



## **The Luxembourg Rail Protocol to the Cape Town Convention Stakeholder Briefing, 9.30 am, 14<sup>th</sup> May 2019, Madrid**

The Luxembourg Rail Protocol is a global treaty, sponsored by UNIDROIT, the International Institute for the Unification of Private Law, an intergovernmental organisation based in Rome, and the Intergovernmental Organisation for International Carriage by Rail (OTIF). Spain is a member of both organisations.

The Protocol will make it easier for the private sector to finance railway rolling stock worldwide by providing a new system of international security rights for creditors (secured lenders and lessors) whose interests will be registered, and searchable 24/7, at an international registry to be based in Luxembourg. It applies to all rolling stock, broadly defined, from locomotives, to wagons, to metro and light rail trains, people movers at airports and cable cars. It also introduces a system whereby every item of rolling stock will be uniquely identified in a common global system administered by the registrar.

The Protocol will facilitate banks and other financiers providing cheaper finance to support much needed new rolling stock procurement without the need for state guarantees. According to a recent report from independent economists Oxera, the Luxembourg Rail Protocol will deliver a net benefit to 20 states across Europe of **€ 19.4 billion** and to Spain alone of **€ 336 million**.

It will protect the rights of operators, financiers and investors as rolling stock moves across national borders and lower the barriers to entry for operators, leading to a more competitive and dynamic rail industry – bringing important social, environmental, developmental and economic advantages as well as new business opportunities.

The Cape Town Convention and the aircraft protocol have been in force since 2006 and have now been adopted by over 70 states. We expect the Luxembourg Rail Protocol to enter into force in ratifying countries in late 2019 and it is already being evaluated by the Spanish government.

Following the accession of Spain to the Aircraft Protocol in March 2016, Spain must now move forward to join the Rail Protocol which shall result in a new set of creditor protection rules, which will apply globally and will make financing and leasing of rolling stock in, or to Spain more secure, easier and cheaper. When implemented, the Luxemburg Protocol will facilitate efficient low-risk and low-cost private finance for rolling stock in Spain setting the base for a more competitive and dynamic rail industry fit for the 21st century.



On **14<sup>th</sup> May**, our Spanish contact group will be hosting an exclusive briefing from 9:30 to 11:30 am in the **Madrid offices of Watson Farley & Williams (María de Molina, 4, 28006 Madrid)** to explain in more detail the Protocol to Spanish operators, potential financiers and other stakeholders in the rail sector. Speakers will include members of UNIDROIT the Rail Working Group.

It is the goal of this briefing to provide an overview on what is the Luxemburg Rail Protocol and what are the economic benefits that may arise from its implementation in Spain.

The briefing will be in Spanish. **Admission is free.** For more information or to register, contact: [info@railworkinggroup.org](mailto:info@railworkinggroup.org) or [FCochet-Grasset@wfw.com](mailto:FCochet-Grasset@wfw.com).