



DIPLOMATIC CONFERENCE TO ADOPT A  
CONVENTION ON SUBSTANTIVE RULES REGARDING  
INTERMEDIATED SECURITIES

**Committee on emerging markets issues,  
follow-up and implementation  
First Meeting  
Rome, 6 to 9 September 2010**

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### **ANNOTATED AGENDA**

1. Opening of the meeting.
2. Adoption of the Agenda.
3. Colloquium on Financial Markets Law (open meeting on 6 and 7 September).
4. Review of the draft "Accession Kit" to the UNIDROIT Convention on Substantive Rules for Intermediated Securities.
5. Consideration of the reception given to the Convention in the various countries and proposals for its promotion.
6. Future work by UNIDROIT in the area of financial markets law, in particular:
  - (a) Scope of a possible legislative guide on principles and rules to enhance trading in emerging markets;
  - (b) Proposal for an international instrument on the netting of financial instruments.
7. Other business.

## **Annotations to the Provisional Agenda**

### **Item No. 1 – Opening of the meeting**

1. The Committee on Emerging Markets Issues, Follow-Up and Implementation established by the diplomatic Conference to Adopt a Convention on Substantive Rules regarding Intermediated Securities will hold its first meeting since the final session of the diplomatic Conference at the seat of UNIDROIT (via Panisperna, 28, 00184 Rome), from 6 to 9 September 2010. The meeting will be opened on Monday, 6 September 2010, at 10 a.m. and will close on Thursday, 9 September, at 1 p.m.
2. The first two days of the Committee's meeting (i.e. Monday, 6 September, and Tuesday, 7 September 2010) will take the form of a Colloquium on Financial Markets Law (agenda item 3). In the remaining days (i.e. the whole of Wednesday, 8 September and Thursday, 9 September, morning), the Committee will reconvene in a closed meeting open only to its members and delegates of UNIDROIT member States wishing to attend as observers to consider the other items of the provisional agenda in the following order: items 4, 5 and 6(a) on Wednesday, 8 September and item 6(b) on Thursday, 9 September (a.m.).

### **Item No. 3 – Colloquium on Financial Markets Law**

3. The purpose of the Colloquium on Financial Markets Law is to consider legal issues on financial markets law and related areas of the law which are not specifically dealt with in the UNIDROIT Convention on Substantive Rules for Intermediated Securities, but which are essential for the proper functioning of financial markets and an adequate incorporation of the Convention into the legal system of a Contracting State. Participation in the colloquium will be open to UNIDROIT member States, as well as to invited guests and speakers.

### **Item No. 4 - Review of the draft "Accession Kit" to the UNIDROIT Convention on Substantive Rules for Intermediated Securities**

4. The UNIDROIT Secretariat is currently preparing a guidance document intended to provide advice for countries that ratify the Convention on how best to incorporate the Convention and integrate it into their domestic legal systems. This type of instrument is known in the practice of other organisations as a "Ratification Kit" or "Accession Kit".
5. The "Accession Kit" envisaged by the Secretariat will to some extent resemble the declarations memoranda prepared by UNIDROIT for the assistance of States that contemplate becoming Contracting States to the Cape Town Convention on International Interests in Mobile Equipment (the "Cape Town Convention") and its Protocols. The declarations memoranda for the Aircraft and the Railway Protocols to the Cape Town Convention are essentially concerned with the provision of advice to assist prospective Contracting States in their preparation of declarations with a view to ensuring that they formulate their declarations in full compliance with the terms of that Convention and its Protocols.
6. The Geneva Securities Convention, too, provides for the making of a number of declarations, some of which deal with complex legal and policy matters that are essential for the proper operation of the Convention. Advice on the content and formulation of declarations that may be lodged under the Convention will therefore be a necessary component of the "Accession Kit" that the Secretariat will produce for the September meeting. The final version of the Kit is intended to also contain models of declarations. However, the "Accession Kit" as envisaged by the Secretariat, will go a step further than the declarations memoranda prepared by UNIDROIT for the assistance of States that contemplate becoming

Contracting States to the Cape Town Convention by offering guidance on the relationship between the rules of the Convention and the otherwise applicable laws in a Contracting State. Therefore, the "Accession Kit" will contain discussion and advice explaining how to address those issues which the Convention itself refrains from addressing or allows Contracting States to provide for otherwise, and how to fill these gaps.

7. The first draft of the intended Accession Kit will be circulated to delegates attending the meeting in due course, but in any event several weeks before the meeting.

#### **Item No. 5 – Consideration of the reception given to the Convention in the various countries and proposals for its promotion**

8. In its Resolution No. 3, of 9 October 2009, the diplomatic Conference to Adopt a Convention on Substantive Rules regarding Intermediated Securities invited the Member States of UNIDROIT, and the States, Regional Economic Integration Organisations and Observers participating in the diplomatic Conference, and in particular the States represented on the Committee on Emerging Markets Issues, Follow-Up and Implementation of the diplomatic Conference, to cooperate with UNIDROIT in organising activities to promote awareness and understanding of the Convention and assess its continued effectiveness in light of relevant contemporary developments in market circumstances and trends in market regulation, and also with a view to encouraging the Convention's early entry into force and its signature, ratification, acceptance, approval and accession by States and Regional Economic Integration Organisations.

#### **Item No. 6 - Future work by UNIDROIT in the area of financial markets law**

(a) *Scope of a possible legislative guide on principles and rules to enhance trading in emerging markets*

9. Following the successful completion of the work on the Convention, and in the light of a reiteration by the UNIDROIT Governing Council of the importance attached to the topic, the UNIDROIT General Assembly, at its 65<sup>th</sup> session, in 2009, firmly included work on a "Legislative Guide on principles and rules capable of enhancing trading in securities in emerging markets" in the current Work Programme of UNIDROIT.

10. The Committee is invited to consider, in the light of the presentations made and the discussions held during the Colloquium on Financial Markets Law, the feasibility and possible scope of the work to be carried out toward the formulation of a legislative guide on principles and rules capable of enhancing trading in securities in emerging markets.

(b) *Proposal for an international instrument on the netting of financial instruments*

11. At its 89<sup>th</sup> session, in 2010, the UNIDROIT Governing Council recommended the inclusion in the organisation's Work Programme for the 2011-2013 triennium, as a matter of high priority, of a project aimed at the preparation of an international instrument on netting of financial instruments. The Committee is invited to consider this project on the basis of an initial study commissioned by the Secretariat.

12. UNIDROIT documents are posted on the UNIDROIT website (<http://www.unidroit.org/>) upon their issuance.