

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

LOK SABHA

UNSTARRED QUESTION NO. 3084

TO BE ANSWERED ON FRIDAY, THE 13TH DECEMBER, 2024

International Arbitration and Mediation

3084. Shri Sukanta Kumar Panigrahi:

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

(a) the steps have been taken by the Government to promote our country as a global hub for arbitration and mediation with road map for next five years;

(b) the measures being taken to improve the institutional framework, infrastructure, and legal ecosystem to attract international arbitration and mediation cases including enhancing skill and capacity building;

(c) the plan of the Government in facilitating training and capacity-building for professionals in the field of arbitration and mediation for the next five years;

(d) whether the Government is considering any reforms or incentives for foreign investors and businesses to resolve disputes in India through arbitration and mediation; and

(e) if so, the details of such initiatives planned for the next five years and their expected impact on the growth of our country as an arbitration and mediation destination?

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) to (c) During the past decade, the Government of India has taken various initiatives to promote Alternative Dispute Resolution (ADR) mechanisms and is committed to take further policy and legislative intervention to strengthen these mechanisms and make them more efficacious and expeditious. The major

initiatives, steps and measures taken by the Central Government over the years in this regard include;

(i) The Arbitration and Conciliation Act, 1996 has been progressively amended in the years 2015, 2019 and 2020. These amendments aim at ensuring timely conclusion of arbitration proceedings, neutrality of arbitrators, minimizing judicial intervention in the arbitral process and efficacious enforcement of arbitral awards. The amendments are further aimed at promoting institutional arbitration, updating the law to reflect best global practices and resolve ambiguities thereby establishing an arbitration ecosystem where arbitration, domestic and international conducted by way of institutional arbitration can grow and flourish.

(ii) The India International Arbitration Centre Act, 2019, was enacted to provide for the establishment of the India International Arbitration Centre (Centre) for the purpose of creating an independent, autonomous and world class body for facilitating institutional arbitration and to declare the Centre to be an institution of national importance. The Centre has since been established and aims to inspire confidence amongst parties, both domestic and international, by providing a neutral dispute resolution platform for resolution of commercial disputes through arbitration. The Centre has also notified the India International Arbitration Centre (Conduct of Arbitration) Regulations, 2023 to facilitate conduct of domestic and international arbitrations with a focus on efficient and time-bound arbitration process. The Chamber of Arbitration established under Section 28 of the India International Arbitration Centre Act, 2019 continues to empanel reputed arbitrators, both for domestic and international arbitrations. 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.

(iii) The Commercial Courts Act, 2015 was amended in the year 2018, to provide *inter-alia* for Pre-Institution Mediation and Settlement (PIMS) mechanism. Under this mechanism, where a commercial dispute of specified value does not contemplate any urgent interim relief, the parties have to 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.

(iv) The Mediation Act, 2023, lays down the statutory framework for mediation to be adopted by parties to a dispute, especially institutional mediation, wherein various stakeholders have also been identified to establish a robust and efficacious mediation ecosystem in the country.

(v) Facilitating training and capacity building for professionals in the field of ADR, including arbitration and mediation, is continuously being done by the

India International Arbitration Centre, by organizing conferences, seminars and trainings for stakeholders including professionals as well as public and private entities.

The Arbitration & Conciliation Act 1996 and Mediation Act 2023 provide *inter-alia* for conduct of international commercial arbitration and international mediation respectively.

(d) to (e) Legislative and policy interventions along with related reforms in the field of alternative dispute resolution including arbitration and mediation, is a continuous process being undertaken by the Government, keeping in view the changing requirements of the stakeholders. Further, interventions from time to time has contributed towards improving and strengthening the ADR landscape, supporting the ease of doing business and enabling the country being seen as an attractive destination for investments and economic growth.
