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# Online Dispute Resolution in International Commercial Transactions: India's Role in the Digital Arbitration Era

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**Abstract:** Applying the digital revolution to the ways of international dispute resolution, this paper will address the transformation of the traditional methods of international dispute resolution and discuss the introduction of Internet technologies, including web-based platforms and blockchain, into the legal systems of countries. International occurrences have accelerated Online Dispute Resolution switch, compelling efficient and convenient dispute resolution of commercial disputes among countries. Specifically, the current paper will discuss the core role of India in creating the digital arb world by reviewing its policy frameworks, technology adoption, and the efficiency of its online mediation campaigns in the context of international business exchange. It additionally examines how intricate adapting artificial intelligence and other novel technologies into the ODR ecosystem of India and investigates how the above factors can enhance efficiency, transparency, and accessibility in international commercial arbitration. Moreover, it also addresses challenges and opportunities developed by this digital change with regard to data security concerns, complexities in jurisdiction and homogenous protocols demands imposed in arbitration by disjointed world. The analysis will also focus on how the regulatory bodies in India, including the Securities and Exchange Board of India has evolved to support the ODR mechanisms, especially in protecting the interests of investors and reducing the time taken in dispute resolution.

**Keywords:** - Online Dispute Resolution, India, Digital Arbitration, International Commercial Transactions, Artificial Intelligence, Blockchain, Regulatory Frameworks, Investor Protection.

## INTRODUCTION

Online Dispute Resolution is one of the most important paradigm shifts in the field of dispute resolution because the growth of globalized trade and online commerce has been seen to demand the

transformation of current dispute resolution methods (Navlani and Agarwal, 2013; Reddy, 2025). In this article, the author explores the strategic use of ODR in India, its policy frameworks, integration of technologies, and the challenges linked to the

actualization of the full potential of the Indian market in the global business scene (Reddy, 2025; Yadav, 2023). It will serve to provide a multi-layered account of why India can apply ODR to have a potential improvement of its image as a reliable seat of international commercial arbitration, thereby making it more appealing to international investors (Gupta and Bajpai, 2024). The current research will trace the historical route of ODR in India, examine the legal and regulatory framework concerning its impact and critically question the impacts of the ODR on access to justice and efficiency in dispute resolving (Nema, 2025; Yadav, 2024). In addition, the paper will focus on single case studies that exemplify successful applications and inherent difficulties of ODR to the Indian environment by referring to the best practices on the international level (Chauhan, 2023). It will also comprise the effects of the advances in technology, such as artificial intelligence and blockchain, on the future of ODR in India, and how it can improve the workflow and make it more objective (Gupta and Bajpai, 2024). The other questions to the application of AI-based ODR that shall be taken under critical consideration are how to be able to assure the privacy of data, success, and algorithmic equality, and debunk the digital divide. The paper will assume that against all odds, a strong ODR structure is necessary to enable India to combat the growing number of commercial disputes which have resulted due to the fast growing digital economy and global trades. In particular, the paper will examine the ways in which efforts, such as the SEBI ODR Circular seek to streamline the dispute resolution process in the Indian securities market, evaluating their impact on accelerating the process and minimizing the associated expenses, as well as enhancing investor confidence. The paper will further consider the incorporation of the classical Alternative Dispute Resolution systems with the Civil Procedure Code to see how online systems can also increase their effectiveness and reach (Sharma, 2024).

## 2. CONCEPTUAL FRAMEWORK OF ONLINE DISPUTE RESOLUTION (ODR)

Online Dispute Resolution is a radically new model of dispute settlement that leverages internet-based technologies in the settlement of a dispute, making the negotiation, mediation, and arbitration efforts more approachable and accessible to justice outside traditional physical geographical limits (Chauhan, 2023). This system takes advantage of online platforms to circumvent the spatial constraints and minimise the time and economic costs that are commonly linked to the traditional dispute resolution processes (Mehul, 2025). Besides, ODR systems are meant to support the special needs of digital commerce by providing specific mechanisms of dealing with the dispute arising out of the e-

commerce transactions. There is also a consideration of creating artificial intelligence and blockchain integration into ODR platforms to further improve efficiency, transparency, and security in consumer dispute resolution. Nevertheless, effectiveness implementation of AI in ODR requires a diligent strategy regarding the effects of AI on the transparency of the decision-making procedure, the quality of data control, the protection of confidentiality and personal information, the efficiency, and legal and ethical requirements. The conceptual framework also discusses the nexus between technological developments and legal complications of the cross-border controversies, and the argument that the regulation structures must be dynamic and capable to keep pace with rapid development without compromising the values of neutrality and due process. It also looks into how the ODR mechanisms and online mediation in particular provide an effective and adaptable substitute to resolve complex commercial disputes that would also save a lot of time and cost that would have been otherwise incurred in the process of traditional litigation (Mehul, 2025). The efficacy of ODR is more applicable in the shadow of overcoming the problem of globalized trade; in this aspect, the traditional legal frameworks usually fail to grasp the jurisdictional issue and apply it to the legal systems that are contrasting. ODR platforms are thus evolving to have other options like automated dispute resolution and smart contract analysis, to make the resolution process even simplified. The trends have established ODR as one of the key regulators of the expanding scope of cross-border transactions and resulting conflicts in the digital economy (Kim, 2016). Access, efficiency, and fairness are the main tenets of ODR that also receive support when more complex algorithms and distributed ledger technologies are used. All these technological advances are aimed not only at simplifying the process of dispute resolution, but also to making the results more objective and verifiable, which makes people more confident about the procedure of digital adjudication. This form of integration transforms ODR not merely into an archaic rendition of an ancient procedure over cyber space but into a novel and distinct phenomenon in the dispute management procedure particularly in the present day when there is no scalable and standard measure of protection when it concerns such high-technological applications.

## 3. INTERNATIONAL COMMERCIAL TRANSACTIONS AND DISPUTE RESOLUTION

The expanding nature and size of worldwide business operations predetermine the necessity to develop effective and efficient dispute solving mechanisms operating beyond the borders of jurisdiction and

legal frameworks (Anand, 2024). Online Dispute Resolution is a valuable service in this case and could offer an efficient convenient alternative to the usual litigation in dispute between the two countries. This transformation particularly aligns with the landscape of the perceived inefficiencies and biases present on the traditional court system and also the privately managed systems of dispute resolution in different countries.

### 3.1. Nature of International Commercial Disputes

These conflicts usually carry with them jurisdiction parties, legal traditions and cultural contexts that differ and one would find it hard to enforce using a single system of legal principles or enforcement mechanisms. The complexity of such disputes of necessity arises due to the difference in meaning of contracts, intellectual property, and compliance with rules across national boundaries, and requires a dispute resolution mechanism that can synchronize the different elements. The international character of such transactions which is enhanced by the emergence of e-commerce further amplifies the necessity of a dispute resolution process that is not only efficient but also technologically proficient in managing digital evidence and online dealings. Technology has in fact become a fourth party in dispute resolution, providing solutions to the dispute through a number of online platforms.

### 3.2. Traditional Methods of International Commercial Dispute Resolution

The traditional methods to solutions of international commercial disputes, namely national courts litigation or intermediation through international arbitration and mediation are historically used by various parties to international commercial disputes and they all have both their pros and cons. Although litigation provides authoritative decisions, it may be associated with high costs, lengthy litigation, and may lead to difficulty in the enforcement of cross-border judgments, especially where one of the litigants are based in a foreign jurisdiction. This makes traditional litigation the interesting aspect of less appealing business conflicts at the global level, which are straddling as well as cross-border processes (Anand, 2024; Strong, 2024). Conversely, even though international arbitration is more often flexible and enforceable than litigation due to units like New York Convention, it is both time-consuming and expensive which litigation could take years to complete its course. Moreover, the confidentiality of arbitral awards and the ad hoc character of the award has also suggested an issue on their broader use in enhancing harmonization of international commercial law.

### 3.3. Emergence of Digital Platforms in Global Commerce

The digital platforms increase has essentially altered

international business transactions in the sense that a demand has been raised having comparable well developed and available dispute resolution systems so that they can be able to cope with the rate and volume of business that can be conducted online. This e-revolution demands a mechanism of ODR that can address conflict that present themselves in the outcome of e-commerce in a way that is not only economical but also quicker than the conventional strategies. That way, the technological revolution in the arbitrating process, and especially, the emergence of online dispute resolution, are currently underway to simplify the dispute resolution process in the e-world. This application of technology namely the so-called fourth party is increasingly playing a more significant role in the process of bringing to bear, presence or otherwise, a classic third party. The criticality of this paradigm shift is further exacerbated by the multifaceted nature of the digital platforms as well as other newly introduced technologies like blockchain that necessitate novel approaches to understand those in charge and the conflict within a single set of rules.

## 4. INDIA'S POSITION IN THE DIGITAL ARBITRATION ERA

With the rising digital economy and the positive regulatory effort at encouraging digital transformation, Online Dispute Resolution has found itself on the threshold of adoption in India as far as international commercial arbitration is concerned. This involved stance places India in a vantage to consider ODR not only as a tool to resolution of a dispute within the country, but also as a key player in identifying the future of digital arbitration all over the world. The growing involvement of the country in cross-border trade relations and the development of a digital field also due to the advances in the digital sector precondition the country to be one of the most favorable environments where the application and innovation of ODR mechanisms proliferate.

### 4.1. Legal and Regulatory Framework for Arbitration in India

The Arbitration and Conciliation Act, 1996 (as amended) governing arbitration systems in India is largely informed by the UNCITRAL Model Law on International Commercial Arbitration and thus guarantees a high level of correspondence with the current international standards and practices. Though such a framework provided a powerful underpinning, it came with significant challenges especially in its initial application as the judicial system frequently stayed awards and took years to challenge under Section 34 and expeditious enforcement was delayed thereby losing efficiency and party confidence. However, these shortcomings have been decisively resolved in the 2015, 2019, and 2021 amendments: the 2015 revisions placed legally

binding time limits on awards (12 months to awards, which can be extended to 18 months), limited the grounds of public policy on which an award can be set aside, and limited interim court relief; the 2019 amendment institutionalised the Arbitration Council of India to accredit and rank institutions and rendered institutional awards as per the Fourth Schedule; the 202 These are proactive measures, which are supported by pro-arbitration judicial judgments such as those of the Supreme Court in *Bharat Aluminium Co. v. Kaiser Aluminium* and *Amazon.com NV Investment Holdings v. Future Retail*, have significantly reduced the court encroachment, made enforceability more effective and have developed a distinctly arbitration-supportive ecosystem in India, which is primed to effortlessly adapt to the digital innovations such as ODR in the global business context.

#### **4.2. Digital Transformation Initiatives in the Indian Legal System**

The Indian government has initiated various projects including the e-Courts project to computerize the judicial system and infrastructure hence providing a good platform on how to incorporate ODR in the dispute settlement. This digital push comprises the exploitation of artificial intelligence, and other intelligent technologies to simplify the processes of Online Dispute Resolutions to a minimum of time, energy, and expenses of participants. Such developments not only improve the process of negotiations and decision-making by using advanced algorithms but also put India on par with major countries such as China and the U.S. in implementing AI to judicial and dispute management (Malhoutra and Ahmad, 2022). This entire digitization project highlights the desire of India to modernize its legal framework, which will enable it to be more receptive to the demands of the digital age and the challenges of international business conflicts (Bhushan, 2023).

#### **4.3. Current State of ODR Adoption in India**

Although India has come far in terms of digitalizing the judiciary, the use of ODR in commercial mediation, especially international, is a nascent field with a lot of potential (Singh, 2024). The nation has started to incorporate the online mediation platforms as they are found to be convenient and effective in the settlement of the commercial disputes although this country encounters some specific challenges like technological problems and maintaining secrecy and an equal playing ground (Mehul, 2025). Addressing these challenges is essential to make sure that ODR can be utilized to its full potential in India to support access to justice and simplify the dispute resolution process in an increasingly connected global economy (Nema, 2025). The process is witnessed in the fact that nowadays, in the world people are hereby driven towards online courts where the technology, not only

helps the judge form the ruling, but also allows the user to work on the law and evidence collection, which is what the Indian initiatives have taken.

### **5. ODR IN INTERNATIONAL COMMERCIAL TRANSACTIONS: OPPORTUNITIES AND CHALLENGES FOR INDIA**

One of the opportunities that have been presented, which can be tapped to conquer the sphere of ODR in international commercial transactions, which may turn out to be leading the way in management of international conflict across the globe is the digital infrastructure that is booming in India and the increased involvement of the country in worldwide trade dealings. This would mean a thorough analysis of the opportunities that ODR can present and the problems that India must transcend in a bid to position itself as a heavyweight in this dynamic legal ecosystem.

#### **5.1. Facilitating Cross-Border Trade and Investment**

By incorporating strong ODR systems, transactional friction and legal uncertainties in global business treaties will be greatly minimized, hence, inviting more foreign direct investment and establishing smoother cross-border trade relations to Indian business enterprises. Moreover, it can increase investor confidence by offering a productive and convenient door of dispute resolution and reduce the risk factors that arise as a result of international business transactions; which is especially crucial in the face of the increasing number of disputes that transpire as a result of online transactions in the digital economy. This is particularly relevant because the Industrial Revolution has continued to stimulate the development of the digital economy and e-commerce, which is bound to cause a rise in online transaction-related disputes.

#### **5.2. Addressing Jurisdictional and Enforcement Issues**

One of the issues that face ODR in international business transactions is that it can be very difficult to avoid the complexity of jurisdictions and the enforceability of online arbitral awards in various law systems. India should thus implement strict legal systems and bilateral enforcement practice with other countries to provide that ODRs are legal and enforceable internationally and as a consequence in the international context, provide the remedies to the challenges and problems that the consumers face in the transaction of digital business. This would require the reconsideration of current principles of international private law to make it able to deal with the borderless character of the online dispute and guarantee the consistent application of the substantive and procedural rules (Palanissamy and



Kesavamoorthy, 2019). Such frameworks will be instrumental to ensure ODR comes out of its infancy stage in India where even despite successful pilot projects, no unified legal acknowledgement of ODR mechanisms exists.

### 5.3. Ensuring Data Privacy and Cybersecurity in ODR Platforms

Considering that commercial conflicts are a sensitive aspect of the interaction, data privacy and an effective cybersecurity measure of ODR platforms represent the top priority of establishing trust and the integrity of the process. To safeguard delicate commercial data and ensure that all participants will have confidence, the creation of an advanced encryption system, reliable information storage, and adherence to all international data protection regulations such as GDPR will be necessary. Moreover, it will be essential to create a well-defined accountability mechanism regarding data leakages and cyber attacks to enhance the confidence of the users and guarantee the sustainability of ODR platforms in the long run (Sehgal & Arora, 2024). Such steps will be essential in ensuring India exploits the potential of ODR in not only improving access to justice but also reducing the number of pending cases and improving its reputation in the 'Ease of Doing Business Index'(Gupta & Bajpai, 2024). Furthermore, effective enactment of such security mechanisms is the key to positioning India as a stable venue of international commercial arbitration where the international business can install its disputes (Reddy, 2025).

### 5.4. Building Trust and Acceptance among Stakeholders

One of the critical elements of the ODR inclusion in regular dispute resolution is the development of general trust and recognition among all of the stakeholders, such as businesses, lawyers and arbitrators. This assumes thorough-going education and training frameworks to launch the practitioners into the ODR tools and processes and the evident organization of the governance, which is equitable, impartial, and ethical in these virtual areas. The pilot projects and the demonstration of practical results of ODR will also help to demonstrate its efficiency and build confidence in its application in multifarious international business disputes. Addressing the barriers to acceptance, such as IT-related, connection-related, and the fear of foreign authority, in particular in rural societies will have significance to the broader use of ODR, as well as the proliferation of the benefits of ODR outside urban centers.

## CONCLUSION

India shaping itself into a major player in the digital age of arbitration through ODR is something extensive in its possibilities and demanding in several aspects. The challenge of these barriers will only be

overcome through policies, legal practitioners, and technology developers coming together to establish a highly stable, safe, and accessible ecosystem of ODR (Gupta and Bajpai, 2024; Yadav, 2024). These encompass the tactical incorporation of different functionalities into ODR platforms and the use of artificial intelligence to support decision-making and virtual mediation and an apprehension as regards data protection and the transparency of algorithms. Furthermore, the close attention to the influence of AI on the decision-making process and its open control over arbitral information and algorithms are crucial to reduce the threat to confidentiality and establish objectivity in arbitration. The balance between these requirements is to find a balance between efficiency due to technological enhancement and protection of the key sources of arbitration, namely, impartiality and security of data. With the development of AI, its integration should be thought, such that it does not replace human control, especially in the widely globalized business conflicts. Such a strategic move will enable India to embrace the transformational power of ODR and AI, and thus make it one of the leaders in the global digital arbitration environment. Moreover, the dynamic future of AI in dispute management offers the need to conduct ongoing research on ethical concerns, biases of algorithms, and responsibility of AI-based results, especially in cross-border settings. A careful interpretation of the working principle of the algorithms, the partnership of the ODR providers, and administration of the system is vital to the accountability and transparency of AI-generated ODR platforms, given the black box character of deep learning. This kind of criticism is required to lessen the probable danger of the effect of AI in decision-making, such as the panic of privacy of data, openness of algorithms, and the chance of biased outcomes. Also, more regulatory frameworks particularly developed in light of AI in ODR are required such that these technologies can be used to avert justice and not to create new digital exclusion projects.

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