

GOVERNMENT OF INDIA
MINISTRY OF LAW & JUSTICE
DEPARTMENT OF LEGAL AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 425
ANSWERED ON 06/02/2025

Initiatives and reforms in arbitration, mediation and dispute resolution

425. **Shri Sujeet Kumar:**

Will the Minister of **Law and Justice** be pleased to state:

- (a) the key initiatives undertaken under the India International Arbitration Centre Act, 2019, to ensure international standards in arbitration and mediation, positioning India as a preferred hub;
- (b) the criteria for empanelling arbitrators and mediators and the manner in which these align with global best practices;
- (c) the manner in which Pre-Institution Mediation and Settlement (PIMS) under the Commercial Courts Act, 2015, address case backlogs and the plans to enhance its efficiency; and
- (d) the steps being taken to raise awareness and build capacities for the effective implementation of the Mediation Act, 2023?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF LAW AND JUSTICE; AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS

(SHRI ARJUN RAM MEGHWAL)

(a) The India International Arbitration Centre (Centre) has been established as an institution of national importance under the provisions of the India International Arbitration Centre Act, 2019, for the purpose of creating an independent, autonomous and world class body for facilitating institutional arbitration. In order to position India as a hub of arbitration, the Centre has

framed and notified the India International Arbitration Centre (Conduct of Arbitration) Regulations 2023, which lay down a detailed procedure for the conduct of arbitration, at par with leading global arbitral institutions. Further, in terms of section 28 of the Act, the Centre has established a Chamber of Arbitration which consists of experienced arbitration practitioners of repute, at national and international level and persons having wide experience in the area of alternative dispute resolution and conciliation. The Chamber of Arbitrators empanels reputed arbitrators, both for domestic and international arbitration, in terms of the India International Arbitration Centre (Criteria for Admission to the Panel of Arbitrators) Regulations, 2023.

The Centre since its establishment, has conducted workshops, conferences and seminars relating to domestic and international arbitrations, for training and awareness. A mediation training programme was also organized jointly by the Centre and the Royal Institution of Chartered Surveyors in May, 2024 at the Centre's premises in Vasant Kunj, New Delhi.

The Centre has also entered into Memorandums of Understanding with various institutions including Indian Institute of Management (IIM) Rohtak and Rashtriya Raksha University, to promote alternative dispute resolution mechanisms as preferred modes of dispute resolution.

The Centre is envisaged to become a model arbitral institution in the country, thereby paving the way for enhancing the quality of institutional framework for arbitration.

(b) Presently, the arbitral institutions and mediation service providers can adopt their own criteria for empanelling arbitrators and mediators respectively.

The arbitrators in India International Arbitration Centre, are empanelled by the Chamber of Arbitration under Section 28 of the India International Arbitration Centre Act, 2019, in terms of the criteria provided in the IIAC (Criteria for Admission to the Panel of Arbitrators) Regulations, 2023. The various provisions of the Mediation Act, 2023, provides for maintenance of panel of mediators including section 41, which enables the Mediation Service Providers, to maintain a panel of mediators.

(c) Section 12A of the Commercial Courts Act, 2015 provides for mandatory pre-institution mediation and settlement (PIMS) in commercial disputes of specified value, before instituting a suit except in cases in which urgent relief is

contemplated by the party. The parties have to therefore first exhaust the mandatory remedy of PIMS before approaching the Court. This is aimed at providing an opportunity to the parties to resolve the commercial disputes through mediation and prevent disputes which are thus amicably settled being taken to courts for adjudication.

In order to further enhance the efficiency of the PIMS, the Government, through the Mediation Act, 2023 has further amended Section 12A of the Commercial Courts Act, 2015. The amendment *inter-alia* empowers the Mediation Service Providers, as notified by the Central Government to conduct PIMS, in addition to Authorities constituted under the Legal Services Authorities Act, 1987.

(d) The Government continues to take steps to create awareness about Alternative Dispute Resolution mechanisms including mediation. In this regard, a book titled as “*A guide to Alternative Dispute Resolution*” was released by the Department of Legal Affairs, Ministry of Law & Justice, on 26.11.2023, during the celebrations of the Constitution Day.

The India International Arbitration Centre also continues to conduct workshops and seminars for various stakeholders in the alternative dispute resolution ecosystem and encourage parties to consider adopting the alternative dispute resolution mechanisms, to enable time bound, efficacious and cost effective dispute resolution.

The Mediation Act, 2023, is further expected to be a pivotal legislative intervention towards providing standalone law on mediation and enabling the growth of a culture of amicable settlement of disputes out of court and the outcome being party driven. The Government is continuously engaging with various stakeholders including High Courts and National Legal Services Authority for raising awareness and effective implementation of the provisions of the Mediation Act, 2023.
