
THE LIMITS OF COLLECTIVE LITIGATION: A COMPARATIVE STUDY OF CLASS ACTION REGIMES BEYOND THE UNITED STATES

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ABSTRACT

The notion of Class Action Suits is not something that is uncommon in the legal system, yet when it comes to the world of Corporate Transactions and Due diligence, it is the least executed. Although, there might be various internal reasons for the non-execution of the class action suit, this paper delves into the limitation on requirements of the class action suit itself which, in return, falls as an obstruction to access of justice. While the notion of Class Action Suits in Corporate Laws are available in various jurisdictions, their effectiveness is comparatively less discussed outside the United States of America. This paper attempts to provide a comparative analysis of the same with various jurisdictions like India, Saudi Arabia, Singapore and Australia respectively. This paper discusses the limitations and methods to increase the effectiveness of Class Action Suits, globally. This initiative shall bridge the academic learning and the execution of Class Action Suits, thereby creating awareness on the various usage of this intricate piece of approach towards the Court.

Keywords: Companies, Class Action Suits, Shareholders, Effectiveness, Limitations, Corporate Legislation.

INTRODUCTION:

Across various jurisdictions, the definition for Class Action Suits are found in various law books and journals, but one in particular focuses on the notion of Class Action Suits with respect to Corporate Laws. A class action suit involves a large number of people collectively bringing a claim in front of the court of law, with the resolve to address a common cause of harm.¹ In the context of corporate litigation, class action suits revolve around a common dispute faced by a particular class of a company (i.e. shareholders, directors, creditors, debtors etc) to approach the Court, with regards to a dispute in the internal functioning of the company. While the notion itself arose from the Sherman Act of 1874 in the United States, the concept of Class Action Suits have expanded globally, albeit with gradual and fragmented development in other nations. On a surface level analysis, because of the headstart, United States of America acts as a pioneer in this field, causing a barrier in the transition of the application of procedural ease of Class Action Suits in other adapted jurisdictions². This leads us to an acknowledgement of fact of the procedural complexity, limited development and enforcement challenges arising from Class action suits though the scope, procedure and acceptance differs globally, the underlying idea remains the same which is to enhance access to collective justice and as the scale of corporate activities are increasing day by day the need for class action suits have become essential for enhancing effective corporate governance and providing a form of remedy for collective economic and financial harm. Class actions mechanisms have indeed provided a boost for shareholders transforming their passive investor role into a more enhanced and active enforcer of corporate accountability also helping minority shareholders in seeking collective remedies against corporate mismanagement, with the help of these mechanisms they are able to consolidate grievances into a single representative action. This paper further undertakes a comparative analysis of five key jurisdictions that are prominent with respect to the evolution of corporate litigation, these include The United States of America, India, Saudi Arabia, Australia and Singapore, it aims to examine each of their developments with respect to collective redressal frameworks, they are to be taken as focal points in understanding the current landscape and future orbit of class actions suits in corporate law globally, it is further discussed in the following three parts.

¹ <https://www.thewilsonpc.com/glossary/what-is-a-class-action-lawsuit/> (Last accessed on 03-05-2026)

² <https://www.broadridge.com/report/wealth-management/2025-global-class-action-annual-report> (Last accessed on 03-05-2026)

RESEARCH METHODOLOGY:

This research paper focuses on a doctrinal style of research where the primary sources of research refers to textbooks, statistical studies, research papers, articles, thesis and other modes of theoretical information to be presented in this paper. The reason behind the take on these following jurisdictions is to grasp an understanding on the diasporic distribution of the Class Action Suits, across various geographical regions, which is solely not focused on the Western forefronts but on the other countries, that had tried to adapt the format of the United States but are struggling to implement it without exercising limitations, which led to the narrowing of the 5 jurisdictions by the authors.

RESEARCH QUESTIONS:

This research paper attempts to answer the following questions in order to streamline the research gap in the relevant field. These questions are provided as follows:

- What is an effective framework that will promote the usage of Class Action Suits?
- How can this be implemented in jurisdictions outside India?
- In what ways have different countries like the USA, India. Australia, Singapore and Saudi Arabia developed their own rules and regimes for class action suits in corporate law ?
- Why are class action suits becoming more and more important with the evolution of corporate management and governance?

COMPARATIVE JURISDICTIONAL ANALYSIS:

1. UNITED STATES OF AMERICA

When it comes to the notion of Class Action Suits in the United States of America, it is a practice that is done not only for Corporate Litigation, but also for Civil or even under Public Litigation Works as well. In a bird's eye view, A class action is a type of civil lawsuit brought on behalf of many similarly situated people who have been harmed in the same way by the same entity; because they do not have the resources individually

to sue the responsible party, they band together in a single case³. This usually means more documentation and various representation of the same issue in front of the Court, through the form of a lead petitioner. In the United States' legal system, there are various types of Class Action Suits, which are mentioned as follows:

- Consumer cases
- Securities cases
- Employment cases
- Antitrust cases
- Product liability cases⁴

Securities class actions are often brought by shareholders who have suffered losses due to fraudulent practices by a company. Consumer class actions are typically brought by consumers who have been harmed by defective products or deceptive business practices. Employment class actions are usually brought by employees against their employers for violations of labor laws.⁵

Not only that, the United States of America has its own piece of legislation, titled Class Action Fairness Act, 2005 to ensure the welfare of the petitioners. CAFA made it easier for parties to direct class action cases to federal courts, which have been perceived as more attractive forums for parties seeking more rigorous application of the requirements for class treatment and related issues as opposed to state courts. Specifically, CAFA gives federal courts jurisdiction over cases with at least \$5 million in controversy, 100 or more plaintiffs, and at least one plaintiff who is a citizen from a different state from any defendant⁶.

As of 2026, litigation remains at historically high levels, with total settlements across all categories exceeding **\$40 billion** annually for several consecutive years (Duane Morris LLP,

³ <https://hls.harvard.edu/bernard-koteen-office-of-public-interest-advising/about-opia/what-is-public-interest-law/public-interest-work-types/litigation-class-action/> (Last accessed on 03-05-2026)

⁴ <https://econone.com/resources/blogs/breaking-down-the-types-of-class-actions/> (Last accessed on 04-05-2026)

⁵ <https://www.thewilsonpc.com/glossary/what-is-a-class-action-lawsuit/> (Last Accessed on 04-05-2026)

⁶ <https://digital-client-solutions.hoganlovells.com/resources/global-class-actions/jurisdiction/us> (Last accessed on 04-05-2026)

2026). The procedural backbone is **Federal Rule of Civil Procedure 23**, which allows one or more members of a class to sue as representative parties on behalf of all members.⁷ Securities class actions represent one of the most significant and frequently litigated categories of corporate class suits in the United States. The Private Securities Litigation Reform Act (PSLRA) of 1995 was enacted in response to a wave of frivolous securities fraud class actions, and it tightened pleading requirements, introduced a mandatory stay of discovery pending motions to dismiss, and established a process for appointing lead plaintiffs typically the institutional investor with the largest financial interest in the relief sought⁸. Section 11 of the Securities Act of 1933 imposes liability for false and misleading statements in a registration statement, permitting class members to recover statutory damages representing the difference between the amount paid for the security and its value at the time of suit or subsequent sale.⁹

The Class Action Fairness Act (CAFA) of 2005 further expanded federal jurisdiction over significant class actions, curbing forum shopping and standardizing procedures nationwide¹⁰. In antitrust class actions, claimants can seek treble damages, threefold the damages sustained, in addition to costs and reasonable attorney's fees under 15 U.S.C. § 15¹¹. This powerful remedial feature has made antitrust class actions a potent enforcement tool against anti-competitive corporate conduct. In 2024, 229 federal securities cases were filed, consistent with the prior year's filing rate, reflecting a sustained and elevated level of corporate class litigation across sectors including environmental, antitrust, and consumer products.¹²

2. SAUDI ARABIA

Saudi Arabia's approach to collective corporate litigation is shaped fundamentally by its unique legal foundation in Islamic Sharia law, specifically as interpreted through the Hanbali school of Islamic jurisprudence. Saudi Arabian law draws its principles and rules from the Holy Quran, the Sunnah (verbally transmitted record of the Prophet Muhammad's teachings), and

⁷https://www.duanemorris.com/pressreleases/duane_morris_class_action_review_2026_comprehensive_analysis_class_action_litigation_0126.html#:~:text=The%20combined%20value%20of%20the,total%20settlements%20exceeded%20%2440%20billion. (Last accessed on 04-05-2026)

⁸ Lexology (Gibson Dunn), "Spotlight: Class Action Procedure in USA" (April 21, 2023). Available at: <https://www.lexology.com/library/detail.aspx?g=8c5eccea-aaad-409c-b402-352e28b889d4>

⁹ Securities Act of 1933, Section 11; see Lexology (Gibson Dunn), *supra* note 5.

¹⁰ ZLK.com, *supra* note 1.

¹¹ Clayton Antitrust Act, 15 U.S.C. § 15; see Lexology (Gibson Dunn), *supra* note 5.

¹² NERA Economic Consulting, referenced in Gibson Dunn, "Securities Litigation 2024 Year-End Update" (February 27, 2025). Available at: <https://www.gibsondunn.com/securities-litigation-2024-year-end-update/>

the Ijma' (consensus of Islamic scholars)¹³. Unlike its neighbours in the Gulf Cooperation Council (GCC), Saudi Arabia was for many decades governed less by statutory codifications and more directly by Sharia principles, with codifications playing a supplementary rather than primary role.¹⁴ This feature of the legal system has historically made the emergence of formal corporate class action mechanisms, as understood in common law or civil law jurisdictions, both conceptually challenging and structurally limited.

A transformative development occurred with the enactment of the Civil Transactions Regulation (CTR) under Royal Decree M/191, issued on 18 June 2023 and entering into force on 16 December 2023. This landmark piece of legislation, containing 721 articles, codified centuries of Sharia-derived civil law principles governing contract formation, execution, termination, tort claims, and specific contracts including sale, lease, agency, and construction¹⁵. Crown Prince Mohammed bin Salman stated that the Code would "enhance transparency and increase the ability to predict judgements in the field of civil transactions" and reduce discrepancies in judicial reasoning.¹⁶ Importantly, Sharia law has not been displaced: Article 1 of the CTR provides that, where no applicable text exists in the Code, Sharia principles codified under Article 720 shall apply.¹⁷

Saudi Arabia does not yet possess a formal, codified class action procedure analogous to Rule 23 of the U.S. FRCP or even the representative proceedings framework of Singapore's ROC 2021. However, collective claims have emerged organically, particularly in the context of labour disputes adjudicated before the specialised Labour Courts. These courts serve as the primary forums for employment-related conflicts, and multiple employees can file similar claims either collectively or concurrently¹⁸. A notable class action in Riyadh saw the court award SAR 28 million (approximately USD 7.5 million) to aggrieved workers for claims including delayed wages, unused annual leave, and end-of-service benefits — underscoring the practical reality that collective claims against corporate employers are not merely theoretical

¹³ ICLG, "Litigation & Dispute Resolution Laws and Regulations Report 2025–2026: Saudi Arabia." Available at: <https://iclg.com/practice-areas/litigation-and-dispute-resolution-laws-and-regulations/saudi-arabia>

¹⁴ D&O Diary, "Management Liability Exposures in Saudi Arabia" (citing Alexander & Partners Rechtsanwälte, December 19, 2016). Available at: <https://www.dandodiary.com/2017/01/articles/securities-litigation/>

¹⁵ International Bar Association, "Saudi Arabia's Civil Transactions Law" (July 2024). Royal Decree M/191 (18 June 2023). Available at: <https://www.ibanet.org/clint-june-2024-feature-3>

¹⁶ Ibid.

¹⁷ IBA, *supra* note 28. Civil Transactions Law, Article 1, Royal Decree M/191.

¹⁸ Lexology, "Part II: Class Action in KSA Labour Court – Navigating the Complex Terrain" (September 10, 2024). Available at: <https://www.lexology.com/library/detail.aspx?g=25d61e52-2099-4212-be78-11299e26a205>

but have resulted in substantial verdicts¹⁹.

In the capital markets sphere, the Capital Market Authority (CMA), constituted on 1 July 2004 under the Capital Market Law, plays a central role in investor protection. The CMA regulates and develops the Saudi capital market by issuing rules and regulations implementing the provisions of the Capital Market Law, with basic objectives of creating an appropriate investment environment, boosting confidence, and reinforcing transparency and disclosure standards in all listed companies.²⁰ The CMA investigates violations and may refer matters for enforcement, but individual or collective civil securities litigation by investors remains constrained compared to the U.S. or even Singapore models. The court system comprising General Courts (Sharia Courts), Commercial Courts, and Labour Courts under the Ministry of Justice — handles corporate disputes in a three-tier structure encompassing first-degree, appellate, and Supreme Court levels²¹.

3. INDIA

In recent times, class action suits have become a significant tool of corporate governance in India for protecting the interest of minority shareholders and regulating companies. Though not a novel concept globally, as seen in the United States of America, India's entire framework is based on Section 245 of the Companies Act, 2013. According to this section, there is an opportunity to seek redress collectively in the event that any company violates its duties.²²

The following scenario is common in most cases involving class action suits: Shareholders and depositors feel that the company's management has acted unlawfully, unreasonably, or against their interest and rights. Instead of pursuing an independent legal action, which could be tedious and costly, they join hands to sue collectively.²³

All the cases are heard by the National Company Law Tribunal (NCLT). Through this process, Indian companies can be held more accountable, while life becomes easier for the ordinary

¹⁹ Ibid.

²⁰ Capital Market Authority (CMA), "The Capital Market Authority." Available at: <https://cma.gov.sa/en/Awareness/Pages/Regulations.aspx>

²¹ ICLG, *supra* note 26. Law of Civil Procedure, Royal Decree No. M/1 (25 November 2013), amended by Resolution of Council of Ministers No. 191 (18 June 2023).

²² Mehta, P. (2024). Benefits, Challenges & Effectiveness of Class Action Suits in Enhancing Corporate Governance in India. (Unpublished manuscript — no link available)

²³ Garg, A. V. (2016). A Jurisdictional Analysis of Class Action Suits under Section 245 of the Companies Act, 2013.

shareholder. Minority shareholders have been given the opportunity to act through Section 245 of the Companies Act, 2013. Under this provision, one can seek for relief if they hold a minimum of 1,000 shares or are among 100 members of a listed company. This rule exists to protect people from abusive practices and to make sure companies stay transparent. Cases like *Niranjan Shankar Golikari v. The Caltex (India) Ltd.* showed why defending minority rights matters and how collective legal action makes a difference.²⁴

The *Satyam Computer Services Ltd.* case was critical to the emergence of this issue. It showed how weak minority shareholders can be when such events happen, and the importance of having an effective class action mechanism. Such lawsuits led to the Indian government initiating a review of existing laws, thus promoting reforms and discussions on the importance of introducing effective class action procedures. The Indian legal system is still under development, and yet, these events have already influenced the development of the Indian legal system.²⁵ According to Mehta (2024), class action in India has been discussed, noting that despite the fact that class action could help improve corporate governance, people do not know how to use them due to procedural difficulties. In contrast, Garg concentrates his analysis of class actions on its legal aspects, specifically on the rules of Section 245 of this issue, while also mentioning practical issues related to procedural difficulties. Bhomawat discusses class actions in other countries and contrasts them with those of India, emphasizing that despite adopting some principles from these experiences, India's class action procedure requires further improvement.²⁶

Thus, all factors taken together show that India is progressively approaching acceptance of class action suits.

4. SINGAPORE

Singapore's approach to corporate class action litigation is grounded in a system of representative proceedings rather than the U.S.-style opt-out class action regime. The principal source of law is Order 4, Rule 6 of the Rules of Court 2021 (ROC 2021), which came into operation on 1 April 2022, replacing the predecessor Order 15, Rule 12 of the Rules of Court

²⁴ Bhomawat, D. (2016). *Class Action Suits – Genesis, Analysis and Comparison*

²⁵ Bhawnani, S., & Kothari, V. (2014). *Class Action Suits – Genesis, Analysis and Comparison*.

²⁶ Pandya, P. (2016). *The Fate of Class Action Suits in India: Then & Now?*

2014.²⁷ Under the ROC 2021, "numerous persons" who have "a common interest in any proceedings" may sue or be sued as a group, with one or more of them representing the group as a whole²⁸. Representative actions are also available before the Singapore International Commercial Court (SICC) under Order 10, Rule 19(1) of the SICC Rules 2021, subject to the additional requirement that all group members have submitted to the SICC's jurisdiction through a written jurisdiction agreement²⁹.

A foundational doctrinal framework for representative proceedings was established by the Court of Appeal in *Koh Chong Chiah v Treasure Resort Pte Ltd*³⁰ [2013] 4 SLR 1204, which laid down a two-stage test. At the first jurisdictional stage, claimants must satisfy the threshold requirement that they share the "same interest" in the proceedings — that is, the class of represented persons must be capable of clear definition and would all have the same interest in the relief sought. It suffices that there are one or more significant issues of fact or law common to all the claimants that need to be determined by the court.³¹ At the second discretionary stage, the court may exercise its residual discretion to discontinue the proceedings as a representative action if overall circumstances justify doing so.³²

The ROC 2021 introduced several significant procedural modifications compared to its predecessor. Notably, the new rule changed the requirement from "same interest" to "common interest" among class members, a subtle but potentially broadening shift.³³ Critically, all members of the group are now required to give written consent to the representative to represent them in the action, and the names of all claimants must be listed and attached to the originating claim or originating application. This opt-in mechanism stands in sharp contrast to the U.S. opt-out system under Rule 23, and reflects Singapore's more conservative approach to collective litigation designed to balance access to justice with protection of defendants from

²⁷ Lexology, "A General Introduction to Class and Collective Actions in Singapore" (April 21, 2023). Available at: <https://www.lexology.com/library/detail.aspx?g=72b30934-90e8-4a06-9632-669edce2c503>

²⁸ Rules of Court 2021 (S 914/2021), Order 4, Rule 6(1), Singapore Statutes Online. Available at: <https://sso.agc.gov.sg/SL-Supp/S914-2021/Published/20211201>

²⁹ Legal 500, "Singapore: Class Actions – Country Comparative Guides," Legal500.com. Available at: <https://www.legal500.com/guides/chapter/singapore-class-actions/>

³⁰ *Koh Chong Chiah v Treasure Resort Pte Ltd* [2013] 4 SLR 1204

³¹ *Koh Chong Chiah v Treasure Resort Pte Ltd* [2013] 4 SLR 1204 (Singapore Court of Appeal); Drew & Napier LLC, "Singapore Litigation" Practice Guide. Available at: <https://www.drewnapier.com>

³² *Ibid.*

³³ Lexology, "A General Introduction to Class and Collective Actions in Singapore," *supra* note 14.

overbroad claims.³⁴

Representative proceedings in Singapore are relatively rare in practice. Between 2000 and 2020, only two reported decisions involved representative actions under the predecessor rule³⁵. The courts retain significant power and discretion to manage and reshape representative proceedings, including the ability to bifurcate hearings on liability and damages pursuant to Order 9, Rule 25(2) of the ROC 2021. Notably, jury trials have long been abolished in Singapore, and all trials are heard before judges in open court, which contributes to a more controlled and judicially supervised litigation environment.³⁶

The question of third-party litigation funding has emerged as a significant consideration for representative proceedings in Singapore. While Singapore currently allows commercial third-party funders to finance international arbitration proceedings, and announcements have been made to extend such funding to domestic arbitration and certain SICC proceedings, it remains to be seen whether this funding model will be formally extended to representative civil proceedings. The absence of contingency fee arrangements, which drive much of the plaintiffs' bar's activity in the United States, also constrains the volume of representative actions that are commercially viable in Singapore.³⁷

5. AUSTRALIA

Class actions are a big deal in Australia's legal system these days. They help people deal with problems like when a lot of consumers get treated unfairly or when the environment is hurt or when companies do something wrong. In Australia the rules for class actions are set up to make it easier for people to get justice. This means that a lot of people who have been affected by the thing can join together and take their claims to court at the same time. The Australian courts are getting more and more comfortable with class actions. They like that class actions can help deal with lawsuits in a way that is fair and efficient. The rules, the ones in the Corporations Act 2001 give judges a lot of power to decide whether a class action can go ahead to keep an eye on how it is managed and to approve any settlements. This helps make sure that the court case

³⁴ Rules of Court 2021, Order 4, Rule 6(2), *supra* note 15; Legal 500, *supra* note 16.

³⁵ Lexology, "Spotlight: Class Action Procedure in Singapore" (April 21, 2023). Available at: <https://www.lexology.com/library/detail.aspx?g=64665381-0cff-4dc6-814c-d9b44e7eba46>

³⁶ *Ibid.*

³⁷ Lexology, *supra* note

is fair, for everyone involved in the class actions.³⁸

Research shows that class actions in Australia usually work well in providing remedies and stopping behavior. Murphy and Cameron said in 2020 that the rules, like judges keeping an eye on things and standards for certification, help prevent people from using the system while still letting big groups get the money they are owed or enforce their rights. Class actions in Australia give claimants a louder voice, which is really helpful because some people do not have the money or power to get justice on their own when they have a problem with class actions, in Australia.³⁹

Despite the many advantages associated with class actions there are also serious challenges and limitations to the class action system. One of these concerns the process involved in bringing class actions; it can be lengthy and expensive, particularly where complicated cases are involved that consist of a lot of evidence and multiple legal arguments. This has a direct effect on the practicality of class action and potentially limits accessibility to the class action system for some groups of people. Another obstacle to using the class action system is the potential for conflict of interest when there are third-party funders involved. The financial motives of third-party funders may result in cases that are pursued by class members (the claimants) not because they represent the best interests of class members, but rather due to the funders' financial interests. In addition, there is some evidence that the standards for certifying class actions have also been too liberal, which has led to class actions being certified that probably should not have been certified resulting in unnecessary litigation, or settlements that are not genuinely warranted. Compared to other jurisdictions such as the United States, Australia has a far more tightly regulated class action system that has the effect of reducing or eliminating many of the problems seen with class actions in other countries. Class actions in the United States tend to involve broader class definitions and less oversight, which produces larger settlements; but it has also led to criticism of the abuse of class actions and excessive litigation in the United States. The Australian class action system attempts to achieve an appropriate balance between facilitating access to justice and being fair and sustainable to all litigants.⁴⁰

³⁸ Thai, Linda. "Class Action Procedure in Australia – Issues and Challenges." In *The Dynamism of Civil Procedure: Global Trends and Developments*, edited by Christopher Picker and Gema Seidman, Springer, Cham, 2016.

³⁹ Murphy, Brian, and Christopher Cameron. *Class Actions: Aggregation, Amplification and Distortion*. (2020).

⁴⁰ Epstein, Richard A. "From Sea to Shining Sea: How and Why Class Actions Are Spreading Globally." (2018).

There are quite a few countries globally that have embraced collective grievance handling systems or are still in the process of developing theirs. The case of Australia is unique, in which when properly applied following the stipulated legal requirements, class actions are indeed very efficient as a mode of achieving justice. On the other hand, issues such as lengthy procedures, costs incurred, and conflicts of interests are clear evidence that further amendments are required to solve this problem.⁴¹

In conclusion, class actions have proven to be very effective and efficient as long as certain factors such as costs and delays are sorted out and the issue of conflict of interests is avoided. Therefore, one should always update himself or herself regarding the changes made in the class actions environment in order to sort out emerging problems.

ANALYSIS:

A comparative survey of class action regimes across the United States, Singapore, Saudi Arabia, India, and Australia reveals a spectrum of institutional maturity ranging from the highly developed opt-out system of the United States to the nascent regulatory collective remedy frameworks of Saudi Arabia. Each jurisdiction's approach reflects deep structural choices regarding the role of private litigation in regulatory enforcement, the value of judicial efficiency, and the acceptable scope of attorney incentives.⁴²

The United States operates a fully institutionalized private class action regime with an opt-out default, extensive pretrial discovery, contingency fee structures, and judicially supervised settlement approval. Australia, following the introduction of Part IVA of the Federal Court of Australia Act 1976, has developed the most advanced class action regime outside the United States, combining opt-out mechanics with a sophisticated body of representative litigation jurisprudence.⁴³

India introduced group litigation mechanisms through Order I, Rule 8 of the Code of Civil Procedure 1908, which enables a representative suit where numerous persons share a common interest. More significantly, the Securities and Exchange Board of India (SEBI) was granted

⁴¹ Hensler, D. R. "Access to Justice and the Evolution of Class Action Litigation in Australia." (2015).

⁴² Mulheron, R. (2009). *The Class Action in Common Law Legal Systems: A Comparative Perspective*. Hart Publishing. pp. 1–40.

⁴³ Federal Court of Australia Act 1976 (Cth), Part IVA, §§ 33A–33ZJ; Grave, D. & Adams, K. (2019). *Class Actions in Australia* (3rd ed.). Thomson Reuters

class action enforcement powers, and the Companies Act 2013 introduced derivative and class action provisions under Section 245, enabling shareholders and depositors to bring complaints before the National Company Law Tribunal (NCLT) for corporate misconduct.⁴⁴

A fundamental axis of comparative divergence is the extent to which collective investor protection is channeled through public regulatory enforcement versus private class litigation. Saudi Arabia occupies one end of this spectrum, with the CMA acting as the de facto class representative, initiating enforcement proceedings and distributing disgorgement funds to injured investors under a regulatory compensation model.⁴⁵

The United States employs a dual enforcement model wherein the Securities and Exchange Commission (SEC) pursues regulatory enforcement while private plaintiffs simultaneously pursue class litigation, frequently producing parallel proceedings, overlapping settlements, and coordination challenges. Australia similarly permits private class actions to proceed alongside ASIC regulatory investigations, with courts managing potential conflicts through case management protocols.⁴⁶

India's framework is evolving toward a dual enforcement model. The Companies Act 2013 and SEBI's enhanced enforcement powers create parallel tracks, but coordination between NCLT proceedings and SEBI investigations remains procedurally underdeveloped. The simultaneous pendency of class complaints and regulatory enforcement raises res judicata and estoppel concerns that Indian courts have not yet comprehensively resolved.⁴⁷

Settlement dynamics vary markedly across jurisdictions. In the United States, the predominance of opt-out class actions and the availability of cy-pres awards (directing residual settlement funds to charitable organizations when individual distribution is impracticable) have allowed courts to achieve comprehensive closure of corporate misconduct claims at a single proceeding. The aggregate securities class action settlement value in the United States exceeded \$5 billion annually for several years in the 2010s and early 2020s.⁴⁸

⁴⁴ Companies Act 2013 (India), § 245; Code of Civil Procedure 1908 (India), Order I, Rule 8.

⁴⁵ Capital Market Authority (Saudi Arabia), Investor Compensation Rules (2017). CMA Resolution 2-94-2017.

⁴⁶ U.S. Securities and Exchange Commission, Division of Enforcement Annual Report (2023). SEC.gov.

⁴⁷ Krishnamurthy, V. (2019). The Class Action Suit Provision under Companies Act 2013: Implementation Challenges. *National Law School Business Law Review*, 5(1), 1–28.

⁴⁸ Cornerstone Research (2023). *Securities Class Action Filings: 2022 Year in Review*. Cornerstone Research. pp. 1–20.

Australia's opt-out mechanism has generated increasingly large settlements. The class action against AMP Limited arising from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry settled for AUD \$57 million, while the Westpac money-laundering class action settled for AUD \$80 million, figures that reflect the maturation of Australia's class action market but remain substantially smaller than analogous U.S. securities settlements.⁴⁹

India's Section 245 proceedings before the NCLT have generated limited jurisprudence and no landmark settlements, reflecting the nascent state of corporate class action practice in that jurisdiction. The procedural complexities, evidentiary standards, and delays endemic to NCLT proceedings have created a structural gap between the legislative aspiration of Section 245 and its practical utility as a collective redress mechanism.⁵⁰

CONCLUSION:

The comparative analysis of corporate class action suits across the United States, Singapore, Saudi Arabia, India, and Australia reveals a global legal landscape characterized by significant institutional divergence, but also by identifiable convergent pressures pushing all jurisdictions toward more robust collective redress frameworks. The universalization of public capital markets, the increasing sophistication of retail investors, the growing incidence of transnational corporate misconduct, and the normative expectations embedded in ESG investing standards are collectively generating demand for effective collective accountability mechanisms across all examined jurisdictions.⁵¹

The United States remains the paradigmatic class action jurisdiction, its Rule 23 regime serving as both a model for emulation and a cautionary tale about the pathologies of unconstrained plaintiff-side litigation. Procedural doctrines developed by U.S. courts — including the fraud-on-the-market presumption, PSLRA's heightened pleading standards, and Daubert's expert gatekeeping, have migrated, in adapted forms, into the class action jurisprudence of Australia

⁴⁹ AMP Limited Class Action Settlement Approval, Federal Court of Australia (2021); Westpac Banking Corporation Class Action Settlement Deed (2023). Federal Court Proceedings VID 879/2020.

⁵⁰ Ministry of Corporate Affairs, Government of India (2021). Report of the Committee on Corporate Governance. MCA Publication. pp. 78–95.

⁵¹ Kalajdzic, J., Cashman, P. & Longmoore, A. (2013). Justice for Profit: A Comparative Analysis of Australian, Canadian, and United States Third Party Litigation Funding. *American Journal of Comparative Law*, 61(2), 93–148.

and the reform discussions of Singapore and India.⁵²

Australia's Part IVA regime has demonstrated that opt-out class actions can function effectively outside the U.S. institutional environment, though ongoing debates about litigation funding regulation, common fund orders, and the courts' case management capacities suggest that even the most mature non-U.S. regimes face structural challenges. The Australian experience provides particularly instructive lessons for Singapore and India as they contemplate formal class action reform⁵³.

Saudi Arabia's trajectory is distinctive and warrants separate analytical attention. The Kingdom's Vision 2030 imperatives create genuine institutional incentives for capital market development, investor protection, and dispute resolution modernization. However, the structural constraints imposed by Sharia-based procedural jurisprudence and the traditional emphasis on individual standing suggest that Saudi Arabia's path toward collective redress will be regulatory rather than private litigation-based for the foreseeable future, with the CMA continuing to serve as the functional class representative in investor protection proceedings⁵⁴

⁵² Coffee, J. C. Jr. (2015). *Entrepreneurial Litigation: Its Rise, Fall, and Future*. Harvard University Press. pp. 1–44.

⁵³ Australian Law Reform Commission (2018). *Integrity, Fairness and Efficiency — An Inquiry into Class Action Proceedings and Third-Party Litigation Funders*. ALRC Report 134.

⁵⁴ Vision 2030 Kingdom of Saudi Arabia (2016). General Authority for Statistics. Available at: vision2030.gov.sa.