



# United Nations Convention on International Settlement Agreements

The Union Cabinet has approved the signing of the **United Nations Convention on International Settlement Agreements** (UNISA) by India.

- **United Nations Convention on International Settlement Agreements** is scheduled to be signed at **Singapore** on 7<sup>th</sup> August, 2019, or at the [United Nations](#).

## Background

- Until the adoption of the convention, the often-cited challenge to the use of **mediation** was the lack of an **efficient** and **harmonized** framework for **cross-border enforcement** of settlement agreements resulting from mediation.
  - In response to this need, the convention has been developed and adopted by the General Assembly.
- **The United Nations General Assembly** adopted the **United Nations Convention on International Settlement Agreements Resulting from Mediation** ("the Convention") on 20<sup>th</sup> December 2018.
- The General Assembly authorized that the convention will open for signature on 7<sup>th</sup> August 2019 in Singapore and will be known as the "**Singapore Convention on Mediation**" (the Convention).

## Benefits

- Signing of the convention will boost 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 \(ADR\)](#).

## Initiatives to Promote ADR Mechanisms

- New Delhi International Arbitration Centre (NDIAC) Bill, 2019, seeks to establish a **New Delhi International Arbitration Centre** (NDIAC) as a **statutory body**.
  - Earlier, the Committee chaired by Justice B.N. Srikrishna ("**Srikrishna Report**") to review the **institutionalization of arbitration in India** had recommended the establishment of NDIAC.
  - NDIAC will conduct arbitration, mediation and conciliation proceedings.
- **The Commercial Courts Act, 2015**, has been further amended and legislative exercise to further replace the **Arbitration and Conciliation Act, 1996** with [The Arbitration and Conciliation \(Amendment\) Bill, 2018](#) is currently underway.
- [Commercial Division and Commercial Appellate Division of High Courts \(Amendment\) Bill, 2018](#) has been passed by Lok Sabha to resolve commercial disputes worth Rs 3 lakh or more.
- Several measures have been taken by the Ministry of Law and Justice to introduce [Online Dispute Resolution](#) mechanism.

## UNISA

- 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 also contributes to strengthening access to **justice**, and to the **rule of law**.
- The Convention defines two additional grounds upon which a court may, on its own motion, refuse to grant relief.
  - Those grounds relate to the fact that a dispute would not be capable of settlement by mediation or would be contrary to public policy.
- The Convention ensures that a settlement reached by parties becomes **binding** and **enforceable** in accordance with a simplified and streamlined procedure.

**Source: PIB**

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