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Title: Introduction of the New Delhi International Arbitration Centre Bill, 2019.

THE MINISTER OF LAW AND JUSTICE, MINISTER OF COMMUNICATIONS AND MINISTER OF ELECTRONICS AND INFORMATION TECHNOLOGY (SHRI RAVI SHANKAR PRASAD): Hon. Speaker, Sir, with your permission, I beg to move for leave to introduce a Bill to provide for the establishment and incorporation of the New Delhi International Arbitration Centre for the purpose of creating an independent and autonomous regime for institutionalised arbitration and for acquisition and transfer of undertakings of the International Centre for Alternative Dispute Resolution and to vest such undertakings in the New Delhi International Arbitration Centre for the better management of arbitration so as to make it a hub for institutional arbitration and to declare the New Delhi International Arbitration Centre to be an institution of national importance and for matters connected therewith or incidental thereto.

HON. SPEAKER: Motion moved:

“That leave be granted to introduce a Bill to provide for the establishment and incorporation of the New Delhi International Arbitration Centre for the purpose of creating an independent and autonomous regime for institutionalised arbitration and for acquisition and transfer of undertakings of the International Centre for Alternative Dispute Resolution and to vest such undertakings in the New Delhi International Arbitration Centre for the better management of arbitration so as to make it a hub for institutional arbitration and to declare the New Delhi International Arbitration

Centre to be an institution of national importance and for matters connected therewith or incidental thereto.”

DR. SHASHI THAROOR (THIRUVANANTHAPURAM): Hon. Speaker Sir, I do appreciate the intention of the hon. Minister to set up the New Delhi International Arbitration Centre to encourage arbitration in India, but I am afraid I have to object the introduction of this version of the Bill because of three reasons.

Firstly, we need an autonomous arbitration centre which is independent of the Government, especially since arbitration involving PSUs is a common feature in our country. The Bill vests the powers of direction and control with the Central Government in relation to the arbitration centre. Therefore, the hon. Minister must remove these powers from his general superintendence powers; otherwise, independence will not be there and it will not be seen as an arbitration centre.

Secondly, the Bill specifies that every rule made under it, shall be placed before Parliament. Now we have to give enough elbow room to the Centre to change its arbitration rules for administering disputes. But the fact is that the world is changing in the field of arbitration. The Singapore Centre for International Arbitration has amended its rules multiple times since 2010 and is actually receiving many cases that should come to India. Its proceeds are only

burdensome to put this before the Central Government. I would like to request that this also has to be looked at again.

Thirdly, the relationship between the Centre and the parties are contractual in nature. Thus, the Centre must be held accountable and should work in a transparent manner. The limitation of liability of the Centre under this law is too broad and it will fail the purpose of achieving an arbitration law rather than adopting a wide exception such as good faith. The Bill should adopt a more acceptable standard for the question of the Centre's liability. The transparency standards also need to be increased. Of course, the Centre is deemed to be under the ambit of the RTI Act which is also a challenge that the hon. Minister appears to have overlooked.

So, Sir, let me request you, we do need a robust International Arbitration Centre that can make India the hub of arbitration. Right now, many Indian cases are going to Singapore because we are not doing it. Therefore, if the hon. Minister would withdraw this Bill and think of these objections and come back with a Bill that can truly meet international standards, he could introduce that.

SHRI RAVI SHANKAR PRASAD: Hon. Speaker, Sir, I am little amused by the observation of the hon. Member. On the one hand, he is supportive of the idea that India must develop as a hub of domestic and international arbitration, but on the other hand, he comes with a 'however'.

This Bill has been enacted pursuant to a recommendation of a Committee headed by Justice Srikrishna consisting of many eminent

Jurists. The Body which we are supposed to take over by this Bill has done only 55 arbitrations in 25 years. Who will man this Body? It will either be a retired Supreme Court Judge, or a retired High Court Chief Justice, or by eminent people in the field of arbitration.

Hon. Member, let me tell you very clearly and categorically that we are keen as a Government that India must emerge as a big hub of arbitration. I think, after introduction when we debate the Bill you will have ample opportunity to raise queries and I will have some time to respond to your queries. This Bill is very clear.

Lastly, I must say that we are sitting here to run the country with the mandate of the people of India. Here something is said where Government of India cannot even give gentle directions to a Body for a right cause -- I fail to understand this. Do not belittle the mandate of the people of India and the responsibility which dawns upon us on that side and this side. That is all I have to say.

माननीय अध्यक्ष: प्रश्न यह है:

“कि सांस्थानिक माध्यस्थम् के लिए एक स्वतंत्र और स्वायत्त व्यवस्था का सृजन करने के लिए नई दिल्ली अंतर्राष्ट्रीय माध्यस्थम् केन्द्र की स्थापना तथा उसका निगमन करने और अंतर्राष्ट्रीय विकल्पी विवाद समाधान केन्द्र के उपक्रमों के अर्जन और अंतरण के लिए तथा माध्यस्थम् के बेहतर प्रबंधन के लिए उपक्रमों को नई दिल्ली अंतर्राष्ट्रीय माध्यस्थम् केन्द्र में निहित करने के प्रयोजनों के लिए जिससे नई दिल्ली अंतर्राष्ट्रीय माध्यस्थम् केन्द्र को संस्थागत माध्यस्थम् का केन्द्र बनाया जा सके और उसे एक राष्ट्रीय महत्ता की संस्था घोषित करने के लिए तथा उससे आनुषंगिक विषयों का उपबंध करने वाले विधेयक को पुरःस्थापित करने की अनुमति दी जाए । ”

प्रस्ताव स्वीकृत हुआ ।

SHRI RAVI SHANKAR PRASAD: I introduce* the Bill.

12.11 hrs

**STATEMENT RE: NEW DELHI INTERNATIONAL
ARBITRATION CENTRE ORDINANCE , 2019***