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Item No. 8 on the agenda: International Interests in Mobile Equipment

(d) Implementation and status of the Protocol on Matters specific to Mining, Agricultural and Construction Equipment (MAC Protocol); Report and proposal of allocation of functions of the Supervisory Authority for the MAC Protocol Registry among UNIDROIT governing bodies

(prepared by the Secretariat)

<i>Summary</i>	<i>Update on the implementation of the MAC Protocol to the Cape Town Convention and Report on UNIDROIT's preparations to become Supervisory Authority of the International Registry to be established under the MAC Protocol.</i>
<i>Action to be taken</i>	<i>The Governing Council is invited to note the progress on the implementation of the MAC Protocol to the Cape Town Convention and to discuss open issues related to the proposed operation of the Supervisory Authority Committee to be established by the General Assembly.</i>
<i>Mandate</i>	<i>Work Programme 2026-2028</i>
<i>Priority level</i>	<i>High</i>
<i>Related documents</i>	<u>UNIDROIT 2021 – C.D. (100) B.12</u> ; <u>UNIDROIT 2022 – C.D. (101) 15</u> ; <u>UNIDROIT 2023 – C.D. (102) 17</u> ; <u>UNIDROIT 2023 – A.G. (82) 5</u> ; <u>UNIDROIT 2024 – C.D. (103) 17</u> ; <u>UNIDROIT 2025 – C.D. (105) 17</u> ; <u>UNIDROIT 2025 – A.G. (85) 4</u>

I. IMPLEMENTATION AND STATUS OF THE PROTOCOL ON MATTERS SPECIFIC TO MINING, AGRICULTURAL AND CONSTRUCTION EQUIPMENT

A. Introduction

1. The Protocol to the Cape Town Convention on International Interests in Mobile Equipment on Matters specific to Mining, Agricultural and Construction Equipment (MAC Protocol, or Pretoria Protocol) was opened for signature in Pretoria, South Africa on 22 November 2019. UNIDROIT is designated as the Depository for the instrument pursuant to Article XXXVII(1) of the Protocol.

UNIDROIT's responsibilities as Depositary under the MAC Protocol include the operation of a system for the receipt and notification of all instruments of ratification, declarations, and other documents lodged with the Depositary, as well as performing the functions associated with the amendment of the Annexes. Under the 2026-2028 Work Programme, the implementation of the Pretoria Protocol continues to be given a high degree of priority.

2. The purpose of this document is to update the Governing Council on work undertaken since its 105th session (Rome, 20-23 May 2025) to implement the MAC Protocol.

B. Status

3. The MAC Protocol is not yet in force. There are three requirements for the MAC Protocol to enter into force. First, a Supervisory Authority of the International Registry to be established under the MAC Protocol must be appointed. Second, an International Registry must be established and become fully operational. Finally, five States must ratify the Protocol. The appointment of a Supervisory Authority is an administrative requirement, whereas the certification that the Registry is fully operational and the five ratifications are formal requirements under Article XXV of the Protocol.

4. The activities required to implement the MAC Protocol are being advanced under the auspices of the MAC Preparatory Commission.

C. The Preparatory Commission

5. As consistent with the implementation of the other Cape Town Convention Protocols and [Resolution 1 of the MAC Protocol Diplomatic Conference](#), a Preparatory Commission was established to act as Provisional Supervisory Authority for the MAC Protocol. The UNIDROIT Secretariat has been designated as the Secretariat of the Preparatory Commission also pursuant to Resolution 1 of the Diplomatic Conference. The Preparatory Commission operates under the guidance of UNIDROIT's Governing Council and General Assembly, it is comprised of 16 Member States,¹ and has held six sessions to date.²

6. The Preparatory Commission has three key responsibilities: (i) appointment of a Supervisory Authority; (ii) selection of a Registrar to operate the MAC Protocol International Registry; and (iii) adoption of the first edition of the International Registry Regulations. Customarily, the Preparatory Commission also performs an important role in encouraging States to sign, implement and ratify the Protocol.

1. Appointment of a Supervisory Authority

7. At its sixth session in April 2024, the MAC Preparatory Commission formally designated UNIDROIT as the Supervisory Authority of the International Registry to be established under the MAC Protocol, to take effect on entry-into-force of the Protocol.³ The second part of this document

¹ Australia, Canada, the Republic of the Congo, the People's Republic of China, France, The Gambia, Germany, the Republic of Ireland, Japan, the Republic of Korea, Nigeria, Paraguay, Spain, South Africa, the United Kingdom and the United States.

² The first session of the Preparatory Commission took place via videoconference on 21-22 May 2020 and was attended by 38 participants ([MACPC/1/Doc. 9](#)). The second session of the Preparatory Commission took place via videoconference on 10-11 December 2020 and was attended by 33 participants ([MACPC/2/Doc. 6](#)). The third session of the Preparatory Commission took place via videoconference on 3-4 June 2021 and was attended by 32 participants ([MACPC/3/Doc. 6](#)). The fourth session of the Preparatory Commission took place in hybrid format on 17-18 January 2022 and was attended by 41 participants ([MACPC/4/Doc. 5](#)). The fifth session of the Preparatory Commission took place in hybrid format on 22-23 November 2022 and was attended by 40 participants ([MACPC/5/Doc. 5](#)). The sixth session took place in hybrid format on 11-12 April 2024 and was attended by 33 participants ([MACPC/6/Doc. 8](#)).

³ In 2021 the MAC Protocol Preparatory Commission requested that UNIDROIT consider whether it would accept the role of Supervisory Authority ([UNIDROIT 2021 – C.D. \(100\) B.11](#), paras 10-14, [UNIDROIT 2021 – C.D.](#)

addresses matters related to UNIDROIT performing its obligations as Supervisory Authority, for consideration by the Governing Council at its 107th session under Agenda Item 8(e).

2. Selection of a Registrar to operate the MAC Protocol International Registry

8. Between 2020 and 2023, the MAC Preparatory Commission oversaw an international procurement process based on international best practice to select a Registrar to establish and operate the International Registry under the MAC Protocol,⁴ which resulted in the identification of a preferred bidder in September 2023.⁵ Between October 2023 and March 2024, a Contract Negotiation Team established by the Preparatory Commission negotiated a draft contract with the preferred bidder over a period of approximately 50 hours across seven sessions,⁶ as well as several intersessional internal coordination meetings. In March 2024, the Contract Negotiation Team submitted a draft contract to the MAC Preparatory Commission, with a recommendation that the draft contract sufficiently met the Commission’s core objectives.⁷ At its sixth session in April 2024, the Preparatory Commission approved the draft contract and authorised its finalisation, subject to a final independent evaluation to be provided by the international law firm DLA Piper on a *pro bono* basis.

9. DLA Piper provided advice to the Contract Negotiation Team between August 2024 and February 2025, which resulted in further negotiations with the preferred bidder and additional revisions to the draft contract in March, June, July and August 2025. These negotiations led to the successful resolution of the open issues and resulted in adjustments to the contract. In particular, the contract was further strengthened in relation to (i) processes for the delivery of supporting

(100) B.12, paras 3-5). The UNIDROIT Governing Council considered the matter between 2021 and 2023 and eventually recommended to the General Assembly by majority vote that UNIDROIT should be designated as the MAC Protocol Supervisory Authority (UNIDROIT 2024 – C.D. (102) 25, paras 238-271). The UNIDROIT General Assembly agreed to the Governing Council’s recommendation at its 82nd session in December 2023 and instructed the Secretariat to inform the MAC Protocol Preparatory Commission that it would be willing to accept the role of Supervisory Authority, on the precondition that the costs associated with undertaking the function are fully compensated (UNIDROIT 2023 – A.G. (82) 11, paras 58-76). At its sixth session in April 2024, the MAC Preparatory Commission formally designated UNIDROIT as the Supervisory Authority, to take effect on entry-into-force of the Protocol (MACPC/6/Doc. 8, paras 16-27).

⁴ At the Preparatory Commission’s first session, a Working Group was established to draft a request for proposals (RFP) for the selection of a Registrar (the Registrar Working Group). The RFP was developed by the Registrar Working Group over seven sessions (see [MACPC/Registrar/W.G./1/Doc. 4](#), [MACPC/Registrar/W.G./2/Doc. 4](#), [MACPC/Registrar/W.G./3/Doc. 4](#)) and approved by the Preparatory Commission at its fourth session in January 2022 (UNIDROIT 2022 – MACPC/4/Doc. 5). The RFP was published on 21 March and closed on 1 September 2022. Four bids were submitted in response to the RFP. An Evaluation Committee established by the Preparatory Commission assessed the bids according to the methodology set out in the RFP itself and submitted a report to the Preparatory Commission. The Preparatory Commission considered the Evaluation Committee’s report at its fifth session in November 2022 (UNIDROIT 2022 – MACPC/5/Doc. 5). The Preparatory Commission approved the ranking of the four bidders as recommended by the Evaluation Committee and agreed to negotiate in sequence with the bidders in order of their ranking.

⁵ The Preparatory Commission established a negotiation team to undertake the contract negotiations on its behalf, including individuals with expertise in the technical aspects of building and operating a registry, as well as individuals with expertise in the evaluation of financial matters. The composition of the negotiation team was approved by the Preparatory Commission in February 2023. In compliance with the request from the Preparatory Commission, the Secretariat also commissioned an independent evaluation of the preferred bidder’s financial proposal, with financial support from the MAC Working Group. Undertaken by consulting firm PWC and completed in August 2023, the evaluation found that the preferred bidder’s financial proposal was satisfactory. The evaluation was submitted to the Preparatory Commission in September 2023, which allowed the organisation of the contract negotiations with the preferred bidder to commence thereafter (UNIDROIT 2024 – MACPC/6/Doc. 8).

⁶ Contract negotiation sessions were held on (i) 11 January, (ii) 1 February, (iii) 7-8 February, (iv) 21 February, (v) 12-13 March, (vi) 19 March and (vii) 25 March 2024.

⁷ (i) The draft contract required the contractor to establish and operate the MAC Registry in compliance with the requirements set out in the RFP, and the preferred bidder’s response to the RFP, (ii) the draft contract provided a clear and reasonable timeline for the establishment of the MAC Registry that would ensure the registry would be operational as soon as possible after the requisite number of States have ratified the MAC Protocol, (iii) the draft contract provided financial consequences should the contractor not fulfil its contractual obligations, and (iv) the draft contract provided mechanisms for the Supervisory Authority to step in to ensure the continued operation of the MAC Registry, should the contractor be unwilling or unable to continue to act as registrar.

agreements, (ii) the inclusion of an insolvency step-in mechanism, (iii) the result of Supervisory Authority non-performance, (iv) greater cybersecurity obligations, (v) an improved mechanism to replace subcontractors and (vi) third-party intellectual property infringements. Once agreement was reached on the substantive matters, both parties undertook a final review of the revised draft contract, which resulted in several minor proofing revisions.

10. The final contract was submitted to the Preparatory Commission in December 2025 with an informational note explaining the additional revisions that had been made. With no objections to the revised contract being received, the contract was signed on 23 December 2025, with Informational Services Corporation (ISC) formally becoming the Registrar.

11. Following the conclusion of the Registry Contract, the Preparatory Commission established a Registry Working Group to work with ISC to undertake the various processes set out in the Contract required to establish the Registry. Initially, this work will focus on the drafting of supporting agreements, such as the Master Services Agreement, Deed of Business Continuity and Software Security Agreement. Australia, China, Germany, the United Kingdom and the United States nominated representatives to participate in the Registry Working Group, alongside observers from industry and the International Law Institute. The Registry Working Group will begin its work in the coming weeks.

3. Preparation of the first edition of the International Registry Regulations

12. Between 2020 and 2024, a Regulations Working Group established by the Preparatory Commission prepared a draft of the International Registry Regulations, which was submitted to the Preparatory Commission for consideration in April 2024.⁸ The Preparatory Commission approved the revised draft Regulations at its sixth session (Rome, April 2024),⁹ which became the Baseline Regulations in December 2025 (as incorporated as a schedule in the Registry Contract).

13. The Registrar, the Regulations Working Group and the MAC Protocol Diplomatic Conference Rapporteur Sir Roy Goode all identified several matters in the draft Regulations that might require further consideration. These matters will be considered by the Registry Working Group in the coming months.

4. 2028 Harmonized System (HS) Revision

14. In January 2026, the World Customs Organization (WCO) published the eighth edition of the Harmonized System (HS 2028), which will enter into force on 1 January 2028. The update introduced 299 sets of amendments (6 new headings, 428 new subheadings) aimed primarily at bolstering health security, tracking plastic pollution, and updating technology classifications.

15. The adoption of the HS 2028 has triggered the process under Article XXXV of the MAC Protocol (Adjustments to the Harmonized System codes in the Annexes following a Harmonized System revision). As Depositary under the MAC Protocol, UNIDROIT is currently undertaking its obligations

⁸ At the Preparatory Commission's first session, a Working Group was established to prepare a first draft of the International Registry Regulations (the Regulations Working Group). Over four sessions in 2020 and 2021, the Regulations Working Group resolved a number of policy and technical issues relating to the operation of the future MAC International Registry ([MACPC/Regulations/W.G./1/Doc. 3](#), [MACPC/Regulations/W.G./2/Doc. 4](#), [MACPC/Regulations/W.G./3/Doc. 3 rev](#), and [MACPC/Regulations/W.G./4/Doc. 5](#)). At the Preparatory Commission's third session, the Commission approved the draft Regulations and agreed that the draft Regulations were sufficiently developed for inclusion in the RFP for the selection of a Registrar ([MACPC/3/Doc. 6](#)). The draft Regulations were duly included as an Annex to the RFP when it was published on 21 March 2022. The Regulations Working Group was reconvened for two sessions in early 2024 to consider updating the draft Regulations in tandem with the contract negotiations for the appointment of a Registrar. Following the sixth session, the Working Group approved a revised version of the draft Regulations which submitted to the Preparatory Commission for consideration at its sixth session in April 2024.

⁹ See [MACPC/6/Doc. 8](#), paras 48-53.

under Article XXXV, including consultations with the WCO and the Preparatory Commission (in its capacity as Provisional Supervisory Authority). Initial analysis indicates that one HS code listed in the MAC Protocol Annexes might have been affected by the HS revision to better align the French and English translations of the relevant HS code. If this is indeed the case, the full Article XXXV process will need to be undertaken in advance of the HS 2028 entering into force on 1 January 2028.

D. Ratification and Promotion of the MAC Protocol

16. As stated in the introduction, UNIDROIT has been designated as the Depository of the MAC Protocol, pursuant to Article XXXVII(1) of the [treaty](#).

17. As of April 2025, one State has ratified the MAC Protocol (Paraguay),¹⁰ and four States (the Republic of Congo, the Republic of The Gambia, the Federal Republic of Nigeria and the United States of America) and one regional economic integration organisation (the European Union) have signed the Protocol.¹¹

18. The MAC Protocol remains under consideration in several States around the world. In the past twelve months, UNIDROIT has bilaterally engaged with officials in 20 States regarding the ratification of the MAC Protocol.¹² In many States, the treaty has been under long-term consideration, and there has been some progression towards Government approval and the development of implementing legislation (e.g., the Democratic Republic of Congo, Papua New Guinea, Mauritius). In other States, following recent governmental meetings with the UNIDROIT Secretariat, consideration is still at a preliminary stage (e.g., Brazil, Japan and China).

19. UNIDROIT is also working closely with European stakeholders to work towards the ratification of the MAC Protocol by the European Union as soon as possible. The European Union has competence for several matters under the MAC Protocol, which means that European Union Member States cannot ratify the MAC Protocol until the European Union has done so. The Secretariat has been liaising with the European Construction Equipment Association (CECE) and the European Agricultural Machinery Association (CEMA), as well as interested EU Member States, to work with the European Commission to prioritise ratification of the MAC Protocol. The current position of the EU Commission is that at least one EU Member State must sign the MAC Protocol before the EU will consider ratification.

1. The MAC Protocol Ratification Task Force

20. The Preparatory Commission created a MAC Protocol Ratification Task Force (RTF) in 2022 to support the implementation of the MAC Protocol. The RTF is an informal group of interested stakeholders that meets on a quarterly basis to coordinate strategy and initiatives to promote and implement the MAC Protocol. The RTF is currently composed of six States, three international organisations, private sector representatives, the Registrar and the UNIDROIT Secretariat.¹³ Recently,

¹⁰ Paraguay deposited its instrument of ratification of the MAC Protocol on 27 November 2024. In doing so, Paraguay became the first country to ratify all four existing Protocols to the Cape Town Convention. The instrument of ratification and declarations made by Paraguay in ratifying the MAC Protocol provide useful models for other States in Latin America considering ratification. See <https://www.unidroit.org/paraguay-becomes-first-state-to-ratify-the-full-cape-town-convention-system/>.

¹¹ The Republic of Congo, the Republic of The Gambia, the Republic of Paraguay and the Federal Republic of Nigeria signed the Protocol at the Diplomatic Conference on 22 November 2019. The United States of America signed the MAC Protocol on 1 October 2020 at a ceremony held at the seat of UNIDROIT in Rome. The European Union signed the MAC Protocol on 20 September 2022.

¹² Australia, Brazil, China, Democratic Republic of Congo, Fiji, Indonesia, Ireland, Japan, Mauritius, New Zealand, Palau, Papua New Guinea, Poland, Samoa, Serbia, Spain, Uganda, United Kingdom, United States of America, Viet Nam.

¹³ The RTF is currently composed of Australia, Germany, Ireland, Spain, the United Kingdom, the United States of America, the MAC Working Group, the World Bank Group, the European Bank for Reconstruction and Development, the International Law Institute, the Registrar, and the UNIDROIT Secretariat.

the World Bank Group and the European Bank for Reconstruction and Development have joined the RTF.

21. The RTF met twice in 2023, twice in 2024, once in 2025, and has already met twice in 2026, with an eighth session scheduled for 14 May 2026.¹⁴ The RTF is currently working on the following initiatives:

- (a) Engagement with a list of high-priority countries to urgently secure further MAC Protocol ratifications;
- (b) Adoption of the MAC Protocol as a policy priority by relevant fora:
 - (i) International Financial Institutions: Asian Development Bank (ADB), Asian Infrastructure and Investment Bank (AIIB), European Bank for Reconstruction and Development (EBRD), World Bank Group (WBG);
 - (ii) Regional bodies: Asia-Pacific Economic Cooperation (APEC), East African Community (EAC), the European Union (EU);
- (c) The organisation of major events to promote and implement the MAC Protocol;
- (d) Enhancement of the stand-alone MAC Protocol website (<https://www.macprotocol.org/>), including the integration of annual global trade data for MAC equipment within the scope of the treaty;
- (e) Collaboration on the preparation of a new MAC Protocol benefits assessment for the MAC Protocol, to update the 2018 Economic Assessment;
- (f) Maintenance of a digital SharePoint for all RTF members to upload and access relevant materials and creation of a table tracking the implementation status of the MAC Protocol in different countries.

2. Promotion of the MAC Protocol

22. The Secretariat has continued to promote the MAC Protocol at various intergovernmental, regional, and domestic fora in order to encourage signatures, ratifications, and support from governments and industry. Over the last twelve months, these activities include:

- (a) Presentation of the MAC Protocol to African officials from 14 States through the UNIDROIT International Programme for Law and Development – Africa Plus (Rome, June 2025);
- (b) Consultations with Brazilian stakeholders (Brasilia, August 2025);
- (c) MAC Protocol-related sessions at the 14th Cape Town Convention Conference (Cambridge, September 2025);¹⁵
- (d) International Conference with EBRD on the MAC and Rail Protocols (London, September 2025);¹⁶
- (e) Presentation of the MAC Protocol to 100 participants from 18 countries during the 2025 UNIDROIT Asian Transnational Law Centre Summer School (Wuhan, September 2025);¹⁷

¹⁴ The RTF held its first session on 5 October 2023, its second session on 19 December 2023, its third session on 12 April 2024, its fourth session on 10 December 2024, its fifth session on 20 June 2025, its sixth session on 25 February 2026, and its seventh session on 22 April 2026.

¹⁵ <https://www.unidroit.org/14th-ctc-conference-dedicated-to-treaty-implementation-in-cambridge/>.

¹⁶ <https://www.unidroit.org/wp-content/uploads/2025/08/1868-EBRD-UNIDROIT-conference-invite-agenda-3.pdf>.

¹⁷ <https://www.unidroit.org/2025-unidroit-atlc-summer-school-opens-in-wuhan/>.

- (f) Presentation of the MAC Protocol to officials from 14 States from the Balkans, Eastern Partnership, Central Asia, and Caucasus (BEPAC) through the UNIDROIT International Programme for Law and Development – BEPCAC (Rome, October 2025);¹⁸
- (g) APEC Workshop on Agricultural Finance, with one day dedicated to the MAC Protocol (Tokyo, October 2025);¹⁹
- (h) Consultations with Japanese stakeholders (Tokyo, October and November 2025);
- (i) Organisation of consultation event with Chinese stakeholders on the benefits of the MAC Protocol for China (Beijing, November 2025);²⁰
- (j) Presentation of the MAC Protocol at the Trade Finance Coalition of Parties (TFCOP) during annual meeting (London, November 2025);
- (k) Cape Town Session at eighth Secured Transactions Coordination Conference (Hong Kong, November 2025);²¹
- (l) Presentation to the Banking and Financial Services Legal Association (BFSLA) New Zealand branch (Auckland, March 2026);
- (m) Presentation at Christchurch Conference on International and Transnational Legal Frameworks 2026 (CCITLF 2026) during panel on Private Legal Issues and Disputes in Agricultural / Fisheries Trade (Christchurch, March 2026);
- (n) presentation to the Banking and Financial Services Legal Association (BFSLA) Australia branch (Sydney, March 2026); and
- (o) Regular virtual meetings with the MAC Working Group.

E. Next Steps

23. The Secretariat will (i) continue to support the work of the Preparatory Commission, the Registrar Working Group and the Ratification Task Force, and (ii) continue cooperation with the Registrar-designate and MAC Working Group, in order to facilitate the earliest possible entry-into-force of the MAC Protocol. The Secretariat will also continue to directly assist States and regional economic integration organisations in their implementation of the MAC Protocol.

II. REPORT AND PROPOSAL OF ALLOCATION OF FUNCTIONS OF THE SUPERVISORY AUTHORITY FOR THE MAC PROTOCOL REGISTRY AMONG UNIDROIT GOVERNING BODIES

A. Introduction

24. At its sixth session in April 2024, the MAC Preparatory Commission formally designated UNIDROIT as the Supervisory Authority of the International Registry to be established under the MAC Protocol, to take effect on entry-into-force of the Protocol. In 2025, the UNIDROIT General Assembly

¹⁸ <https://www.unidroit.org/strengthening-legal-cooperation-across-regions-unidroits-2025-international-programme-for-law-and-development-concludes-on-a-high-note/>.

¹⁹ <https://www.unidroit.org/unidroit-contributes-to-apec-economic-committee-workshop-on-secured-finance-to-facilitate-sustainable-economic-growth-and-improve-food-security-in-tokyo/>.

²⁰ <https://www.unidroit.org/unidroit-contributes-to-apec-economic-committee-workshop-on-secured-finance-to-facilitate-sustainable-economic-growth-and-improve-food-security-in-tokyo/>.

²¹ <https://www.unidroit.org/37266/>.

decided to establish a Supervisory Authority Committee to undertake the Supervisory Authority functions, following the recommendation of the Governing Council.²²

25. The purpose of this part of the document is to provide a brief update on preparations for the establishment of the Supervisory Authority Committee.

B. Background

26. UNIDROIT was designated as Supervisory Authority on approval by both the UNIDROIT Governing Council and the UNIDROIT General Assembly in 2024, following several years of careful consideration of the matter. In 2021 the MAC Protocol Preparatory Commission requested that UNIDROIT consider whether it would accept the role of Supervisory Authority, having verified that there were no other existing international organisations that were able to undertake the role. The UNIDROIT Governing Council considered the matter between 2021 and 2023 and eventually recommended to the General Assembly by majority vote that UNIDROIT should be designated as the MAC Protocol Supervisory Authority. The UNIDROIT General Assembly agreed to the Governing Council's recommendation at its 82nd session in December 2023 and instructed the Secretariat to inform the MAC Protocol Preparatory Commission that it would be willing to accept the role of Supervisory Authority, on the precondition that the costs associated with undertaking the function are fully compensated.²³ At its sixth session in April 2024, the MAC Preparatory Commission formally designated UNIDROIT as the Supervisory Authority under the MAC Protocol, to take effect on entry-into-force of the Protocol.

27. At its 105th session (Rome, May 2025), the Governing Council discussed a detailed report on different options as to how UNIDROIT's organs could discharge the Supervisory Authority functions.²⁴ At that session, the Governing Council decided that (i) it would be preferable for the UNIDROIT General Assembly to create a Committee of States to undertake both the MAC Protocol Supervisory Authority's general functions and formal functions, and (ii) the Committee should have the ability to refer decisions back to the General Assembly under certain circumstances, in consultation with the Governing Council (Option 2C as identified in document [Unidroit 2025 - C.D. \(105\) 17](#)). As such, the Governing Council decided to recommend to the General Assembly that it consider creating a Committee to undertake both the general functions and the formal functions of the MAC Protocol Supervisory Authority, and that the Committee would begin operation on entry-into-force of the MAC Protocol.²⁵

28. At its 85th session (Rome, 11 December 2025), the General Assembly discussed the allocation of functions for the Supervisory Authority. The Secretary-General presented the different options, highlighting the proposal recommended by both the Governing Council and the Secretariat (Option 2C). Four Member States then expressed support for Option 2C.²⁶ As no countervailing views were expressed, the General Assembly agreed to the establishment of a Committee to undertake both the

²³ A detailed background regarding the process to designate UNIDROIT as Supervisory Authority is available in Governing Council document [UNIDROIT 2023 – C.D. \(102\) 17](#) and General Assembly document [UNIDROIT 2023 – A.G. \(82\) 5](#). An initial analysis regarding the incorporation of the Supervisory Authority functions into UNIDROIT's structure is available in [UNIDROIT 2022 – C.D. \(101\) 15](#) (paras 53-56). An analysis of the anticipated costs of undertaking the Supervisory Authority functions (which will be fully compensated through extrabudgetary funding outside UNIDROIT Member State contributions) is available in [UNIDROIT 2024 – C.D. \(103\) 17](#) (paras 20-34). The 2026 update on the implementation and Status of the MAC Protocol is available in the first half of the present document.

²³ See the report of the 82nd session of the UNIDROIT General Assembly ([UNIDROIT 2023 – A.G. \(82\) 11](#)), paragraphs 58-76.

²⁴ See [UNIDROIT 2025 – C.D. \(105\) 17](#).

²⁵ See [UNIDROIT 2025 – C.D. \(105\) Misc. 3](#), paragraph 29.

²⁶ Australia, Canada, South Africa and the United Kingdom.

general and formal functions of the Supervisory Authority (“the Supervisory Authority Committee” or “the SA Committee”), in adherence with the Governing Council’s recommendation.²⁷

C. Supervisory Authority Responsibilities

29. Article 17(2) of the Convention sets out the core responsibilities of the Supervisory Authority, as listed below. The Supervisory Authority has no responsibility for the interpretation of the Convention or its Protocols, their implementation in matters not pertaining to the International Registry, nor any other function or activity not related to the Registry. Similarly, the Supervisory Authority is not responsible for adjudicating on a particular registration, nor does it give instructions to the Registrar to change any data relating to a particular registration. Instead, its competences are the following:

- (a) establish or provide for the establishment of the International Registry;
- (b) except as otherwise provided by the Protocol, appoint and dismiss the Registrar;
- (c) ensure that any rights required for the continued effective operation of the International Registry in the event of a change of Registrar will vest in or be assignable to the new Registrar;
- (d) after consultation with the Contracting States, make or approve and ensure the publication of regulations pursuant to the Protocol dealing with the operation of the International Registry;
- (e) establish administrative procedures through which complaints concerning the operation of the International Registry can be made to the Supervisory Authority;
- (f) supervise the Registrar and the operation of the International Registry;
- (g) at the request of the Registrar, provide such guidance to the Registrar as the Supervisory Authority thinks fit;
- (h) set and periodically review the structure of fees to be charged for the services and facilities of the International Registry;
- (i) do all things necessary to ensure that an efficient notice-based electronic registration system exists to implement the objectives of this Convention and the Protocol; and
- (j) report periodically to Contracting States concerning the discharge of its obligations under this Convention and the Protocol.

30. In essence, the Supervisory Authority’s functions under Article 17(2) of the Convention can be divided into three categories:

- (a) Formal functions are the functions which are essential for the registry to operate at all, such as (a) the appointment or dismissal of the Registrar, (b) the approval or modification of the Registry Regulations, and (c) the setting of fees;
- (b) General functions are the ongoing supervisory functions which are designed to ensure the smooth and efficient operation of the registry, such as the supervision of the Registrar and the operation of the International Registry, the approval of periodical reports and the establishment of complaint procedures; and
- (c) Administrative functions are the routine clerical functions which relate to the Supervisory Authority’s reporting, publication and communication responsibilities, such as the publication of the Regulations and the communication of periodical reports to Contracting States.

²⁷ See [UNIDROIT 2026 – A.G. \(85\) 14](#), paras 82-93.

31. Additionally, Clause 9 of the Registry Contract (between the Supervisory Authority and the Registrar) requires the Supervisory Authority to collaborate with the appointed Registrar to develop a programme to promote ratification of, or accession to, the MAC Protocol, by (a) working with interested parties to prepare promotional materials, (b) coordinating with interested parties to encourage the provision of incentives for transactions to which the Protocol applies, (c) liaising with the host State of the Registry, (d) identifying appropriate opportunities to promote the Protocol, and (e) participating in any bodies created to oversee and coordinate efforts to promote ratification or accession. Currently these activities are undertaken by the Ratification Task Force (as created by the Preparatory Commission), which is administered by the UNIDROIT Secretariat (in its role as Secretariat to the Preparatory Commission itself).

D. The Supervisory Authority Committee

32. The Governing Council and General Assembly both agreed that UNIDROIT should create a Committee of interested UNIDROIT Member States to undertake both the general functions and the formal functions of the Supervisory Authority. This section provides some additional information on the operation of the Committee, for discussion by the Governing Council at its 107th session. Ultimately, it will be for the General Assembly to decide on these matters before entry-into-force of the MAC Protocol.

33. **Rules of Procedure:** As consistent with other UNIDROIT bodies, the Supervisory Authority Committee would operate on the basis of agreed-upon Rules of Procedure. It is proposed that the initial Rules of Procedure should be adopted by the General Assembly, after which they could be subsequently amended by the SA Committee itself, when needed, pursuant to delegated powers. The Rules of Procedure will cover the matters discussed in paragraphs 34-43.

34. **Committee Membership:** Membership would be open to UNIDROIT Member States. Similarly to the operation of the Finance Committee, it is proposed that UNIDROIT Member States could submit a nomination to join the SA Committee, which would then have its membership confirmed by the General Assembly. UNIDROIT Member States that are also signatories or MAC Protocol Contracting States (and Contracting States of the Cape Town Convention itself) could be granted automatic inclusion in the SA Committee, should they wish to participate.

35. **Observers:** MAC Protocol Contracting States that are not UNIDROIT Member States would only be able to attend the SA Committee as observers and would have no formal vote in relation to the General Assembly undertaking any functions as Supervisory Authority. Interested Governing Council Members would also have the right to observe the SA Committee.

36. **Meetings:** The SA Committee would schedule its own meetings on a periodic basis (at least once per year). Meetings would always allow remote participation, in order to minimise participation costs for Committee Members.

37. **Powers of the Committee:** The Supervisory Authority Committee should be empowered to discharge the formal and general Supervisory Authority functions provided for in the Convention (as set out above), with the UNIDROIT Secretariat to undertake the administrative functions .

Formal and General Functions (to be discharged by the Committee)

- (a) Supervise the Registrar and operation of Registry;
- (b) Appoint (and re-appoint) and dismiss the Registrar;
- (c) Approve, amend and publish the Registry Regulations;
- (d) Set and periodically review fees;
- (e) Establish an administrative complaints procedure;

- (f) Manage transition to a new Registrar (if necessary);
- (g) Provide guidance to the Registrar (on request);
- (h) Undertake anything else necessary “to ensure that an efficient notice-based electronic registration system exists to implement the objectives of this Convention and the Protocol”; and

Administrative Functions (to be discharged by the Secretariat)

- (i) Report periodically concerning the discharge of its obligations.

38. **Reporting to Governing Council:** As per UNIDROIT’s established working methodology and consistently with the UNIDROIT Statute, the Secretariat would provide a report on the work undertaken by the SA Committee, for consideration by the Governing Council at its annual meeting each May. The Governing Council would thus have the opportunity to review the SA Committee’s report, discuss its operation, and provide recommendations to the General Assembly regarding the SA Committee’s operation.

39. **Reporting to the General Assembly:** As a subordinate body to the General Assembly, the SA Committee would submit a report each year to the General Assembly for its discussion and consideration, alongside any recommendations from the Governing Council. The General Assembly would have the power to adapt the operation of the SA Committee in order to improve its operation or improve the discharge of functions vested in UNIDROIT in its capacity as the Supervisory Authority.

40. **Referral of extraordinary matters:** Based on ICAO’s experience as Supervisory Authority under the Aircraft Protocol, it is unlikely that the Supervisory Authority would need to regularly undertake urgent or extraordinary measures to ensure the continued operation of the Registry. However, there are certain circumstances where extraordinary measures might need to be taken by the SA Committee. Three such potential scenarios are set out below. If such an extraordinary situation were to arise, it would seem prudent to allow the SA Committee to defer decision-making back to the General Assembly. Under such circumstances, the Governing Council may also be consulted on the situation and provide recommendations, although it would not have any decision-making authority. It will need to be decided whether the referral of extraordinary matters back to the General Assembly would be a discretionary decision for the SA Committee, or a mandatory decision. Different views on this matter were expressed by Governing Council Members at the 105th session (Rome, May 2025). It is the Secretariat’s view that the mandatory referral of all extraordinary matters back to the General Assembly may not be necessary or advisable (for example, the need to undertake a time-sensitive insolvency step-in process of the entity running the Registry might be negatively impacted by the need to schedule an emergency General Assembly meeting). However, it might be advisable for non-time sensitive extraordinary measures (for example, the dismissal or non-renewal of the Registrar for underperformance) to be mandatorily referred to the General Assembly for final decision. This is a matter that the Governing Council may wish to discuss further at its 107th session.

- (a) Insolvency Step-In: Where the Registrar has an insolvency event, the Supervisory Authority may need to (i) quickly issue a step-in notice under Clause 39 of the Registry Contract that sets out the action it will be taking (“required action”); (ii) take control of Registry Services and transfer them (temporarily or otherwise) to a third-party to ensure the continued operation of the Registry); and (iii) undertake any further action (including potentially appointing a new Registrar and negotiating a new Registry Contract).
- (b) Urgent request for adjustment of fees or a change in services: While the regular review and adjustment of Registry Fees is a routine aspect of the Supervisory Authority’s work, a situation could arise where the Registrar requests an urgent fee adjustment or a change in services to ensure the continued financial viability of the

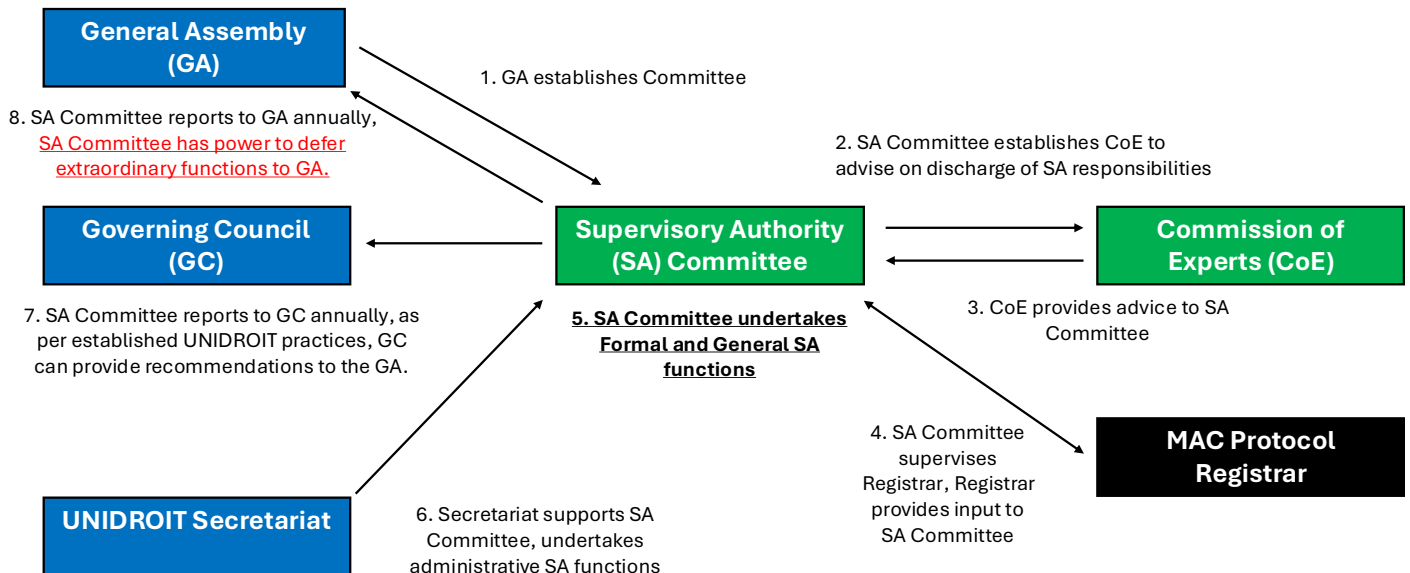
Registry (for example, a force majeure event in one or more Contracting States means that fee revenue from that State drops significantly). Under these circumstances, the Supervisory Authority might need to undertake an extraordinary review and adjustment of fees under Clause 15 of the Registry Contract.

- (c) **Dismissal of Registrar:** If the International Registry under the MAC Protocol is operating smoothly, it would be expected that the Supervisory Authority would periodically reappoint the Registrar (as has been the case under the Aircraft Protocol, which for the entire 20 years of operation has had the same Registrar). A decision to dismiss the Registrar and appoint a new Registrar may not be an emergency decision, but it would be an extraordinary decision of significant gravity.

41. **Commission of Experts:** Resolution 2 of the MAC Protocol Diplomatic Conference Final Act invites the Supervisory Authority to establish a Commission of Experts with the task of assisting the Supervisory Authority in the discharge of its functions. UNIDROIT will establish such a Committee of Experts upon entry-into-force of the Protocol, using the Commission of Experts of the Supervisory Authority of the International Registry (CESAIR) established by ICAO (in its capacity as the Supervisory Authority under the Aircraft Protocol) as a model.²⁸ Work to establish the Commission of Experts will begin once an entry-into-force date has been determined.

42. The below table provides a summary of how it is proposed that the SA Committee will operate, in conjunction with UNIDROIT's other organs:

Proposed operation of the Supervisory Authority Committee



E. Next Steps

43. Over the next twelve months, the Secretariat will develop the Supervisory Authority Committee draft Rules of Procedure, taking into account feedback received from the Governing

²⁸ A similar body has now been established for the Luxembourg Rail Protocol. To facilitate the functioning of the Committee in the initial phase of entry into force of the treaty, this Committee is composed of experts nominated by contracting Parties and additional experts appointed by the Chair of the Supervisory Authority.

Council and the General Assembly. Once the MAC Protocol is closer to entry into force (for example, once the treaty has three Contracting States), the Secretariat will undertake further work to finalise the staffing arrangements required for the discharge of the Supervisory Authority functions, and work with interested parties to confirm arrangements for UNIDROIT to be provided with the requisite interim funding to discharge the Supervisory Authority functions until Registry Fees are sufficient to cover the Supervisory Authority costs.

III. ACTION TO BE TAKEN

44. *The Governing Council is invited to note the progress on the implementation of the MAC Protocol to the Cape Town Convention and to discuss open issues related to the proposed operation of the Supervisory Authority Committee to be established by the General Assembly.*