THE ARBITRATION AND CONCILIATION (AMENDMENT) ORDINANCE, 2020

No. 14 of 2020

Promulgated by the President in the Seventy-first Year of the Republic of India.

An Ordinance further to amend the Arbitration and Conciliation Act, 1996.

WHEREAS to address the concerns raised by stakeholders after the enactment of the Arbitration and Conciliation (Amendment) Act, 2019 and to ensure that all the stakeholder parties get an opportunity to seek unconditional stay of enforcement of arbitral awards where the underlying arbitration agreement or contract or making of the arbitral award are induced by fraud or corruption, it has become necessary to make further amendments to the Arbitration and Conciliation Act, 1996;

WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

1. (1) This Ordinance may be called the Arbitration and Conciliation (Amendment) Ordinance, 2020.

(2) Save as otherwise provided in this Ordinance, it shall come into force at once.
2. In section 36 of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as the principal Act), in sub-section (3), after the proviso, the following shall be inserted and shall be deemed to have been inserted with effect from 23rd day of October, 2015, namely:—

"Provided further that where the Court is satisfied that a prima facie case is made out,—

(a) that the arbitration agreement or contract which is the basis of the award; or

(b) the making of the award,

was induced or effected by fraud or corruption, it shall stay the award unconditionally pending disposal of the challenge under section 34 to the award.”.

Explanation.— For the removal of doubts, it is hereby clarified that the above proviso shall apply to all court cases arising out of or in relation to arbitral proceedings, irrespective of whether the arbitral or court proceedings were commenced prior to or after the commencement of the Arbitration and Conciliation (Amendment) Act, 2015.

3. For section 43J of the principal Act, the following section shall be substituted, namely:—

"43J. The qualifications, experience and norms for accreditation of arbitrators shall be such as may be specified by the regulations.”.

4. The Eighth Schedule to the principal Act shall be omitted.

RAM NATH KOVIND,

President

DR. G. NARAYANA RAJU,

Secretary to the Govt. of India.