DISPUTE RESOLUTION

The Tribunals Reforms Act, 2026: What It Really Changes & What It Doesn't

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Anyone who has had a matter listed before a tribunal knows that a vacancy is not merely an administrative problem. If a Bench cannot be constituted, a matter does not move. An appeal before the NCLAT may remain pending; a tax dispute before the CESTAT may take years to reach final hearing; and a regulatory appeal before APTEL may wait for months for an effective Bench.

This has been a recurring problem with India's tribunal system. Over the years, Parliament has attempted to standardise the appointment, tenure and service conditions of tribunal Members. Those attempts have repeatedly been tested before the Supreme Court, particularly on the question of how much control the Executive can have over bodies exercising judicial functions.

The Tribunals Reforms Act, 2026 ("**Act**") is the latest attempt to address that problem. It repeals the Tribunals Reforms Act, 2021 and establishes a permanent National Tribunals Commission to oversee the selection, performance and disciplinary processes concerning Chairpersons and Members of the tribunals covered by the Act. The Act came into force on 25 August 2026.

The reform is significant, but its practical impact will depend on how the new framework works in practice. A permanent institution for appointments and oversight, coupled with defined timelines and a more structured selection process, is intended to address some of the recurring problems that have affected tribunal functioning. The immediate question for litigants, however, is whether these changes will result in vacancies being filled faster and Benches functioning more consistently.

Why Was The Reform Necessary?

Tribunals were introduced into the Constitution through the 42nd Amendment in 1976, which inserted Part XIV-A comprising Articles 323A and 323B. The objective was to create specialised forums capable of dealing with high-volume and technically complex disputes, thereby reducing the burden on constitutional courts and providing more specialised adjudication.

The difficulty has been that the institutional independence of these forums has never been completely settled. Beginning with *S.P. Sampath Kumar*, followed by *L. Chandra Kumar*, *Union of India v. R. Gandhi*, *Madras Bar Association*, *Rojer Mathew* and the subsequent tribunal cases, the Supreme Court has repeatedly emphasised that a tribunal exercising judicial power must have sufficient independence, security of tenure and protection from executive influence.

The Tribunals Reforms Act, 2021 was another attempt at creating a uniform framework. However, key provisions concerning tenure and eligibility were struck down, and the Court reiterated the need for an independent institutional mechanism to oversee tribunals. The 2026 Act is, in large part, a response to that litigation history.

The constitutional question about tribunal independence has a very practical side. Vacancies became a recurring problem; pendency undermined the purpose of specialised tribunals; executive control raised an institutional concern; and short and fragmented tenures affected recruitment. The 2026 Act attempts to address these problems together rather than dealing with appointments in isolation.

What Does The Act Change?

The central change is the creation of a National Tribunals Commission. Instead of leaving the appointment and oversight process substantially fragmented across individual Ministries, the Act creates a common institutional framework for the tribunals covered by it. The Commission will have a Chairperson and four Members, consisting of two Judicial Members and two Technical Members. The Chairperson must have been a Supreme Court Judge or Chief Justice of a High Court, while a Judicial Member must have been a Chief Justice or Judge of a High Court. Technical Members are required to have at least twenty-five years' experience in fields including public administration, finance, law, accountancy, banking, management or technology.

The Central Government appoints the Chairperson and Members of the Commission, but must consult the Chief Justice of India before appointing the Chairperson and Judicial Members. The Act also provides a structured mechanism for removal of the Commission's Chairperson and Members.

The Commission is not intended to be merely an appointment body. It will conduct the selection process for the covered tribunals, review their performance, oversee inquiries into complaints against their Chairpersons and Members, and develop and maintain the National Tribunals Data Grid. The changes at glance are as follows:

CHANGES AT A GLANCE

Earlier Framework	Tribunals Reforms Act, 2026
Appointment processes were fragmented across individual Ministries.	A National Tribunals Commission is established to oversee appointments, performance and disciplinary matters [Sections 3, 4].
Greater Government involvement in selection committees.	Search-cum-Selection Committees with judicial, technical and subject-matter representation; among the four voting members, one is a Government nominee [Section 13].
Four-year tenure under the 2021 regime.	Five-year tenure, or age 70 for a Chairperson / 67 for a Member, whichever is earlier [Section 17].
No timeline for appointments or outer limits.	Recommendation of commission to be forwarded to the Government within 3 days, with the Government required to act within 3 months [Sections 14(7) & (8)].
Tribunal data and service conditions were spread across separate statutes and systems.	A National Tribunals Data Grid and a common statutory framework for the covered tribunals [Sections 2(f), 4(d) & 18].

Why Does This Matter To Businesses?

Tribunal independence may sound like an institutional or constitutional issue, but its consequences are commercial. A delayed insolvency or debt-recovery proceeding can keep capital tied up for longer. A prolonged tax appeal can affect working-capital planning. Regulatory disputes involving electricity, securities or telecom can create uncertainty that extends well beyond the litigation itself. The Act's appointment timelines are therefore relevant not merely because they improve administrative efficiency, but because they are intended to make the adjudicatory process more predictable.

The proposed National Tribunals Data Grid could also become useful for businesses and counsel. If implemented effectively, it should provide a more consistent picture of pendency, case movement and tribunal performance across the covered forums. This could eventually assist with litigation-risk assessment and transaction due diligence.

Section 24 of the Act contains savings and transitional provisions protecting appointments already made and selections already underway. Existing appointees retain their existing terms, and selections initiated under the earlier framework are preserved. Accordingly, businesses with pending matters should not expect the Act itself to cause disruption to existing proceedings. The immediate focus should instead be on when the new provisions are brought into force and when the National Tribunals Commission becomes operational.

What Should Businesses Watch?

The Act is a significant structural reform, but its practical impact will depend on what happens after its implementation. Since, several important operational details including qualifications, service conditions, scrutiny of applications and the detailed selection process are left to rules and regulations. The manner and timing in which these provisions are notified will therefore be important.

The same is true of implementation. The three-day and three-month timelines for filling vacancies are useful only if they are followed in practice. The first indication of whether the new framework is working will be how quickly the National Tribunals Commission is constituted and whether existing vacancies are actually filled within the prescribed timelines.

Businesses with matters before the tribunals covered by the Act should accordingly keep track of four developments:

- The Act permits different provisions to be brought into force on different dates. Since the Act has now been brought into force from 25.08.2026, the next focus should be on operationalising the Commission and the selection machinery.
- The speed with which vacancies are addressed will be the most immediate measure of whether the reform is achieving its stated objective.
- The detailed qualifications, selection procedure and service conditions will be prescribed through subordinate legislation and will therefore need to be tracked closely.

Once operational, the Data Grid could become a useful resource for monitoring pendency, case movement and tribunal performance.

The Act also presently has defined limitations as some tribunals like the NCLT and GSTAT remain outside its framework. Businesses with proceedings before these forums should therefore continue to monitor developments concerning their appointment and vacancy position separately.

Conclusion

The Tribunals Reforms Act, 2026 is a meaningful attempt to address a problem that has persisted for decades. Its most important contribution is not simply the creation of another statutory body. It is the attempt to move tribunal appointments away from fragmented Ministry-led processes and place them within a permanent, judge-led institutional framework, supported by defined timelines and a more structured system of oversight.

That is a genuine structural change. But it should not be mistaken for a complete answer to India's tribunal problem. Many important tribunals like NCLT and GSTAT remain outside the Act, important operational details are still to be prescribed, and the ultimate success of the reform will depend on implementation.

For businesses, therefore, the immediate question is not whether the Act looks better on paper than the 2021 framework. It is whether, six or twelve months from now, tribunal vacancies are being filled faster, Benches are functioning more consistently, and cases are moving with greater predictability. That is where the real test of the 2026 reform will lie.