

THE INDIA INTERNATIONAL ARBITRATION CENTRE ACT, 2019

INTRODUCTION

Arbitration is a form of alternative dispute resolution (ADR) which allows disagreements between the parties to be resolved outside of the traditional court system. It is often used to resolve commercial disputes. In India, arbitration proceedings are of two types: *ad-hoc* arbitration and institutional arbitration. Institutional arbitration is one in which a specialized institution intervenes and takes on the role of administering the arbitration process.

With a view to promote institutional arbitration and to make India a hub of international Arbitration, a committee under Mr. Justice B. N. Srikrishna was constituted.

The Committee, *inter alia*, recommended that the International Centre for Alternative Dispute Resolution be taken over with complete revamp of its governance structure so as to lend it credibility and respectability.

The Government decided to establish a new institution, namely, the New Delhi International Centre to train arbitrators in India as well as to conduct arbitration in a professional manner.

In view of the above, an Act, namely, the New Delhi International Arbitration Centre Act was enacted by the Parliament.

STATEMENT OF OBJECTS AND REASONS

The dispute resolution process has a huge impact on the economy and doing business in our country. The rapidly changing economic activity demands expeditious settlement of disputes, creation and establishment of mechanism such as institutional arbitration. This is necessary to inspire confidence and credibility among the litigants of commercial disputes. The huge pendency of cases in courts further underlines the need for strengthening the Alternative Dispute Resolution mechanism.

2. With a view to promote institutional arbitration and to make India a hub of international arbitration, a High Level Committee headed by Mr. Justice B. N. Srikrishna former Judge, Supreme Court of India was constituted, *inter alia*, to identify the roadblocks in the development of institutional arbitration, examine specific issues affecting the Indian arbitration landscape and prepare a roadmap for making India a robust centre for international and domestic arbitration.

3. The Committee, *inter alia*, recommended that the International Centre for Alternative Dispute Resolution, which was set up in the year, 1995, with the Government funds to promote alternative dispute resolution mechanism has however not been able to achieve the objectives for which it had been set up. The Committee further recommended that International Centre for Alternative Dispute Resolution should be taken over with complete revamp of its governance structure to include only experts of repute who can lend credibility and respectability to the institution and be re-branded as a centre of national importance to highlight its character as a flagship arbitral institution.

4. In view of the above, it has been decided to establish a new institution to be called the New Delhi International Arbitration Centre for better management of arbitration in the country and to declare it as an institution of national importance. Further, the undertakings of the International Centre for Alternative Dispute Resolution needs to be taken over without interfering with its activities and without adversely affecting the character of it as a Society, so that the existing infrastructure and other facilities which have been set up by the public funds provided by the Government may be appropriately utilised by the NDIAC (New Delhi International Arbitration Centre) for the overall development of institutional arbitration.

5. In view of the above, a Bill, namely, the New Delhi International Arbitration Centre Bill, 2018 introduced in Lok Sabha on the 5th January, 2018 was passed by that House on the 4th January, 2019 and was pending in Rajya Sabha.

6. The Bill envisaged appointment of persons of repute and having knowledge and expertise in institutional arbitration as Chairperson and Members of the New Delhi International Arbitration Centre. The objects of the New Delhi International Arbitration Centre was to bring targeted reforms to develop it as a flagship institution for domestic and international arbitration and to conduct arbitration in a professional manner in the cost-effective way. The Bill also proposed to set up an Arbitration Chamber, which would empanel reputed arbitrators at national and international level. An Arbitration Academy was also proposed to be set up by New Delhi International Arbitration Centre to train arbitrators in India, so as to empower them to compete on par with reputed arbitral institutions.

7. As the Bill was pending for consideration in Rajya Sabha, in the interest of promotion of institutional arbitration, it had become expedient to take over the undertakings of the International Centre for Alternative Dispute Resolution including its regional offices and vest the same in the Central Government before it is finally vested in the New Delhi International Arbitration Centre and also to declare the New Delhi International Arbitration Centre as an institution of national importance for its overall development as an arbitration hub for promoting quick and efficient dispute resolution.

8. In view of the above and since both Houses of Parliament were not in session and circumstances existed which render it necessary for the President to take immediate action in the matter, the New Delhi International Arbitration Centre Ordinance, 2019, was promulgated on the 2nd March, 2019, *inter alia*, for taking over the undertakings of the International Centre for Alternative Disputes Resolution. Thereafter, the Sixteenth Lok Sabha was dissolved on the 25th May, 2019 and the New Delhi International Arbitration Centre Bill, 2019 pending in Rajya Sabha lapsed.

9. The New Delhi International Arbitration Centre Bill, 2019 seeks to replace the said Ordinance.

ACT 17 OF 2019

The New Delhi International Arbitration Centre Bill having been passed by both the Houses of Parliament received the assent of the President on 26th July, 2019. It came on the Statute Book as THE NEW DELHI INTERNATIONAL ARBITRATION CENTRE ACT, 2019 (17 of 2019).

LIST OF AMENDING ACT

1. The New Delhi International Arbitration Centre (Amendment) Act, 2022 (23 of 2022) (w.e.f. 27-1-2023).

***THE INDIA INTERNATIONAL ARBITRATION CENTRE ACT, 2019¹**

(17 of 2019)

[26th July, 2019.]

An Act to provide for the establishment and incorporation of the ²[India International Arbitration Centre] for the purpose of creating an independent and autonomous regime for institutionalised arbitration and for acquisition and transfer of the undertakings of the International Centre for Alternative Dispute Resolution and to vest such undertakings in the ²[India International Arbitration Centre] for the better management of arbitration so as to make it a hub for institutional arbitration and to declare the ²[India International Arbitration Centre] to be an institution of national importance and for matters connected therewith or incidental thereto.

WHEREAS dispute resolution process has a huge impact on the Indian economy and global perception on doing business in our country and it has become necessary to inspire confidence and credibility among the litigants of commercial disputes;

AND WHEREAS rapidly changing economic activity demands expeditious settlement of disputes and creation and establishment of institutional arbitration;

AND WHEREAS the International Centre for Alternative Dispute Resolution was set up in the year 1995, under the aegis of the Central Government and registered under the Societies Registration Act, 1860 (21 of 1860), with the objective of promoting alternative dispute resolution mechanism and providing facilities for the same;

AND WHEREAS the International Centre for Alternative Dispute Resolution has received land and substantial funding by way of grants and other benefits from the Central Government for constructing infrastructure and making other facilities;

AND WHEREAS the International Centre for Alternative Dispute Resolution has not been able to actively engage and embrace developments in the arbitration ecosystem and to create a reputation par excellence keeping pace with the dynamic nature of arbitration over more than two decades;

AND WHEREAS studies conducted by the High Level Committee appointed by the Central Government indicate that the International Centre for Alternative Dispute Resolution has failed to address the growing needs of the institutional arbitration and also to bear optimum caseload and to become better choice to the parties for arbitration;

AND WHEREAS it has become expedient to take over the undertakings of the International Centre for Alternative Dispute Resolution including its regional offices without interfering with its activities and without adversely affecting its character as a Society but to utilise its existing infrastructure and other facilities which have been set up by using the public funds provided by the Government

* Earlier known as The New Delhi International Arbitration Centre Act, 2019 (17 of 2019).

1. Published in the Gazette of India, Extra, Pt. II, sec. 1, No. 36, dated 26th July, 2019.

2. Subs. by Act 23 of 2022, sec. 2, for "New Delhi International Arbitration Centre" [w.e.f. 27-1-2023, vide S.O. 441(E), dated 27th January, 2023].

and to incorporate a robust institution for domestic and international arbitration to be known as the ¹[India International Arbitration Centre];

AND WHEREAS it is considered necessary to declare the ¹[India International Arbitration Centre] as an institution of national importance for its overall development as a major arbitration hub by promoting quick and efficient dispute resolution mechanism.

BE it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

CHAPTER I PRELIMINARY

1. Short title and commencement.—(1) This Act may be called the ²[India International Arbitration Centre] Act, 2019.

(2) It shall be deemed to have come into force on the 2nd March, 2019.

2. Definitions.—(1) In this Act, unless the context otherwise requires,—

- (a) “Centre” means the ³[India International Arbitration Centre] established and incorporated under section 3;
- (b) “Chairperson” means the Chairperson of the Centre referred to in clause (a) of section 5;
- (c) “Chief Executive Officer” means the Chief Executive Officer appointed under section 21;
- (d) “Committee” means the relevant Committee of the Centre referred to in section 19;
- (e) “Custodian” means the person who is appointed as Custodian under sub-section (2) of section 11 in respect of the undertakings;
- (f) “Fund” means the Fund of the Centre to be maintained under section 25;
- (g) “Member” means Full-time or Part-time Member of the Centre and includes the Chairperson;
- (h) “notification” means a notification published in the Official Gazette;
- (i) “prescribed” means prescribed by rules made by the Central Government under this Act;
- (j) “regulations” means regulations made by the Centre under this Act;
- (k) “Society” means the International Centre for Alternative Dispute Resolution, registered as such under the Societies Registration Act, 1860 (21 of 1860), and having its registered office at New Delhi;
- (l) “specified date” means the date as may be specified by the Central Government by notification;
- (m) “undertakings” means the undertakings of the Society which vests with the Central Government under section 7.

(2) All other words and expressions used herein but not defined and defined in the Arbitration and Conciliation Act, 1996 (26 of 1996), shall have the same meanings as assigned to them in that Act.

1. Subs. by Act 23 of 2022, sec. 3, for “New Delhi International Arbitration Centre” [w.e.f. 27-1-2023, vide S.O. 441(E), dated 27th January, 2023].

2. Subs. by Act 23 of 2022, sec. 4, for “New Delhi International Arbitration Centre” [w.e.f. 27-1-2023, vide S.O. 441(E), dated 27th January, 2023].

3. Subs. by Act 23 of 2022, sec. 5, for “New Delhi International Arbitration Centre” [w.e.f. 27-1-2023, vide S.O. 441(E), dated 27th January, 2023].

CHAPTER II

ESTABLISHMENT AND INCORPORATION OF ¹[INDIA INTERNATIONAL ARBITRATION CENTRE]

3. Establishment and incorporation of ²[India International Arbitration Centre].—(1) The Central Government shall, by notification, establish a body to be called the ³[India International Arbitration Centre] for the purposes of exercising the powers and discharging the functions under this Act.

(2) The Centre shall be a body corporate by the name aforesaid, having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold and dispose of property, both movable and immovable, and to enter into contract, and shall, by the said name, sue or be sued.

4. Declaration of ⁴[India International Arbitration Centre] as an institution of national importance.—(1) Whereas, the objects of the New Delhi International Arbitration Centre are such as to make it as an institution of national importance, it is hereby declared that the ⁵[India International Arbitration Centre] is an institution of national importance.

(2) The head office of the Centre shall be at New Delhi and it may with the previous approval of the Central Government, establish branches at other places in India and abroad.

5. Composition of Centre.—The Centre shall consist of the following Members, namely:—

- (a) a person, who has been a Judge of the Supreme Court or a Judge of a High Court or an eminent person, having special knowledge and experience in the conduct or administration of arbitration, law or management, appointed by the Central Government in consultation with the Chief Justice of India—Chairperson;
- (b) two eminent persons having substantial knowledge and experience in institutional arbitration, both domestic and international, appointed by the Central Government—Full-time Members or Part-time Members;
- (c) one representative of a recognised body of commerce and industry, chosen on rotational basis by the Central Government—Part-time Member;
- (d) Secretary, Department of Legal Affairs, Ministry of Law and Justice or his representative, not below the rank of the Joint Secretary—Member, *ex officio*;

1. Subs. by Act 23 of 2022, sec. 6, for "NEW DELHI INTERNATIONAL ARBITRATION CENTRE" [w.e.f. 27-1-2023, vide S.O. 441(E), dated 27th January, 2023].

2. Subs. by Act 23 of 2022, sec. 7(i), for "New Delhi International Arbitration Centre" [w.e.f. 27-1-2023, vide S.O. 441(E), dated 27th January, 2023].

3. Subs. by Act 23 of 2022, sec. 7(ii), for "New Delhi International Arbitration Centre" [w.e.f. 27-1-2023, vide S.O. 441(E), dated 27th January, 2023].

4. Subs. by Act 23 of 2022, sec. 8(i), for "New Delhi International Arbitration Centre" [w.e.f. 27-1-2023, vide S.O. 441(E), dated 27th January, 2023].

5. Subs. by Act 23 of 2022, sec. 8(ii), for "New Delhi International Arbitration Centre" [w.e.f. 27-1-2023, vide S.O. 441(E), dated 27th January, 2023].

- (e) one Financial Adviser nominated by the Department of Expenditure, Ministry of Finance—Member, *ex officio*; and
- (f) Chief Executive Officer—Member, *ex officio*.

6. Terms and conditions, etc., of Chairperson and Members.—(1) The Chairperson and Members shall hold office for a term of three years from the date on which they enter upon their office and shall be eligible for re-appointment:

Provided that no Chairperson or Member shall hold office as such after he has attained the age of seventy years in the case of Chairperson and sixty-seven years in the case of a Member.

(2) The terms and conditions, salaries and allowances payable to the Chairperson and Full-time Member shall be such as may be prescribed.

(3) The term of office of a Member appointed to fill a casual vacancy shall be for the remainder of the term of the Member in whose place he has been appointed.

(4) The Part-time Member shall be entitled to such travelling and other allowances as may be prescribed.

CHAPTER III

ACQUISITION AND TRANSFER OF UNDERTAKINGS OF SOCIETY

7. Transfer and vesting.—On and from the specified date, so much of the undertakings of the Society as form part of, or are relatable to the Society, and the right, title and interest of the Society in relation to such undertakings, shall, by virtue of this Act, stand transferred to, and vest in, the Central Government.

8. General effect of vesting.—(1) The undertakings vested under section 7 shall be deemed to include all assets, rights, leaseholds, powers, authorities and privileges, and all property (movable and immovable), including lands, buildings, works, projects, instruments, automobiles and other vehicles, cash balances, funds, including reserve funds, investments and book debts of the Society as form part of, or are relatable to, the Society and all other rights and interest arising out of such properties as were immediately before the commencement of the New Delhi International Arbitration Centre Ordinance, 2019 (Ord. 10 of 2019) in the ownership, possession, power or control of the Society, and all books of account, registers and all other documents of whatever nature relating thereto.

(2) All properties and assets as aforesaid which have vested in the Central Government under section 7 shall, by force of such vesting, be freed and discharged from any trust, obligation, mortgage, charge, *lien* and all other encumbrances affecting them or of any attachment, injunction, decree or order of any court or other authority restricting the use of such properties or assets in any manner or appointing any receiver in respect of the whole or any part of such properties or assets shall be deemed to have been withdrawn.

(3) Any licence or other instrument granted to the Society in relation to any undertaking which has vested in the Central Government under section 7 at any time before the specified date and in force immediately before the specified date, shall continue to be in force on and after such day in accordance with its tenor in relation to and for the purpose of such undertaking or where the undertaking is directed under section 10, to vest in the Centre, the Centre shall be deemed to be substituted in such licence or other instrument as if such licence or other instrument had been granted to the Centre and the Centre shall hold it for the

remainder of the period which the Society would have held it under the terms thereof.

(4) If, on the specified date, any suit, appeal or other proceeding, of whatever nature, in relation to any property or asset which has vested in the Central Government under section 7, instituted or preferred by or against the Society is pending, the same shall not abate, be discontinued or be, in any way, prejudicially affected by reason of the transfer of the undertaking of the Society of anything contained in this Act, but the suit, appeal or other proceeding may be continued, prosecuted or enforced by or against the Central Government or where the undertakings of the Society are directed under section 10, to vest in the Centre, by or against the Centre.

9. Liability prior to specified date.—Every liability in relation to any undertaking in respect of any period prior to the specified date, shall be enforceable against the Society and not against the Central Government.

10. Power of Central Government to direct vesting of undertaking in Centre.—(1) Notwithstanding anything contained in sections 7 and 8, the Central Government shall, as soon as may be after the specified date, direct by notification, that the undertakings and the right, title and interest of the Society in relation to such undertakings which had vested in the Central Government under section 7, shall, vest in the Centre either on the date of publication of the notification or on such earlier or later date as may be specified in the notification.

(2) Where the right, title and interest of the Society in relation to the undertakings vest, under sub-section (1), in the Centre, the Centre shall, on and from the date of such vesting, be deemed to have become the owner in relation to such undertakings and the rights and liabilities of the Central Government in relation to such undertakings shall, on and from the date of such vesting, be deemed to have become, the rights and liabilities, respectively, of the Centre.

11. Management, etc., of undertakings.—(1) The general superintendence, direction, control and management of affairs of the undertakings, the right, the interest in relation to which have vested in the Central Government under section 7, shall—

- (a) where a direction has been made by the Central Government under sub-section (1) of section 10, vest in the Centre; or
- (b) where no such direction has been made by the Central Government, vest in the Custodian appointed by the Central Government under sub-section (2),

and, thereupon, the Centre or the Custodian so appointed, as the case may be, shall be entitled to exercise all such powers and do all such things as the Society, is authorised to exercise and do in relation to its undertakings.

(2) The Central Government may appoint any person as the Custodian of the undertakings in relation to which no direction has been made by it under sub-section (1) of section 10.

(3) The Custodian so appointed shall receive such remuneration as the Central Government may fix and shall hold office during the pleasure of the Central Government.

COMMENT

(Based on Notes on Clauses of the Bill)

This section provides for the general superintendence, direction, control and management of affairs of the undertakings, once vested in the New Delhi International Arbitration Centre on issuance of direction by the Central Government or where no such direction has been made, in the Custodian of the Undertakings appointed by the Central Government on such remuneration as may be fixed and who shall hold office during the pleasure of the Central Government.

12. Duties of persons in charge of management of undertakings to deliver all assets.—(1) On the vesting of the management of the undertakings in the Centre or on the appointment of a Custodian under sub-section (2) of section 11, all persons in charge of management of the undertakings immediately before such vesting or appointment shall be bound to deliver to the Centre or Custodian, as the case may be, all assets, books of account, registers and other documents in their custody relating to the undertakings.

(2) The Central Government may issue such directions as it may deem desirable in the circumstances of the case to the Custodian as to the powers and duties of the Custodian and such Custodian may also, if it is considered necessary so to do, apply to the Central Government at any time for instructions as to the manner in which the management of the undertaking shall be conducted or in relation to any other matter arising in the course of such management.

(3) Any person who on the specified date, has in his possession or under his control, any books, documents or other papers relating to the undertakings shall be liable to account for the said books, documents or other papers to the Central Government or the Custodian or the Centre, as the case may be, and shall deliver them to the Central Government or the Custodian or the Centre or to such person or body of persons as the Central Government or the Centre may specify in this behalf.

(4) The Central Government or the Centre may take or cause to be taken, all necessary steps for securing possession of all undertakings which have vested in the Central Government or the Centre under this Act.

(5) The Society shall, within such period as the Central Government may allow in this behalf, furnish to that Government a complete inventory of all its properties and assets, as on the commencement of the New Delhi International Arbitration Centre Ordinance, 2019 (Ord. 10 of 2019) pertaining to the undertaking and for this purpose, the Central Government or Custodian or the Centre shall afford to the Society, or body all reasonable facilities.

13. Certain powers of Central Government or Centre.—The Central Government or the Custodian or the Centre shall be entitled to receive up to the specified date, to the exclusion of all other persons, any money due to the Society in relation to its undertakings which have vested in the Central Government or Custodian or the Centre, as the case may be, and realised after the commencement of the New Delhi International Arbitration Centre Ordinance, 2019 (Ord. 10 of 2019), notwithstanding that the realisation pertains to a period prior to the commencement of the New Delhi International Arbitration Centre Ordinance, 2019.

14. Objects of Centre.—The objects of the Centre shall be,—

- (a) to bring targeted reforms to develop itself as a flagship institution for conducting international and domestic arbitration;
- (b) to promote research and study, providing teaching and training, and organising conferences and seminars in arbitration, conciliation, mediation and other alternative dispute resolution matters;
- (c) to provide facilities and administrative assistance for conciliation, mediation and arbitral proceedings;
- (d) to maintain panels of accredited arbitrators, conciliators and mediators both at national and international level or specialists such as surveyors and investigators;
- (e) to collaborate with other national and international institutions and organisations for ensuring credibility of the Centre as a specialised institution in arbitration and conciliation;
- (f) to set up facilities in India and abroad to promote the activities of the Centre;
- (g) to lay down parameters for different modes of alternative dispute resolution mechanisms being adopted by the Centre; and
- (h) such other objectives as it may deem fit with the approval of the Central Government.

15. Functions of Centre.—Without prejudice to the provisions contained in section 14, the Centre shall strive,—

- ¹[(a) to facilitate the conduct of arbitration and other forms of alternative dispute resolution mechanism, both international and domestic, in the manner as may be specified by the regulations;]
- (a) to facilitate for conducting international and domestic arbitration and conciliation in the most professional manner;
- (b) to provide cost effective and timely services for the conduct of arbitration and conciliation at national and international level;
- (c) to promote studies in the field of alternative dispute resolution and related matters, and to promote reforms in the system of settlement of disputes;
- (d) to undertake teaching and to provide for diffusion of knowledge of law and procedures on alternative dispute resolution and related matters and to award certificates and other academic or professional distinction;
- (e) to impart training in alternative dispute resolution and related matters to those who are handling arbitration, conciliation and mediation;
- (f) to co-operate with other societies, institutions and organisations, national or international for promoting alternative dispute resolution; and
- (g) to perform such other functions as may be entrusted to it by the Central Government for promoting alternative dispute resolution.

16. Vacancies, etc., not to invalidate proceedings of Centre.—No act or proceedings of the Centre shall be invalid merely by reason of,—

- (a) any vacancy or any defect in the constitution of the Centre; or

1. Subs. by Act 23 of 2022, sec. 9, for clause (a) [w.e.f. 27-1-2023, vide S.O. 441(E), dated 27th January, 2023]. Clause (a) before substitution, stood as under:

“(a) to facilitate for conducting international and domestic arbitration and conciliation in the most professional manner;”

- (b) any defect in the appointment of a person acting as a Member of the Centre; or
- (c) any irregularity in the procedure of the Centre not affecting the merits of the case.

17. Resignation of Members.—The Chairperson or the Full-time Member or Part-time Member may, by notice in writing, under his hand addressed to the Central Government, resign his office:

Provided that the Chairperson or the Full-time Member shall, unless he is permitted by the Central Government to relinquish his office sooner, continue to hold office until the expiry of three months from the date of receipt of such notice or until a person duly appointed as his successor enters upon his office or until the expiry of his term of office, whichever is the earlier.

18. Removal of Members.—(1) The Central Government may, remove a Member from his office if he,—

- (a) is an undischarged insolvent; or
- (b) has engaged at any time (except Part-time Member), during his term of office, in any paid employment; or
- (c) has been convicted of an offence which, in the opinion of the Central Government, involves moral turpitude; or
- (d) has acquired such financial or other interest as is likely to affect prejudicially his functions as a Member; or
- (e) has so abused his position as to render his continuance in office prejudicial to the public interest; or
- (f) has become physically or mentally incapable of acting as a Member.

(2) Notwithstanding anything contained in sub-section (1), no Member shall be removed from his office on the grounds specified in clauses (d) and (e) of that sub-section unless the Supreme Court, on a reference being made to it in this behalf by the Central Government, has, on an inquiry, held by it in accordance with such procedure as may be prescribed in this behalf by the Supreme Court, reported that the Member, ought on such ground or grounds to be removed.

19. Committees of Centre.—(1) The Centre may constitute such Committees as may be considered necessary to administer various aspects of its functions.

(2) The composition and functions of the Committees referred to in sub-section (1) shall be such as may be prescribed.

(3) The Committee shall meet at such time and at such places and shall observe such rules of procedure in regard to the transaction of business at its meetings including the quorum as may be specified by the regulations.

20. Meetings of Centre.—(1) The Chairperson shall ordinarily preside at the meetings of the Centre:

Provided that, in his absence, the Member chosen by the other Members present amongst themselves shall preside at the meetings.

(2) It shall be the duty of the Chairperson to ensure that the decisions taken by the Centre are implemented.

(3) The Chairperson shall exercise such other powers and perform such other duties as are assigned to him under this Act.

(4) The Centre shall meet at least four times a year and follow such procedure in its meetings including quorum at such meetings in such manner as may be specified by the regulations.

(5) All questions which come up before any meeting of the Centre shall be—

- (a) decided by a majority of votes by the Members present and voting, and in the event of an equality of votes, the Chairperson or in his absence, the person presiding, shall have a casting vote;
- (b) dealt with as expeditiously as possible and the Centre shall dispose of the same within a period of sixty days from the date of receipt of the application:

Provided that where any such ¹[question] could not be disposed of within the said period of sixty days, the Centre shall record its reasons in writing for not disposing of the ¹[question] within that period.

(6) The Chairperson may invite any expert, not being a Member, to attend the meetings of the Centre, but such invitee shall not be entitled to vote at the meeting.

21. Chief Executive Officer.—(1) There shall be a Chief Executive Officer of the Centre who shall be responsible for day-to-day administration of the Centre and for this purpose, he shall maintain liaison with the Centre and the Secretariat.

(2) The appointment, qualifications and the terms and conditions of services of the Chief Executive Officer shall be such as may be specified by the regulations.

(3) The Chief Executive Officer shall exercise such powers and discharge such functions as may be specified by regulations or as may be delegated to him by the Centre.

22. Delegation of powers.—The Centre may, for the purpose of discharging of its powers, functions and duties, by general or special order in writing, specify the powers and duties conferred or imposed upon the Centre by or under this Act (except the power to make regulation) which may also be exercised or performed by the Chief Executive Officer or any officer or officers of the Centre and the conditions and restrictions, if any, subject to which the powers and duties may be exercised and performed.

23. Secretariat.—(1) There shall be a Secretariat to the Centre consisting of—

- (a) Registrar, who shall supervise the activities of the ²[Secretariat];
- (b) Counsel, dealing with the matters relating to domestic and international arbitration; and
- (c) such number of other officers and employees as may be prescribed.

(2) The qualifications, experience, method of selection and the functions of the Registrar, Counsel and other officers and employees shall be such as may be prescribed.

1. Subs. by Act 23 of 2022, sec. 10, for "application" [w.e.f. 27-1-2023, vide S.O. 441(E), dated 27th January, 2023].

2. Subs. by Act 23 of 2022, sec. 11, for "Centre" [w.e.f. 27-1-2023, vide S.O. 441(E), dated 27th January, 2023].

CHAPTER IV
FINANCE, ACCOUNTS AND AUDIT

24. Grants by Central Government.—The Central Government may, after due appropriation made by Parliament by law in this behalf, pay to the Centre in each financial year such sums of money and in such manner as it may think fit for being utilised for the purposes of this Act.

25. Fund of Centre.—(1) The Centre shall maintain a Fund to which shall be credited,—

- (a) all monies provided by the Central Government;
- (b) all fees and other charges received during or in connection with the arbitration, conciliation, mediation or other proceedings;
- (c) all monies received by the Centre for the facilities provided by it to the parties;
- (d) all monies received by the Centre in the form of donations, grants, contributions and income from other sources; and
- (e) the amount received from the investment income.

(2) All monies credited to the Fund shall be deposited in such banks or invested in such manner as may be decided by the Centre.

(3) The Fund shall be applied towards meeting the salaries and other allowances of Members ¹[, Registrar, Counsel and other officers and employees of the Centre] and the expenses of the Centre including expenses incurred in the exercise of its powers and discharge of its duties under this Act.

26. Accounts and audit.—(1) The Centre shall maintain proper accounts and other relevant records and prepare an annual statement of accounts, including the balance sheet, in such form and manner as may be prescribed in consultation with the Comptroller and Auditor-General of India.

(2) The accounts of the Centre shall be audited by the Comptroller and Auditor-General of India and any expenditure incurred by him in connection with such audit shall be payable by the Centre to the Comptroller and Auditor-General of India.

(3) The Comptroller and Auditor-General of India and any person appointed by him in connection with the audit of the accounts of the Centre shall have the same rights, privileges and authority in connection with such audit as the Comptroller and Auditor-General of India has in connection with the audit of the Government accounts, and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect the offices of the Centre.

(4) The accounts of the Centre as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and the Central Government shall cause the same to be laid before each House of Parliament.

27. Assessment of assets and liabilities of undertaking.—The assets and liabilities in relation to any undertaking under this Act shall be caused to be assessed by any agency authorised by the Comptroller and Auditor-General of

1. Ins. by Act 23 of 2022, sec. 12 [w.e.f. 27-1-2023, *vide* S.O. 441(E), dated 27th January, 2023].

India in such manner as may be specified by him and any payment on a claim to be made in relation thereto shall be settled by him between the Society and the Central Government and shall be paid by the Society or the Central Government, as the case may be, in the manner as may be specified by the Comptroller and Auditor-General of India.

CHAPTER V

CHAMBER OF ARBITRATION AND ARBITRATION ACADEMY

28. Chamber of Arbitration.—(1) The Centre shall, establish a Chamber of Arbitration ¹[to] empanel the Arbitrators and also scrutinise the applications for admission in the panel of reputed arbitrators to maintain a permanent panel of arbitrators.

(2) The Chamber of Arbitration shall consist of experienced arbitration practitioners of repute, at national and international level and persons having wide experience in the area of alternative dispute resolution and conciliation.

(3) The Centre shall by regulations lay down the criteria for admission to the panel of the cadre so as to maintain a pool of reputed arbitrators having expertise in international commercial arbitration and arbitration other than international commercial arbitration.

(4) The Registrar to the Secretariat of the Centre shall act as the Member-Secretary to the Chamber of Arbitration.

29. Arbitration Academy.—(1) The Centre may establish an Arbitration Academy—

- (a) to train the arbitrators, particularly in the area of international commercial arbitration to compete on par with the reputed international arbitral institutions;
- (b) to conduct research in the area of alternative dispute resolution and allied areas; and
- (c) to give suggestions for achieving the objectives of the Act.

(2) For the purposes of sub-section (1), there may be constituted a permanent three member committee in order to suggest and to submit a report to the Centre with respect to the amendments, if any, necessary to the rules and regulations made under this Act.

CHAPTER VI

MISCELLANEOUS

30. Power to make rules.—(1) The Central Government may, by notification, make rules to carry out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may make provision for—

- (a) the terms and conditions and the salaries and allowances payable to the Chairperson and Full-time Members under sub-section (2) of section 6;
- (b) the travelling and other allowances payable to the Part-time Members under sub-section (4) of section 6;

1. Subs. by Act 23 of 2022, sec. 13, for "which shall" [w.e.f. 27-1-2023, vide S.O. 441(E), dated 27th January, 2023].

- (c) the composition and functions of the Committees referred to in sub-section (2) of section 19;
- (d) the number of officers and employees of the Secretariat of the Centre under clause (c) of sub-section (1) of section 23;
- (e) the qualifications, experience, method of selection and the functions of the Registrar, Counsel and other officers and employees of the Centre under sub-section (2) of section 23;
- (f) annual statement of accounts, including the balance sheet under sub-section (1) of section 26; and
- (g) any other matter in respect of which provision is to be made or may be made under this Act.

31. Power to make regulations.—(1) The Centre may, with the previous approval of the Central Government, by notification, make regulations consistent with this Act and the rules made thereunder to provide for all matters for which provision is necessary or expedient for the purposes of giving effect to the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may make provision for—

- ¹(a) the manner of the conduct of arbitration and other forms of alternative dispute resolution mechanism under clause (a) of section 15;
- (aa) the time and place and the rules of procedure to be observed in regard to the transaction of business of the Committee at the meetings including the quorum under sub-section (3) of section 19;]
- (b) the time and place and rules of procedure in regard to the transaction of business of the Centre or any Committee including the quorum at the meeting under sub-section (4) of section 20;
- (c) the appointment, qualifications and the terms and conditions of service of the Chief Executive Officer under sub-section (2) of section 21;
- (d) the powers and functions of the Chief Executive Officer under sub-section (3) of section 21;
- (e) the criteria for admission to the panel of reputed arbitrators under sub-section (3) of section 28; and
- (f) any other matter in respect of which provision, in the opinion of the Centre, is necessary for the performance of its functions under this Act.

32. Laying of rules and regulations.—Every rule and regulation made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before

1. Subs. by Act 23 of 2022, sec. 14, for clause (a) [w.e.f. 27-1-2023, *vide* S.O. 441(E), dated 27th January, 2023]. Clause (a) before substitution, stood as under:

“(a) the time and place and the rules of procedure to be observed in regard to the transaction of business of the Committee at the meetings including the quorum under sub-section (3) of section 19;”

the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation or both Houses agree that the rule or regulation should not be made, the rule or regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation.

33. Protection of action taken in good faith.—No suit, prosecution or other legal proceedings shall lie against the Centre, the Chairperson or Members or its employees and arbitrators for anything which is in good faith done or intended to be done under this Act or the rules or regulations made thereunder.

34. Power to remove difficulty.—(1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as may appear to it to be necessary for removing the difficulty:

Provided that no such order shall be made under this section after the expiry of a period of ¹[five years] from the date of commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

35. Repeal and savings.—(1) The New Delhi International Arbitration Centre Ordinance, 2019 (Ord. 10 of 2019) is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the New Delhi International Arbitration Centre Ordinance, 2019 (Ord. 10 of 2019), shall be deemed to have been done or taken under the provisions of this Act.

1. Subs. by Act 23 of 2022, sec. 15, for "two years" [w.e.f. 27-1-2023, vide S.O. 441(E), dated 27th January, 2023].