

Bill Summary

The Arbitration and Conciliation (Amendment) Bill, 2019

- The Arbitration and Conciliation (Amendment) Bill, 2019 was introduced in Rajya Sabha by the Minister for Law and Justice, Mr. Ravi Shankar Prasad, on July 15, 2019. It seeks to amend the Arbitration and Conciliation Act, 1996. The Act contains provisions to deal with domestic and international arbitration, and defines the law for conducting conciliation proceedings. Key features of the Bill are:
- **Arbitration Council of India:** The Bill seeks to establish an independent body called the Arbitration Council of India (ACI) for the promotion of arbitration, mediation, conciliation and other alternative dispute redressal mechanisms. Its functions include: (i) framing policies for grading arbitral institutions and accrediting arbitrators, (ii) making policies for the establishment, operation and maintenance of uniform professional standards for all alternate dispute redressal matters, and (iii) maintaining a depository of arbitral awards (judgments) made in India and abroad.
- **Composition of the ACI:** The ACI will consist of a Chairperson who is either: (i) a Judge of the Supreme Court; or (ii) a Judge of a High Court; or (iii) Chief Justice of a High Court; or (iv) an eminent person with expert knowledge in conduct of arbitration. Other members will include an eminent arbitration practitioner, an academician with experience in arbitration, and government appointees.
- **Appointment of arbitrators:** Under the 1996 Act, parties were free to appoint arbitrators. In case of disagreement on an appointment, the parties could request the Supreme Court, or the concerned High Court, or any person or institution designated by such Court, to appoint an arbitrator.
- Under the Bill, the Supreme Court and High Courts may now designate arbitral institutions, which parties can approach for the appointment of arbitrators. For international commercial arbitration, appointments will be made by the institution designated by the Supreme Court. For domestic arbitration, appointments will be made by the institution designated by the concerned High Court. In case there are no arbitral institutions available, the Chief Justice of the concerned High Court may maintain a panel of arbitrators to perform the functions of the arbitral institutions. An application for appointment of an arbitrator is required to be disposed of within 30 days.
- **Relaxation of time limits:** Under the Act, arbitral tribunals are required to make their award within a period of 12 months for all arbitration proceedings. The Bill seeks to remove this time restriction for international commercial arbitrations. It adds that tribunals must endeavour to dispose off international arbitration matters within 12 months.
- **Completion of written submissions:** Currently, there is no time limit to file written submissions before an arbitral tribunal. The Bill requires that the written claim and the defence to the claim in an arbitration proceeding, should be completed within six months of the appointment of the arbitrators.
- **Confidentiality of proceedings:** The Bill provides that all details of arbitration proceedings will be kept confidential except for the details of the arbitral award in certain circumstances. Disclosure of the arbitral award will only be made where it is necessary for implementing or enforcing the award.
- **Applicability of Arbitration and Conciliation Act, 2015:** The Bill clarifies that the 2015 Act shall only apply to arbitral proceedings which started on or after October 23, 2015.

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