

International Arbitration Centre

July 3, 2019

New Delhi International Arbitration Centre Bill, 2019

Recently the Union Cabinet chaired by Prime Minister approved the Bill New Delhi International Arbitration Centre (NDIAC) Bill, 2019 for introduction in the ensuing session of Parliament.

Background:

It has been the endeavor of the Government of India to establish an independent and autonomous institution for resolving International and domestic commercial disputes expeditiously by Alternative Dispute Resolution (ADR) mechanism. In this regard, a **High-Level Committee (HLC), headed by Mr. Justice B.N. Srikrishna**, former Judge of the Supreme Court of India, was constituted in the year 2017. The HLC recommended that the Government may take over the **International Centre For Alternative Dispute Resolution (ICADR)**, an existing institution which has been established in the year 1995 using the public funds and **develop it as an Institution of National Importance.**

Taking into consideration the HLC's recommendations, a Bill, namely the New Delhi International Arbitration Centre (NDIAC) Bill 2018 was approved for introduction in the Parliament by the Cabinet in its meeting held on 15th December, 2017. (but it was not passed as the Parliament was adjourned *sine die* on 13th February, 2019).

The President, in view of the importance of the matter and urgency to make India a hub of institutionalized arbitration and promote 'Ease of Doing Business' in India, promulgated an **Ordinance** namely "The New Delhi International Arbitration

Centre Ordinance, 2019” in March, 2019. In view of the provisions of the Article 107 (5) and 123 (2) of the Constitution, the New Delhi International Arbitration Centre Bill, 2019 is proposed to be introduced in the Parliament which will **replace the New Delhi International Arbitration Centre Ordinance, 2019.**

Key Highlights

Impact and significance

- The benefits of institutionalized arbitration will be manifold for the Government and its agency and to the parties to a dispute.
- This will result in quality experts being available in India and also an advantage in terms of cost incurred.
- It will facilitate India becoming a hub for institutional arbitration.

Implications:

- The Bill provides for **setting up of an independent autonomous body** for institutional arbitration and to **acquire and transfer the undertakings of International Centre For Alternative Dispute Resolution (ICADR) to New Delhi International Arbitration Centre (NDIAC).**

Implementation:

- The Bill replaces the New Delhi International Arbitration Centre Ordinance, 2019, promulgated by President on 02.03.2019 for the creation of an independent and autonomous regime for institutionalized domestic and international arbitration and **establishing India as an International Hub of Arbitration.**
- The Bill provides for the repeal of the New Delhi International Arbitration Centre Ordinance, 2019 and saves all the actions done or taken under the Ordinance which will be deemed to have been done or taken under

the provisions of this Bill.

About the New Delhi International Arbitration Centre (NDIAC) – **the future International Hub of Arbitration.**

Composition

- **Chairperson:** It will be headed by a Chairperson, who has been a Judge of the Supreme Court or a Judge of a High Court or an eminent person, having special knowledge and experience in the conduct or administration of arbitration, law or management, to be **appointed by the Central Government in consultation with the Chief Justice of India.**
- **Members:** Besides, it will also have two **Full-time or Part-time Members** from amongst eminent persons having substantial knowledge and experience in institutional arbitration in both domestic and international.
- In addition, one representative of a recognized body of commerce and industry shall be nominated on rotational basis as a Part-time Member. The Secretary, Department of Legal Affairs, Ministry of Law & Justice, Financial Adviser nominated by Department of Expenditure, Ministry of Finance and Chief Executive Officer, NDIAC will be ex-officio Members.

Aims and objectives of NDIAC

- To bring targeted reforms to develop itself as a flagship institution for conducting international and domestic arbitration
- To provide facilities and administrative assistance for conciliation, mediation and arbitral proceedings.
- To maintain panels of accredited arbitrators, conciliators and mediators both at national and international level or specialists such as surveyors and investigators.
- To facilitate conducting of international and domestic

arbitrations and conciliation in the most professional manner.

- To provide cost effective and timely services for the conduct of arbitrations and conciliations at Domestic and International level.
- To promote studies in the field of alternative dispute resolution and related matters, and to promote reforms in the system of settlement of disputes; and
- To cooperate with other societies, institutions and organisations, national or international for promoting alternative dispute resolution