

Maharashtra, Gujarat in the race for India's first IAC



• [Ashish Rukhaiyar](#)

Maharashtra and Gujarat are in the race to bring to India its first full-fledged international arbitration centre (IAC). While the Mumbai initiative will be an independent arbitration centre, GIFT City plans to get one of the current global names to open an office at the IFSC near Gandhinagar.

In Maharashtra, the government is playing a key role in establishing a Mumbai Centre for International Arbitration (MCIA) that is expected to start operations in August.

Madhukeshwar Desai, chief executive officer, MCIA, says that a rigorous process was followed for establishing the MCIA after looking at international best practices and the committee includes an equal mix of international and domestic practitioners.

Mr Desai told *The Hindu*, "The MCIA is an independent not-for-profit body and is supported by the Maharashtra government. The MCIA is an integral part of the upcoming IFSC at BKC (Bandra-Kurla Complex). A quick study will show that all successful IFSCs around the world have a robust alternate dispute resolution mechanism and this in its self will be a big boost to ease of doing business in India. We plan to start the centre by August [...] in Express Towers which will house our state-of-the-art purpose-built complex, which can accommodate the largest of international arbitrations."

In Gujarat, the top brass of Gujarat's GIFT City (Gujarat International Finance Tec-City) are in advanced talks to get in the existing IACs to set up an overseas arbitration office in India's first operational International Financial Services Centre (IFSC) in Gujarat. "We are in advanced stages of bringing one of these names in GIFT City," said Ajay Pandey, managing director & group chief executive officer (CEO), GIFT City.

Key pillars

"There are three key pillars: taxation; ease of doing business; and a good dispute-resolution mechanism. Wherever transactions happen, people do have disputes. So, we are looking if there is a system where we can bring in an independent mechanism."

Vyapak Desai, partner, Nishith Desai Associates, a leading law firm in the field of arbitration, says that India needs a good centre with global standards considering the increasing number of cases that require arbitration.

"Currently there are no international arbitration centres established in India. The London Court of International Arbitration, India (LCIA India), which opened an office in New Delhi few years back, closed down recently. With the recent amendments to the arbitration law, India now surely needs robust arbitration centres which can administer the cases following the global standards," says Mr Desai.

Currently, Indian corporations settling disputes tend to use the services of two of the three leading IACs in the world, in Singapore and Hong Kong (the third is in London).

According to the Singapore International Arbitration Centre's (SIAC) 2015 annual report, India accounted for the highest number of foreign case filings there, 73 in all. Responding to an email query about the imminent competition, Pranav Mago, Head (South Asia), Singapore International Arbitration Centre, said while he was unable to discuss specific plans, India remained a very important jurisdiction for SIAC: "We will definitely continue to strive to make institutional arbitration and SIAC more popular in India by reaching out to more potential users in different cities. We have also seen a rise in cases being filed in certain industry sectors and will reach out to the other market players in such sectors."
