece of legislation that outlines the guidelines for reviewing and approving foreign investments in various sectors. In response to a rising tide of nationalism in Canada, especially over foreign control of the Canadian economy, the FIR Act was introduce the Liberal government in 1973 and

[28] Adis M. Villa, Legal Aspects of Foreign Direct Investments in the United States, 16 TIL 1, 9 (1982).
[29] W. Brian Rose, Foreign Investment in Canada: The New Investment Canada Act, 20 TIL 19, 20 (1986).
[30] *Id.*

was proclaimed in force on April 9 1974.[31] Liberal government in 1973 and was proclaimed in force on Apr 1974. The FIR Act provided that all acquisitions of control of Canadian businesses and all establishments of new businesses, except those related an already established business, by noneligible persons were subject review to determine whether they were of significant benefit to Canada.[32] This act distinguishes between different types of transactions, such as net benefit reviews for significant investments and national security reviews for transactions that may impact Canada's security interests.

## COMPARATIVE ANALYSIS OF FOREIGN DIRECT INVESTMENT IN INDIA , USA AND CANADA

Foreign Direct Investment (FDI) plays a pivotal role in shaping the economic landscape of countries like India, the USA, and Canada. Each nation has its unique policies, market dynamics, and attractiveness to foreign investors. The advantages of FDI to host countries include portfolio diversification using foreign capital, access to the technologies and international supply chains of foreign firms, and increased domestic competition from them all factors that contribute to faster growth and more efficient use of resources.[33]

India, with its burgeoning economy and vast consumer base, has witnessed a significant surge in FDI in recent years. Government initiatives such as "Make in India" have aimed to boost manufacturing and attract foreign capital. For instance, in 2020, Google announced a $10 billion investment into India over the next five to seven years, focusing on digitization and technology infrastructure. Additionally, the liberalization of sectors like retail and defense has further enhanced India's appeal to foreign investors, encouraging companies like IKEA and Walmart to expand their presence in the country.

On the other hand, the United States has long been a magnet for FDI due to its stable political environment, robust legal framework, and innovation-driven economy. American companies like Amazon and Microsoft continue to attract substantial foreign investment, while sectors such as technology, finance, and healthcare remain hotspots for FDI. For example, in 2019, Japan's SoftBank invested $10 billion in WeWork, a prominent American co-working space provider, showcasing continued confidence in the US market despite occasional geopolitical

[31] *Id.* at 21.
[32] *Id.* at 21.
[33] Wendy Dobson, China's State-Owned Enterprises and Canada's Foreign Direct Investment Policy, 43 CPP 29, 39 (2017).

uncertainties.

Similarly, Canada boasts a conducive business environment and a highly skilled workforce, making it an attractive destination for FDI. Canada and the United States have one of the largest and most comprehensive investment relationships in the world.[34] The country's resource-rich sectors such as mining and energy have historically drawn significant foreign investment. Canada encourages foreign direct investment (FDI) by promoting stability, global market access, and infrastructure.[35] Moreover, Canada's strong ties with its neighbor, the United States, provide additional benefits for investors seeking access to the North American market. The United States is Canada's largest investor, accounting for 46 percent of total FDI and as of 2021, the amount of U.S. FDI totaled USD 406 billion and Canada's FDI stock in the United States totaled USD 528 billion.[36] Chinese tech giant Huawei's investment in Canada's 5G infrastructure is a testament to the country's attractiveness for FDI, despite occasional political tensions.

In conclusion, while each country offers distinct opportunities and challenges for foreign investors, India's rapid growth, the USA's stability and innovation, and Canada's resource wealth and skilled workforce collectively showcase the diverse landscape of FDI across these nations. Understanding the nuances of each market is essential for investors seeking to capitalize on the opportunities presented by globalization.

**CONCLUSION**

It can be concluded, that foreign inflows in the USA and India have mostly shown a positive trend in the 21st century. FDI increased in India due to government's updated policies and the potential consumer market, while the US saw the rise due to its magnificent infrastructure and world-class technology. It is observed that Mauritius, Singapore and Japan were the leading investors in India, while the US got its major investments from the UK, Japan and Germany. It is predicted that India's GDP will surpass America's GDP approximately by the year 2037 and will stand at 56.35 M Million dollar by 2060. We can conclude that, the US economy has lesser restrictions as compared to India. India's evolving legal landscape, characterized by initiatives like "Make in India" and sector-specific liberalization, reflects a concerted effort to attract foreign capital while balancing domestic

[34] https://www.state.gov/reports/2023-investment-climate-statements/canada/ (last visited Mar 17, 2024).
[35] *Id.*
[36] *Id.*

interests. Despite progress, bureaucratic hurdles and regulatory inconsistencies remain challenges that investors must navigate

The USA's well-established legal system and transparent regulatory environment offer stability and predictability to foreign investors. Similarly, Canada's regulatory framework emphasizes transparency, investor protection, and sustainable development, bolstering its appeal to foreign investors. While the country offers a conducive business environment, complexities in navigating provincial regulations and occasional geopolitical tensions pose considerations for prospective investors. Overall, understanding the legal intricacies and compliance requirements in each jurisdiction is paramount for successful FDI ventures. Moreover, ongoing legislative developments and geopolitical shifts necessitate continuous monitoring and adaptation to ensure optimal investment outcomes.