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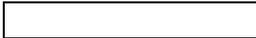
GOVERNING COUNCIL
87th session
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UNIDROIT 2008
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**Item No. 9(a) on the Agenda: draft Convention on Substantive Rules regarding
Intermediated Securities**

(Memorandum submitted by the Secretariat)

<i>Summary</i>	<i>Progress Report</i>
<i>Action to be taken</i>	<i>See para 3 below</i>
<i>Related documents</i>	<i>UNIDROIT 2008 – CONF. 11 - Doc. 4; Implementation of the Strategic Plan (C.D. (87) 6, p. 5 and 14)</i>

Priority			
	High	medium	low

I. Strategic Plan

Yes, because criteria set forth in Strategic Objective Nos. 1 and 7 satisfied

II. Work Programme 2006-2008

Yes.

III. Current assessment

- Recent feedback from Governments and intergovernmental Organisations (IMF, World Bank): highest priority and completion as early as possible.
- Recent feedback from industry: high (ISDA).

Benefits/ Beneficiaries	<p>Establishing a common legal framework of holding, custody, disposition, collateral taking, clearing and settlement of trades for a market worth USD 50 trillion and trades and collateral transactions in corporate and government securities issued by OECD member Governments amounting to USD 2 trillion per day would enhance legal certainty, reduce systemic risks for the world's financial markets and reduce transaction costs.</p> <p>Beneficiaries are investors, intermediaries and governments as regulators and guardians of financial stability.</p>		
On time	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	yes	slightly delayed	no
	<p>Timeframe determined by CGE/Governing Council/General Assembly <input checked="" type="checkbox"/></p>		
	<p>Timeframe to be determined at this session <input type="checkbox"/></p>		
Staffing implications	<p>Preparatory stage: 1,3 officer and 1 secretary During diplomatic Conference: 5 officers and 3 secretaries After diplomatic Conference: to be determined.</p>		
Budget implications	<p>Private-sector funding of post for managing officer until 30 September 2008</p>		

BACKGROUND

1. Following the approval and the adoption of the preliminary draft Convention by the Committee of governmental experts at the end of its fourth session (21-25 May 2007) the Governing Council examined the draft and authorised transmission to a diplomatic Conference, for adoption. The informal working groups set up by the Committee of governmental experts with the mandate to further look into details regarding the provisions presented the results of their discussions in reports which will be before the Conference. On 22 January 2008, the Government of Switzerland invited all member States of the United Nations to attend the diplomatic Conference to be held in Geneva from 1 to 13 September 2008.

2. The Secretariat is currently working with the Government of Switzerland at the organisation of the Conference, and preparing the documents for the diplomatic Conference which are posted on the UNIDROIT website.

ACTION TO BE TAKEN

3. *The Governing Council is invited to pro-actively support the Secretariat's efforts to secure, in closest co-operation with the Government of Switzerland, the holding of a successful diplomatic Conference for the adoption of the draft Convention.*