LEX/BDHC/0651/2026

**IN THE SUPREME COURT OF BANGLADESH (HIGH COURT DIVISION)**

Arbitration Application No. 30 of 2025

**Decided On:** 12.07.2026

Legend World Tank PTE **Vs.** Multinational Shipping Co. Ltd. and Ors.

**Hon'ble Judges/Coram:**
*Md. Toufiq Inam, J.*

**Counsels:**
*For Appellant/Petitioner/Plaintiff: Mohammed Forrukh Rahman, Advocate and Shahinoor Alam, Advocate*

*For Respondents/Defendant: M. Saquibuzzaman, Senior Advocate and Mirza Ragib Hasnat, Advocate*

**JUDGMENT**

**Md. Toufiq Inam, J.**

**1.** By this application under section 7A of the Arbitration Act, 2001 ("the Act, 2001"), the Petitioner seeks, inter alia, interim protective measures restraining Respondent Nos. 1 and 2 from treating the 107 tank containers as scrap or from destroying, damaging, selling, leasing, transferring, moving, or otherwise dealing with the said tank containers or any other imported assets of the Petitioner, in aid of the arbitral proceedings agreed upon between the parties.

The Background Facts

**2.** The petitioner's case, as set out in the Arbitration Application, is that pursuant to an Agency Agreement dated 07.02.2020 executed between Respondent No. 1 and Legend Logistics (Asia) Ltd, a company incorporated in Singapore (the "Principal"), Respondent No. 1 obtained a Local Agent Licence under the Customs Agents (Licensing) Rules, 2016 and commenced operations as the Principal's exclusive local agent in Bangladesh. Subsequently, by a Novation Agreement dated 03.06.2024 executed among Legend World Tank Pte. Ltd. (the petitioner) and Legend Logistics (Asia) Ltd, the petitioner was substituted as the Principal in place of Legend Logistics (Asia) Ltd, with all rights and obligations under the Agency Agreement vesting in the petitioner.

**3.** The dispute arose in November 2024 when the Respondent No. 1 allegedly failed to return 107 tank containers and failed to disclose their whereabouts or provide information regarding their status or storage charges. The Petitioner thereafter issued a demand notice dated 05.12.2024 seeking release of the tanks, while Respondent No. 1, by a legal notice dated 13.12.2024, claimed USD 75,279.68 towards alleged unpaid storage charges and other outstanding dues. By a further legal notice dated 29.01.2025, the Petitioner called upon Respondent No. 1 to disclose the whereabouts of tank containers and to return them forthwith.

**4.** It is further alleged that Article 14 of the Agency Agreement provides for arbitration in Singapore under the Rules of the Singapore International Arbitration Centre (SIAC). Accordingly, on 18.08.2025, the Petitioner commenced SIAC Arbitration No. 465 of

2025 against Respondent No. 1 by filing a Notice of Arbitration. The Petitioner contends that Respondent No. 1's Response to the Notice of Arbitration, filed before SIAC on 06.04.2026, demonstrates that the Arbitral Tribunal had not yet been constituted, as Respondent No. 1 stated at paragraph 69 that it was "prepared to engage with Claimant to effect a joint nomination of a sole arbitrator in accordance with Rule 21 of the SIAC Rules." On that basis, the Petitioner submits that this Court continues to have jurisdiction to grant interim measures under the Arbitration Act, 2001, and further alleges that Respondent No. 1 made false statements regarding the status and disposal of the tank containers.

**5.** At the time of admission, this Court directed Respondent Nos. 1 and 2 to disclose the exact location of the 107 tank containers and any other imported assets of the Petitioner in their custody, and to submit a report specifying all charges relating to their safe custody within one month. This Court also restrained Respondent Nos. 1 and 2 from treating the tank containers as scrap or from destroying, damaging, selling, leasing, transferring, moving, or otherwise dealing with the same or any other imported assets of the Petitioner pending disposal of the arbitral proceedings for a period of three months. Hence, the Petitioner has prayed for continuation of interim protection in aid of the agreed arbitral proceedings.

Threshold Question

**6 .** At the very threshold, Mr. M. Saquibuzzaman, learned Advocate appearing for respondent No. 1, upon filling an application, raises a preliminary objection as to the maintainability of the present application. He submits that the issue is no longer res integra in view of the majority decision of the Larger Bench in Accom Travels and Tours v. Oman Air SAOC, reported in 27 BLC 596, wherein it was held that sections 7, 7A and 10 of the Act, 2001 are inapplicable to foreign-seated arbitrations, except that interim measures under section 7A may be granted only at the stage of enforcement of a foreign arbitral award. Since the arbitration agreement in the present case designates Singapore as the juridical seat of arbitration, he contends that the present application under section 7A is not maintainable and that the said decision of the Larger Bench is binding upon this Court.

Petitioner's Standpoints

**7 .** In reply, Mr. Mohammed Forrukh Rahaman, learned Advocate appearing with Mrs. Sahinoor Alam and Mr. Abdur Rahman Junaid appearing for the petitioner, submit that the majority decision of the Larger Bench in Accom is contrary to the legislative object underlying the Arbitration Act, 2001. He contends that, by introducing section 7A through the Amendment Act of 19.02.2004, the Legislature consciously empowered the Court to grant interim measures before or during arbitral proceedings or until enforcement of the award. According to the learned Senior Advocate, section 7A confers only a limited ancillary and protective jurisdiction to preserve the subject matter of the dispute and does not amount to the exercise of supervisory jurisdiction over the arbitral proceedings. He therefore argues that an application under section 7A is maintainable notwithstanding that the parties have chosen a foreign seat of arbitration, and that the contrary view adopted by the Larger Bench, confining the operation of section 7A to domestically seated arbitrations (except at the stage of enforcement of a foreign award), is founded upon an erroneous interpretation of the legislative scheme of the Act.

**8 .** He submits that the majority decision of the Larger Bench in Accom no longer represents the prevailing law, having been rendered per incuriam. He contends that the Larger Bench reached its conclusion without considering the binding decisions of the Appellate Division in Mosharaf Composite Textile Mills Ltd. v. ECOM Agroindustrial Corp. Ltd, reported in 4 SCOB (2015) AD 28, and the subsequent judgment dated 11.07.2017 passed in Civil Review Petition No. 213 of 2015. In the review judgment, the Appellate Division expressly held that Unicol Bangladesh Ltd. v. Maxwell Engineering Works Ltd, 56 DLR (AD) 166, stood pro tanto overruled. Since the majority decision in Accom was founded substantially upon Unicol without noticing or considering the binding pronouncements in ECOM, the very jurisprudential foundation of the decision, according to Mr. Rahman, stands displaced. He therefore submits that Accom was rendered per incuriam, no longer represents the prevailing law on the subject, and consequently does not bind this Court.

**9.** It is submitted that the decisions of the Appellate Division in ECOM recognise that the choice of a foreign arbitral seat does not, by itself, exclude the jurisdiction of the courts of Bangladesh to render judicial assistance under the Arbitration Act, 2001. In support of this proposition, he also relies upon Crown Maritime Co. Ltd. v. Royal Boskalis Westminster NV, 16 BLC 140, wherein this Court held that section 7A may be invoked in aid of a foreign-seated arbitration for preservation of assets situated within Bangladesh. He further contends that modern international arbitration jurisprudence recognises the jurisdiction of national courts to grant interim protective measures in support of foreign-seated arbitrations where the assets or property requiring protection are located within the forum State. He also refers to the proceedings before the Appellate Division in Italian Thai Development Public Company Limited v. The Export-Import Bank of India (Civil Petition for Leave to Appeal No. 1828 of 2024, judgment dated 01.09.2024), wherein interim protection was continued until the first sitting of the arbitral tribunal in Singapore. According to him, although the Appellate Division did not finally determine the scope of section 7A, it did not affirm the restrictive interpretation adopted by the High Court Division, thereby leaving the question open for determination in an appropriate case. On these grounds, he submits that this Court possesses jurisdiction under section 7A to grant interim protection in aid of the foreign-seated arbitration and accordingly prays for allowing the application.

**10.** On the merits, he submits that Respondent No. 1, having expressly consented to the arbitration agreement and participated in the SIAC proceedings without disputing the jurisdiction of the arbitral tribunal, cannot now deny its contractual obligations or evade interim measures in aid of arbitration. It is contended that the disputes concerning the custody, whereabouts and return of the tank containers arise directly out of or in connection with the Agency Agreement and the Novation Agreement, and are matters to be determined by the arbitral tribunal. Pending such determination, the Petitioner submits that this Court is empowered to preserve the subject matter of the dispute by granting appropriate interim protection so as to ensure that the arbitral proceedings are not rendered nugatory or the eventual award, if any, frustrated.

Respondent's Contentions

**11.** Mr. M. Saquibuzzaman, learned Advocate appearing for Respondent No. 1, opposes the application. He submits that, by virtue of the Novation Agreement dated 03.06.2024, which became effective on 13.07.2024, Respondent No. 1 was discharged from all rights, obligations and liabilities arising under the Agency Agreement dated 07.02.2020. According to him, with effect from 13.07.2024, the petitioner was substituted as the Principal and assumed all contractual rights and obligations under the Agency Agreement, whereupon Respondent No. 1 ceased to have any contractual relationship or continuing liability towards the petitioner in respect of matters arising prior to the effective date of the novation. He further submits that, according to the petitioner's own case, the whereabouts of the tank containers had become unknown between February and March 2024, well before the Novation Agreement took effect on 13.07.2024. In such circumstances, any loss, disappearance or non-availability of the tank containers, if at all, occurred before the petitioner acquired the contractual rights and obligations under the Novation Agreement. It is, therefore, contended that the petitioner cannot maintain any claim against Respondent No. 1 in respect of events which allegedly occurred prior to the novation. Accordingly, he prays that the application be dismissed.

**12.** He also submits that the choice of a foreign seat carries with it the consequence that supervisory jurisdiction vests exclusively in the courts of the seat, and permitting recourse to section 7A would impermissibly extend the territorial operation of the Arbitration Act beyond the limits prescribed by section 3. He, therefore, prays that the application be dismissed.

Discussion and Reasoning

**13.** As the preliminary objection goes to the very root of the maintainability of the present application and centres upon the correctness, scope and applicability of the Larger Bench decision in Accom, it is necessary to notice the principles laid down therein. By a majority of 2:1, the Larger Bench held that by virtue of sections 3(1) and 3(2) of the Arbitration Act, 2001, the provisions of the Act, other than sections 45, 46 and 47, are inapplicable where the seat of arbitration is outside Bangladesh. Consequently, sections 7, 7A and 10 have no application to foreign-seated arbitrations, except that interim measures under section 7A may be granted only at the stage of enforcement of a foreign arbitral award. Nevertheless, despite the inapplicability of section 10, the civil court ought to have stayed the suit in the exercise of its inherent jurisdiction under section 151 of the Code of Civil Procedure ("CPC"), and referred the parties to arbitration in accordance with their arbitration agreement.

**14.** The principal question that falls for determination is whether an application under section 7A of the Act, 2001 is maintainable where the parties have agreed to a foreign seat of arbitration. The resolution of this question depends upon the proper construction of section 7A read together with the scheme, object and legislative purpose of the Act, 2001. It is well settled that a statutory provision must not be construed in isolation. Every provision is to be interpreted in the context of the statute as a whole so that each part is given meaningful effect and the legislative purpose is advanced rather than defeated.

**15.** Having heard the learned Advocates for the parties and considered the decisions cited by the parties, together with subsequent development in the Appellate Division, this Court considers it appropriate to examine the issues under the following heads before expressing its views.

I. Effect of the Non-Obstante Clauses in Sections 7 and 7A

**16.** By the Arbitration (Amendment) Act, 2004 (Act No. II of 2004), which came into force on 19.02.2004, Parliament inserted section 7A into the Arbitration Act, 2001, thereby creating an independent statutory jurisdiction in the High Court Division to grant interim measures. Section 7A was inserted in the Act 2001 on 19.02.2004 as-

"[৭ক। (১) ধারা ৭এ যাহাকিছুই থাকুকনা কেন, পক্ষগণ ভিন্ন ভাবে সম্মত না হইলে, কোন পক্ষের আবেদনের প্রেক্ষিতে সালিসী কার্যধারা চলাকালীন কিংবা তৎপূর্বে অথবা ধারা ৪৪ বা ৪৫ এর অধীন সালিসী রোয়েদাদ কার্যকর না হওয়া পর্যন্ত আন্তর্জাতিক বাণিজ্যিক সালিসের ক্ষেত্রে হাইকোর্ট বিভাগ এবং অন্যান্য সালিসের ক্ষেত্রে আদালত নিম্নবর্ণিত বিষয়ে আদেশ প্রদান করিতে পারিবে, যথা:

(ক) নাবালক বা অপ্রকৃতিস্থ ব্যক্তির পক্ষে সালিসী কার্যধারা পরিচালনার জন্য অভিভাবক নিয়োগ;

(খ) সালিসী চুক্তির অন্তর্ভুক্ত কোন বিষয়বস্তু হিসাবে অন্তর্ভুক্ত কোন মালামাল বা সম্পত্তির অন্তর্বর্তীকালীন হেফাজত বা বিক্রয় বা অন্য কোন সংরক্ষণমূলক ব্যবস্থা গ্রহণ;

(গ) কোনপক্ষ কর্তৃক সালিসী রোয়েদাদ কার্যকর করিবার ক্ষেত্রে প্রতিবন্ধকতা সৃষ্টির লক্ষ্যে কোন সম্পত্তি হস্তান্তর কিংবা স্থানান্তরের উপর নিষেধাজ্ঞা;

(ঘ) সালিসী কার্যধারার অন্তর্ভুক্ত কোন বিষয়বস্তু হিসাবে অন্তর্ভুক্ত কোন মালামাল বা সম্পত্তি আটক, সংরক্ষণ, পরিদর্শন, চিত্রায়ন, ফটোসংগ্রহ, হেফাজতকরণ, তথ্য ও নমুনা সংগ্রহ, পর্যবেক্ষণ, পরীক্ষণ বা সাক্ষ্য গ্রহণ করিবার জন্য এবং তদুদ্দেশ্যে কোন পক্ষের দখলকৃত ভূমি বা ইমারতে প্রবেশের জন্য যে কোন ব্যক্তিকে ক্ষমতা অর্পণ;

(ঙ) অন্তর্বর্তীকালীন নিষেধাজ্ঞা;

(চ) রিসিভার নিয়োগ; এবং

(ছ) আদালত অথবা হাইকোর্ট বিভাগের নিকট যুক্তিসংঙ্গত বা যথাযথ প্রতীয়মান হয় এইরূপ অন্য যে কোন অন্তর্বর্তীকালীন সংরক্ষণমূলক ব্যবস্থা গ্রহণ।

(২) কোন আইনগত কার্যধারার বিষয়ে আদালত বা হাইকোর্ট বিভাগের যেইরূপ ক্ষমতা রহিয়াছে উপ-ধারা (১) এর অধীন আদেশ প্রদানের ক্ষেত্রে ও আদালত বা, ক্ষেত্রমত, হাইকোর্ট বিভাগের সেই রূপ ক্ষমতা থাকিবে।

(৩) উপ-ধারা (১) এর অধীন প্রাপ্ত আবেদন সম্পর্কে আদালত বা হাইকোর্ট বিভাগ কর্তৃক আদেশ প্রদানের পূর্বে অপর পক্ষকে নোটিশ প্রদান করিতে হইবে:

তবে শর্তথাকে যে, আদালত বা, ক্ষেত্রমত, হাইকোর্ট বিভাগ যদি এই মর্মে সন্তুষ্ট হয় যে, কোন বিষয়ে তাৎক্ষণিক আদেশ প্রদান করা না হইলে অন্তর্বর্তীকালীন ব্যবস্থা গ্রহণ সংক্রান্ত উদ্দেশ্য ব্যর্থ হইবে, তাহা হইলে উক্তরূপ নোটিশ প্রদানের প্রয়োজন হইবেনা।

(৪) আদালত বা হাইকোর্ট বিভাগ যদি এই মর্মে সন্তুষ্ট হয় যে, কোন বিষয়ে উপ-ধারা (১) এর অধীন কার্যক্রম গ্রহণের ক্ষমতা সালিসী ট্রাইব্যুনালের নাই অথবা ট্রাইব্যুনাল ধারা ২১ এর অধীন সংশ্লিষ্ট বিষয়ে আদেশ প্রদানে ব্যর্থ হইয়াছে, তাহা হইলে আদালত বা, ক্ষেত্রমত, হাইকোর্ট বিভাগ, এই ধারার অধীন আদেশ প্রদান করিতে পারিবে।

(৫) এই ধারার অধীন প্রদত্ত কোন আদেশ আদালত বা, ক্ষেত্রমত, হাইকোর্ট বিভাগ, যথার্থ মনে করিলে বাতিল, পরিবর্তন বা সংশোধন করিতে পারিবে।

(৬) উপ-ধারা (১) এর অধীন প্রদত্ত কোন আদেশ সংশ্লিষ্ট কোন বিষয়ে ক্ষমতা প্রাপ্ত কোন সালিসী ট্রাইব্যুনাল কিংবা অন্য কোন প্রতিষ্ঠান বা ব্যক্তিকর্তৃক উক্ত বিষয়ে কোন আদেশ প্রদান করা হইলে, সেই বিষয়ে আদালত বা, ক্ষেত্রমত, হাইকোর্ট বিভাগ কর্তৃক প্রদত্ত আদেশ সম্পূর্ণ কিংবা ক্ষেত্রমত উক্ত আদেশের সংশ্লিষ্ট অংশ বিশেষ অকার্যকর হইবে।]"

**17.** The non-obstante clauses employed in sections 7 and 7A are materially different and must be given their due significance. Section 7 opens with the words, "Notwithstanding anything contained in any other law for the time being in force," thereby giving the Arbitration Act, 2001 overriding effect over all other laws governing judicial proceedings. Section 7A, however, does not override "any other law"; instead, it begins with the words, "Notwithstanding anything contained in section 7." By specifically overriding section 7 itself, Parliament created an express exception to the general jurisdictional scheme contained in that provision.

**18.** The legislative intent is therefore clear. While section 7 embodies the general principle of limited judicial intervention in matters covered by an arbitration agreement, section 7A preserves a distinct and independent jurisdiction of the High Court Division to grant interim protective measures. Had Parliament intended section 7A to be controlled entirely by section 7, there was no necessity to commence the provision with an "overriding clause." The opening words of section 7A indicate that the jurisdiction conferred therein is exceptional and self-contained, enabling the Court to grant interim relief in aid of arbitration notwithstanding the general limitations contained in section 7. Any interpretation that renders the non-obstante clause in section 7A redundant would be contrary to the settled principle that every word employed by the legislature must, so far as possible, be given meaning and effect.

II. Legislative Intent Behind the Introduction of Section 7A

**19.** The language of section 7A clearly demonstrates that Parliament intended to create a jurisdiction distinct from the Court's supervisory powers over arbitration. The provision begins with a non-obstante clause and authorises the High Court Division to grant interim measures "before or during continuance of the proceedings or until enforcement of the award under section 44 or 45." Read as a whole, section 7A confers a continuous protective jurisdiction extending from the period before the commencement of arbitral proceedings, throughout the arbitration, and continuing until the award is enforced. The reference to section 45 is particularly significant, for that provision deals exclusively with the recognition and enforcement of foreign arbitral awards. Parliament therefore expressly contemplated that interim protection may be required in Bangladesh even where the arbitration is seated abroad.

**20.** The nature of the jurisdiction conferred by section 7A is equally significant. Unlike sections 12, 15 and 16 of the Act, which empower the Court to appoint, remove or substitute arbitrators and thereby exercise supervisory jurisdiction over the arbitral process, section 7A neither authorises the Court to regulate the conduct of arbitration nor to determine the merits of the dispute.

**21.** Its function is purely ancillary and protective. It enables the Court to preserve the subject matter of the dispute, maintain the status quo, secure assets and prevent irreparable prejudice until the arbitral tribunal is constituted, or, if already constituted, is in a position to grant appropriate relief. In exercising jurisdiction under section 7A, the Court neither supplants the arbitral tribunal nor assumes control over the arbitration; it merely safeguards the efficacy of the arbitral process.

**22.** This reflects the well-recognised distinction between supervisory jurisdiction and supportive jurisdiction in modern arbitration law. Supervisory jurisdiction concerns matters such as the constitution of the tribunal, challenges to its jurisdiction, procedural supervision and the setting aside of awards, and ordinarily belongs to the courts of the juridical seat. Supportive jurisdiction, by contrast, assists the arbitral process by preserving assets, maintaining the status quo or securing evidence without interfering with the tribunal's authority or adjudicating the parties' substantive rights. Section 7A embodies this latter jurisdiction. It is designed to ensure that the arbitral proceedings, and the eventual award, are not rendered ineffective by the dissipation of assets or alteration of the status quo.

**23.** The practical purpose of section 7A reinforces this interpretation. In a foreign-seated arbitration, the need for interim protection may arise before the arbitral tribunal is constituted, during the arbitral proceedings, or after the award has been rendered but before it is recognised and enforced in Bangladesh under section 45. During any of these stages, assets situated within Bangladesh may be dissipated or transferred, thereby frustrating the enforcement of the eventual foreign award. By empowering the High Court Division to grant interim measures until enforcement under section 45, Parliament ensured that effective judicial assistance remains available throughout the life cycle of the arbitral process without conferring supervisory control over the foreign arbitration itself.

III. The Significance of the Preamble of the Act, 2001

**24.** The object of section 7A becomes clearer when it is read in the light of the Preamble to the Arbitration Act, 2001. Unlike the repealed Arbitration Act, 1940, which was enacted merely to consolidate and amend the law relating to arbitration in Bangladesh, the 2001 Act has a much wider legislative purpose. Its Preamble states that the Act is intended to consolidate and amend the law relating to domestic arbitration, international commercial arbitration, the recognition and enforcement of foreign arbitral awards, and matters connected therewith. Thus, Parliament deliberately expanded the scope of the legislation beyond domestic arbitrations to embrace international commercial arbitration and the enforcement of foreign awards. The expression "and matters connected therewith" further indicates that the Act was intended not only to regulate arbitral proceedings seated in Bangladesh but also to provide judicial assistance wherever necessary to ensure that arbitration remains an effective dispute resolution mechanism.

**25.** This legislative shift is reflected in section 7A. Unlike the 1940 Act, which was based upon extensive judicial supervision of arbitration, the 2001 Act adopts the modern approach of limited judicial intervention coupled with judicial support. Section 7A does not confer supervisory jurisdiction over the arbitral proceedings. Its purpose is to enable the Court to preserve the subject matter of the dispute, protect the rights of the parties and ensure that the arbitral process is not rendered ineffective before the tribunal can act or before the award is enforced. Interpreting section 7A as a provision intended to support, rather than supervise, arbitration is therefore consistent not only with the language of the section itself but also with the broader legislative objective reflected in the Preamble of the Arbitration Act, 2001.

IV. Whether Section 3 Excludes the Operation of Section 7A

**26.** The principal question is whether section 3 of the Arbitration Act, 2001 excludes the operation of section 7A where the juridical seat of arbitration is outside Bangladesh. Section 3 undoubtedly prescribes the general territorial application of the Act by providing that it applies where the place of arbitration is in Bangladesh, subject to the exceptions contained in sub-section (2). However, section 3 cannot be construed in isolation. It must be read harmoniously with the substantive provisions of the Act so that each provision is given its intended operation. It is a settled principle of statutory interpretation that a general provision should not be construed so as to defeat or render ineffective a later and more specific provision enacted by Parliament.

**27.** Properly construed, section 3 does not itself confer or withdraw judicial jurisdiction. Rather, it defines the territorial reach of the Act. The Court's jurisdiction is conferred by the substantive provisions of the Act, including sections 7A, 10, 12, 15, 16, 42, 45 and 46. The question, therefore, is not what section 3 says in isolation, but how it is to be reconciled with the specific jurisdiction created by section 7A.

**28.** If section 3 were interpreted as absolutely excluding the operation of section 7A whenever the arbitration is seated outside Bangladesh, the express words employed by Parliament in section 7A-"ধারা৪৪বা৪৫এরঅধীনসালিসীরোয়েদাদকার্যকরনাহওয়াপর্যন্ত" ("until enforcement of the award under section 44 or 45")-would be deprived of any practical effect. Section 45 deals exclusively with the recognition and enforcement of foreign arbitral awards.

Parliament could not have expressly referred to section 45 if it intended section 7A to remain wholly inapplicable throughout the life of a foreign-seated arbitration. Such a construction would render the reference to section 45 largely redundant, contrary to the settled principle that every word employed by Parliament must, so far as possible, be given meaning and effect.

**29.** In the respectful view of this Court, the more harmonious reconciliation of the two provisions is that section 3 lays down the general territorial application of the Act, whereas section 7A creates a limited and independent protective jurisdiction of the High Court Division. That jurisdiction extends to three stages of the arbitral process, namely: (i) before the commencement of arbitral proceedings; (ii) during the pendency of the arbitral proceedings; and (iii) after the award has been made until its enforcement, including the enforcement of a foreign arbitral award under section 45. In exercising jurisdiction under section 7A, the High Court Division neither supervises nor interferes with the foreign arbitral proceedings. Its role is confined to preserving the subject matter of the dispute and maintaining the efficacy of the arbitral process so that the eventual award is not rendered nugatory by the dissipation of assets or alteration of the status quo.

**30.** This interpretation is reinforced by the nature of the jurisdiction conferred under different provisions of the Act. Supervisory jurisdiction under sections 12, 15 and 16 naturally follows the juridical seat because those provisions regulate the arbitral process itself. Enforcement jurisdiction under sections 42 to 46 depends upon whether the award is domestic or foreign. Section 7A, however, serves a fundamentally different legislative purpose. It confers a supportive jurisdiction designed to preserve property or rights within Bangladesh so that the arbitral proceedings, wherever seated, are not frustrated. The location of the arbitration determines supervisory control; it does not necessarily preclude judicial assistance directed solely towards preserving the efficacy of the arbitral process.

V. Legislative Intent and Harmonious Construction of the Act

**31.** Having considered the rival submissions and the authorities cited at the parties, this Court is of the view that the controversy cannot be resolved by reading section 3 in isolation. The Act, 2001 must be construed as a coherent and integrated legislative scheme in which every provision is given its proper meaning and effect. It is a settled principle of statutory interpretation that a statute should be read as a whole and that no provision should be construed in a manner that renders another provision redundant, ineffective or devoid of practical operation.

**32.** The legislative object of the Act is reflected in its Preamble, which declares that it was enacted to consolidate and amend the law relating to domestic arbitration, international commercial arbitration, the recognition and enforcement of foreign arbitral awards and matters connected therewith. Unlike the repealed Arbitration Act, 1940, the 2001 Act was designed to regulate not merely domestic arbitration but the broader framework of international commercial arbitration. Although the Preamble cannot control the plain words of the statute, it remains an important aid in ascertaining legislative intent where two constructions are reasonably possible.

**33.** The legislative history of section 7A reinforces that purpose. The Arbitration Act, 2001, as originally enacted, contained no provision empowering the Court to grant interim measures. Parliament consciously introduced section 7A by the Amendment Act of 2004, thereby conferring upon the High Court Division a limited jurisdiction to preserve the subject matter of arbitration before the commencement of proceedings, during their continuance and until enforcement of the award. The evident object of the amendment was to ensure that arbitral proceedings are not frustrated by the dissipation of assets or alteration of the status quo before effective relief becomes available.

**34.** The language employed in section 7A is itself a compelling indicator of that legislative intent. Parliament authorised the High Court Division to grant interim measures "before or during continuance of the proceedings or until enforcement of the award under section 44 or 45." The express reference to section 45 is of particular significance because that provision deals exclusively with the recognition and enforcement of foreign arbitral awards. If section 7A were wholly inapplicable whenever the arbitration is seated outside Bangladesh, Parliament's specific reference to section 45 would serve little practical purpose. Such a construction would offend the settled principle that every word employed by the legislature must, so far as possible, be given meaning and effect.

**35.** The structure of the Act further demonstrates that Parliament has deliberately conferred different kinds of jurisdiction upon the Court. Sections 12, 15 and 16 confer supervisory jurisdiction over the arbitral process itself. Sections 42 to 46 regulate the recognition, enforcement and setting aside of arbitral awards. Section 7A, however, performs an altogether different function. It neither regulates the conduct of arbitration nor determines the merits of the dispute. Its purpose is confined to preserving assets, maintaining the status quo and protecting the efficacy of arbitration until the arbitral tribunal or the enforcing court is able to grant effective relief.

**36.** Once this distinction between supervisory jurisdiction and supportive jurisdiction is appreciated, the relationship between sections 3 and 7A becomes considerably clearer. Section 3 lays down the general territorial application of the Act. It does not, by itself, create or extinguish the substantive jurisdictions conferred elsewhere in the statute. Whether a particular provision is governed by the territorial limitation in section 3 necessarily depends upon the nature and purpose of the jurisdiction created by that provision. Supervisory powers ordinarily follow the juridical seat; supportive jurisdiction, however, may legitimately operate upon persons or property situated within Bangladesh without interfering with the foreign arbitral process.

**37.** This construction accords with the practical realities of international commercial arbitration. Commercial disputes frequently involve assets situated in jurisdictions other than the agreed arbitral seat. Unless the courts of the jurisdiction where those assets are located are able to grant temporary protective measures, the eventual award may become incapable of effective enforcement. An order under section 7A operates only upon persons or property within Bangladesh. It neither regulates the foreign arbitration, nor intrudes upon the tribunal's authority, nor determines any issue on the merits. It merely preserves the status quo until the arbitral tribunal is able to exercise its own jurisdiction or the award is enforced.

**38.** Accordingly, a harmonious construction of sections 3, 7A and 45 leads to the conclusion that section 3 defines the general territorial application of the Act, whereas section 7A creates a limited, ancillary and protective jurisdiction enabling the High Court Division to preserve the subject matter of the dispute until the arbitral award, including a foreign award enforceable under section 45, is recognised and enforced in Bangladesh. Such an interpretation gives meaningful effect to every provision of the Act, advances the legislative object underlying the 2001 Act and preserves the distinction between judicial assistance and supervisory jurisdiction recognised in modern international arbitration law.

VI. The View in Accom and Its Restrictive Construction of Section 7A

**39.** Following Unicol, the jurisprudence of the High Court Division evolved along two distinct lines. One line of authority adopted a restrictive interpretation of the Arbitration Act, 2001 by treating Unicol as conclusively limiting the jurisdiction of the Bangladeshi courts in respect of foreign-seated arbitrations. In Uzbekistan Airways, the High Court Division, relying principally on Unicol, held that section 10 of the Act, 2001 was inapplicable where the seat of arbitration lay outside Bangladesh. The majority decision in Accom substantially followed the same approach. With profound respect, however, the majority appears to have accorded overriding significance to the territorial provision contained in section 3 of the Act without undertaking a separate examination of the language, purpose and legislative scheme of section 7A. The jurisdiction conferred by section 7A is neither supervisory nor interventionist. It does not regulate the conduct of the arbitral proceedings or interfere with the authority of the arbitral tribunal. Rather, it confers a limited and ancillary jurisdiction upon the High Court Division to preserve the subject matter of the dispute so that the arbitral process and any eventual award are not rendered ineffective. Such protective jurisdiction is conceptually distinct from the supervisory jurisdiction exercised by the courts of the arbitral seat.

VII. Effect of the Overlooked Binding Decision

**40.** The Larger Bench in Accom Travels and Tours v. Oman Air SAOC, by a majority of 2:1, held that sections 7, 7A and 10 of the Arbitration Act, 2001 are inapplicable to foreign-seated arbitrations, except that interim measures under section 7A may be granted at the stage of enforcement of a foreign arbitral award. In arriving at that conclusion, the majority relied principally on Uzbekistan Airways, 10 BLC 614, Civil Petition No. 1:12 of 2005 and, ultimately, Unicol Bangladesh Ltd. v. Maxwell Engineering Works Ltd, 56 DLR (AD) 166. However, the majority neither referred to nor considered the earlier binding decision of the Appellate Division in Mosharaf Composite Textile Mills Ltd. v. ECOM Agroindustrial Corp. Ltd, reported in 4 SCOB (2015) AD 28. In ECOM, by judgment dated 20.06.2015, the Appellate Division affirmed the stay of a suit instituted in Bangladesh so as to enable arbitration already pending in Liverpool to proceed in accordance with the parties' arbitration agreement.

**41.** The legal position was clarified even further when the Appellate Division, in ECOM, while dismissing Civil Review Petition No. 213 of 2015 by judgment dated 11.07.2017, expressly considered Unicol Bangladesh and observed:

> *"The learned counsel has referred to a decision of this Court in Unicol Bangladesh Blocks Thirteen Vs Maxwell Engineering Works Ltd, 56 DLR (AD) 166 and submits that in that case similar question arose....... This Court did not deal with section 34 of the Arbitration Act, 1940, which is not in resemblance with section 10 of the present Ain. Moreover, this Court by a four-member Bench has maintained the judgment of the High Court Division staying the further proceedings of the suit on the reasoning that the parties should proceed with the arbitration proceedings. In view of the above, this Court has* ***pro tanto overruled Unicol Bangladesh****."*
>
> [Emphasis supplied by this Court]

**42.** The expression "pro tanto overruled" signifies that an earlier decision is overruled only to the extent that it is inconsistent with the later decision and not in its entirety.

Thus, by its review judgment in ECOM, the Appellate Division expressly displaced that part of Unicol Bangladesh Ltd. v. Maxwell Engineering Works Ltd, 56 DLR (AD) 166, which held that section 10 of the Arbitration Act, 2001 was inapplicable to foreign-seated arbitrations. The remaining principles laid down in Unicol, insofar as they are not inconsistent with ECOM, continue to retain their precedential value.

**43.** The significance of this development cannot be overstated. When the Larger Bench rendered its decision in Accom on 12.12.2021, Unicol had already ceased, for more than four years, to be good law on the applicability of section 10 to foreign-seated arbitrations. Notwithstanding that position, the majority substantially founded its reasoning upon Unicol without noticing either the Appellate Division's judgment in ECOM or its subsequent review judgment expressly holding that Unicol stood pro tanto overruled. Once the very proposition of law for which Unicol was relied upon had already been authoritatively displaced by the Appellate Division, its continued reliance as the principal foundation for interpreting section 10 became open to serious doubt. To that extent, the jurisprudential foundation of the majority's reasoning in Accom in relation to section 10 stood materially weakened.

**44.** The ratio of ECOM is clear and unequivocal. The Appellate Division upheld the application of section 10 of the Arbitration Act, 2001 to stay a suit instituted in Bangladesh in deference to arbitration proceedings already pending in Liverpool. In doing so, it did not treat the foreign set of arbitration as a bar to the exercise of judicial assistance under section 10. Nor did it consider section 3 or any other provision of the Arbitration Act as restricting the operation of section 10 merely because the arbitration was seated outside Bangladesh. The decision therefore necessarily rejects the proposition that section 10 is confined exclusively to domestic arbitrations.

**45.** The binding force of ECOM is beyond controversy. As observed by Mahmudul Islam in Constitutional Law of Bangladesh, a decision of the Appellate Division is binding under Article 111 of the Constitution when it "(a) decides a question of law, (b) is based on a principle of law, or (c) enunciates a principle of law." The interpretation placed by the Appellate Division upon section 10 in ECOM is therefore a declaration of law binding upon all subordinate courts. Consequently, Unicol can no longer be cited as authority for the proposition that section 10 is inapplicable to foreign-seated arbitrations.

**46.** However, the omission to consider ECOM is significant because the majority judgment in Accom was founded substantially on Unicol Bangladesh, 56 DLR (AD) 166. The Larger Bench held that sections 7, 7A and 10 of the Arbitration Act, 2001 do not apply to foreign-seated arbitrations on the basis that section 3 confines the operation of Part I of the Act to arbitrations seated in Bangladesh. But before Accom was decided, the Appellate Division in ECOM had already upheld the application of section 10 to stay a suit in Bangladesh in favour of arbitration proceedings pending in Liverpool. This clearly shows that the existence of a foreign seat does not, by itself, exclude all forms of judicial intervention under the Arbitration Act.

**47.** The decisions in ECOM therefore represent an important development in the law. They demonstrate that the Arbitration Act, 2001 does not invariably make every form of judicial intervention dependent on the juridical seat of arbitration. Rather, they recognise that there is a distinction between the Court's supervisory jurisdiction over the arbitral process and its power to provide judicial assistance in support of arbitration. That distinction is directly relevant to the proper interpretation of section 7A. For this reason, the reasoning adopted in Accom deserves reconsideration by a court of competent jurisdiction in an appropriate case.

VIII. Applicability of Section 151 CPC in Place of Section 10

**48.** Another aspect of the majority decision in Accom which requires careful consideration is its conclusion that, although sections 7, 7A and 10 of the Act, 2001 were held to be inapplicable to foreign-seated arbitrations, the Court could nevertheless stay the suit by invoking its inherent jurisdiction under section 151 CPC and refer the parties to arbitration in accordance with their arbitration agreement.

**49.** With profound respect, the majority reasoning in Accom appears to contain an inherent inconsistency. Having held that section 10, the special statutory provision governing the stay of judicial proceedings in favour of arbitration, is inapplicable to foreign-seated arbitrations, the majority nevertheless held that substantially the same relief could be granted by invoking the Court's inherent jurisdiction under section 151 CPC. Thus, while denying the applicability of section 10 to stay a suit in Bangladesh in aid of a foreign-seated arbitration, the judgment permitted the Court to achieve the very same result through its inherent powers. If Parliament, as understood in Accom, did not intend section 10 to apply to foreign-seated arbitrations, it is difficult to appreciate how the identical relief could nevertheless be granted under the general provisions of CPC.

**50.** Such an approach raises a fundamental question of statutory interpretation. It is well settled that where Parliament has enacted a special statute governing a particular subject, the rights and remedies of the parties are to be determined within the framework of that statute. The inherent jurisdiction preserved by section 151 CPC is intended to supplement the law where no specific provision exists; it cannot ordinarily be invoked to circumvent, enlarge or achieve indirectly what the special statute is taken to prohibit directly. If the territorial limitation contained in section 3 excludes the operation of section 10, there appears to be no principled basis for avoiding that limitation by resorting to section 151. Conversely, if a suit may lawfully be stayed under section 151 in aid of a foreign-seated arbitration, it becomes difficult to explain why the same relief cannot be granted under section 10 itself, the very provision enacted by Parliament for that purpose.

**51.** The pronouncements of the Appellate Division in ECOM has recognised the applicability of section 10 to foreign-seated arbitrations and has held that Unicol stands pro tanto overruled. In that light, the necessity of resorting to section 151 disappears altogether. Where Parliament has provided a specific statutory mechanism, recourse to the Court's inherent jurisdiction should ordinarily be unnecessary. For these reasons, this Court is of the respectful view that the reliance placed in Accom upon section 151 introduces a doctrinal tension into its reasoning which, in the interests of coherence and certainty in the law, may merit authoritative reconsideration by a higher forum.

IX. Recent Development in the Italian-Thai Case

**52.** Moreover, recent development in the Italian-Thai case (Civil Petition for Leave to Appeal No. 1828 of 2024, judgment dated 01.09.2024) is also of considerable significance. Following the decision in Accom, the High Court Division dismissed another application under section 7A on the ground that the provision was inapplicable to a foreign-seated arbitration. However, when the matter came before the Appellate Division by way of Civil Petition for Leave to Appeal, the Appellate Division continued interim protection until the first session of the arbitral tribunal in Singapore. In this case, although our Appellate Division did not finally determine the scope of section 7A, nonetheless the petition was not dismissed on the basis that the High Court Division had correctly interpreted section 7A. Finally, it disposed of the matter as having become infructuous after the arbitral tribunal in Singapore had assumed jurisdiction in terms of section 7A(6). The Appellate Division thus consciously refrained from expressing any opinion on the correctness of the interpretation adopted by the High Court Division. Consequently, the question whether section 7A is available in aid of a foreign-seated arbitration remains open and has yet to be authoritatively determined by a reasoned pronouncement of the Appellate Division.

This Court's Respectful View

**53.** With the utmost respect to the majority decision in Accom, this Court finds itself, with great humility, unable to subscribe to the reasoning adopted therein. This court is of the considered view that sections 7, 7A and 10 of the Arbitration Act, 2001 are capable of operating in aid of arbitral proceedings even where the juridical seat of arbitration is outside Bangladesh. Those provisions, properly construed, are intended to facilitate and support the arbitral process by conferring limited judicial assistance, rather than to exercise supervisory jurisdiction over the arbitral proceedings themselves.

**54.** Viewed from that perspective, the invocation of section 151 CPC, as in Accom, in lieu of section 10 of the Arbitration Act, 2001 appears, with respect, to be neither necessary nor warranted. Where Parliament has provided a specific statutory mechanism under section 10 for the grant of the relief in question, recourse to the Court's inherent jurisdiction would ordinarily be inappropriate.

Binding Effect of the Larger Bench Decision

**55.** The foregoing discussion demonstrates that substantial questions have arisen regarding the proper interpretation of sections 3, 7A and 10 of the Arbitration Act, 2001, particularly in light of the subsequent decisions of the Appellate Division in the ECOM cases and the judicial approach reflected in the Italian-Thai case. Those authorities appear to recognise that supportive judicial intervention in aid of arbitration is conceptually distinct from supervisory jurisdiction over arbitral proceedings and later enforcement and that such intervention may, in appropriate circumstances, coexist with the principle that supervisory jurisdiction ordinarily follows the arbitral seat.

**56.** This Court has also found considerable force in the petitioner's submission that section 7A creates a limited protective jurisdiction directed towards preserving the efficacy of arbitration and not towards supervising the arbitral process. Equally persuasive is the submission that a harmonious reading of the Arbitration Act, 2001, viewed in the light of its legislative history, Preamble and statutory scheme, may reasonably admit of an interpretation whereby interim measures under section 7A are available in aid of foreign-seated arbitrations in respect of persons or property situated within Bangladesh.

The Decision and Order

**57.** However, the fact that Accom did not consider ECOM does not authorise this Court to disregard the decision of the Larger Bench. The doctrine of precedent is founded not only upon the correctness of legal reasoning but also upon the necessity of maintaining certainty, consistency and institutional discipline in the administration of justice. Although this Court has, with utmost respect, expressed its reservations regarding certain aspects of the reasoning adopted by the majority in Accom, it is not open to a Single Bench to disregard or decline to follow a binding decision of a Larger Bench of the High Court Division on that ground alone. Whether Accom continues to represent the correct interpretation of sections 7A and 10, is a matter which can be authoritatively reconsidered only by the Appellate Division or by a Bench of co-equal or larger strength.

**58.** Accordingly, in faithful observance of the doctrine of stare decisis and the settled principles of judicial discipline governing Benches of coordinate jurisdiction, this Court remains bound by the majority decision in Accom Travels and Tours v. Oman Air SAOC. Since the arbitration agreement in the present case designates Singapore as the juridical seat of arbitration, the binding ratio laid down in Accom precludes the exercise of jurisdiction under section 7A of the Act, 2001.

**59.** Consequently, the present application is not maintainable. It is, therefore, dismissed, without entering into the merits of the controversy and without prejudice to the petitioner's right to pursue such remedy as may be available before the competent arbitral tribunal or any other forum in accordance with law.

**60.** The interim order passed earlier is hereby recalled and vacated. However, there shall be no order as to cost.