

**PARLIAMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF**   
**SRI LANKA**

**THE RECOGNITION AND ENFORCEMENT OF INTERNATIONAL SETTLEMENT AGREEMENTS RESULTING FROM MEDIATION**   
**ACT, No. 5 OF 2024**

**[Certified on 31st of January, 2024]**

*Printed on the Order of Government*

Published as a Supplement to Part II of the **Gazette of the Democratic Socialist Republic of Sri Lanka** of February 02, 2024

PRINTEDATTHEDEPARTMENTOFGOVERNMENTPRINTING, SRILANKA   
TOBEPURCHASEDATTHEGOVERNMENTPUBLICATIONSBUREAU, COLOMBO5

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| *The Recognition and Enforcement of International Settlement Agreements Resulting from Mediation Act, No. 5 of 2024* | 1 |

[Certified on 31st of January, 2024]

L.D.-O. 42/2022

AN ACTTOGIVEEFFECTTOTHE UNITED NATIONS CONVENTIONON INTERNATIONAL SETTLEMENT AGREEMENTSRESULTINGFROM MEDIATIONKNOWNASTHE SINGAPORE CONVENTIONON MEDIATION; TOMAKEPROVISIONSFORTHE RECOGNITIONAND ENFORCEMENTOF INTERNATIONAL SETTLEMENT AGREEMENTS;

ANDTOPROVIDEFORMATTERSCONNECTEDTHEREWITHOR INCIDENTALTHERETO.

WHEREASthe Convention on International Settlement Preamble Agreements Resulting from Mediation (hereinafter referred   
to as the “Convention”)was adopted by the United Nations   
General Assembly on the Twentieth day of December Two   
Thousand and Eighteen, and subsequently came into force   
on the Twelfth day of September Two Thousand and Twenty:

AND WHEREAS having recognised the value of mediation as a method for settling commercial disputes amicably and noting the increase of the use of mediation internationally and nationally, the Government of Sri Lanka signed the Convention on the Seventh day of August Two Thousand and Nineteen:

AND WHEREASestablishing a legal framework on international mediation settlements under the Convention would reduce the instances where disputes result in termination of commercial relationships and contribute to the development of harmonious international economic relations:

AND WHEREAS it is necessary for the Government of Sri Lanka to enact legislative provisions to give effect to Sri Lanka’s obligations under the Convention:

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| 2 | *The Recognition and Enforcement of International Settlement Agreements Resulting from Mediation Act, No. 5 of 2024* |

NOW THEREFORE BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

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| Short title  and the date of operation | **1.** (1) This Act may be cited as the Recognition and Enforcement of International Settlement Agreements Resulting from Mediation Act, No. 5 of 2024. |

(2) The provisions of this Act shall come into operation on such date as the Minister may, by Order published in the *Gazette* certify as the date on which the Convention enters into force in respect of Sri Lanka.

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| Application of the Act | **2.** (1) The provisions of this Act shall**,** subject to the provisions of section 3, apply to a written settlement agreement |

which is international by nature at the time of its conclusion, and which has resulted from mediation and has been concluded by parties to resolve a commercial dispute (hereinafter referred to as the “international settlement agreement”).

(2) The application of the provisions of this Act to any international settlement agreement shall be subject to the same extent specified in such reservations as may be declared under Article 8 of the Convention by the Government of Sri Lanka.

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| Settlements  excluded  from the  scope of  this Act | **3.** The provisions of this Act shall not apply to- | | |
| (a) | settlement agreements that have been entered | |
| into, to resolve a dispute in relation to – | | |
| (i) | | a transaction engaged in by one of the |

parties who is a consumer, for personal,   
family or household purposes;

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| *The Recognition and Enforcement of International Settlement Agreements Resulting from Mediation Act, No. 5 of 2024* | | 3 |
| (ii) | family matters, inheritance, or employment |

matters; or

(b) settlement agreements –

(i) that have been concluded or recorded as a   
judgement of a court, in the course of judicial   
proceedings and are enforceable as a judgement   
of a court; or

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| (ii) | | that are enforceable as an arbitral award. | International  settlement  agreement |
| **4.** A settlement agreement shall be international by nature at the time of its conclusion where - | | |
| (a) | at least two of the parties to the settlement agreement | |

have their places of business in different States; or

(b) the State in which the parties to the settlement   
 agreement have their places of business is different   
 from either –

(i) the State in which a substantial part of the   
obligations under the settlement agreement is   
performed; or

(ii) the State with which the subject matter of the   
settlement agreement is most closely connected.

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| **5.** Every international settlement agreement shall be valid and enforceable unless a decree of the High Court is refused upon application made under section 6, and the obligations | Validity of  international  settlement  agreement |

assumed thereunder by the parties shall be honoured by the parties as in the case of any other contractual agreement.

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| Application | 4 | *The Recognition and Enforcement of International Settlement Agreements Resulting from Mediation Act, No. 5 of 2024* |
| **6.** (1) A party to an international settlement agreement may |
| to the High | make an application to the High Court to have the international |
| Court |
| settlement agreement entered as a decree of the High Court |

for the purpose of enforcing such international settlement agreement.

(2) Upon receiving an application under subsection (1), if the High Court is satisfied that no grounds have been adduced to adjourn the proceedings or to refuse the grant of the relief prayed for, under the provisions of this Act, the High Court shall, on a day of which notice shall be given to the parties, proceed to enter judgement according to the international settlement agreement whereupon a decree shall be entered.

(3) Subject to the provisions of this Act, an international settlement agreement that is recorded by the High Court as a decree of the High Court may be-

(a) enforced in the same manner as a judgement given,   
 or an order made, by the High Court; and

(b) relied upon by the parties to the international   
 settlement agreement as a defence, set-off or   
 otherwise in any court proceedings.

(4) The High Court shall have cognizance of and full power to hear and determine all actions specified in this Act.

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| Admissibility of  international settlement  agreement in court as  evidence | **7.** Where a dispute arises in any action in relation to a matter which a party claims to have been resolved by an international settlement agreement, such international settlement agreement shall be admissible as evidence to establish that such matter has already been resolved. |

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| *The Recognition and Enforcement of International Settlement Agreements Resulting from Mediation Act, No. 5 of 2024*  **8.** (1) A party who makes an application to the High Court  under section 6 or who intends to rely on an international  settlement agreement which is admissible as evidence under  the provisions of section 7 in any court proceeding shall submit  the following documents to the High Court or court, as the | 5  Requireuments for  reliance on  international  settlement  agreements |

case may be -

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| (a) | the original or a duly certified copy of the international settlement agreementsigned by the parties; and |

(b) evidence that the international settlement   
agreement resulted from mediation, such as –

(i) the signatures of the mediator or mediators   
 on the international settlement agreement;

(ii) a document signed by the mediator or   
 mediators certifying that the international   
 settlement agreement was entered into as   
 a result of mediation facilitated by such   
 mediator or mediators, as the case may be;

(iii) an attestation by the institution that   
 administered the mediation; or

(iv) in the absence of (i), (ii) or (iii), any other   
 evidence acceptable toCourt.

(2) For the purposes of subsection (1), “signature” shall include an electronic signature.

(3) The High Court or any other court may require the production before it of any document necessary to verify that the requirements specified in subsection (1) have been complied with.

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| 6 | *The Recognition and Enforcement of International Settlement Agreements Resulting from Mediation Act, No. 5 of 2024* |

(4) Where the international settlement agreement is not in the language of the court, the court may require the international settlement agreement to be accompanied by a certified translation in the language of the court.

(5) For the purposes of subsection (4), the translation shall be certified by an official or a sworn translator or by a diplomatic or a consular agent in Sri Lanka of the country in which the international settlement agreement was entered into or otherwise to the satisfaction of the court.

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| Grounds for  refusing an  application  to the High  Court or  admissibility  of evidence | **9.** (1) The High Court to which an application is made in terms of section 6, or any other court in which an international settlement agreement is sought to be admitted as evidence in terms of section 7 may refuse to grant the relief, if any party to the international settlement agreement furnishes proof to |

establish that –

(a) a party to the international settlement agreement   
 was under some incapacity;

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| (b)  (c) | the international settlement agreement- | |
| (i) | is null and void, inoperative or incapable of |
| being performed under the applicable law; | |
| (ii) | is not binding, or is not final, according to its terms; or |
| (iii) | has been subsequently modified; |
| the obligations in the international settlement | |

agreement –

(i) have been duly performed; or

(ii) are not clear or comprehensible;

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| (d) | granting relief would be contrary to the terms of the |

international settlement agreement;

(e) there was a serious breach by the mediator of the   
 standards applicable to the mediator, or the   
 mediation, without which breach that party would   
 not have entered into the international settlement   
 agreement; or

(f) there was a failure by the mediator to disclose to   
 the parties the circumstances that raise justifiable   
 doubts as to the mediator’s impartiality or   
 independence and the failure to disclose had a   
 material impact or undue influence on a party,   
 without which failure that party would not have   
 entered into the international settlement agreement.

(2) The court may also refuse to grant relief if it finds that –

(a) granting relief would be contrary to the public   
 policy of Sri Lanka; or

(b) the subject matter of the dispute is not capable of   
 settlement by mediation under the laws of Sri Lanka.

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| **10.** Where an international settlement agreement has been recorded as a decree of the High Court under subsection(2) of section 6 in the absence of a party to the international | Setting aside  of  decree of  court |

settlement agreement, the High Court may, upon the application of that party, set aside the decree of court on any ground on which the High Court may refuse to grant the application to record the international settlement agreement as a decree of court.

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| Parallel | 8 | *The Recognition and Enforcement of International Settlement Agreements Resulting from Mediation Act, No. 5 of 2024* | | |
| **11**. Where an application has been made in terms of section 6 and is pending, and an application or a claim relating to | | |
| applications |
| or claims |
| suchinternational settlement agreement(hereinafter referred | | |
| Proceedings | to as a “parallel application”) has been made and is pending | | |
| in any other court, in an arbitral tribunal or in any other | | |
| institution having jurisdiction in Sri Lanka or in any other | | |
| State, and the High Court is of the opinion that the | | |
| proceedings of the parallel application may or are likely to | | |
| affect the relief sought in terms of section 6, the High Court | | |
| may - | | |
| (a) | adjourn the determination of the application before | |
| it until the proceedings of the parallel application | | |
| are concluded; and | | |
| (b) | | on the request of a party, order the other party to |
| give suitable security. | | |
| **12.** (1) Every application to the High Court under section 6 of this Act, shall be made by way of petition and affidavit, | | |
| before the |
| High Court |
| and all parties to the mediation other than the petitioner or | | |
| petitioners shall be named as respondents to such petition | | |
| and shall be given notice of the same. | | |

(2) Upon the petition and affidavit being presented, the High Court shall appoint a day within two weeks of such presentation for the determination of the matters set out in the petition, and grant the respondents a date to state their objections, if any, in writing supported by affidavit, and make available copies thereof to the petitioner.

(3) Evidence shall be given by way of affidavit in proceedings before the High Court:

Provided however, where the High Court deems fit, it may take evidence *viva voce* in addition to evidence given by affidavit.

(4) Where an international settlement agreement has been recorded as a decree of the High Court, it may be enforced in

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the same manner as a decree entered under the provisions of the Civil Procedure Code (Chapter 101) and accordingly the provisions of Chapter XXII of that Code relating to the execution of decrees shall, *mutatis mutandis*, apply to such enforcement.

(5) The High Court shall hear and finally dispose of the case within three months of the making of the application under section 6.

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| **13.** Where notices and summons are required to be served on any person under this Act**,** such notices and summons | Notices and  summons |

shall be served in or out of Sri Lanka in accordance with Chapter VIII of the Civil Procedure Code (Chapter 101).

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| **14.** The provisions of the Mutual Assistance in Civil and Commercial Matters Act, No. 39 of 2000 shall apply in respect | Assistance to  a country |

of providing assistance to any country as declared under section 4 of that Act for service of summons and other documents in a proceeding relating to a civil and commercial matter.

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| **15.** Where an application is made in terms of section 6**,** and no grounds are submitted to refuse such application in terms of section 9 or to adjourn the proceedings in terms of section 11, the High Court shall proceed to make a judgment | Final decree  on the final  date for  notice  returnable |

according to the said agreement and enter the final decree on the final date for notice returnable.

**16.** In this Act, unless the context otherwise requires-Interpretation

“electronic” shall have the same meaning as in the  
 Electronic Transactions Act, No. 19 of 2006;

“electronic signature” shall have the same meaning as in the Electronic Transactions Act, No. 19 of 2006;

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| 10 | *The Recognition and Enforcement of International Settlement Agreements Resulting from Mediation Act, No. 5 of 2024* |

“High Court” means the High Court established for the Province by Article 154P of the Constitution and exercising civil jurisdiction under the High Court of the Provinces (Special Provisions) Act, No. 10 of 1996;

“mediation” means a process, irrespective of the expression used to the basis upon which the process is carried out, whereby parties attempt to reach an amicable settlement of their dispute with the assistance of one or more third parties (“the mediator”) lacking the authority to impose a solution upon the parties to the dispute;

“parties” means the parties to the international settlement agreement in relation to the mediation, and does not include the mediator or mediators conducting the mediation;

“place of business” means –

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| (*a*)  (*b*)  (*c*) | the principal place at which that party conducts business of such party;  if a party has more than one place of business, the place of business which has the closest relationship to the dispute resolved by the international settlement agreement, having regard to the circumstances known to, or contemplated by, the parties at the time of the conclusion of the international settlement agreement;  if a party does not have a place of business, it means the habitual residence of the party; and |

‘‘written” includes an electronic communication if the information contained therein is accessible so as to be useable for subsequent reference.

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| Sinhala text  to prevail in case of | **17.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail. |

inconsistency

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