

STRENGTHENING INDIA'S ARBITRATION FRAMEWORK: KEY TAKEAWAYS FROM THE DRAFT AMENDMENT BILL, 2024 AND THE SIAC RULES, 2025

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ABSTRACT

*This paper analyzes the proposed amendments to India's **Arbitration and Conciliation Act, 1996**, based on the **2024 Draft Bill**, which incorporates significant reforms to modernize the arbitration ecosystem in India. The **Singapore International Arbitration Centre (SIAC) Rules 2025** serve as a benchmark, India can adapt those features to promote efficiency, cost transparency, and sector-specific arbitration. However, challenges persist, including skepticism about emergency arbitration's enforceability, costs, and diversity in arbitrator appointments. Judicial delays and limited trust in the independence of arbitration further hinder India's progress as an arbitration hub. If implemented effectively, the reforms promise to align India with global standards, reduce court caseloads, and enhance investor confidence, positioning India as a competitive international arbitration hub.*

I. INTRODUCTION

The Arbitration and Conciliation Act, 1996, amended in 2015, 2019, and 2021, the Act has evolved over the last decade to position India as a global hub for international arbitration. The Draft Amendment Bill, 2024, builds on these efforts by introducing significant reforms aimed at streamlining arbitration, reducing court intervention, and enhancing efficiency. The Draft Amendment Bill, 2024, introduces several key provisions aimed at modernizing India's arbitration framework. One notable reform is the inclusion of *Emergency Arbitration*, which provides a mechanism for urgent interim relief, aligning Indian arbitration practices with global standards. The bill also proposes the *Omission of Conciliation Provisions*, transferring these processes under the Mediation Act, 2023, to avoid duplication and enhance legislative clarity.

Another significant feature is the *Establishment of an Appellate Arbitral Tribunal*, offering parties a structured forum for review while reducing

court intervention. Additionally, it emphasizes the *Use of Technology* by permitting arbitration proceedings via video conferencing, ensuring the framework keeps pace with modern digital advancements. The Singapore International Arbitration Centre (SIAC) has implemented updated rules (SIAC Rules 2025) from January 2025, which serve as a benchmark for India's reforms. India can adopt some measures from the SIAC Rules 2025 to enhance the efficiency of its arbitration regime.

II. KEY PROPOSED REFORMS

A) Modernizing Arbitration with Technology

Expands the definition of arbitration to include "audio-video electronic means" (e.g., virtual hearings, digital submissions). Recognizes arbitration agreements executed via digital signatures. Aligns Indian arbitration with global practices, addressing the increasing reliance on digital platforms. However, there is still need to introduce laws for E-awards.

B) Arbitral Institution: Power Enhanced

The 2024 Draft Bill defines “arbitral institution” as “a body or organisation that provides for conduct of arbitration proceedings under its aegis, by an arbitral tribunal as per its own rules of procedure or as otherwise agreed by the parties.” This moves away from the restrictive approach adopted in the 2019 amendments, which required an institution to be designated by the Supreme Court of India or a High Court for it to be considered an “arbitral institution.”

The Bill also grants these institutions expanded powers such as extending the time-limit to issue an award, reducing arbitrators' fees in cases of tribunal-induced delays and substituting arbitrators under **Section 29-A**. Currently, these powers vest exclusively with the courts. These reforms aim to reduce court intervention in arbitration-related matters, easing judicial burdens and improving arbitration efficiency.

C) Time Limits: Promote Efficiency

The Draft Bill introduces strict timelines to expedite arbitration proceedings:

- 60 days to dispose of applications under **Section 8** (referral to arbitration).
- 30 days for tribunals to resolve jurisdictional objections as a preliminary issue.
- 60 days to resolve appeals under **Section 37(1)**.
- 90 days to constitute a tribunal after an interim relief application under **Section 9**.
- 60 days to appoint arbitrators under **Section 11** after a party's refusal.

This address the delay and will promote efficiency.

D) Appellate Arbitral Tribunal: Reducing Court Intervention

The introduction of **Section 34-A** proposes an Appellate Arbitral Tribunal, allowing parties to appeal arbitral awards within arbitration rather than resorting to courts. Similar mechanisms exist in international arbitration forums such as

those of the European Court of Arbitration (“CEA”), International Arbitration Chamber of Paris (“CAIP”), American Arbitration Association (“AAA”) etc. The provision novel for India.

The Supreme Court in ***Centrotrade Minerals & Metal Inc. v. Hindustan Copper Ltd.***, upheld two-tier arbitration, recognizing that the Arbitration Act does not prohibit appellate arbitration clauses nor did it exclude the autonomy of parties to mutually agree to a procedure to reconsider an award in appeal. If adopted, Section 34-A could significantly reduce court pendency, given that [the set-aside petitions under Section 34 currently take 3-4 years to resolve](#). Arbitration users may find this streamlined appellate process a faster and more efficient alternative to judicial intervention.

E) Emergency Arbitration:

The Draft Bill introduces Section 9-A, allowing parties in India-seated and certain foreign-seated arbitrations to seek interim relief from an emergency arbitrator before tribunal constitution. This aligns with the Supreme Court's ruling in ***Amazon.com NV Investment Holdings LLC v. Future Retail Ltd.***, which recognized the enforceability of emergency arbitration awards. Under Section 17(2), emergency orders will have the same enforceability as tribunal orders, ensuring prompt resolution of urgent disputes.

It limits recourse to courts under Section 9 for interim relief once arbitral proceedings commence. Interim relief granted by foreign tribunals for assets in India will not have direct enforceability under Indian law. Parties may face difficulty securing enforceable interim measures in cross-border disputes, especially for foreign-seated arbitrations, unless direct enforceability mechanisms are introduced. These progressive reforms could reduce litigation burdens, and enhancing confidence in arbitration as a dispute resolution mechanism.

F) Grounds for Award Challenges:

1. Separates grounds for setting aside awards:
Reduces inefficiencies by allowing unaffected portions of awards to remain binding. Under [Section 34\(2\)](#) Entire award invalidation (e.g., party incapacity, invalid arbitration agreement). Whereas, Section 34(2-A) proposes partial award invalidation (e.g., exceeding jurisdiction, patent illegality).
2. Formulation of Grounds for Challenges:
Section 34(1-B) requires courts to formulate specific grounds for hearing award challenges. Narrows the scope of challenges, promoting clarity and finality in arbitral award.

Section 34(2-A) removes the exclusion of “patent illegality” as a ground for challenging international arbitral awards, previously introduced in 2015 to encourage foreign investments. Expanding this ground may deter foreign investors by increasing the scope of challenges to international awards, reducing India’s appeal as an arbitration destination.

III. INSIGHTS FOR INDIA: ANALYZING THE SIAC RULES 2025

The Singapore International Arbitration Centre (SIAC) released its new [SIAC Rules 2025](#), which has come into effect from 1st January, 2025. Developed through extensive consultation with stakeholders, these rules reflect SIAC’s commitment to maintaining its position as a leading global arbitration institution. India has introduced its 2024 Draft Bill and here are few things to incorporate from SIAC rules 2025:

1. Timeline for Awards

SIAC rules require tribunals to issue draft awards within 90 days of the last oral or written submission, ensuring predictability. Additionally, as per Rule 53 the tribunals must provide an estimated timeline for the final award within 30 days. Whereas in India [Section 29A](#) mandates a general 12-month timeline for issuing awards, extendable by six months with party consent. However, delays are frequent, and strict enforcement of these timelines is lacking.

Adopting a similar 90-day provision or introducing interim deadlines for final award like SIAC could expedite Indian arbitration proceedings and provide parties with more predictable timelines.

2. Administrative Conference

It authorizes the SIAC Registrar under Rule 11 to resolve procedural and administrative issues before tribunal constitution, ensuring smooth and efficient arbitration. The Arbitration and Conciliation Act, 1996 lacks provisions for pre-tribunal administrative conferences. Procedural clarity often depends on the discretion of arbitral tribunals or ad hoc arrangements, leading to inefficiencies.

Incorporating administrative conference provisions could reduce delays during the preliminary stages and streamline the process, especially in complex cases.

3. Expedited Procedure

Raises the monetary threshold for expedited arbitration to \$10 million and requires awards within six months. The procedure allows for sole arbitrators and guarantees hearings if requested by parties, balancing speed with fairness. In India [Section 29B](#) allows fast-track arbitration for cases agreed upon by parties. It mandates a six-month timeline but lacks monetary thresholds or procedural safeguards like mandatory hearings.

Enhancing India’s fast-track provisions by setting clear monetary thresholds and ensuring hearings on request could increase efficiency while preserving party rights.

4. Third-Party Funding

Mandates disclosure of third-party funding agreements and the identity of funders to ensure transparency and fairness. Tribunals can consider funding arrangements when apportioning costs as provided under Rule 38. The Indian arbitration regime lacks explicit provisions on third-party funding. Although courts have permitted such arrangements in

litigation, their role in arbitration remains unclear.

Introducing structured third-party funding regulations could help parties access resources for arbitration without compromising fairness, would align India with international standards, making it more attractive to foreign investors.

5. Sector-Specific Arbitration

Encourages specialized arbitration for sectors like technology, intellectual property, and construction, providing expertise and efficiency in resolving disputes. Lacks sector-specific panels or rules. Arbitral institutions in India have yet to adopt specialization as a focus area. It could attract niche industries such as technology and construction to choose India over other jurisdictions, enhancing its competitiveness as an arbitration hub.

SIAC's success highlights the importance of robust institutional frameworks. Empowering the Arbitration Council of India (ACI) to actively regulate and promote institutional arbitration could modernize India's arbitration landscape. By adopting these measures, India can enhance its arbitration regime's efficiency, reduce judicial interference, and position itself as a global arbitration hub on par with Singapore and London.

IV. FUTURE CHALLENGES AND SUGGESTIONS

In my view, while the proposed amendments present a step forward in the evolution of India's arbitration framework, there are several aspects that require careful consideration to ensure their effective implementation. The introduction of an appellate arbitral tribunal, for instance, could potentially lead to overlapping functions with the judicial system, thus causing confusion and delays. It is advisable that the scope and jurisdiction of these tribunals be clearly delineated to prevent redundancy and maintain the efficiency of the arbitration process.

Additionally, the emphasis on incorporating technology, such as conducting arbitration proceedings via video conferencing, is a

positive development, yet adequate infrastructure and safeguards must be in place to address potential issues related to cybersecurity, data privacy, and accessibility.

V. CONCLUSION

The Draft Amendment Bill, 2024, marks a significant evolution in India's arbitration regime, aligning it with international standards and addressing inefficiencies. By introducing emergency arbitration, empowering arbitral institutions, and emphasizing technology, the bill seeks to modernize dispute resolution and enhance India's attractiveness as an arbitration hub. The inclusion of time limits for key processes and the establishment of an appellate arbitral tribunal demonstrate a commitment to reducing delays and judicial intervention. However, challenges like ensuring enforcement across jurisdictions and building institutional support remain.

Adopting SIAC-inspired best practices, including strict timelines, administrative support, and third-party funding regulations, could significantly enhance India's arbitration framework. The emphasis on reducing judicial intervention and encouraging institutional arbitration aligns with the global shift towards efficiency and party autonomy in arbitration.

If implemented effectively, these reforms could increase foreign investor confidence, reduce court backlog, and strengthen India's position as a global arbitration destination. However, the success of these initiatives hinges on robust execution, institutional readiness, and fostering trust among stakeholders, ensuring arbitration becomes a preferred method of dispute resolution in India.