

The Commercial Courts Act, 2015

¹[Chapter-IIIA Pre-Institution Mediation and Settlement

Section 12A: Pre-Institution Mediation and Settlement.

12A. (1) A suit, which does not contemplate any urgent interim relief under this Act, shall not be instituted unless the plaintiff exhausts the remedy of pre-institution mediation in accordance with such manner and procedure [as may be prescribed by rules](#) made by the Central Government.

(2) The Central Government may, by [notification](#)², authorise the Authorities constituted under the Legal Services Authorities Act, 1987, for the purposes of pre-institution mediation.

(3) Notwithstanding anything contained in the Legal Services Authorities Act, 1987, the Authority authorised by the Central Government under sub-section (2) shall complete the process of mediation within a period of three months from the date of application made by the plaintiff under sub-section (1):

Provided that the period of mediation may be extended for a further period of two months with the consent of the parties:

Provided further that, the period during which the parties remained occupied with the pre-institution mediation, such period shall not be computed for the purpose of limitation under the Limitation Act, 1963.

(4) If the parties to the commercial dispute arrive at a settlement, the same shall be reduced into writing and shall be signed by the parties to the dispute and the mediator.

(5) The settlement arrived at under this section shall have the same status and effect as if it is an arbitral award on agreed terms under sub-section (4) of [section 30](#) of the Arbitration and Conciliation Act, 1996.]

Reference

1. Inserted by the [Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts \(Amendment\) Act, 2018](#) (w.e.f. 3-5-2018).
 2. Notification No. [S.O. 3232\(E\)](#) dated 3rd July, 2018.
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