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GOVERNING COUNCIL
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SUMMARY CONCLUSIONS

Note of the Secretariat: This summary of conclusions follows the order of items as included in the original agenda. It does not follow the order of the oral discussion, which was altered to facilitate the Secretary General's participation in the farewell to UNIDROIT's President, Prof. Alberto Mazzoni.

Item 1 on the agenda: Adoption of the annotated draft agenda (C.D. (98) 1 rev.)

1. The Governing Council adopted the agenda as proposed in document *C.D. (98) 1 rev.*
2. The Council expressed its condolences for the passing away of its President, Professor Alberto Mazzoni, and noted the important role he had played in shaping the direction of the Institute since his appointment in 2011.

Item 2 on the agenda: Appointments (C.D. (98) Misc. 1 rev.)

(a) First and Second Vice-Presidents of the Governing Council

3. The Council renewed the appointments of Professor Arthur Hartkamp as First Vice-President of the Governing Council, and Professor Jorge A. Sánchez Cordero as Second Vice-President, both of whom would serve in these positions until the 99th session of the Council.

(b) Members ad honorem of the Governing Council

4. The Council decided to appoint the following former Council members as members *ad honorem* of the Governing Council: Professor Radu Bogdan Bobei, Professor Nuria Bouza Vidal, Professor Dr. B. Bahadır Erdem, Hon. Monique Jametti, Professor Miklós Király, Professor Lyou Byung-Hwa, Professor Jan Lambert Neels, Professor Wojciech Popiołek, Ms Rachel Sandby-Thomas, H.E. Álvaro Sandoval Bernal, Professor Daniel Tricot, Professor Spyridon Vrellis, and Mr Roger Wilkins.

(c) Members of the Permanent Committee

5. The Council appointed Ms Kathryn Sabo to fill the vacancy left by the departure of Ms Rachel Sandby-Thomas, and re-appointed Dr Hans Georg Bollweg, Professor Henry Gabriel, Professor Arthur Hartkamp, and Dr Jorge A. Sánchez Cordero, and as members of the Permanent Committee.

Item 3 on the agenda: Reports**(a) Annual Report 2018 (C.D. (98) 2)**

6. The Council took note of the Secretary-General's report on the activities of the Institute during 2018 and expressed its satisfaction with the work. Further, the Council expressly conveyed its gratitude to Professor Anna Veneziano for the manner in which she led the Institute as Secretary General *a.i.* up until August 2018.

(b) Report on the UNIDROIT Foundation

7. The Council took note of the report by the President of the UNIDROIT Foundation, and thanked the Foundation for its continued support of the Institute.

Item 4 on the agenda: International Interests in Mobile Equipment**(a) Implementation and status of the Luxembourg Rail Protocol and of the Space Protocol (C.D. (98) 3)**

8. The Council took note of the developments in relation to the implementation of the Luxembourg Rail Protocol and the Space Protocol, and it encouraged the Secretariat to continue its promotional efforts.

(b) Draft Protocol to the Cape Town Convention on Matters Specific to Mining, Agricultural and Construction Equipment (C.D. (98) 4)

9. The Council took note of the developments in relation to the MAC Protocol, and acknowledged the role of its Members in encouraging their own Governments to (i) participate actively in the process leading to the Diplomatic Conference, (ii) attend the Diplomatic Conference with a strong delegation, and (iii) consider signing the Protocol in Pretoria or shortly thereafter.

Item 5 on the agenda: Private Law and Agricultural Development**(a) Preparation of an international guidance document on agricultural land investment contracts (C.D. (98) 5(a) rev.)**

10. The Council took note of the update on the work on an international guidance document on agricultural land investment contracts. FAO and IFAD commended the Secretariat for the extremely positive cooperation and high level of expertise.

(b) Follow-up activities and promotion of the UNIDROIT/FAO/IFAD Legal Guide on Contract Farming (C.D. (98) 5(b))

11. The Council took note of the Secretariat's report on the follow-up activities and promotion of the UNIDROIT/FAO/IFAD Legal Guide on Contract Farming.

Item 6 on the agenda: Transnational civil procedure**(a) Formulation of ELI-UNIDROIT regional rules** (C.D. (98) 6(a) rev.)

12. The Council took note of the developments relating to the joint ELI/UNIDROIT project on the development of regional rules based on the adaptation of the ALI/UNIDROIT Principles of Transnational Civil Procedure.

(b) Principles on Effective Enforcement (C.D. (98) 6(b))

13. The Council deferred the discussion of this item to the discussion of the 2020-2022 Work Programme proposals (see Agenda Item 14).

Item 7 on the agenda: International Commercial Contracts: Formulation of Principles of Reinsurance Contracts (C.D. (98) 7)

14. The Council (i) took note of the finalised version of the black-letter rules and comments of the Principles of Reinsurance Contracts (PRICL), (ii) commended their use of the UNIDROIT Principles on International Commercial Contracts as a model and as rules of general contract law, and (iii) authorised the Secretariat to refer to the text of the PRICL on the UNIDROIT Website once the publication was finalised.

Item 8 on the agenda: International Sales Law: Preparation of a guidance document on existing texts in the area of international sales law in cooperation with UNCITRAL and the Hague Conference on Private International Law (C.D. (98) 8)

15. The Council took note of the developments in relation to the preparation of a guidance document on existing texts in the area of international sales law in cooperation with UNCITRAL and The Hague Conference on Private International Law.

Item 9 on the agenda: International protection of cultural property (C.D. (98) 9)**(a) Follow-up activities and promotion of the 1995 UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects and the Model Provisions on State Ownership of Undiscovered Cultural Objects**

16. The Council took note of the follow-up activities and promotion of the 1995 UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects.

(b) Private art collections

17. The Council took note of the activities of the Secretariat in relation to private art collections, and encouraged the Secretariat to continue to work on this topic.

Item 10 on the agenda: Promotion of UNIDROIT instruments (C.D. (98) 10)

18. The Council noted the publication of the OAS Guide in the Law Applicable to International Commercial Contracts in the Americas, welcomed UNIDROIT's cooperation with the OAS in this

regard and expressed appreciation for the reference to the UNIDROIT Principles on International Commercial Contracts.

19. The Council took note of the activities held by the Secretariat to promote UNIDROIT instruments, and reiterated the importance of promoting UNIDROIT'S work and instruments.

Item 11 on the agenda: Correspondents (C.D. (98) 11)

20. The Council took note of the Secretariat's report on the results of the procedure for renewal of active correspondents whose mandate expired on 31 May 2019 and of the proposal of the Secretary-General in this regard to be presented at the Council's 99th session.

Item 12 on the agenda: UNIDROIT Library and research activities (C.D. (98) 12 rev.)

21. The Council took note of developments regarding the Library and research activities, in particular regarding the digitisation of the library's collections.

Item 13 on the agenda: UNIDROIT information resources and policy (C.D. (98) 13 rev.)

22. The Council took note of the activities of the Secretariat in this field, and expressed support for the initiatives taken. There was express support for Professor Michael Joachim Bonell's achievements regarding the UNILEX database, which is directly related to the UNIDROIT Principles on International Commercial Contracts.

Item 14 on the agenda: Proposals for the Work Programme for the triennial period 2020 – 2022 and comments received by the Secretariat (C.D. (98) 14 rev. 2)

23. The Governing Council took note of the proposed Work Programme and comments received from member States and UNIDROIT Correspondents, and agreed to recommend the adoption of the Work Programme for the triennium 2020 – 2022 to the General Assembly with the level of priorities indicated below:

A. Legislative activities

1. Secured Transactions

Continuation of existing work:

- (a) Implementation of Rail and Space Protocols: high priority
- (b) Implementation of the Protocol to the Cape Town Convention on Matters Specific to Mining, Agricultural and Construction Equipment: high priority
- (c) Preparation of other Protocols to the Cape Town Convention:
 - (1) Ships and maritime transport equipment: low priority
 - (2) Renewable energy equipment: low priority

2. Private law and agricultural development

Continuation of existing work:

- (a) Preparation of an international guidance document on agricultural land investment contracts: high priority

New work:

- (b) Legal structure of agricultural enterprises: medium priority

The assigned level of priority was merely formal. The Governing Council agreed that funds allocated for this project could only be used to analyse its feasibility and potential impact, as well as to further define its scope. Subject to a more defined proposal, it would be reassessed by the Governing Council at its 99th session, where its priority might be redefined.

3. **Transnational civil procedure**

Continuation of existing work:

- (a) Formulation of Regional Rules of Transnational civil procedure: high priority

New work:

- (b) Principles of effective enforcement ¹: medium priority

The assigned level of priority was merely formal. The Governing Council asked the Secretariat to conduct further research and provide a more defined scope for the project. There was substantial agreement on the importance of the topic and on the impact of the work to be conducted. Subject to agreement with the Secretariat's enhanced note to be presented at the 99th session, the Governing Council would reconsider giving the project a high priority status.

- (c) International Civil Procedure in Latin America: low priority

4. **International sales law**

Continuation of existing work:

Preparation of a guidance document on existing texts in the area of international sales law in cooperation with UNCITRAL and the Hague Conference on Private International Law: high priority

5. **International commercial contracts**

Continuation of existing work:

Formulation of Principles of Reinsurance Contracts: low priority

6. **Cultural Property**

Continuation of existing work:

Private Art Collections: low priority

7. **Leasing and Factoring**

New work:

- (a) Model Law on Factoring: high priority
 (b) Guide for enactment of the UNIDROIT Model Law on Leasing: low priority

8. **Insolvency law**

New work:

The harmonisation of national insolvency laws for the liquidation of banks and rules of cooperation and coordination in cross border cases: medium priority

The assigned level of priority was merely formal. The Governing Council asked the Secretariat to conduct further research and provide a more defined scope for the project, as well as supporting arguments for such a project to be conducted by a

¹ The pre-existing project on enforcement was to be enhanced and its scope redefined, and hence, that project was included here as new work.

global organisation, such as UNIDROIT, as opposed to regional institutions. There was agreement on the importance of the topic and on the possible impact of the work to be conducted. Subject to agreement with the Secretariat's enhanced note, the 99th session of the Governing Council would reconsider the status of the project.

9. Law and technology

New work:

Artificial Intelligence/Smart Contracts/DLT: medium priority

The assigned level of priority was merely formal. The Secretariat was asked by the Governing Council to conduct further research to narrow down the scope of the project, which, based on the conclusions of a joint colloquium with UNCITRAL, would be initially confined to digital assets. The Governing Council, at its 99th session, would adopt a decision on the final scope and reassess the level of priority. The proposed form of the joint work with UNCITRAL would also be reassessed at the 99th session of the Governing Council

B. Implementation and promotion of UNIDROIT instruments

1. Depository functions: high priority
2. Promotion of UNIDROIT instruments
 - (a) UNIDROIT Principles of International Commercial Contracts: high priority
 - (b) UNIDROIT/FAO/IFAD Legal Guide on Contract Farming: high priority
 - (c) UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects and UNESCO-UNIDROIT Model Provisions on State ownership of undiscovered cultural objects: high priority
 - (d) UNIDROIT instruments on capital markets: high priority

C. Non-legislative activities

1. UNIDROIT Library and Depository Libraries: high priority
2. Information resources and policy: high priority
3. Internships and Scholarships: high priority

Item 15 on the agenda: ***Presentation of the Cape Town Convention and Aircraft Protocol Official Commentary – Fourth Edition (2019) by Professor Sir Roy Goode C.B.E., Q.C. and Professor Jeffrey Wool (C.D. (98) 1 rev. Annexe 1)***

24. The Council expressed its gratitude to its author, Sir Roy Goode, and to Professor Jeffrey Wool on their extensive work towards the preparation of the Fourth Edition of the Official Commentary to the Cape Town Convention and its Aircraft Protocol, and took note of its official publication.

Item 16 on the agenda: Administrative matters**(a) Preparation of the draft budget for the 2020 financial year (C.D. (98) 15(a))**

25. The Council considered the draft Budget for the 2020 financial year and authorised the Secretariat to transmit it to member States without amendments.

(b) Report of the Secretary-General on the implementation of the new compensation and social security scheme applicable to the UNIDROIT staff (C.D. (98) 15(b))

26. The Council took note of the update regarding the implementation of the new compensation and social security scheme applicable to UNIDROIT staff and possible next steps.

Item 17 on the agenda: Date and venue of the 99th session of the Governing Council (C.D. (98) 1 rev.)

27. The Council agreed that the 99th session of the Governing Council should be held from 6 – 8 May 2020, at the seat of UNIDROIT in Rome.

Item 18 on the agenda: Any other business**(a) Private Law and Development - Cooperation with the Global Forum on Law Justice and Development (GFLJD) and possible future work in relation with the "Human-Centered Business Model" Project (C.D. (98) 16)**

28. The Council took note of the information provided and authorised the Secretariat to continue monitoring and collaborating towards the development of the HCBM project, compatibly with other priority assignments of the Work Programme.

Item 19 on the agenda: Panel on "Principles on Reinsurance Contracts" (C.D. (98) 1 rev. Annexe 2)

29. The Council expressed appreciation to the panellists Professors Helmut Heiss and Diana Cerini as well as Mr Lari Kuitunen and Dr Eberhard Witthoff for an informative session on the Principles of Reinsurance Contracts (PRICL).