

COMMERCIAL COURTS ACT, 2015

Commercial and financial markets have a big role to promote a country's economic standing in the comity of nations. For such economic activities to prosper, simple framework of rules that encourage investors and promote business activities is a pre-requisite. Therefore, the Government has given high priority to frame business facilitating laws and rules inter alia with a view to make India one of the preferred destinations for investment and business. In this context, the Government enacted the Commercial Courts Act, 2015.

To facilitate the Ease of Doing Business (EoDB) and further improve India's ranking in World Bank Report on EoDB, the Government amended the Commercial Courts Act, 2015 in 2018.

The salient features of the amendment Act are:

- (a) **Reduction in Specified Value:** The Amendment Act reduced the specified value of a commercial dispute from one Crore to 3 Lakhs. Therefore, commercial disputes of a reasonable value can be decided by commercial courts.
- (b) **Establishment of Commercial Courts at district Judge level:** The Amendment Act provides for establishment of Commercial Courts at district Judge level for the territories over which respective High Courts have ordinary original civil jurisdiction i.e. in the cities of Chennai, Delhi, Kolkata, Mumbai and State of Himachal Pradesh.
- (c) **Establishment of Commercial Courts below district Judge level:** The amendment Act enabled the State Governments to establish Commercial Courts in Districts at levels below that of a District Judge.
- (d) **Establishment of appellate court at district judge level:** The amendment Act made substantive provisions of appeal against judgment or order of a Commercial Courts, below the District Judge Level to the Commercial Appellate Courts at District Judge level, and for territories under High Courts exercising ordinary original civil jurisdiction, for appeal to Commercial Appellate Division of that High Court.
- (e) **Introduction of the Pre-Institution Mediation and Settlement Process:** Where no urgent, interim relief is contemplated the parties have to exhaust the remedy of PIMS, for resolving the commercial disputes, through the authorities constituted under the Legal Services Authorities Act, 1987. It will also help in reinforcing investor's confidence in the resolution of commercial disputes.

The Commercial Courts (Pre-Institution Mediation & Settlement) and the Commercial Courts (Statistical Data) Rules, 2018:

Section 21A (1) of the Commercial Courts Act, 2015 inter-alia provides that “*the Central Government may, by notification, make rules for carrying out the provisions of this Act.*”

The Government has notified the following Rules:

- (i) Commercial Courts (Pre-Institution Mediation and Settlement) Rules, 2018: The said rule provides the Initiation of mediation process, venue for conducting mediation, role of Mediator, procedure of mediation, mediation fee etc.
- (ii) Commercial Courts (Statistical Date) Rules, 2018: The said rule provides collection of commercial courts related data in the prescribed format.

The above rules were amended in April, 2020.
