



## Luxembourg Rail Protocol: Preparatory Commission

On 29 and 30 November 2022 at the headquarters of UNIDROIT in Rome, the Secretary General of OTIF, Mr Wolfgang Küpper, attended the 11<sup>th</sup> session of the Preparatory Commission for the establishment of the International Registry of railway rolling stock in accordance with the Luxembourg Rail Protocol.

Introductory statements were made by Her Excellency Michèle Pranchère-Tomassini, Ambassador of Luxembourg to Italy, and Her Excellency Nosipho Nausca-Jean Jezile, Ambassador of South Africa to Italy.

The Secretary General of OTIF gave participants a welcome speech. He explained OTIF's role in connection with the Luxembourg Rail Protocol. When the latter enters into force, OTIF will become the secretariat of the Supervisory Authority.

Mr Küpper emphasised that rail transport provides a real solution and an efficient way to achieve sustainable development goals in transport. Nevertheless, the investment and costs that are necessary for the railways to operate well are significant.

Mr Küpper explained as follows: *"Firstly, of course, the railways need an infrastructure that rolling stock can be operated on. But the rolling stock itself is also very expensive and, as has successfully been the case in aviation, the system of international securities introduced by the Cape Town Convention can contribute to significant savings in procurement. It will become considerably more important in the future to simplify how the railways are financed. States and the industry cannot therefore afford not to use additional financing instruments. However, this is only possible with the necessary financial means. This is where the Luxembourg Protocol fits in perfectly."*

Mr Küpper concluded that the Luxembourg Rail Protocol is an instrument that facilitates the financing of railway rolling stock and creates a solid basis and additional means for the international development of rail transport.

### The Luxembourg Rail Protocol

The Luxembourg Rail Protocol of 26 February 2007 is the result of numerous meetings sponsored by the International Institute for the Unification of Private Law (UNIDROIT). Its *raison d'être* is the success of the Cape Town Convention on International Interests in Mobile Equipment, and more specifically its Aircraft Protocol.

The Luxembourg Rail Protocol establishes a new legal regime for the recognition and enforcement of securities of lenders, creditors and conditional sellers when these securities are in railway rolling stock.

In the face of increasing private financing of rolling stock and the absence of international rules, issues surrounding ownership rights for railway rolling stock are critical. The Luxembourg Protocol offers a solution. It is the first comprehensive legal framework for the protection of owners and financiers of rolling stock operating across jurisdictional boundaries.

States parties: <https://www.unidroit.org/instruments/security-interests/rail-protocol/status/>

Further information: Bulletin 4/2018, p. 18, ["The Luxembourg Rail Protocol. An essential element of international transport by rail."](#) Howard ROSEN.

