Singapore Convention on Mediation

Why in News

Recently, the United Nations Convention on International Settlement Agreements Resulting from Mediation has come into force.

The convention will provide a more effective way of enforcing mediated settlements of corporate disputes involving businesses in India and other signatories.

Key Points

- **About:**
  - The United Nations General Assembly adopted the Convention on 20th December 2018 and it was opened for signature on 7th August 2019 in Singapore.
  - It is also known as the Singapore Convention on Mediation and also the first UN treaty to be named after Singapore.
  - Singapore had worked with the UN Commission on International Trade Law, other UN member states and non-governmental organisations for the Convention.
  - India approved the signing of the Convention in July 2019.
  - As on 1st September 2020, the Convention has 53 signatories, including China and the USA as well.
• **Significance:**
  - The Convention has been designed to become an essential instrument in the **facilitation of international trade** and in the **promotion of mediation** as an alternative and effective method of resolving trade disputes.
  - It will ensure that a settlement reached by parties becomes **binding and enforceable in accordance with a simplified and streamlined procedure**.
  - **Businesses seeking enforcement of a mediated settlement agreement** across borders can do so by **applying directly** to the courts of countries that have signed and ratified the treaty, **instead of having to enforce the settlement agreement as a contract** in accordance with each country’s domestic process.
  - The harmonised and simplified enforcement framework will **save time and legal costs**, which are of crucial importance in uncertain times posed by **pandemics** like **Covid-19**.
  - Businesses in India and around the world will now have **greater certainty in resolving cross-border disputes** through mediation, as it provides a **more effective means for mediated outcomes to be enforced**.

• **Importance for India:**
  - It will **boost India’s ‘ease of doing business’ credentials** by enabling swift mediated settlements of corporate disputes.
  - It will also increase **the confidence of the investors** and shall provide a **positive signal to foreign investors** about India’s commitment to adhere to international practice on **Alternative Dispute Resolution (ADR)**.

*Source: TH*