India's Aspiration to Emerge as a Global Arbitration Hub: Evaluating Post Amendment Institutional Efficacy and Strategic Viability

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Abstract

India's ambition to emerge as a global hub for international commercial arbitration has gained legislative momentum through successive amendments to the Arbitration and Conciliation Act, 1996 in 2015, 2019, and 2021. This paper critically analyses the context, content, and consequences of these reforms, focusing on their institutional efficacy and strategic viability. The study begins by examining the global background and India's evolving dispute resolution needs. A detailed literature review reveals a dichotomy between statutory reform and practical enforcement, highlighting scholarly and institutional concerns over judicial interference and procedural inefficiencies.

The research problem centres on whether these amendments have tangibly improved India's attractiveness as a reliable arbitration destination. Objectives include assessing key reforms, institutional performance, and global competitiveness. The study identifies a significant research gap in data-driven evaluation of arbitral institutions and strategic benchmarking against global hubs like Singapore and London.

Guided by hypotheses that statutory reform alone is insufficient without institutional and judicial transformation, the study adopts a mixed-methodology: doctrinal analysis, empirical review of arbitral trends, and comparative study. Findings show that while reforms introduce pro-arbitration norms such as time-bound awards and reduced judicial intervention, implementation remains inconsistent. The Arbitration Council of India is not yet functional, and institutions like MCIA lack global traction.

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The study's significance lies in bridging the gap between reform intent and operational impact. Limitations include the unavailability of primary empirical data and evolving jurisprudence. In conclusion, India's legislative foundation is promising, but its arbitration ecosystem requires synchronized efforts across institutions, judiciary, and policy spheres. Without this, India's ambition risks remaining rhetorical rather than transformational.

Keywords: International Commercial Arbitration, Arbitration Reforms in India, Institutional Arbitration, Judicial Intervention, Global Competitiveness

Introduction

In the contemporary globalized economic order, international commercial arbitration (ICA) has emerged as the most preferred mechanism for resolving cross-border commercial disputes due to its neutrality, flexibility, confidentiality, and enforceability. Arbitration offers parties a private, efficient, and enforceable alternative to protracted litigation, which is especially crucial in international trade and investment contexts. As international business transactions have multiplied in scale and complexity, jurisdictions that offer reliable and efficient arbitration regimes such as Singapore, the United Kingdom (London), and Hong Kong have emerged as dominant arbitral seats.[3] These jurisdictions combine key features including legislative clarity, strong institutional frameworks, minimal judicial interference, and consistent enforcement of arbitral awards. Against this backdrop, India's aspiration to position itself as a global arbitration hub reflects both an economic imperative and a strategic legal transformation. India's journey in this domain can be traced to its economic liberalization in the 1990s, which catalysed the need for an investor-friendly dispute resolution mechanism. The enactment of the Arbitration and Conciliation Act, 1996, based on the UNCITRAL Model Law, was an important step in harmonizing Indian arbitration law with international norms.[4] However, over time, the Indian arbitration regime came to be criticized for judicial overreach, procedural inefficiencies, and an overreliance on ad hoc mechanisms, which significantly diminished India's attractiveness as a preferred seat of arbitration.

[3]Born, G. B. (2021). *International commercial arbitration* (3rd ed., Vols. 1–3). Kluwer Law International.
[4]Redfern, A., Hunter, M., Blackaby, N., & Partasides, C. (2015). *Redfern and Hunter on international arbitration* (6th ed.). Oxford University Press.

Recognizing these structural deficiencies, India embarked on a legislative reform trajectory with the enactment of the 2015, 2019, and 2021 Amendments to the Arbitration and Conciliation Act. These amendments aimed to address systemic delays, institutionalize arbitration through designated centres, and promote a pro-enforcement judicial culture. Key legislative innovations included time-bound proceedings under Section 29A, restrictions on judicial interference in award enforcement under Section 34, the introduction of the Arbitration Council of India (ACI) to regulate arbitral institutions, and the removal of nationality and qualification-based restrictions on arbitrators to enhance international compatibility. Parallelly, India witnessed the establishment of institutional arbitration forums such as the Mumbai Centre for International Arbitration (MCIA), modelled on global best practices, and policy interventions such as the NITI Aayog's arbitration policy framework. These efforts underscored a national intent to modernize the dispute resolution framework and integrate India into the global commercial arbitration circuit. However, the real-world impact of these reforms has been uneven, as issues like low institutional adoption, delays in operationalizing regulatory bodies, inconsistent judicial interpretation, and the dominance of ad hoc arbitration continue to pose significant barriers.[5] The central inquiry of this research is whether India's ambitious legislative and policy reforms have effectively bridged the gap between intent and institutional capability, thereby enabling India to emerge as a globally viable seat of international arbitration. This paper examines the legal reforms, judicial trends, institutional development, comparative benchmarks, and strategic policy outcomes that collectively shape India's journey toward becoming an arbitration hub.

Literature Review

The literature on India's arbitration regime reflects a transition from critical scepticism to cautious optimism. Earlier studies pointed to the excessive judicial interference that marred arbitration proceedings.[6] Landmark judgments like *ONCG v. Saw Pipes Ltd.* (2003) expanded the grounds of judicial review under the "public policy" doctrine, deterring foreign parties from choosing India as an arbitral seat.[7] Post-2015, scholars began acknowledging a paradigm shift. The 2015 Amendment Act was lauded for introducing time-bound arbitration

[5]Jaipuriar, S. S. (2021). *Ad hoc to institutional arbitration: A paradigm shift in the arbitration law in India*. Manupatra.
[6]Boddu, H. S. (2023). *Extent of judicial interference in the arbitration proceedings*. *Indian Journal of Integrated Research in Law, 3*(2). Retrieved from https://ijirl.com/wp-content/uploads/2023/04/EXTENT-OF-JUDICIAL-INTERFERENCE-IN-THE-ARBITRATION-PROCEEDINGS.pdf
[7]*Oil & Natural Gas Corporation Ltd. v. Saw Pipes Ltd., (2003*) 5 S.C.C. 705 (Supreme Court of India).

(Section 29A), limiting judicial intervention (Section 34), and recognizing institutional arbitration (Section 11).[8] Many scholars note that these reforms signalled India's legislative intention to align with international standards. However, critiques soon emerged regarding implementation. For instance, it has been observed that despite the reformist agenda, Indian courts continued to interfere under the guise of interpretation.

The 2019 and 2021 amendments generated mixed reactions. While the establishment of the Arbitration Council of India and the push for graded arbitral institutions was seen as progressive concerns about bureaucratic control and excessive state oversight were raised. Moreover, the removal of the controversial "qualification of arbitrators" clause in 2021 signalled government acknowledgment of international backlash.[9] Empirical analyses, such as arbitration case data review, highlight that ad hoc arbitration still dominates in India, and the MCIA, despite its global alignment, handles a fraction of cases compared to SIAC or LCIA. Thus, the literature reflects a duality: progressive legislative vision juxtaposed with weak institutional and judicial adaptation.[10]

Statement of Research Problem

Despite major statutory reforms through the Arbitration and Conciliation (Amendment) Acts of 2015, 2019, and 2021, it remains uncertain whether these changes have genuinely enhanced India's status as a global arbitration hub. The core issue lies in the gap between legislative intent and on-ground implementation. Key reforms such as time-bound proceedings, reduced judicial interference, and the establishment of the Arbitration Council of India—have not been fully operationalized. The Arbitration Council, in particular, remains non-functional, limiting regulatory oversight and institutional development. Judicial inconsistency, delays in award enforcement, and continued reliance on ad hoc arbitration further weaken India's global appeal. Unlike established hubs such as Singapore or London,

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[8]Press Information Bureau. (2024, February 28). *Government of India at forefront to promote Alternative Dispute Resolution mechanisms—Significant reforms through Arbitration & Conciliation Acts in 2015, 2019 and 2021*. Ministry of Law and Justice. Retrieved June 8, 2025, from https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=2003844

[9]Tulsyan, A. (2021). *Analyzing the Arbitration and Conciliation (Amendment) Bill, 2021*. *Corpus Law Journal, O.P. Jindal Global University*. Retrieved June 8, 2025, from https://pure.jgu.edu.in/id/eprint/6136/1/juscorpus.com-ANALYZING%20THE%20ARBITRATION%20AND%20CONCILIATION%20AMENDMENT%20BILL%202021.pdf

[10]Gupta, H. (Retd.). (2024, April 5). *An edge of the institution over ad-hoc arbitration*. SCC Online Blog. Retrieved September 18, 2025, from https://www.scconline.com/blog/post/2024/04/05/an-edge-of-the-institution-over-ad-hoc-arbitration/

India lacks institutional maturity and accessible data to assess progress. Thus, while the legal framework has improved, the absence of supporting infrastructure and reliable enforcement undermines India's global competitiveness in arbitration

Objectives

This research seeks to:

1. Critically assess the key features and impact of the 2015, 2019, and 2021 amendments to the Arbitration and Conciliation Act, 1996.
2. Evaluate the performance and challenges of Indian arbitral institutions, particularly the MCIA and proposed ACI.
3. Analyse judicial interpretations post-amendments and their compliance with the principle of minimal court intervention.
4. Compare India's arbitral ecosystem with global arbitration hubs (Singapore, London and Hong Kong).
5. Recommend strategic and institutional improvements to position India as a viable global arbitration hub.

Research Gap

Despite increasing academic interest in arbitration law, there remains a significant gap in comprehensive, data-driven research that directly correlates legislative amendments with measurable institutional progress and India's global competitiveness in the field. Most existing literature tends to emphasize either the legal interpretation of statutory provisions or engage in broad policy discussions, without delving into empirical validation or comparative benchmarking. This paper addresses these shortcomings by focusing on three key gaps: the lack of empirical assessment of arbitration case trends following the 2015, 2019, and 2021 amendments; the limited analysis of institutional arbitration in India, particularly in comparison with global arbitral centres such as SIAC, LCIA, and HKIAC; and the absence of critical evaluation of the Arbitration Council of India, especially regarding its delayed operationalization and its implications for regulatory oversight. By bridging these research gaps, the paper aims to contribute substantively to both scholarly discourse and policy development in the field of arbitration.

Hypotheses

India's aspiration to emerge as a global arbitration hub is challenged by several structural and systemic barriers, despite the enactment of progressive statutory reforms. First, statutory reforms alone are insufficient to transform India into a preferred arbitral seat without the support of robust institutional infrastructure and consistent judicial restraint. Legal provisions must be complemented by efficient implementation, modern arbitral institutions, and a judiciary that upholds party autonomy while minimizing intervention.

Second, institutional arbitration in India remains significantly underutilized**,** primarily due to a lack of international confidence, bureaucratic inertia, and limited awareness among domestic stakeholders including legal practitioners and commercial parties regarding the advantages of institutional mechanisms over ad hoc proceedings.

Lastly, while India's arbitration laws are legislatively progressive**,** the overall ecosystem suffers from a lack of synchronization between legal reforms, institutional readiness, and the expectations of the global arbitration community. This disconnect hinders India's ability to compete with established arbitral hubs such as Singapore, London, or Hong Kong, where cohesive legal, institutional, and policy environments are already in place.

Research Methodology

This research adopts a mixed-method approach combining doctrinal, empirical, comparative, and policy analysis to evaluate India's arbitration framework. The doctrinal review examines the 2015, 2019, and 2021 amendments, key case laws, and legal commentaries. The empirical component analyses trends in institutional versus ad hoc arbitration using data from MCIA, ICC, and SIAC. A comparative study benchmarks India's arbitration practices against global hubs like Singapore (SIAC), the UK (LCIA), and Hong Kong (HKIAC). The policy evaluation assesses initiatives such as the Niti Aayog's arbitration reforms and other official reports. The research draws on primary sources like statutes, judgments, and institutional documents, and secondary sources including scholarly articles and news reports, offering a comprehensive and contextual understanding.

Significance of the Study

The present study offers a structured, multidisciplinary evaluation of India's evolving arbitration ecosystem, particularly in the context of legislative amendments and institutional reforms. Its significance lies in the holistic approach adopted to analyse the post-amendment

legal and institutional landscape, enabling a deeper understanding of how statutory changes are translating into practice. By bridging the gap between legislative intent and real-world implementation, the study provides crucial insights into systemic challenges and operational lacunae. Importantly, it presents actionable recommendations tailored for policymakers, arbitral institutions, and the judiciary, aimed at strengthening India's arbitral infrastructure and procedural efficiency. Further, by benchmarking India's performance against established global arbitral centres, the study contributes meaningfully to the body of international arbitration scholarship, facilitating comparative learning and best practice adoption. In doing so, it also enhances the prospects of India's economic diplomacy by bolstering the reliability of its dispute resolution mechanisms an essential factor for attracting and retaining foreign investment in a globally competitive economic environment.

Limitations

India's ambition to become a global arbitration hub is constrained by key data and structural limitations. The absence of publicly available arbitration award data due to confidentiality norms—hampers evaluation of trends, award consistency, and institutional performance. While recent judicial pronouncements have shaped evolving arbitration jurisprudence, their long-term impact remains unclear. A major institutional gap is the non-operationalization of the Arbitration Council of India (ACI), envisioned under the 2019 amendment to regulate and promote arbitration. Without the ACI, there is no central authority to accredit institutions, enforce standards, or collect data, weakening India's global credibility. These challenges highlight the need for urgent policy and institutional reforms to bridge the gap between legislative intent and practical implementation.

Legislative Amendments and Their Implications

India's journey to becoming a global arbitration hub has been deeply influenced by legislative reforms aimed at modernizing the arbitration framework. The Arbitration and Conciliation Act, 1996, initially aligned with the UNCITRAL Model Law, provided the foundation for arbitration in India.[11] However, widespread criticism regarding procedural inefficiencies, excessive court interference, and limited institutional infrastructure necessitated transformative amendments.

[11]Dholakia, A., Gaur, K., & Narendran, K. (2021, May 23). *India's Arbitration and Conciliation (Amendment) Act, 2021: A wolf in sheep's clothing?* Kluwer Arbitration Blog.

Over the past decade, India's arbitration regime has undergone significant legislative transformation through the Arbitration and Conciliation (Amendment) Acts of 2015, 2019, and 2021, aimed at aligning domestic arbitration law with international standards and enhancing India's credibility as a global arbitration hub.[12] The 2015 Amendment was a watershed moment, introducing critical reforms such as time-bound proceedings under Section 29A, curtailment of judicial interference under Section 34, and the delegation of arbitrator appointments to arbitral institutions via an amended Section 11. These changes were intended to address procedural delays, reduce court dependency, and promote institutional arbitration. However, while the intent was applauded, implementation challenges persisted particularly due to the underdeveloped state of arbitral institutions in India and limited judicial adaptation. The 2019 Amendment sought to institutionalize arbitration further by establishing the Arbitration Council of India (ACI) to regulate and accredit arbitral institutions and arbitrators.[13] However, concerns were raised about executive overreach in the composition of the ACI, and the Council remains non-operational as of 2025, which has hampered its regulatory efficacy. Additionally, Schedule VIII introduced through the same amendment to specify arbitrator qualifications, attracted widespread criticism for its protectionist and exclusionary effect particularly its disqualification of many foreign arbitrators. This undermined party autonomy and eroded confidence among international stakeholders.

In response, the 2021 Amendment repealed Schedule VIII, allowing parties greater freedom in choosing arbitrators, thereby signalling India's willingness to accommodate global concerns and preserve flexibility in arbitral appointment. However, the 2021 Act simultaneously introduced a controversial provision enabling an automatic stay on the enforcement of arbitral awards if the court finds a prima facie case of fraud or corruption.[14] While ostensibly meant to uphold contractual integrity, this provision has been criticized for compromising finality, encouraging litigation, and increasing enforcement uncertainty a reversal from the pro-enforcement objectives of earlier reforms. Across all three amendments, the legislative direction has been clear: to create a modern, efficient, and

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[12]Sunanda, M., & Somkuwar, O. D. (2023). *The impact of recent legal reforms on international commercial arbitration in India: A case study*. *Educational Administration: Theory and Practice, 29*(4), 3878–3882. https://doi.org/10.53555/kuey.v29i4.8641

[13]Sabharwal, D., Singh, A., Satija, P., Vasudev, S., & Sharma, N. (2024, November 18). *Keeping up with the times: The Government of India proposes new arbitration law reforms*. *White & Case*.

[14]Srivastava, D. (2025, April 25). *Reinforcing arbitration in India: The 2021 Amendment's impact on commercial contracts*. LegalOnus. Retrieved June 8, 2025, from https://legalonus.com/reinforcing-arbitration-in-india-the-2021-amendments-impact-on-commercial-contracts/

institutionally robust arbitration ecosystem. However, the actual institutional and judicial responses have been fragmented and uneven, with issues such as inconsistent enforcement, underutilization of institutions like the MCIA, continued dominance of ad hoc arbitration, and delayed operationalization of regulatory mechanisms still hindering progress. While the legislative amendments have undoubtedly improved India's legal framework and demonstrated a sustained commitment to reform, they have yet to materially transform the arbitral landscape or elevate India to the status of a preferred international arbitral seat. Bridging this gap requires not just further statutory fine-tuning, but also judicial restraint, institutional strengthening, capacity building, and cross-sectoral awareness to consolidate the gains of these legislative efforts.

Judicial Trends Post-Amendments

The success of arbitration reforms in India hinges not only on legislative intent but also on judicial interpretation and conduct, which have historically played a significant role in shaping the arbitration landscape. Despite a series of pro-arbitration amendments to the Arbitration and Conciliation Act in 2015, 2019, and 2021, the Indian judiciary's post-reform approach has been mixed, alternating between progressive deference and residual interventionism.

On the one hand, landmark judgments such as *Vidya Drolia v. Durga Trading Corporation* (2021) have endorsed the principle of minimal judicial interference. The Supreme Court in *Vidya Drolia* reaffirmed the competence-competence doctrine, holding that arbitral tribunals are best suited to decide questions of jurisdiction and arbitrability in most cases, barring clear indications of invalidity.[15] This judgment marked a significant departure from the earlier trend of courts adjudicating arbitrability at the referral stage, as seen in *N. Radhakrishnan v. Maestro Engineers* (2010), which was widely criticized for overstepping judicial boundaries.[16]

Further, in *Perkins Eastman Architects DPC v. HSCC (India) Ltd.* (2019), the Supreme Court advanced the principle of neutral arbitrator appointment, holding that unilateral appointments

[15]Trilegal. (2020, December 28). *Supreme Court on arbitrability of disputes*. Trilegal. Retrieved June 8, 2025, from https://trilegal.com/knowledge_repository/supreme-court-on-arbitrability-of-disputes/
[16]*N. Radhakrishnan v. Maestro Engineers, (*2010) 1 SCC 72 (India).

by parties interested in the outcome were invalid under the amended Section 12(5).[17] This reinforced party equality and impartiality key elements of a credible arbitral regime. Courts have also increasingly recognized and enforced foreign arbitral awards, citing India's obligations under the New York Convention, thereby demonstrating greater international alignment.[18] However, such judicial discipline has not been uniformly maintained across High Courts and lower forums. Despite amendments narrowing the scope of the "public policy" doctrine under Section 34, courts have, on occasion, interpreted the clause expansively, revisiting factual findings or contract interpretation under the guise of "patent illegality" a term that remains ambiguously defined and inconsistently applied. This judicial tendency weakens the finality of awards and fosters unpredictability, particularly in enforcement proceedings.

The 2021 amendment allowing automatic stay of awards in cases involving allegations of fraud or corruption has further complicated the judicial landscape. In cases like *NHAI v. M. Hakeem* (2021), courts have continued to grapple with balancing procedural fairness and award enforceability.[19] While intended to safeguard public funds and ensure ethical integrity, this provision has been misused by litigants to delay enforcement through frivolous fraud claims, contributing to a resurgence of interventionist tendencies. Moreover, the lack of consistent judicial training and understanding of arbitration principles has resulted in diverging decisions, even on similar legal issues, across jurisdictions. This inconsistency erodes investor confidence and dampens the legislative effort to portray India as an arbitration-friendly destination.

In conclusion, although the post-amendment judicial landscape exhibits positive signs of pro-arbitration jurisprudence, systemic challenges persist. There is a glaring need for judicial consistency, specialization, and restraint, particularly in matters of referral, award enforcement, and interim measures. Establishing commercial divisions in courts with dedicated arbitration benches, training judges in arbitration law, and promoting the use of institutional arbitration through judicial referral mechanisms could serve as essential next steps. Without deep institutional commitment from the judiciary, India's legislative reforms

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[17]Krishnan, A., & Bari, S. (2019, November 30). *Perkins Eastman v HSCC: Is it the end of party-appointed sole arbitrators? Mondaq*. Retrieved June 8, 2025, from https://www.mondaq.com/india/arbitration-dispute-resolution/878038/perkins-eastman-v-hscc-is-it-the-end-of-party-appointed-sole-arbitrators

[18]Rodrigo, A. (2022, May 27). *Sri Lanka*. In *The Asia-Pacific Arbitration Review 2023*. Global Arbitration Review

[19] *Project Director, National Highways Authority of India v. M. Hakeem,* (2021) 9 SCC 1 (Supreme Court of India).

are unlikely to yield sustained outcomes in positioning the country as a reliable and neutral arbitration seat.

Comparative Analysis with Global Hubs

In the global arbitration landscape, jurisdictions like Singapore, the United Kingdom (London), and Hong Kong have emerged as exemplary arbitral hubs due to their well-established legal frameworks, robust institutional infrastructure, minimal judicial intervention, and international enforceability.[20] A comparative analysis between India and these jurisdictions reveals critical institutional and procedural gaps that India must address to achieve parity. Singapore, for instance, has become one of the most preferred seats for international commercial arbitration, driven by the success of the Singapore International Arbitration Centre (SIAC) and the supportive role played by the Singaporean judiciary. SIAC reported over 1,000 new cases in 2023 alone, most of which involved cross-border disputes and foreign parties. This success is underpinned by Singapore's Arbitration Act and International Arbitration Act, which provide clear rules and limit court interference to strictly defined grounds. Moreover, the Singapore courts maintain a consistent non-interventionist stance, reinforcing party autonomy and the finality of arbitral awards.[21]

In contrast, London, through the London Court of International Arbitration (LCIA), offers a blend of common law tradition, procedural flexibility, and institutional independence. The LCIA's rules emphasize party autonomy, quick timelines, and cost efficiency, making it attractive to international parties. Additionally, the UK's Arbitration Act, 1996, ensures that arbitral awards are enforced with minimal judicial review, supported by the high global trust in the UK judiciary's impartiality and predictability.[22] Similarly, Hong Kong, home to the Hong Kong International Arbitration Centre (HKIAC), has emerged as a strategic hub for disputes involving Asian parties. With the Arbitration Ordinance (Cap. 609) and adherence to the UNCITRAL Model Law, Hong Kong offers neutrality, bilingual proceedings, and robust

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[20]Rigby, B. (2025, April 11)**.** *London edges ahead of Singapore as top go-to jurisdictions for international arbitration, study finds***.** Global Legal Post. https://www.globallegalpost.com/news/london-edges-ahead-of-singapore-as-top-go-to-jurisdictions-for-international-arbitration-study-finds-1269618085

[21]Morrison & Foerster LLP. (2024, May 15). *SIAC's 2023 statistics demonstrate continued expansion of its global reach and steadfast confidence in its capabilities*. Client Alert. Morrison & Foerster. https://www.mofo.com/resources/insights/240515-siacs-2023-statistics-demonstrate-continued-expansion

[22]Varnai, L. (2025c, May 20). Arbitration law reform in the UK. Recovery Advisers. https://www.recoveryadvisers.com/insights/arbitration-law-reform-in-the-uk/

enforcement of awards under the New York Convention.[23] Despite political uncertainties in recent years, Hong Kong remains a high-volume arbitration centre due to its judicial independence and commercial expertise.[24]

In contrast, India's institutional arbitration ecosystem is still evolving. While the establishment of the Mumbai Centre for International Arbitration (MCIA) was a welcome step, its case volumes have remained modest handling more than 100 matters annually, most of which are domestic or referred under specific contractual clauses.[25] Unlike SIAC or LCIA, Indian institutions face low adoption due to lack of awareness, absence of government referrals, and limited global recognition. Moreover, persistent reliance on ad hoc arbitration, driven by parties' unfamiliarity with institutions and low institutional trust, further undermines India's position. Additionally, judicial inconsistency and expansive review powers under Section 34 of the Indian Arbitration and Conciliation Act continue to discourage foreign parties from selecting India as the seat of arbitration. Although recent judgments have sought to curtail intervention, the perception of unpredictability remains a major obstacle.[26]

To bridge this comparative gap, India must invest in capacity building, institutional autonomy, digital integration, and consistent pro-arbitration jurisprudence. Learning from Singapore's model of government-institution collaboration, the UK's judicial reliability, and Hong Kong's procedural modernization, India has the potential to significantly improve its international arbitration standing.[27] However, this requires a coherent convergence of legislative reform, judicial discipline, administrative efficiency, and global engagement strategies to truly rival established arbitral hubs.

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[23]The Hong Kong Arbitration Ordinance | HKIAC. (n.d.). https://www.hkiac.org/arbitration/why-hong-kong/HK-arbitration-ordinance

[24]Moser, M. J., & Bao, C. (2022). *A guide to the HKIAC Arbitration Rules* (2nd ed.). Oxford University Press.

[25]Mumbai Centre for International Arbitration. (n.d.). *About MCIA*. Retrieved June 8, 2025, from MCIA website

[26]Singularity Legal. (2025, May 27). *India: Supreme Court clarifies scope of judicial interference under Sections 34 and 37 of the Arbitration Act*. Retrieved from https://www.asialaw.com/news/india-supreme-court-clarifies-scope-of-judicial-interference-under-sections-34-a/

[27]Chong Y. Leong & Pritam Singh. (2013). *Arbitration in Asia*. In *The Asia-Pacific Arbitration Review 2013* (pp. Introduction–Overviews). Global Arbitration Review. Retrieved from https://globalarbitrationreview.com/review/the-asia-pacific-arbitration-review/2013/article/arbitration-in-asia

Policy Evaluation and Strategic Viability

India's aspiration to emerge as a global arbitration hub is not solely contingent on legislative reform but also deeply intertwined with policy implementation, institutional coherence, and strategic vision. A comprehensive policy evaluation reveals that while India has made significant legal strides, the broader institutional and administrative landscape lacks alignment and executional depth. The NITI Aayog's 2017 policy paper on institutional arbitration in India underscored the need for a coordinated national effort to strengthen arbitration institutions, streamline government arbitration policy, and reduce the reliance on ad hoc arbitration. Among its recommendations were the creation of a model arbitration clause for public contracts, automatic referral to designated institutions, and investment in arbitrator training and infrastructure. However, in practice, government departments and PSUs continue to favour ad hoc arbitration, often appointing retired judges or bureaucrats instead of turning to institutions like the Mumbai Centre for International Arbitration (MCIA). This disconnects between policy prescription and procurement practices significantly undermine the institutionalization agenda.[28]

Furthermore, India's ranking in the World Bank's Ease of Doing Business Index, particularly on the "enforcing contracts" parameter, remains suboptimal.[29] Despite being a signatory to the New York Convention and enacting enabling legislation, enforcement of arbitral awards in India is often delayed by judicial intervention, protracted appeals, and inconsistent lower court rulings. This dilutes investor confidence and discourages foreign parties from selecting India as an arbitration seat. Although India has launched flagship reforms in commercial law, such as the Commercial Courts Act, 2015, these measures have not been effectively harmonized with the arbitration framework. Many commercial courts lack specialized benches for arbitration-related matters, and judicial expertise in complex arbitration jurisprudence remains uneven across jurisdictions.[30]

From a strategic standpoint, India has also been slow in embracing digital and online dispute resolution (ODR) systems, despite their global proliferation. While private platforms and

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[28]NITI Aayog. (2017). *Strengthening arbitration and its enforcement in India: Resolve in India*. Government of India. https://niti.gov.in/sites/default/files/2019-01/Arbitration.pdf
[29]NDTV Profit. (2019). *World Bank's Ease of Doing Business Index: Where India gained, lost*. Retrieved from https://www.ndtvprofit.com/business/world-banks-ease-of-doing-business-index-where-india-gained-lost
[30]Lawful Legal. (2025, February). *ADR mechanisms in India: Challenges and future prospects*. Retrieved June 8, 2025, from https://lawfullegal.in/adr-mechanisms-in-india-challenges-and-future-prospects/

courts have experimented with virtual hearings, there is no national ODR strategy to integrate digital processes into mainstream arbitration or make institutions digitally competitive like SIAC or LCIA, which offer user-friendly portals, online filings, and AI-assisted document management.[31] Moreover, India lacks a clear branding and global outreach strategy to position itself in the international arbitration market. Unlike Singapore, which promotes SIAC through diplomatic channels, roadshows, and state-led arbitration conferences, India's efforts have been fragmented and institution-specific. The proposed Arbitration Council of India (ACI), which could have served as a national promoter and regulator of arbitration policy, remains non-functional, further highlighting policy inertia.[32]

In sum, while India's legislative reforms signal serious intent, the strategic viability of India as an arbitration hub remains constrained by weak institutional coordination, sluggish policy execution, inadequate digital integration, and lack of international promotion. For India to transition from a reforming jurisdiction to a preferred arbitral seat, it must adopt a holistic, multi-stakeholder strategy involving policy harmonization, institutional empowerment, global engagement, and continuous capacity building. Only then can India align its arbitration ecosystem with the expectations of global commerce and transnational dispute resolution

Conclusion and Recommendations

India’s legislative and policy reforms in arbitration over the last decade demonstrate a strong political and legal commitment to reposition the country as a global hub for international commercial arbitration. The Arbitration and Conciliation (Amendment) Acts of 2015, 2019, and 2021 signify a deliberate effort to modernize the legal framework, curtail judicial intervention, promote institutional arbitration, and enhance the overall efficacy of arbitral processes. These amendments have introduced important changes, such as time-bound adjudication, delegation of arbitrator appointments, the establishment (on paper) of the Arbitration Council of India, and the repeal of protectionist barriers against foreign arbitrators. Collectively, they reflect India’s intent to harmonize with global arbitration standards and encourage foreign investor confidence. However, the actual transformation of

[31]Vyas, N., & Srivastava, R. (2024). *Assessing the regulatory landscape of online arbitration in India: Delineating the roadblocks & way forward*. *International Journal of Law, Management & Humanities, 7*(1). Retrieved from https://ijlmh.com/wp-content/uploads/Assessing-the-Regulatory-Landscape-of-Online-Arbitration-in-India.pdf

[32]The Arbitration Brief. (2019, October 2). *Arbitration Council of India: A step forward or backward?* Retrieved June 8, 2025, from https://thearbitrationbrief.com/2019/10/02/arbitration-council-of-india-a-step-forward-or-backward/

India into a preferred arbitral seat remains incomplete. The dominance of ad hoc arbitration, the lack of a fully operational regulatory body like the ACI, institutional underutilization, inconsistent judicial enforcement, and limited global visibility continue to undermine India's ambitions. The disconnect between legislative intent and implementation capacity, coupled with bureaucratic inertia and fragmented policy execution, highlights the gap between aspiration and reality.

To overcome these challenges and realize its full potential, India must adopt a comprehensive, multi-dimensional strategy that reinforces both its institutional and international credibility.

- First, the Arbitration Council of India must be operationalized with clear mandates, professional independence, and adequate funding. Its role in accrediting institutions and arbitrators, setting performance benchmarks, and promoting best practices is vital to institutionalize arbitration in India.
- Second, the judiciary must internalize a culture of non-interventionism, especially at the enforcement stage. Specialized arbitration benches and consistent appellate jurisprudence can enhance predictability and confidence among parties.
- Third, there must be greater public-private collaboration to expand the reach and effectiveness of institutions like MCIA, including mandatory referral of government disputes to institutional arbitration and wider dissemination of model clauses.
- Fourth, India must embrace digital transformation and Online Dispute Resolution (ODR) as part of its national arbitration strategy. Integrated digital portals, AI-driven case management, and remote hearing capabilities would boost procedural efficiency and appeal to international users.
- Fifth, India must proactively position itself in the global arbitration ecosystem through state-led promotion of Indian arbitral institutions in bilateral trade negotiations, global conferences, and investor dialogues mirroring the diplomacy-driven outreach of countries like Singapore.
- Sixth, a capacity-building ecosystem for arbitrators, lawyers, and government officials must be institutionalized through accredited training, academic partnerships, and research grants.

Finally, the government must ensure that policy coherence is maintained between contract law, commercial courts, foreign investment frameworks, and arbitration law to create a seamless and investor-friendly dispute resolution environment. If implemented with institutional will and coordinated leadership, these reforms could enable India to evolve from an aspirational reformer to a credible and competitive seat of international arbitration, supporting both domestic economic development and global dispute resolution needs.