



DRAFT ARBITRATION AND CONCILIATION (AMENDMENT) BILL 2024 - POLITY

NEWS: To enhance the performance of arbitration lawsuits in India, the Department of Legal Affairs within the Union Law Ministry has delivered a Draft Arbitration and Conciliation (Amendment) Bill 2024 to amend the Arbitration and Conciliation Act.

WHAT'S IN THE NEWS?

Draft Arbitration and Conciliation (Amendment) Bill, 2024

Objective: The bill proposes significant changes to the Arbitration and Conciliation Act, 1996, aiming to strengthen institutional arbitration, reduce court interventions, and ensure faster resolution of arbitration cases.

Key Highlights of the Draft Bill

1. Emergency Arbitration

- Introduces emergency arbitration as a new provision to offer urgent interim relief, aligning Indian arbitration practices with international standards.

2. Promotion of Institutional Arbitration

- Encourages institutional arbitration over ad-hoc arrangements to enhance efficiency and reliability.
- Emphasizes using established arbitration institutions to improve arbitration quality.

3. Arbitration Council of India (ACI)

- Empowers the ACI to create model procedures and accredit arbitral institutions, promoting standard practices and improved arbitration quality in India.

4. Video Conferencing Provisions

- Recognizes technological advancements by allowing arbitration proceedings via video conferencing to increase accessibility and reduce logistical issues.

5. Appellate Arbitral Tribunal

- Proposes an Appellate Arbitral Tribunal to handle appeals on arbitral awards, aiming to streamline the appeals process and reduce the court burden.

6. Omission of Conciliation Provisions

- Proposes removing conciliation provisions from the Act, as these have been integrated into the Mediation Act, 2023.
- The Act may be renamed as the "Arbitration Act, 1996."



7. Expert Committee Recommendations

- Incorporates insights from an expert committee led by T.K. Vishwanathan, highlighting the need for reforms to make arbitration more efficient and less court-dependent.



Key Issues and Concerns

1. Legal Recognition

- Emergency arbitration lacks legal recognition in some jurisdictions, posing enforceability challenges for awards issued by emergency arbitrators.

2. Institutional Support

- Effective emergency arbitration requires strong institutional backing, clear policies, a roster of qualified emergency arbitrators, and efficient administration.

3. Time Constraints

- Emergency arbitration is intended to provide swift relief, typically within days, making time management a critical factor.

4. Costs

- The expedited nature of emergency arbitration can increase costs due to the need for fast action and intensive resource use.

5. Awareness and Acceptance

- Limited awareness or skepticism among parties may hinder the acceptance and effective use of emergency arbitration.

6. Interim Measures



- The success of emergency arbitration depends on the enforceability of interim measures, which can be challenging in multi-jurisdictional cases or unsupportive local courts.

Implications for the Arbitration Landscape

- The amendments are expected to have a significant impact on India's arbitration framework by introducing emergency arbitration and promoting institutional arbitration.
- The proposed changes aim to make arbitration a faster, reliable, and more accessible mode of dispute resolution, boosting confidence among foreign investors and business parties.
- Streamlined arbitration processes could alleviate the backlog in Indian courts and improve the business environment.

Conclusion

- The Draft Arbitration and Conciliation (Amendment) Bill, 2024, marks an essential step towards modernizing India's arbitration framework.
- By incorporating emergency arbitration and supporting institutional arbitration, the bill aims to create a more efficient, dependable, and internationally aligned arbitration system in India, strengthening its role as a preferred forum for dispute resolution.

Source: <https://economictimes.indiatimes.com/news/economy/policy/govt-floats-draft-bill-to-amend-arbitration-law-adds-proviso-for-emergency-arbitration/articleshow/114651447.cms?from=mdr>