

Lok Sabha passes arbitration amendment bill

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The Lok Sabha on Thursday passed the Arbitration and Conciliation (Amendment) Bill, 2015, aimed at making dispute resolution in the country quicker and easier.

The objective of the bill is to make the arbitration process friendlier and cost effective for investors, ensuring speedy disposal of cases. This will make India a hub for international commercial arbitration, a government statement said.

The cabinet had approved the amendment to the Arbitration and Conciliation Act, 1996, in August.

The amendments, based on a Law Commission report, seek to impose a time limit of 12 months for arbitrators to decide on disputes. Parties can also choose to fast track their arbitration within 6 months.

Courts will also be asked to decide disputed arbitral awards within a year.

An ordinance introducing amendments to the 1996 Act was promulgated in September.

The ordinance was challenged before the Madras high court over whether it would apply to pending arbitration cases.

The amendment addressed this issue.

“The (law) minister (D.V. Sadananda Gowda) while moving the bill for passage amended it, adding a new clause (25A). As per the inserted clause, the bill when passed will not apply to arbitral proceedings retrospectively unless agreed otherwise by the parties,” said a spokesperson for PRS Legislative, a think-tank.

(HT Mint)