

Insights



Vasu Muthyala in Law360: Indian Companies Should Prepare for Risk of U.S. Enforcement

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Beneath the rosy India-U.S. relationship lies an increased risk of U.S. scrutiny and enforcement against multinational companies operating in India, as current U.S.-China relations demonstrate, Kobre & Kim's Vasu Muthyala warned in an article for *Law360*.

The chilled state of U.S.-China relations today serves as a cautionary tale for what happens when two fiercely self-interested powers clash. The U.S. is willing to use every means against those that fall out of its favors, such as using law enforcement tools for national security purposes against China, most notably against Huawei. At the same time, India is pursuing a protectionist agenda while the U.S. increases its foreign direct investment, bringing U.S. regulatory scrutiny and risking a destructive tit-for-tat whenever India investigates a U.S. company.

Companies should understand that U.S. action could come from a number of directions, such as the U.S. turning trade issues into criminal ones, arresting Indians from anywhere the U.S. can secure extradition, and seizing assets the U.S. claims are related to criminal action. As such, companies in India must take steps to minimize risks, such as opening communication channels if members of the company are detained; ensuring employees do not destroy evidence; and conducting stress tests to determine if assets are vulnerable to seizure.

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