



Singapore Convention Simplifies International Disputes

On September 12, the United Nations Convention on International Settlement Agreements Resulting from Mediation (the “Singapore Convention”) entered into force. The Singapore Convention—a treaty now signed by 53 countries, including the United States, China, and India—requires that courts in contracting nations recognize and enforce international settlement agreements reached through mediation. In short, under the Singapore Convention, mediated settlement agreements will be enforced internationally in any country ratifying the treaty.

The Singapore Convention adopts a format similar to the almost universally adopted United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the “New York Convention”) in cross-border arbitration.

Upon ratification of the Singapore Convention, businesses will be able to seek enforcement of their mediated settlement agreements in national courts by providing a copy of the settlement agreement and evidence that the parties reached the settlement agreement through the use of mediation. Then, businesses no longer have to enforce their mediated settlement agreements through each country’s sometimes onerous domestic court proceedings. In other words, businesses will no longer have to sue on the mediated settlement agreement, obtain a court judgment, and then seek to enforce the judgment in a foreign jurisdiction.

By freeing businesses from litigating potential breaches of their mediated settlement agreements, the Singapore Convention may become an effective and efficient tool for the resolution of cross-border disputes. The Singapore Convention should not only translate into cost and time savings for businesses engaged in cross-border commercial transactions, but also offer them more certainty and assurance that mediated settlement agreements will actually be enforceable. The less adversarial nature of mediation should also enable parties to preserve their commercial relationships.

In fact, the Singapore Convention permits contracting nations to refuse enforcement of mediated settlement agreements only on very limited grounds.

Although the European Union and the United Kingdom have not yet signed the treaty, as soon as it gains global traction in legal practice, more countries are anticipated to both sign and ratify the Singapore Convention. Several U.S. trade groups have already contacted Secretary of State Michael Pompeo urging the legislation to ratify the Singapore Convention.

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