

UN Convention on International Settlement Agreements

September 16, 2019

Source: *PIB & UN Commission on International Trade Law*

India signed the United Nations Convention on International Settlement Agreements (UNISA) **also known as the Singapore Convention on Mediation**, Forty-six countries signed the treaty named Singapore Convention on Mediation. With at least three signatory countries ratifying the treaty, the convention is expected to come into force from the middle of next year at the earliest.

Importance & Benefits

- The signing of the Convention will boost the confidence of the investors and shall provide a positive signal to foreign investors about India's commitment to adhere to international practice on Alternative Dispute Resolution (ADR)
- The signing of the convention is particularly important for the growth of mediation in India
- It would enhance the ease of doing business in India

About United Nations Convention on International Settlement Agreements

- Adopted in December 2018, the United Nations Convention on International Settlement Agreements resulting from Mediation, also known as the "Singapore Convention on Mediation" (the "Convention") applies to international settlement agreements resulting from mediation ("settlement agreement").
- It establishes a harmonized legal framework for the

right to invoke settlement agreements as well as for their enforcement.

- The Convention is an instrument for the **facilitation of international trade and the promotion of mediation** as an alternative and effective method of resolving trade disputes.
- Being a **binding international instrument**, it is expected to bring certainty and stability to the international framework on mediation, thereby contributing to the Sustainable Development Goals (SDG), mainly the SDG 16.
- The Convention defines the grounds upon which a court may refuse to grant relief at the request of the disputing party against whom it is invoked. These grounds can be grouped into three main categories, namely in relation to the disputing parties, the settlement agreement and the mediation procedure.
- Article 5 of the includes two additional grounds upon which the court may, on its own motion, refuse to grant relief. Those grounds relate to public policy and the fact that the subject matter of the dispute cannot be settled by mediation.