

**GOVERNMENT OF INDIA
LAW AND JUSTICE
LOK SABHA**

UNSTARRED QUESTION NO:2167
ANSWERED ON:12.12.2008
PERMANENT COURT OF ARBITRATION
Singh Shri Chandra Bhushan

Will the Minister of LAW AND JUSTICE be pleased to state:

- (a) Whether the Government has signed any agreement with the Permanent Court of Arbitration, the Hague to open its regional centre in Delhi;
- (b) if so, the terms and conditions of the agreement; and
- (c) the manner in which the country is likely to be benefited therefrom?

Answer

MINISTER OF LAW AND JUSTICE (SHRI H.R. BHARDWAJ)

(a) Yes, Sir. The Government has signed an agreement with Permanent Court of Arbitration (PCA), the Hague to open its regional facility in India.

(b) The main terms and conditions of the agreement are.

(i) India shall be a host country for the PCA in order to facilitate the work of the PCA in the peaceful resolution of international disputes through arbitration, mediation, conciliation and fact-finding commissions of inquiry and in providing other appropriate assistance to governments, inter-governmental organizations, and other entities.

(ii) The Government of India shall also facilitate PCA's securing office, secretarial services, etc. The PCA its officials and adjudicators shall enjoy the same privileges and immunities as those accorded to the officials of the United Nations in India in conformity with Article V of the U.N. Convention. However, the Secretary General of the PCA shall take every precaution to ensure that there is no abuse of the privileges and immunities and in case of abuse or violation of residence obligations according to the laws of Republic of India, the Government may require the individuals concerned to leave the country according to applicable diplomatic procedure.

(iii) The Republic of India shall not incur any international responsibility for the acts or omissions of the PCA or its officials.

(iv) In case any dispute is not settled by negotiations, the same shall be settled by final and binding arbitration in accordance with the PCA Optional Rules.

(v) The appointing authority for arbitrators shall be the President of the International Court of Justice.

(vi) The agreement signed between the Government and PCA may also be terminated by their mutual consent or by either Party by giving notice to the other Party at least one year in advance of the effective date of termination.

(c): The establishment of the Regional Facility in New Delhi would be beneficial to India. It would provide a forum for international arbitrations concerning disputes arising in the region, both in disputes between two States and in disputes between a State and non-State entity, such as foreign companies which have made investments in the region. Besides, the costs of international arbitration will be reduced which would also encourage more frequent recourse to arbitration as a means of settling disputes. It would also enable more legal experts from India to participate in arbitrations conducted under the auspices of the Regional Facility and to acquire expertise in this field which would also have beneficial effect on domestic arbitration.