Arbitration - Detailed Note

1. Meaning of Arbitration

Arbitration is a process in which disputing parties agree to submit their conflict to a neutral third party, called an arbitrator, whose decision (called an award) is usually binding and enforceable by law.

2. Key Features of Arbitration

1. Voluntary process based on agreement of parties.
2. Neutral and impartial arbitrator.
3. Binding and final decision.
4. Confidential proceedings.
5. Flexible procedures.

3. Types of Arbitration

1. Domestic Arbitration – within one country.
2. International Arbitration – between parties of different countries.
3. Institutional Arbitration – conducted by organizations like ICC or LCIA.
4. Ad Hoc Arbitration – managed by parties without institutional support.

4. Arbitration Process

1. Agreement to arbitrate.
2. Appointment of arbitrator(s).
3. Preliminary hearing.
4. Submission of evidence and arguments.
5. Hearing.
6. Arbitral award.

5. Advantages

1. Faster than litigation.

2. Confidential.
3. Flexible.
4. Expert decision-makers.
5. International enforceability.

6. Disadvantages

1. Limited right to appeal.
2. Can be costly in complex cases.
3. Less transparency.
4. Limited discovery.

7. Conclusion

Arbitration is an effective alternative dispute resolution method offering speed, privacy, and flexibility. However, it should be chosen carefully considering its limitations.