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Singapore Convention on Mediation

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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