

THE NEW DELHI INTERNATIONAL ARBITRATION
CENTRE ACT, 2019

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THE NEW DELHI INTERNATIONAL ARBITRATION CENTRE ACT, 2019

ACT NO. 17 OF 2019

[26th July, 2019.]

An Act to provide for the establishment and incorporation of the New Delhi 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 New Delhi International Arbitration Centre for the better management of arbitration so as to make it a hub for institutional arbitration and to declare the New Delhi 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 and to incorporate a robust institution for domestic and international arbitration to be known as the New Delhi International Arbitration Centre;

AND WHEREAS it is considered necessary to declare the New Delhi 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 New Delhi 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 New Delhi 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.

CHAPTER II

ESTABLISHMENT AND INCORPORATION OF NEW DELHI INTERNATIONAL ARBITRATION CENTRE

3. Establishment and incorporation of New Delhi International Arbitration Centre.—(1) The Central Government shall, by notification, establish a body to be called the New Delhi 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 New Delhi 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 New Delhi 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*;

(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