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GOVERNING COUNCIL
107th session
Rome, 27-29 May 2026

UNIDROIT 2026
C.D. (107) 29
Original: English
September 2026

REPORT

(prepared by the Secretariat)

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1. *The President of UNIDROIT, Mr Enzo Moavero Milanesi*, opened the session and highlighted the significance of the Institute's Centenary year, as well as several initiatives undertaken in connection with the Centenary celebrations.
2. He drew the Governing Council's attention to the restoration works carried out at Villa Aldobrandini and to the display of the flags of the Institute's 65 Member States, together with the UNIDROIT flag, noting that they served as a visible symbol of the Institute's international character and identity.
3. The President further highlighted the recent installation of a commemorative plaque at the entrance of the Historical Archives, marking their inauguration on the 20th April by the President of the Italian Republic. He described this as an important achievement in preserving and promoting the institutional heritage of UNIDROIT.
4. In addition, he informed the Council that the exhibition organised for the opening ceremony of the Centenary celebrations, located on the first floor, would remain permanently accessible to visitors. Together with the Institute's Library, which had long welcomed external scholars and visitors, the exhibition would serve as a lasting resource for promoting awareness of UNIDROIT's history, mandate, and achievements.
5. The President concluded by expressing his sincere appreciation to the Secretariat for its daily commitment and support, as well as to the scholars, researchers, and Members of the Governing Council whose contributions continued to advance the Institute's work and objectives.
6. *The Governing Council took note of the President's remarks and proceeded to the consideration of the agenda items.*

Item 1 on the agenda: Adoption of the annotated draft agenda ([C.D. \(107\) 1 rev.](#))

7. *The agenda was adopted as proposed in document [C.D. \(107\) 1 rev.](#)*

Item 2 on the agenda: Appointment of First and Second Vice-Presidents of the Governing Council ([C.D. \(107\) 1 rev.](#))

8. *The President* invited the Secretary-General, Mr Ignacio Tirado, to introduce the first item on the agenda. *The Secretary-General* welcomed the Members of the Governing Council and noted that the session marked the first in-person meeting under the presidency of the newly-appointed President.
9. *The Secretary-General* recalled that the Council was required to appoint two Vice-Presidents. In accordance with the established practice of the Organisation, the position of First Vice-President was customarily held by the Dean (Doyen) of the Governing Council. The Secretary-General therefore proposed the reappointment of Mr Jorge Sánchez Cordero, who had served UNIDROIT and its Governing Council for more than forty years, as First Vice-President. As for the appointment of Second Vice-President, he recalled that the position rotated among Members of the Governing Council according to seniority (i.e., years of service). He expressed the Council's appreciation to Ms Kathryn Sabo, the outgoing Second Vice-President, for her valuable assistance and exemplary service in that capacity during the previous year. The Secretary-General then proposed the appointment of Mr Antti Leinonen as Second Vice-President. The President invited Mr Jorge Sánchez Cordero to address the Council and noted he would speak in Spanish as, for the first time, Spanish was being used as an official working language of the Organisation. *Mr Jorge Sánchez Cordero* expressed his deep appreciation for the opportunity to participate in the Institute's Centenary celebrations, noting that his long history with UNIDROIT made the occasion particularly meaningful for him. He conveyed

sincere gratitude to the Government of Spain for its generous support in financing the preparation and translation of documents and in ensuring the availability of simultaneous interpretation in Spanish during the session.

10. *The Council appointed Mr Jorge Sánchez Cordero, Doyen of the Council, as First Vice-President, and Mr Antti Leinonen as Second Vice-President, to serve in these positions until the next in-person session of the Governing Council.*

Item 3 on the agenda: Reports

(a) Annual Report 2025 ([C.D. \(107\) 2](#))

11. *The Secretary-General* took the floor to present the Annual Report regarding the work undertaken in 2025. He highlighted that the Institute had maintained institutional stability and continued its growth throughout 2025. He welcomed the appointment of Mr Moavero Milanesi as President of UNIDROIT and expressed the Institute's gratitude to Ms Maria Chiara Malaguti for her service as President. He further noted that, upon the proposal of President Moavero Milanesi, the General Assembly had appointed Ms Malaguti as President Emerita, enabling her continued engagement with -and support for-- the Institute's activities.

12. The Secretary-General reported continued progress in membership expansion efforts, and highlighted that Viet Nam and Qatar were close to completing their internal procedures to become Member States, and that discussions with Costa Rica, Guatemala and Honduras had advanced positively, perhaps due to the introduction of Spanish as a working language of the Institute.

13. He further reported that the General Assembly had authorised the establishment of a UNIDROIT liaison office in Hong Kong and that implementation of the General Assembly's mandate was underway, including the development of procedures for the appointment of the Director and administrative personnel of the office. He further reminded the Governing Council that the establishment of the office would not have a financial impact on the Institute's Budget.

14. The Secretary-General highlighted the continued development of the Secretariat's institutional capacity. He noted that the Secretariat counted now on 35 members, including eight Legal Officers, six Consultants, five seconded Legal Officers, one Sir Roy Goode Scholar, and fifteen members of the administrative staff. He explained that this represented significant growth compared to previous years, while emphasising that the expansion had been achieved without additional pressure on the Institute's Budget. In particular, he noted that staffing arrangements had been optimised through the use of extra-budgetary resources, consultancy arrangements, and secondment programmes. He emphasised the valuable contribution of seconded personnel and noted that the Institute had benefited from secondments from the People's Republic of China, Italy, and the Republic of Korea, and expressed the hope that an additional secondee from Singapore would join the Secretariat in the near future.

15. The Secretary-General reported that the new Work Programme for 2025–2028 had been approved, including projects on a Model Law or Legal Guide on the Legal and Regulatory Aspects of Investment-Based Crowdfunding, a Legal Guide on the Insolvency of Insurance Enterprises, International Principles on Construction and Engineering contract law, and the Regulation of Digital Risks through Civil Liability law. Work on the contractual aspects of Standard-Essential Patents had also been included as a lower-priority topic.

16. Regarding the implementation of UNIDROIT's conventions, he highlighted the continued growth of the Cape Town Convention and its Protocols. The Secretary-General noted that the Convention had reached 90 Contracting States, in addition to the European Union. The Aircraft Protocol had 87 Contracting States of which Benin, Georgia, Lithuania and Uganda were welcomed in 2025. He

explained the International Registry now supported over 1.8 million registrations. He informed the Council that the Luxembourg Rail Protocol continued to make encouraging progress: six States had ratified the Protocol, with Mauritius and the UK in the pipeline. Concerning the Rail Protocol in Africa, he noted the decision of the Government of South Africa to provide a 20 percent export credit discount for financing transactions involving States that had ratified the Rail Protocol. Turning to the Protocol to the Cape Town Convention on Matters Specific to Mining, Agricultural and Construction Equipment (MAC Protocol), the Secretary-General reported that the Protocol had so far garnered six signatures and one ratification. He noted that substantial preparatory and promotional work had been undertaken during the reporting period and expressed optimism regarding future growth in participation. He further recalled that the General Assembly had approved the internal allocation of competences among the Institute's bodies in relation to the implementation of UNIDROIT's functions as Supervisory Authority under the MAC Protocol, thereby establishing the institutional framework necessary for the discharge of those responsibilities.

17. The Secretary-General reported continued progress in the promotion and implementation of the Institute's instruments in the field of cultural property. He informed the Governing Council that Uruguay and Yemen had acceded to the 1995 UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects during 2025. He further reported that cooperation with UNESCO, ICOM and other partner organisations remained strong. He highlighted the Institute's participation in the G20 Summit, during which Brazil's Minister of Culture, Margareth Menezes, made a call for the accession to the 1995 Convention. He also emphasised the continuation of the Institute's long-standing programme of technical assistance activities.

18. The Secretary-General informed the Council on the completion of four instruments during 2025: the adoption of the Legislative Guide on Bank Liquidation, developed in cooperation with the Financial Stability Institute of the Bank for International Settlements; the Guide to Enactment of the UNIDROIT Model Law on Factoring, including guidance on digital platforms for the negotiation of receivables; the Principles of Reinsurance Contract Law (PRICL), which was presented to Lloyd's of London; and the Best Practices for Effective Enforcement.

19. Next, the Secretary-General outlined the substantial progress achieved on several ongoing projects. In particular, he noted that the projects on International Investment Contracts, Collaborative Legal Structures for Agricultural Enterprises, and Verified Carbon Credits had each reached an advanced stage of development and were expected to be submitted for public consultation following finalisation of the relevant draft instruments. He explained that, following the consultation process, the respective Working Groups would reconvene to consider the feedback received and prepare the final texts for submission to the Governing Council.

20. He highlighted the further strengthening of institutional partnerships with other international organisations, including the World Bank Group, the European Bank for Reconstruction and Development (EBRD), and the Asian Development Bank (ADB). He noted that these partnerships had reached an unprecedented level of operational cooperation and were proving highly beneficial to the Institute's work. He also highlighted continued collaboration with UNESCO, ICCROM and ICOM in areas of mutual interest.

21. The Secretary-General reported on the success of several academic and capacity-building initiatives undertaken during the year. He referred in particular to the first edition of the ATLC Summer School held in Wuhan, attracting over 100 participants from 18 countries, as well as the inaugural UPICC Moot on the UNIDROIT Principles of International Commercial Contracts, which had attracted approximately 150 participants and more than 70 arbitrators across competition rounds held in Shanghai and Rome. He noted that these initiatives had significantly contributed to the dissemination and promotion of UNIDROIT instruments within academic and professional communities.

22. The Governing Council was asked to note the progress achieved by the Cape Town Convention Academic Project. He highlighted the completion of the Guide on Best Practices for Electronic Business Registries and the Economic Evaluation of International Commercial Law Reform: Framework and Guide, as well as substantial advances in the development of the project on the Implementation and Compliance of International Commercial Law Treaties, which was approaching finalisation.

23. He further highlighted the Institute's cooperation with academic institutions and noted that 16 new memoranda of understanding had been concluded with leading universities and institutions worldwide. He highlighted, in particular, cooperation with the Egyptian Council of State in the areas of judicial training and capacity-building.

24. The Secretary-General concluded by referring to the continued success of the Institute's Scholarship, Internship, and Research Programme, which remained an important tool for outreach, dissemination and engagement with future generations of legal professionals. He emphasised that in 2025 the Institute had welcomed 168 participants in the programme, including 85 interns and 23 scholars from 46 countries and 60 researchers from 22 countries. He highlighted that the Institute had received a record number of applications for the 2026 programme.

25. *The representative from the People's Republic of China* congratulated the President on his appointment and commended the Institute on the impressive achievements it had made in all aspects of its work. *Ms Kathryn Sabo* concurred and commended the Institute on its reinforcement and expansion of its academic projects.

26. *Ms Uma Sekhar* congratulated the President on his appointment and expressed her gratitude to the tremendous work carried out by the Institute in 2025. She highlighted her appreciation that Viet Nam was on track to become a Member State. She also asked for clarification on the update of the opening of the liaison office in Hong Kong.

27. *Mr Eesa Allie Fredericks* added his congratulations to the President and commended the Institute on what had been an exceptionally demanding and productive year. From a South African perspective, he particularly welcomed the reference to South Africa's ratification of the Luxembourg Rail Protocol and expressed his appreciation for the IPLD Africa Plus Programme, noting that it was encouraging to see UNIDROIT investing in future users, experts, and institutional interlocutors across Africa.

28. *Ms Stefania Bariatti* congratulated the President on his appointment and commented on the extraordinary work that had been conducted in preparation for the Centenary year. She also underlined the importance of the work that had been carried out in relation to its cooperation with other international organisations and how the strong relationships would continue to help foster the work of the Institute in the future.

29. *Mr Jorge Sánchez Cordero* highlighted his appreciation for the Institute's strong academic reputation, noting its recognition as a leading centre for high-quality scientific and legal research, particularly in comparative law and legal development. He also emphasised organisational achievements, including the establishment of the office in Hong Kong, which strengthened the Institute's regional presence and reinforced its international character. He also expressed his appreciation for the successful efforts carried out to promote the Institute's work and concluded by expressing gratitude to the Secretariat and all contributors who supported the Institute's activities.

30. *The Council appreciated the extensive normative and dissemination work carried out by the Secretariat as outlined in the Annual Report and commended the initiatives undertaken for the Centenary as well as the numerous academic activities.*

(b) Report on the UNIDROIT Foundation (C.D. (107) 3)

31. *The President of the UNIDROIT Foundation, Mr Jeffrey Wool*, introduced the report, thanking the Secretariat for its support. He recalled the Foundation's establishment in 1996 by Professors Luigi Ferrari Bravo, Arthur Hartkamp and Sir Roy Goode, and reiterated that its purposes were: (i) to raise extra-budgetary funds in support of UNIDROIT, and (ii) to carry out substantive work closely related to the Institute's core activities. He then invited members of the Secretariat to present the three projects initiated under the umbrella of the Cape Town Convention Academic Project (CTCAP).

32. *Legal Consultant Ms Kateryna Bovsunovska* introduced the first substantive project on Best Practices in the Field of Electronic Registry Design and Operation (BPER) and the progress on the Guide on Best Practices for Electronic Business Registries. She noted that the ninth BPER workshop had taken place in June 2025, at which the final revisions to the structure of the Draft Guide had been agreed, followed by a targeted consultation held from September to November 2025. The consultation had been promoted at the Corporate Registers Forum Annual Meeting in Tunis in October 2025, enabling the Working Group to receive feedback from registry practitioners, technology service providers, academics, and legal professionals. The comments had been processed at the tenth and final workshop in February 2026, and the Guide had been finalised over the subsequent months. The Guide covered 24 Critical Performance Factors and followed the interdisciplinary approach of the Guide on Best Practices for Electronic Collateral Registries, published in 2021. She highlighted that the new Guide would be launched at a side event of the present Governing Council session.

33. *Mr Wool* added that the Cape Town Convention had included innovative provisions on electronic registries when the instrument was adopted in 2001, and that subsequent work carried out by the Foundation on collateral registries had been influential for international registries established under the Convention. Expanding the BPER Project's focus to include business registries was a natural evolution, reflecting the intersection of public and private law domains.

34. *Legal Consultant Ms Theodora Kostoula* presented the second substantive project on the Economic Evaluation of International Commercial Law Reform. She indicated that a targeted consultation on the Framework and the Guide had been completed, and a consultation workshop had taken place in June 2025 to discuss feedback received from leading academics, experts, and representatives of international organisations, including the Asian Development Bank, the World Bank, and the European Bank for Reconstruction and Development. Based on the feedback, the Guide had been refined and finalised at an expert group meeting in February 2026. A user template and two additional case studies, one on a hypothetical law reform and one on a real law reform, had been prepared to test the Guide's applicability. She noted that the Guide's application was not limited to UNIDROIT instruments and was intended to be a useful tool for other international, regional and national organisations working in the area. She informed the Council that the Guide would also be launched at a side event to the present Governing Council session.

35. *Ms Kostoula* then presented the third substantive project on Implementation of and Compliance with International Commercial Law Treaties ("Treaty Project"). She noted that a second workshop had been held at the Lauterpacht Centre for International Law in Cambridge in September 2025, at which a detailed paper prepared by the Secretariat had been discussed, drawing on feedback from leading experts across ten different treaty areas. Work was now underway on a best practices guide to facilitate compliance with commercial law treaties, and a third Treaty Project workshop had been planned with a view to finalising the Guide by the end of 2026. *Mr Wool* highlighted that the comparative law expertise of UNIDROIT was applied in the Treaty Project through engagement with human rights, environmental, and intellectual property law, as well as other treaty areas.

36. Turning to the Foundation's financial activities, *Mr Wool* noted that the Foundation managed the UNIDROIT Alumni Association, provided a yearly donation to the UNIDROIT Scholarship, Internship, and Research Programme, and encouraged private donations. He drew attention to the Essay

Competition, sponsored by Prof. Don Wallace, President of the International Law Institute, noting that the 2025 competition, dedicated to the Legal Guide on Contract Farming, had attracted 185 submissions from around the world. The 2026 competition topic was “Harmonising Private Law and Shaping the Future – 100 Years of UNIDROIT’s Impact”, in recognition of the Institute’s Centenary.

37. *Ms Kathryn Sabo* expressed support for the appointment of President Moavero Milanesi to the Foundation’s Board of Governors. She then asked whether the substantive projects carried out by the CTCAP in partnership with the University of Cambridge should be presented as CTCAP activities or as the Foundation’s activities, noting that the Foundation’s mandate was to provide support in financial and other senses. She suggested that reporting the substantive work under the CTCAP, rather than under the Foundation, would better reflect the institutional arrangement. Ms Sabo did not object to approving the publications, emphasising their importance and value, but noted that the Council had not been asked to approve the publication of the Guide on Best Practices for Electronic Collateral Registries in 2021, so she queried whether the approach was consistent. She also mentioned that the publications were not directly reviewed by the Governing Council, unlike other work within the Institute.

38. *Mr Niklaus Meier* expressed appreciation for the Foundation’s work and noted the value of the Economic Evaluation project as an essential tool for national legislative reforms; he also concurred with Ms Sabo on the importance of clarity in project attribution.

39. *Mr Wool* acknowledged the importance of consistency and agreed that it would be helpful to review the decisions taken by the Governing Council over the preceding ten years, noting that after the transition of the Presidency of the Foundation from Sir Roy Goode to himself, the Governing Council had been supportive of continuing the substantive work. However, he cautioned that he did not wish to misstate the position of the Governing Council and proposed to review the relevant decisions.

40. *The Secretary-General* explained that the Foundation had, from its inception, engaged in substantive projects, which were funded by extra-budgetary resources and did not follow the standard UNIDROIT methodology for normative instruments, as they were not deemed to be such in the traditional sense. The Guide on Best Practices for Electronic Business Registries, for instance, was for the most part IT-related and contained limited legal content, whereas the Economic Evaluation of International Commercial Law Reform: Framework and Guide was an auxiliary analytical tool providing economic analysis. Progress on CTCAP projects was reported annually to the Governing Council through the CTCAP documentation, ensuring full transparency. He drew a distinction between approving an instrument and approving its publication, noting that, on this occasion, only the latter was being submitted to the Governing Council. He observed that the Foundation could, in principle, publish the instruments without the Governing Council’s approval, but that seeking authorisation was the preferred approach. He concluded by inviting the Council to consider whether it would prefer not to be requested to authorise such publications, or whether it welcomed the current informal endorsement practice.

41. *Ms Sabo* acknowledged that she would not object to approving the publications. She reiterated the preference for the work to be reported under the agenda item dedicated to CTCAP, rather than under the Foundation, given that UNIDROIT personnel and resources were engaged in the partnership with the CTCAP. In her view, such reporting would provide greater clarity regarding the status of the projects and ensure appropriate consideration from the Governing Council.

42. *The Deputy Secretary-General, Ms Anna Veneziano*, clarified that the publications would be issued under the CTCAP name.

43. *Mr Jorge Sánchez Cordero* took the opportunity to note that, in connection with the Centenary of UNIDROIT, he had published two articles in leading international law journals: one on the UNIDROIT

Convention on Stolen or Illegally Exported Cultural Objects in *Hispania Nostra*, and one in the *Anuario de Derecho Internacional*, the journal of the Spanish branch of the International Law Association.

44. *Ms Stefania Bariatti* queried whether the publications of the aforementioned instruments were already publicly available, given that they had been circulated as meeting documents. It was confirmed that they had been distributed to Governing Council Members via email but that they had not yet been posted on the website.

45. *The Secretary-General* suggested that, for the purposes of transparency, should the Council agree, the Secretariat would circulate the full draft of the instrument to be developed under the Treaty Project to Governing Council Members for review and comment prior to any future request for authorisation to publish. He acknowledged that such a step would reflect the point on transparency raised during the discussion.

46. *Ms Eugenia Dacornia* supported the suggestion and queried the Foundation's role with respect to future projects.

47. *Mr Wool* clarified that the only project not yet completed was the Treaty Project, and suggested that key project documents be shared with the Governing Council, with the option of providing feedback, and that remote project workshops be made accessible to Governing Council Members, should they wish to attend. Subject to the agreement of the Secretary-General, any new projects would be submitted to the Governing Council for discussion.

48. *The Governing Council took note of the update on the activities of the UNIDROIT Foundation and expressed appreciation for its work. The Governing Council approved the appointment of the President of the Governing Council as a member of the Board of Governors of the UNIDROIT Foundation and also authorised the publication of the Guide on Best Practices for Electronic Business Registries and the Economic Evaluation of International Commercial Law Reform: Framework and Guide. The Council recommended that the future progress of the substantive projects supported through the UNIDROIT Foundation be presented under the agenda item on the Cape Town Convention Academic Project.*

Item 4 on the agenda: Approval of Final Draft of UNIDROIT Best Practices for Effective Enforcement ([C.D. \(107\) 4](#))

49. *The President* opened the discussion, recalling that the final draft of the UNIDROIT Best Practices for Effective Enforcement was being submitted to the Governing Council for approval.

50. *The Deputy Secretary-General* referred to the document [C.D. \(107\) 4](#) as well as Annexe II thereof, which contained the text of the draft instrument and had been circulated to the Members of the Governing Council on a confidential basis.

51. By way of background, the Deputy Secretary-General recalled that the project on Best Practices for Effective Enforcement had been undertaken based on a proposal by the World Bank Group (WBG). The project sought to draft best practices, accompanied by comments, designed to improve the effectiveness of enforcement, combatting excessive length, complexity, costs, and lack of transparency, while at the same time ensuring adequate protection of the rights of all parties involved. Such best practices were to consider both enforcement by public authority and extrajudicial enforcement of security rights, as well the impact of technology on enforcement.

52. She further noted that a first draft of the UNIDROIT Best Practices for Effective Enforcement had been submitted to the Governing Council on a confidential basis at its 105th session in 2025. At that session, the Governing Council had endorsed the draft instrument in principle and authorised the Secretariat to proceed with public consultation ([C.D. \(105\) 6](#), [Annexe II, confidential](#)).

53. Before outlining the developments concerning the finalisation of the draft since the previous Governing Council session, the Deputy Secretary-General briefly recalled that the current draft was the result of eleven formal sessions of the Working Group and the intense intersessional work that accompanied them. She referred to Document [C.D. \(107\) 4](#) for details regarding the composition of the Working Group, designed to bring together experts from the fields of procedural law, secured transactions, and law and technology, as well as experience from the practice, and the activities undertaken to ensure early and continuing consultations with various stakeholders around the world. She expressed the Secretariat's gratitude for the extraordinary efforts and substantial input of Ms Kathryn Sabo as Chair and to the entire Working Group and Drafting Committee, as well as to the observer organisations and individuals that actively participated in the discussions. In this regard, she noted, in particular, the contribution of the European Bank for Reconstruction and Development (EBRD) and of the *Union internationale des huissiers de justice* (UIHJ). The EBRD had been instrumental throughout, providing insights and facilitating consultations with experts from legal systems with which the Working Group was less familiar. The UIHJ had also continuously contributed to the discussions. Both organisations were already including consideration of the Best Practices in their current and future activities.

54. The Deputy Secretary-General proceeded to report on the process of the public consultation for the draft instrument, which had taken place from 1 July to 15 September 2025. The Secretariat had created a dedicated webpage for the consultation, sent out *Notes Verbales* to all Member States, and shared the link to the public consultation page with partners and contacts and through social media to facilitate broad participation. The consultation had yielded 472 specific comments from around 20 separate submissions. The Deputy Secretary-General noted the detailed nature of many of the responses, as notably illustrated by one submission accompanied by a Spanish translation of the draft instrument. She further noted that many comments had also expressed appreciation and support for the work done and the usefulness of the draft instrument. She finally thanked the Governing Council Members and other participants in related events, including the 16th edition of the Transnational Commercial Law Teachers' Meeting held in Tübingen, Germany, for their valuable input.

55. Following the conclusion of the consultation phase, all comments had been carefully reviewed by the Drafting Committee and the Working Group through a series of online meetings and at the last session of the Working Group held from 13 to 15 October 2025 (with a follow-up Drafting Committee session). A "fatal flaw" review procedure had also subsequently been conducted to address remaining issues, including matters concerning enforcement on specific classes of assets.

56. Turning to the substantive content of the draft instrument, the Deputy Secretary-General emphasised that it served as a set of global standards and recommendations, accompanied by detailed commentary and illustrations, rather than as a fully-fledged code of civil procedure. She explained that it comprised three Parts, preceded by an Introduction: Part I on Enforcement by Public Authority, Part II on Enforcement of Security Rights, and Part III on Enforcement on Digital Assets. She then proceeded to present the most notable aspects of the draft instrument, with a focus on the modifications introduced after the last Governing Council session, recalling that a thorough presentation of the first complete draft had already been given during that session and that an updated description was contained in Document [C.D. \(107\) 4](#). She mentioned that the Introduction explained the aim of the project and its format as well as the scope and structure of the instrument. She then turned to Part I on Enforcement by Public Authority, noting that its overarching purpose was to provide guidance on general enforcement procedures. Chapter I outlined the general principles, including the importance of party disposition over enforcement proceedings, the need for a clear legal basis, and the necessity of effective and proportionate management of such proceedings by enforcement organs; Chapter III (Enforceable Instruments) and Chapter V (Digital Registration) should be read together, as they provided guidance to legislators on requirements as to form, content, authenticity, and publicity of the documents used by the creditor to initiate enforcement proceedings. Chapter V (Digital Registration) was singled out as an innovative chapter, given its

focus on online or electronic management of civil procedure and enforcement. Chapter VI (General Modes of Enforcement) constituted the core of Part I and was complemented by the following chapters. Finally, Chapters II and IX sought to give guidance on different organisational structures of enforcement organs. With reference to the comments received, the draft had been revised, among other things, to strike an adequate balance in including references to the use of artificial intelligence; to clarify the role and application of measures applying against the debtor personally; to refine the recommendations regarding priorities as among secured and privileged creditors; to clarify the recommendations on service of documents and notifications in the course of the proceedings; the recommendations on the challenges regarding the appraisal of assets in public sales and the exceptional nature of the exemptions and other limitations to enforcement introduced to protect vulnerable parties; and the recommendations regarding enforcement on intangibles other than receivables.

57. Turning to Part II on Enforcement of Security Rights, the Deputy Secretary-General explained that it was built upon existing international consensus in the field, particularly instruments developed by UNIDROIT and UNCITRAL, with a view to addressing gaps and providing more specific guidance on general enforcement of secured and unsecured creditors' rights. She drew the Governing Council's attention to two specific components, namely Chapter VII (Enforcement of Security Rights in Immovables), and Recommendation 120 within Chapter V (Expeditious Relief to Support Extrajudicial Enforcement). The former provided guidance tailored to immovables, an area which was not specifically addressed in international instruments; while the latter, recognised as particularly useful, introduced an expeditious relief mechanism to support extrajudicial enforcement by addressing objections raised by parties without derailing the enforcement proceedings into formal court proceedings. This Part had been thoroughly revised on the basis of comments received.

58. Proceeding to Part III on Enforcement on Digital Assets, the Deputy Secretary-General recalled that it had been specifically developed as a stand-alone section to give visibility to the subject matter, particularly given the specific guidance legislators may seek. She mentioned that whilst the enforcement procedures and measures would not be fundamentally different from the standard provisions, this Part served to adapt to the unique challenges and complexities inherent to digital assets. In that regard, she highlighted that the Part synergised with the UNIDROIT Principles on Digital Assets and Private Law (DAPL). Following comments received, revisions had also been made to this Part, including terminology, further explanations and illustrations in comments, the potential role of third-party debt orders against custodians, the structural limitations arising from the voluntary cooperation, and the fragmented nature of digital asset service providers.

59. *Ms Kathryn Sabo*, in her capacity as Chair of the Working Group, commended the Deputy Secretary-General of UNIDROIT for the exceptional leadership throughout the project lifecycle, as well as the Secretariat for its good work, and echoed appreciation for the invaluable contributions of the participating organisations, associations, and individual experts. She observed that it was this collaborative effort that ensured that the final draft instrument was highly representative of diverse legal systems and regional perspectives. Reflecting on her six-year journey as Chair, she emphasised that the draft instrument was of significant value in practice, not only because of the thoroughness of its substantive content, but also its well-rounded orientation, which offered guidance to legislators, practitioners, and actors within enforcement proceedings (including debtors and creditors). She invited the Governing Council to approve its adoption and publication.

60. *Ms Maria Ignacia Vial Undurraga* echoed Ms Sabo's sentiments and characterised the final draft of the instrument as useful and groundbreaking. She particularly welcomed the inclusion of Part III on Enforcement on Digital Assets, considering that it would serve as an indispensable guideline for jurisdictions which presently lack normative rules on the subject. She commended the Working Group's handling of an exceptionally complex subject matter and congratulated them on drafting an instrument of immense value.

61. *Mr Andrzej Szumański* raised two questions. The first question concerned the draft instrument's correlation with other existing UNIDROIT instruments, including the ALI/UNIDROIT Principles of Transnational Civil Procedure, the ELI-UNIDROIT Model European Rules of Civil Procedure, and Principle 18 of the UNIDROIT Principles on Digital Assets and Private Law, which specifically addressed enforcement matters. His second question was directed towards the status of the potential UNIDROIT project on *Res Judicata* in International Commercial Arbitration, noting its significant utility for international commercial arbitration practice.

62. *Ms Sharon Ong* extended warm congratulations to the President on his appointment and commended the Secretariat for the exceptional work which had been carried out in the previous year as well as during the historical Centenary year. She thanked the Secretariat for the comprehensive report and offered congratulations to the Secretariat and members of the Working Group, chaired by Ms Sabo, on the successful conclusion of the project. She noted that Singapore had provided feedback on the draft instrument during the public consultation. She emphasised that because enforcement procedures were developed with local legal traditions in mind, it was essential for this instrument to accommodate diversity and to provide States with sufficient flexibility in adoption. In this regard, she considered that the format of the draft instrument – structured as recommendations with commentary and illustrative scenarios – served as a good starting point to facilitate broader consideration by States.

63. *Mr Lauris Rasnacs* expressed his gratitude and congratulations to all colleagues who had contributed to the development and drafting of the instrument. He characterised it as a well-balanced and comprehensive piece of work. He pointed out that the fact that the instrument had already been applied while still in its drafting stage spoke volumes. He acknowledged that another colleague had queried the draft instrument's correlation with other UNIDROIT instruments, but he reiterated his strong support for it and encouraged the Governing Council to approve its adoption.

64. *Mr Niklaus Meier* commended the Working Group and the Secretariat on the successful completion of the project which fell squarely into UNIDROIT's mandate. He shared feedback regarding individual Parts of the draft instrument received from domestic law experts. Regarding Part III on Enforcement on Digital Assets, he mentioned that it had been considered exceptionally useful and deserved the highest praise due to the lack of existing legislation in the field. Regarding Part I on Enforcement by Public Authority, he mentioned that it would be less impactful in Switzerland and other States that already possessed working domestic systems and would be unlikely to introduce reforms based on a general international model. In sharing these observations, he emphasised that they were offered as constructive insights for future initiatives such that instruments so developed by UNIDROIT could successfully prioritise novel issues over traditional areas of law.

65. *Ms Karen Banks* added her congratulations to everyone involved in developing the draft instrument, which she described as extraordinary. Further, she considered that the thoroughness and granular detail contained in the instrument were exceptionally useful to the many jurisdictions where enforcement laws needed modernisation or refinement as to their practical application. She emphasised that the structure of the instrument, which set out clear principles followed by a comprehensive panoply of options, was well-suited for legislators at varying stages of development of this area of the law.

66. *Mr Eesa Allie Fredericks* indicated that his points in support had been fully covered by previous speakers.

67. *Ms Eugenia Dacornia* extended congratulations to the Working Group, the Chair, and the Secretariat. She considered the draft instrument to be exceptionally useful and noted that its value would be reflected after its publication.

68. *The representative of the European Law Institute (ELI)*, in her capacity as ELI President, congratulated the President on his appointment and thanked UNIDROIT for inviting the ELI to the session. She stated that from the ELI's perspective, it was an excellent project as it masterfully addressed an area requiring international substantive standards. She also noted that the ELI had actively collaborated with UNIDROIT on the project. Building upon UNIDROIT's foundational text, the ELI had been able to offer practical guidance particularly with respect to Part III on Enforcement on Digital Assets. Switching to intervene in her capacity as an expert member of the Working Group, she considered that the draft instrument achieved an excellent balance between providing much-needed granularity of guidance beyond existing international standards, such as the UNCITRAL Model Law on Secured Transactions and the UNIDROIT Principles on Digital Assets and Private Law, while remaining sufficiently open and broad to offer States a level of flexibility. She concluded by thanking the Secretariat for its exceptional work and commending Ms Sabo for her skilful chairing of the Working Group.

69. *Ms Uma Sekhar* joined the previous speakers in congratulating the Working Group on the successful conclusion of this highly technical project. She spoke highly of how the draft instrument was structured. She emphasised that effective enforcement is a prerequisite for improved access to credit, and that Part I of the draft instrument served as guidance to legislators seeking to improve this area of the law, in the form of soft law advice. She closed by welcoming the draft instrument and reiterating her congratulations.

70. *Mr Antti Leinonen* admitted his initial scepticism towards the project due to its complexity and the unique nature of the Finnish and Swedish public enforcement systems, which seemingly diminished the value of the project for these countries. Having reviewed the draft instrument, he recognised its exceptional importance and expressed his gratitude to Ms Sabo and the Secretariat, as well as other colleagues involved in the Project. He particularly valued Part III on Enforcement on Digital Assets, as this remained an area where his home jurisdiction faced ongoing challenges. While partly sharing Mr Meier's reservations regarding the limited value and legislative impact potentially brought about by Parts I and II of the draft instrument for some countries, he nonetheless considered them highly useful as checklists and sources of information for legislators. He concluded by stating that he would share the draft instrument with his home enforcement agency for evaluation of current domestic practices and as guidance for future developments.

71. *The representative of UNCITRAL* took the floor to congratulate the President on his appointment, as well as the President Emerita for hers, and to commend the Secretariat for the impressive 2025 Annual Report and the preparations for the Centenary, noting the success of the opening event and the insightful International Workshop on Transnational Law and Cooperation of International Organisations. He highlighted the significance of the ongoing institutional cooperation between UNCITRAL and UNIDROIT, of which key milestones included the launch of the -UNCITRAL-UNIDROIT Model Law on Warehouse Receipts and the finalisation of the Coordination Guidelines for the Secretariats of HCCH, UNCITRAL, and UNIDROIT, which was an initiative originally proposed by the HCCH Permanent Bureau. He thanked UNIDROIT for its participation in the UNCITRAL Colloquium on "Navigating the new era of digital finance", which aimed to assess whether developments related to new types of assets should be considered in the UNCITRAL Model Law on Secured Transactions. He also expressed gratitude to Prof. Neil Cohen for his invaluable participation on behalf of UNIDROIT in the UNCITRAL Colloquium on "Harmonizing law in the age of digital trade and finance".

72. Turning to the current draft instrument, he characterised it as a significant undertaking that was well chaired and led, and he expressed appreciation to the Secretariat for its coordination efforts and for taking into consideration the comments submitted by the UNCITRAL Secretariat. Looking ahead, he reported that the UNCITRAL Secretariat had been conducting preparatory work on updating the UNCITRAL Model Law on Secured Transactions with a view to providing guidance to States on its application for digital assets. He further emphasised that the preparatory work would be subject to the UNCITRAL Commission's consideration scheduled for this summer, and as indicated

in the relevant documentation, the future work might take the form of a text supplementing the Model Law. He concluded by emphasising that this work would build upon existing international instruments, including, as appropriate, this newly approved instrument on Best Practices for Effective Enforcement, as well as the Principles on Digital Assets and Private Law.

73. *The President* thanked the Members and Observers for their interventions and their support.

74. *The Deputy Secretary-General* expressed her gratitude for the supportive remarks, noting that the praise belonged to the Working Group and its Chair, Ms Sabo. She further emphasised the specific efforts of the Working Group in developing Part III of the draft instrument.

75. In response to the question on the correlation between the draft instrument and other UNIDROIT instruments, the Deputy Secretary-General clarified that existing UNIDROIT instruments had indeed served as the baseline for this draft instrument. She explained that these existing instruments, including, but not limited to, the ALI/UNIDROIT Principles of Transnational Civil Procedure, the ELI-UNIDROIT Rules, and Principles 17 and 18 of the UNIDROIT Principles on Digital Assets and Private Law (DAPL), contained general principles in relation to enforcement proceedings rather than focusing on detailed mechanisms of enforcement. In this regard, the draft instrument was distinctive, in that it provided more concrete guidance for domestic law. She further explained that the draft instrument was fully complementary to the work of the Hague Conference on Private International Law (HCCH) on cross-border enforcement of judicial decisions, as well as the New York Convention, noting that enforcement ultimately relied upon domestic rules for execution. She finally underlined the fruitful cooperation with UNCITRAL with respect to the relationship with the instrument on Asset Tracing and Recovery in Insolvency Proceedings and in the consultation phase.

76. Responding to the observation regarding the potential for varying domestic impact of the draft instrument, the Deputy Secretary-General explained that the decision to develop a set of best practice principles rather than a formal code had been deliberately made to accommodate inherent differences in legal systems, the level of development in enforcement proceedings, governmental structures, and the diverse needs of stakeholders. She recalled that the project had been undertaken based on the proposal of the WBG, and that the EBRD had since expressed keen interest, particularly in light of its work in jurisdictions in dire need of reform of enforcement systems. In that regard, whilst some legal systems might perceive the draft instrument as primarily useful as a benchmark or checklist, the instrument was designed to serve as a useful model for many jurisdictions pursuing reform.

77. *The Council considered and unanimously approved the draft UNIDROIT Best Practices for Effective Enforcement, noting the usefulness of the new instrument and commending the Working Group for this achievement. The Governing Council mandated the Secretariat to proceed with all necessary formal adjustments and corrections to enable the final publication of the instrument.*

Item 5 on the agenda: Preliminary endorsement and authorisation to proceed with public consultation

(a) Collaborative Legal Structures for Agricultural Enterprises
([C.D. \(107\) 5](#))

78. *The Secretary-General* recalled that the Collaborative Legal Structures for Agricultural Enterprise (CLSAE) project had been proposed by the United States Department of State and the Ministry of Justice of Hungary and was being jointly developed in partnership with the Food and Agriculture Organization (FAO) and the International Fund for Agricultural Development (IFAD). He noted that it was the longest-standing project in the Institute's Work Programme because of initial scope-definition challenges.

79. He emphasised that the last two years had been instrumental in providing clarity and bringing the draft instrument close to completion. He acknowledged the extensive work conducted by the Working Group and the Secretariat and noted that the draft instrument submitted to the Members of the Governing Council was advanced enough to be subject to public consultation. He explained that the draft instrument could still be further tweaked by the Working Group and that there was likely no need to reconvene a meeting of the Governing Council to authorise the launch of the open and targeted consultation after final refinements.

80. Governing Council Member *Ms Maria Ignacia Vial Undurraga* recalled that she had assumed position of Chair of the Working Group in 2023, following the work undertaken by then-Governing Council Member Mr Ricardo Lorenzetti. She thanked Prof. Fabrizio Cafaggi (Judge at the Council of State of Italy and Professor at LUISS University, Rome) for all his work as coordinator of the project. She introduced the main objective of the CLSAE project, noting that it sought to enable smallholders and agri-MSMEs to participate more effectively in global food value chains and to strengthen food security by improving market access, financing opportunities, bargaining power, and participation in decision-making within the chain.

81. She noted that the draft instrument considered a broad concept of agriculture, as employed by FAO and IFAD, to include crops, livestock products, forestry, fisheries, and aquaculture. She recalled that the Working Group had identified informality as a key challenge and that one of the key proposals of the future legal guide was to promote formal collaboration through legal structures among agricultural actors. She introduced the working definition of collaboration as a “stable form of interaction, often long-term, among two or more natural or legal persons, that pursue common objectives, address interrelated needs and interests, and/or shared risks”. She then noted that both vertical and horizontal forms of collaboration were considered in the draft instrument.

82. She informed the Council that three legal structures had been examined (multiparty contracts, cooperatives, companies) in addition to digital platforms. She highlighted that the draft instrument did not favour any particular structure and allowed for combinations of structures depending on user needs. Regarding the structure, content and nature of the draft instrument, she noted it was a soft-law instrument including an introduction, four substantive chapters devoted to the functional analysis of each vehicle in the field of agriculture, and a final comparative chapter designed as a practical decision-making tool. As to the target audience, the draft Legal Guide was primarily intended for those actors who provide advisory and capacity-building support to smallholders and agri-MSMEs, including those involved in drafting contracts and internal regulations.

83. *Legal Officer Ms Priscila Andrade* noted that the background information on the project and composition of the Working Group was available in document [C.D. \(107\) 5](#). She provided an update regarding the substantive content developed in the draft instrument and further explained the purpose of providing a “menu” of illustrative collaborative legal structures. She noted that, to ensure comparability across the different legal structures examined, the table of contents of each chapter had been structured around functionally equivalent categories. Accordingly, each chapter of the future Legal Guide included a description and recommendations relating to comparable topics, such as the objectives of the legal structure, entry requirements and formation, governance and decision-making, financial resources, liability, remedies, mechanisms for dispute prevention and resolution, and exit and dissolution.

84. Ms Andrade emphasised the importance of the fifth chapter of the draft instrument and its potential of becoming a very practical decision-making tool with guidance on how to design the legal structure to attain certain benefits for smallholders and agri-MSMEs. She explained that the fifth and final chapter of the future Legal Guide contained twelve guiding questions covering governance, formation, financing, liability, remedies, participation, termination, and other considerations to help users choose appropriate legal structures and inform when it may be desirable to combine different legal structures.

85. She further elaborated on the content of the guiding questions, noting that: (i) the first question related to who would influence and decide the legal structures for collaboration (e.g., the influence of State policies, supply chain leaders and creditors); and (ii) the second question was devoted to why the collaboration was taking place (e.g., the objective of profit and growth, to take advantage of technological innovation, to access specific markets, etc.). Ms Andrade explained that the other questions focused on comparing the functionally equivalent categories analysed in each of the chapters.

86. The other questions related to: the number of participants in the collaborative venture and whether they were expected to have similar roles or different types of participation (question 3); formation requirements (question 4); ease of entry for additional participants (question 5); distribution of decision-making rights and possibility of delegation (question 6); contributions and financing plans and how some legal structures might be more attractive than others to potential investors and lenders (question 7); participants' liability and whether participants in the collaborative venture were prepared to share risks and be held responsible for more than what they may have contributed (question 8); the ability of each legal structure and digital platforms to bind participants, as well as remedies (question 9); the ability to establish contracts with third parties (question 10); the differences in terms of ease of exit and removal of participants (question 11); and, lastly, how different termination and dissolution rules might shape collaboration incentives overall.

87. Ms Andrade reiterated that the future Guide recognised that there was considerable flexibility when choosing a legal structure, since each of the legal structures considered could in principle be used for collaboration in agriculture. She emphasised the key innovations of the CLSAE draft, noting that it adopted a broader scope compared to the Legal Guide on Contract Farming and the Legal Guide on Agriculture Land Investment Contracts by focusing on the multiparty dimension, considering the value chain as a whole and examining vehicles for agriculture development beyond contracts. The comparative methodology across multiple forms of collaboration and the focus on challenges faced by smallholders and agri-MSMEs were also acknowledged as strengths of the future Legal Guide.

88. Regarding the proposed next steps and timeline, she explained the Secretariat's proposal to launch a broad consultation process by organising: (i) an open online consultation on UNIDROIT's website and other key platforms; (ii) a targeted consultation with experts and institutions; (iii) regional virtual workshops; and (iv) presentations in international events and conferences. She noted that after the consultation period one more session of the Working Group would be held from 5-7 October 2026 and that the Secretariat and partner organisations FAO and IFAD would have until mid-November to finalise the draft before submission for approval.

89. The President opened the floor for comments.

90. Ms Kathryn Sabo was in favour of launching the public consultation phase and noted the project's significance.

91. Ms Eugenia Dacoronia also supported advancing to the public consultation phase and congratulated the UNIDROIT Secretariat and partner organisations for the work undertaken.

92. The Governing Council noted the substantial progress achieved in the development of the joint UNIDROIT/FAO/IFAD project on Collaborative Legal Structures for Agricultural Enterprises and endorsed the draft instrument submitted for its consideration. The Governing Council further authorised the Secretariat to proceed with open consultations and to submit the final draft instrument for approval at its 108th session in December 2026.

(b) UNIDROIT Principles of International Commercial Contracts and Investment Contracts ([C.D. \(107\) 6](#))

93. *President Emerita Ms Maria Chiara Malaguti*, Co-Chair of the Working Group on International Investment Contracts (IICs), introduced the update on the project. She recalled that the project had been undertaken jointly with the International Chamber of Commerce (ICC) Institute of World Business Law, which had proposed the initiative, and expressed appreciation for the excellent cooperation. She further recalled the background and objectives of the project, emphasising the need to modernise IICs and strike an appropriate balance between the interests of States, investors, and society as a whole, while addressing issues such as investor protection, sustainability, and States' regulatory rights. She underscored that the project focused exclusively on the contractual level and was therefore complementary to initiatives aimed at reforming investment treaties and investor-State dispute settlement mechanisms. In this regard, she highlighted the ongoing coordination with UNCITRAL, the OECD, and UNCTAD.

94. *Ms Malaguti* noted that the extensive work carried out by the Working Group and the Drafting Committee, together with fruitful exchanges with the Consultative Committee and stakeholders such as the Asian Development Bank (ADB), had resulted in a comprehensive set of draft Principles and Model Clauses which, in her view, were ready to be submitted for public consultation. Recognising the challenges involved in balancing diverse interests and perspectives, she expressed the hope that the consultation would generate valuable feedback.

95. *Senior Legal Officer Ms Myrte Thijssen* outlined the progress which had been achieved since the previous Governing Council session, noting that the Working Group had refined the draft instrument through a series of sessions and virtual meetings. She highlighted four main developments: (i) the guidance on sustainability had been expanded and was now treated as a cross-cutting theme throughout the draft instrument, particularly in Chapters 2, 3, 5, and 7; (ii) the chapters on validity and remedies had been streamlined, as many of the UPICC provisions on those topics had been deemed appropriate for IICs; (iii) Chapter 8 on choice of law and dispute settlement had been further developed; and (iv) an extensive Introduction to the draft instrument had been developed to explain its approach and content. She thanked the members of the Task Force under the UNIDROIT-Roma Tre Centre for Transnational Commercial Law and Arbitration, which had produced several thematic research memoranda based on publicly available IICs.

96. In addition, the draft instrument had benefited from broad stakeholder engagement through workshops and discussions with the ADB, FIDIC, and participants in other events at which the project had been presented. Crucially, she reported that the draft had been subjected to rigorous scrutiny by the Consultative Committee, chaired by Governing Council Member Mr José Antonio Moreno Rodríguez and composed of experts from 27 Member States and eight non-Member States. Three written consultations had taken place, and a virtual meeting had recently been held with the Committee, which had been greatly appreciated by participants. Among the issues on which the Consultative Committee had provided feedback were the relationship between the draft instrument and the UPICC, the scope of the draft instrument, sustainability, States' right to regulate, and the relationship with domestic law and treaty standards. The Working Group had discussed the Consultative Committee's latest comments during a virtual meeting in April. The draft had subsequently been revised and submitted to the Working Group for final comments. While some further changes were possible, no substantial revisions were expected.

97. *Senior Legal Officer Mr Rocco Palma* provided an overview of the draft instrument, explaining that its parallel structure to the UPICC had been designed to govern the entire lifecycle of IICs. He noted that the General Introduction explained the scope and purposes of the instrument and its relationship with the UPICC, clarifying that the instrument included only principles that adapted the UPICC designed for commercial contracts between private parties to the specificities of IICs, namely the public nature of the State party, their generally long-term duration, and the public interest

involved. For UPICC provisions deemed to apply as they were, commentary had been provided to offer guidance on how they applied to IICs. Where appropriate, model clauses were included to turn the principles into contract language. He then outlined the contents of the Instrument chapter by chapter. He explained that Chapter 1 included the general principles and functions of the instrument, as well as an important principle on exclusions which invited the parties to an IIC to preserve the balance reflected in the instrument by treating all its principles as essential. Chapter 2 incorporated the general principles of an IIC, including important principles on form, sustainable investment and anti-corruption. He then recalled the introductory remarks of the President Emerita, pointing to the need to modernise and standardise IICs through a contractual approach, clarifying that, accordingly, Chapter 3 on Formation (including the pre-contractual phase and sustainability due diligence), Chapter 4 on Validity, Chapter 6 on Change of circumstances (with specific reference to Hardship and Force majeure), and Chapter 7 on Remedies (including compensation and damages), seek to offer a balanced, standardised contractual framework for IICs based on the UPICC, as adapted to IICs or incorporated in their current form. Conversely, Chapter 5 on Rights and obligations, Chapter 6 (for the part concerning Stabilisation) and Chapter 7 (for the part concerning Non-compliance with sustainability obligations) included a balanced set of (i) investors' protections designed to functionally reproduce, harmonise and modernise certain treaty-based protections in a contractual environment (States' obligations) and (ii) sustainability obligations spanning from pre-contractual due diligence and model clauses on sustainability commitments to a continuous monitoring mechanism, the projection of such commitments along the supply chain and an adapted set of remedies addressing non-performance of sustainability obligations (investors' obligations). Finally, Chapter 8 facilitated the choice of the Instrument as the governing law of an IIC (or as a set of rules to supplement and interpret the otherwise applicable law) and included a comprehensive panoply of dispute resolution options, including direct consultations, ADR, arbitration (or domestic court) dispute settlement, as well as guidance on treaty arbitration waivers, conflicts of interest and transparency, and state counterclaims.

98. *The President* opened the floor for comments.

99. *Mr Alfonso Calvo Caravaca* commended the Working Group for undertaking the challenging but necessary task of addressing State contracts. He observed that, traditionally, international private law had been developed primarily for contracts between private parties but modern States played an increasingly important role in economic activity. He identified three principal practical challenges arising in relation to State contracts. First, with regard to dispute settlement, he noted concerns associated with submitting disputes involving foreign investors to domestic courts, with the perceived lack of neutrality having historically encouraged recourse to international arbitration. Second, concerning applicable law, he highlighted the persistent tension between domestic law – largely designed for internal transactions – and the traditional *lex mercatoria*, which was developed for classical international commercial contracts and remained insufficiently tailored to State contracts. In his view, the draft instrument made an important contribution by helping to fill this gap and by providing greater normative guidance for such relationships. Third, he emphasised the difficulties created when States invoked a change of circumstances that affected commitments previously made to investors. Referring to situations such as the withdrawal of investment incentives following a change of government, he observed that such measures could generate significant disputes and strain international relations. He considered the draft provisions particularly valuable in addressing this area, which he regarded as insufficiently covered by existing instruments. In conclusion, Mr Calvo Caravaca expressed the view that the draft instrument resolved many practical problems encountered in IICs and represented significant progress in the field. He fully endorsed the publication of the text to gather further observations during the public consultation phase.

100. *Mr Andrzej Szumański* expressed strong support for the draft instrument, having participated in the Working Group. He noted that the draft had taken the UPICC as its starting point and had successfully adapted and complemented those provisions where necessary to address the specificities of IICs, while avoiding unnecessary repetition and striking a balance between the interests of foreign

investors and host States. He also welcomed the inclusion of model clauses alongside the principles and commentary to enhance the instrument's practical utility. He commended the leadership of the Co-Chairs and the dedication of the Secretariat.

101. *Mr Lauris Rasnacs* supported the instrument and congratulated the Secretariat. He welcomed the guidance on sustainability due diligence and its alignment with European Union requirements and expressed appreciation for the instrument's structured and balanced approach to change of circumstances, noting that some jurisdictions lacked clear provisions in this regard.

102. *Ms Monika Pauknerová* offered her appreciation for the project and commended its extraordinary speed. She noted that experts from the Czech Republic had actively participated in the Consultative Committee. While expressing overall support for the draft instrument, she requested clarification regarding two issues. First, she observed that the draft did not contain a contractual formulation of the Fair and Equitable Treatment (FET) standard, which was frequently invoked in treaty arbitration, while it did incorporate other protection standards such as expropriation and full protection and security. Second, she suggested that the remedies for breaches of sustainability obligations might require more specification, expressing caution regarding the streamlining of the provisions on remedies. Notwithstanding these points, she concluded that the Czech Republic considered the draft instrument sufficiently mature to advance to the public consultation phase.

103. *Ms Kathryn Sabo* supported advancing the draft instrument to the public consultation phase, noting that she had received positive feedback on the project's significant progress from relevant government officials.

104. *Mr Yusuf Çalişkan* commended the draft instrument for successfully balancing States' regulatory rights, investor protection, and sustainability objectives. He was convinced that the instrument would prove extremely useful for States and investors in practice, and as interpretative guidance for arbitrators in international investment disputes.

105. Responding to the queries raised by *Ms Pauknerová*, *Ms Thijssen* indicated that additional explanations on FET had been included in the Introduction to the instrument. It was recognised that FET formed part of typical treaty protections and the approach in the instrument was to address it in a functionally equivalent manner at the contractual level. This was reflected in several provisions, in particular through the stabilisation mechanisms in Chapter 6 and the good faith obligations in Chapter 5. The approach could be further clarified if needed. Regarding remedies, she clarified that while the chapter on remedies had been streamlined where UPICC provisions were deemed applicable, the guidance on non-performance of sustainability obligations had been further developed after the virtual meeting of the Consultative Committee, with a dedicated principle and a model clause. The relevant subsection relied on the standard contractual remedies in the UPICC, supplemented by tailored remedies, such as withdrawal of permits and early dispute resolution via a Joint Sustainability Committee.

106. *The Governing Council welcomed the significant progress made by the Working Group on International Investment Contracts and the draft UNIDROIT-ICC Principles and Model Clauses for International Investment Contracts. The Governing Council authorised the Secretariat to commence a consultation on the draft instrument as further revised by the Working Group and Drafting Committee.*

(c) UNIDROIT Principles on the Legal Nature of Verified Carbon Credits
([C.D. \(107\) 7](#))

107. *The Secretary-General* introduced the third project being presented for authorisation to proceed to a public consultation: the UNIDROIT Principles on the Legal Nature of Verified Carbon Credits (the 'VCC Principles'). He noted that the project was one of the Institute's most demanding and relevant projects in the last few years. Since the last Governing Council session, there had been three Working Group meetings, continued engagement with the Hague Conference on Private International Law (HCCH), several sessions of the Drafting Committee, and three consultations of the Consultative Committee. This was considerable work, which had been carried out to sufficiently advance the instrument in order to request the Governing Council's authorisation to proceed with a public consultation and finalise the project by the end of 2026.

108. The Secretary-General underscored the importance of the project. First, he stated, that it was one of the most technically challenging project undertaken by the Institute to date, as it concerned a new type of 'thing' requiring an especially complex and layered property law analysis. Secondly, the growth of the market for VCCs was important for the achievement of the Paris Agreement goals. However, for the market to grow, legal certainty was required. For this reason the International Swaps and Derivatives Association (ISDA) and the World Bank had intensely collaborated with UNIDROIT on the project. In particular, the World Bank had recently issued a comprehensive 200-page toolkit for governments who wished to legislate on VCCs which expressly carved out issues of private law because they were being addressed by UNIDROIT.

109. The Secretary-General further explained that the property law analysis was particularly complex given the nature of the "asset". VCCs were tied to a mitigation outcome which could potentially later be discovered to have been overstated, to have never existed, or could disappear due to subsequent events affecting the underlying project. He explained that the Working Group had been seeking to identify an approach that would reconcile traditional property law tenets with the needs of a growing market, namely tenure of transactions and legal certainty. He stressed that the instrument would greatly benefit from broad, global input, and hence the importance of the public consultation. In particular, geographically diverse sector-specific contributions during the consultation process would help the Secretariat to further refine the document and present the Governing Council with a truly extraordinary piece of transnational law for approval in December 2026.

110. *Legal Officer Ms Giulia Previti* explained that, from the very outset, the Working Group had agreed that the project was to help scale the market for VCCs on the understanding that VCCs could be a critical tool for climate finance, and that legal certainty was needed to achieve this objective. There was also agreement that, in order to scale the market, VCCs had to be deemed as property. Therefore, the focus of the Working Group had been on determining how VCCs could fit within existing property law frameworks so that they could be treated as any other commercial asset and be traded, used as collateral, etc.

111. The present instrument was the product of eight Working Group sessions, considerable intersessional work, including sustained cooperation with the HCCH, and a rich, constant dialogue between private law experts and industry representatives, including representatives from the major crediting bodies active in the market.

112. Ms Previti addressed the issues relating to the definition of a VCC which the Working Group was currently focusing on and had not yet been reflected in the draft before the Governing Council. She explained that the Working Group had been developing a functional definition of a VCC, meaning that the definition served to define a VCC for purposes of the instrument and to identify those characteristics that would enable a VCC to be the subject of proprietary rights.

113. Originally, the definition provided that a VCC reified one specific verified mitigation outcome throughout its lifecycle. If that mitigation outcome was reversed after creation, for example, a forest fire destroyed the trees that had been planted, the VCC would be cancelled prospectively. Conversely, if it was demonstrated that the mitigation outcome was never properly achieved, or there had been an error in verifying the amount of greenhouse gases removed or reduced from the atmosphere, the VCC would be cancelled retroactively and treated as though it had never existed as property. Although conceptually sound from a property law perspective, this created issues in practice, because: (i) it did not reflect how the market actually operated; (ii) the proposed model was inconsistent with the approach being developed under the Paris Agreement; and (iii) it would present a significant obstacle for the scaling of the market as investors, particularly secondary market purchasers, would acquire the VCC before any defects became known and would consequently bear the burden and the risk of those defects.

114. The currently proposed definition sought to address these concerns. Termed a 'snapshot' definition, it provided that a VCC reified the verified mitigation outcome *at the moment of its creation*. Because (i) the VCC reified a specific mitigation outcome that had been verified by a validation and verification body and that verification had been approved by a crediting body; and (ii) the VCC was then recorded in a VCC registry with a unique identifier, the VCC had the structural attributes that allowed it to be the subject of proprietary rights. Under this definition, the VCC remained property not because the underlying mitigation outcome continued to exist intact, but because the verification was fixed at the moment of creation. This did not change with subsequent events that could affect the underlying mitigation outcome. Thus, under the 'snapshot' approach, a reversal of the original mitigation outcome did not destroy the VCC as an item of property. Rather, reversals were recast as a commercial and contractual issue to be addressed by the parties. Similarly, over issuance or non-achievement did not destroy the VCC but only triggered revocation where they amounted to a defect in creation. The only events that retroactively affect the VCC's existence are fraud, malfeasance, and complete nullity (for example, a VCC created in the absence of any underlying project).

115. Ms Previti further explained that the strength of the proposed 'snapshot' definition was that it allowed for a conceptually clean property law analysis while also addressing the concerns of the market by preserving the identity of the VCC as an object of property through reversal and non-achievement. A potential weakness, however, was that, under this framework, questions of environmental integrity were not addressed from a property law perspective. The environmental integrity VCC resided in the rules of the crediting body, disclosure and warranty regimes, insurance, and potentially, in the future, regulatory oversight, rather than property law.

116. Ms Previti then turned to the draft instrument, explaining that it was well-advanced and was comprised of an introduction and nine sections which included 25 draft Principles. She noted that the Working Group was considering the inclusion of an annexe addressing tokenization. As work on this topic was being undertaken separately, it would not be included in the requested public consultation at this stage.

117. Ms Previti underscored the importance of the introduction given its role in providing valuable context to the Principles. The introduction: (i) included an overview of the key stages in the typical lifecycle of a VCC, including generation, supply, use and retirement; (ii) set out the links to the Paris Agreement; and (iii) in response to comments from the Consultative Committee, provided a section addressing the Principles' neutrality and their relationship to national domestic law.

118. Draft Principle 1 confined the scope of the VCC Principles to the area of private law relating to VCCs, and in particular, to a subset of such issues. The instrument's focus was on proprietary rights, specifically where VCCs were the object of dispositions and acquisitions, and where rights and interests in VCCs were to be asserted against the third parties. Ms Previti underscored the intentional alignment with the language of the UNIDROIT Principles on Digital Assets and Private Law (the DAPL

Principles). As with the DAPL Principles, the VCC Principles addressed a new commercial asset and attempted to make it fit within existing property law regimes.

119. Draft Principle 3 provided that VCCs could be the subject of proprietary rights. Under the proposed definition, because VCCs were rivalrous and could be individuated, controlled, and transferred, they possessed the common characteristics for what was considered property across jurisdictions. As with the DAPL Principles, draft Principle 3(1) did not prescribe any specific requirements for the acquisition of a proprietary right in a VCC. Instead, Principle 3(4) made it explicit that “other law”, meaning the applicable domestic law, continued to apply to VCCs and to determine a number of important issues, including whether a person held a proprietary right in a VCC, subject to certain limited exceptions.

120. Draft Principle 4 provided a limited applicable law provision for VCCs, identifying only the law applicable to proprietary issues relating to VCCs. It did not address other matters, such as the law applicable to contract, tort law, or regulatory issues, and it set out the connecting factors to determine the law governing proprietary aspects in VCCs. The most relevant connecting factor was deemed to be the registry, since the registry could be identified and was the central point through which proprietary issues could be resolved. Because, however, the place of the registry was not always easy to determine, Principle 4(3) gave parties a limited choice between different connecting factors: (i) the law of the State under which the registry operator was incorporated or otherwise organised; (ii) the law of the State in which the registry operator had its statutory seat; (iii) the law of the State in which the registry operator had its central place of administration; or (iv) the law of the State from which the registry was maintained. The Secretariat and the Working Group had cooperated significantly with the HCCH Expert Group on Carbon Markets (the ‘HCCH EG’) in the development of Principle 4, which had been substantially revised and remodelled to take account of the feedback provided by the HCCH EG as explained in detail in document [C.D. \(107\) 7](#).

121. Draft Principle 5(1) addressed the creation of a VCC, providing that a VCC came into existence when the unique identifier was allocated to the VCC and the VCC was credited to an account in the registry. Draft Principle 5(2) provided that when a VCC first came into existence, the person to first have a proprietary right in the VCC was either the registered holder or, if there was a custodial arrangement, the person for whom the registered holder maintained the VCC. The commentary to Principle 5 had been expanded to note that the VCC represented a mitigation outcome that existed as a result of events that had taken place before the VCC was created and that those events were not covered by the Principles. The Principles concerned aspects of private law relating to the VCC itself, rather than the application of legal rules to events that predated that VCC being created and issued in accordance with the Principles.

122. Draft Principle 6(1) and 6(2) established the *nemo dat* and shelter rules, which were qualified by draft Principle 7 providing for the protection of innocent acquirers. As with the DAPL Principles, the latter was deemed to be necessary for the scaling of the market.

123. Ms Previti explained that the Principles on retirement and cancellation were currently being revised by the Drafting Committee based on the new proposed approach to the definition. Retirement marked the ‘natural death’ of a VCC and signified that the VCC had been used and had fulfilled its purpose, enabling its holder to ‘claim’ an environmental benefit. Cancellation, on the other hand, was usually not voluntary and signified that something wrong had occurred with the VCC or the underlying project.

124. The instrument included a new section concerning a Principle on illegality providing that the effect of illegality on a VCC was a matter for “other law”. The commentary to this provision explained the complexity of the question of illegality and reiterated that the Principles only addressed aspects of private law relating to the VCC itself and did not concern matters relating to the carrying out of the underlying mitigation project.

125. The instrument also included a section on the registry. A VCC registry was defined as an electronic database operated by a registry operator which recorded the unique identifier of the VCC and the identifier of the person to whose account that VCC was accredited. It also included a Principle addressing the minimum private law duties owed by a registry operator to a registered holder that could not be excluded by agreement. These, it was explained, were the core rules necessary to hold the system together.

126. As to custody, it was noted that, while not currently a very prominent feature of the market, custodial arrangements would likely become increasingly important as the market scaled, with intermediaries having significant roles in the secondary market. The Principles included a definition of custody, addressed the private law rules owed by a custodian to its client that could not be excluded by agreement, and adapted the rule on innocent acquisition to the context in which a person acquired VCCs through a custodian. Importantly, the Principles also included a provision addressing the insolvency of a custodian, providing that a VCC maintained by a custodian for a client was not available for the satisfaction of claims of creditors of the custodian.

127. With respect to secured transactions, draft Principle 18 was an extension of Principle 3(1), providing that if VCCs could be the subject of proprietary rights, they could be the subject of security rights. The following Principles provided asset-specific rules establishing methods of third-party effectiveness and recognising that a security right in a VCC could be made effective against third parties upon either the secured creditor becoming the registered holder of the VCC or through a control agreement. Under the Principles, these methods of third-party effectiveness gave the secured creditor priority over other methods that might exist in national law.

128. Finally, the provision on insolvency confirmed that a proprietary right in a VCC which was made effective against third parties was effective against relevant parties in an insolvency proceeding.

129. *Ms Sharon Ong*, in her capacity as the Chair of the Consultative Committee for the Principles on the Legal Nature of VCCs (the 'Consultative Committee'), thanked the Secretariat for the overview. Ms Ong recalled that the Consultative Committee had been formally established on 28 February 2025. In August 2024, the Secretariat had extended an invitation to all UNIDROIT Member States to nominate experts from their respective jurisdictions to be members of the Consultative Committee. The role of the Consultative Committee was to provide the Working Group with advice, comments, and relevant information from a national and or regional perspective as the work on the future instrument evolved. Ms Ong shared that, presently, 20 UNIDROIT Member States had nominated a total of 31 experts to serve on the Consultative Committee. She stressed that the wide participation of experts from different regions and legal traditions ensured that national and regional sensitivities were considered throughout the project. It also increased transparency *vis-à-vis* Member States.

130. Ms Ong explained that the feedback mechanism had been structured and iterative, with the Consultative Committee having, to date, provided feedback on almost all the draft provisions. Input was sought from the Consultative Committee on three occasions: (i) on 10 July 2025, where the Consultative Committee's input was considered and addressed at the sixth and seventh sessions of the Working Group in September and December 2025, respectively, as well as intersessionally by the Drafting Committee; (ii) on 31 October 2025, which was a more targeted consultation for input on draft Principle 4 on applicable law. The input received was shared on a non-attributed basis with the Permanent Bureau of the HCCH for the consideration of the HCCH EG; and (iii) on 16 February 2026, where the Consultative Committee was consulted on the further iterated text of the draft VCC Principles and this input was fed into, deliberated on, and considered by the Working Group at its eighth session in April 2026, as well as by the Drafting Committee when producing the current iteration of the draft VCC Principles.

131. Ms Ong shared that a final round of consultations with the Consultative Committee was expected to be launched contemporaneously with the proposed public consultations of the iterated draft VCC Principles, if authorised by the Governing Council. The members of the Consultative Committee would, at that stage, have the opportunity to provide feedback on the proposed 'snapshot' definition.

132. Ms Ong expressed her thanks and appreciation to the Consultative Committee members from Austria, Brazil, Canada, Chile, China, Finland, Italy, Pakistan, Russian Federation, Saudi Arabia, Singapore, and Türkiye, for responding to the various calls for feedback and for lending their expertise. The iterated text had been enriched and made more robust by the input received from members of the Consultative Committee.

133. Ms Ong also thanked the Chair of the Working Group, Professor Hideki Kanda, Secretary-General Ignacio Tirado, the Working Group experts, and the Drafting Committee. Ms Ong underscored that the Consultative Committee had been invited to weigh in on live policy and drafting options, not simply to review settled text. She thanked the Secretariat, Working Group and Drafting Committee for giving serious consideration to the input received by the Consultative Committee in the development of the text. She noted that this approach ensured that the evolving text was tested against a wide range of legal systems and traditions, considered broad policy concerns and stakeholder experiences, and was grounded in actual market needs and practice. Ms Ong also thanked the Secretariat for its support of the work of the Consultative Committee and expressed special thanks to Ms Giulia Previti for her tremendous commitment to, and support of, the VCCs project.

134. Ms Ong concluded by noting that, in her personal capacity as Governing Council Member, she supported the proposed next steps and for the Secretariat to proceed with open consultations of the draft instrument as further revised by the Working Group and the Drafting Committee.

135. *The President* opened the floor for comments.

136. *Ms Sabo* thanked the Secretariat and the Working Group, noting the remarkable advancements in the project over the past year. She stressed the importance of cooperation with UNCITRAL and the HCCH and thanked the Secretariat for its efforts in this regard. Referring to the sections on secured transactions and insolvency, she queried whether the Secretariat had sought or obtained any comments from UNCITRAL in relation to such provisions. She also noted the understanding that, with respect to the tokenisation annexe, the Governing Council would be asked for approval to conduct a public consultation at a later date.

137. *Ms Vanessa El Khoury-Moal* (on behalf of Mr Rémi Decout-Paolini) thanked the Secretariat for the volume and importance of the work that had been carried out that gave rise to a very concrete result. She expressed support for subjecting the text for a public consultation. She also thanked the Secretariat for its efforts in cooperating with the HCCH and expressed hope that it would result in a convergence of views on Principle 4. Ms El Khoury-Moal noted the desirability of having a French version of the VCC Principles available for the public consultation given the importance of the subject across continents.

138. *Ms Karen Banks* congratulated the Secretariat for its intense work on a very complex subject. She noted use of the word 'retirement' in relation to an abstract object and queried whether it was the appropriate term and what the correct translation into French would be. She expressed a desire to view the instrument again before it was finalised. She suggested replacing the expression 'as such' with 'on that ground'.

139. *Mr Lars Entelmann* thanked the Secretariat for its work on a groundbreaking proposal. He further emphasised the excellent cooperation between UNIDROIT and the HCCH, noting that the text

of Principle 4 showed that there had been excellent coordination between the two organisations which he encouraged going forward. He noted that the person in charge of private international law with the German Federal Ministry of Justice was likewise very satisfied and that they supported the position of UNIDROIT when it came to limited choice of law as opposed to the unlimited choice that had been proposed by the HCCH EG.

140. *Mr Attila Menyhárd* agreed that technological developments and the legal innovations linked to them could not fit within existing conceptual legal frameworks. Rather, the task was to reframe legal thinking. Instruments like the DAPL Principles and the VCC Principles contributed to this task, aiding the community of lawyers facing these questions. He noted that discussions must be re-opened on concepts such as property, contract, and law and regulation, and observed that UNIDROIT could contribute with something innovative to this discussion. In this regard he considered the VCC project one of significant importance. He queried where the project was heading, and how the Governing Council Members could contribute personally or as a body to the advancement of the instrument.

141. In response to the comments received from Members of the Governing Council, *Ms Previti* noted that UNCITRAL had participated as an institutional observer to the Working Group from the outset of the project. UNCITRAL representatives had provided feedback on the draft provisions on secured transactions, which had been considered by the Working Group, and the Working Group likewise considered existing relevant UNCITRAL instruments which were referenced in the commentary.

142. *Ms Previti* acknowledged the importance and desirability of having a French version of the Principles available for consultation. She noted that the Secretariat could aim to have at least the black-letter Principles translated and shared for this purpose.

143. In relation to use of the word '*retirement*' and its translation into French, *Ms Previti* noted that this was something the Working Group had considered. '*Retirement*' was a technical term used in the industry, and the Working Group had deemed it important that it be maintained. The French and other language versions would then adopt the most appropriate term in accordance with the applicable vocabulary and industry terms.

144. As to the status of the project and next steps, it was clarified that a further remote session of the Working Group was being scheduled to allow consideration of the most recent changes to the instrument. Should the Governing Council approve, the instrument would then be shared for public consultation, the results of which would be considered by the Working Group at a session scheduled for October 2026. The instrument would then be submitted to the Governing Council for adoption in December 2026. As to how the Governing Council and its individual members could support the work of the Secretariat, it was suggested that this could focus on awareness-raising efforts in domestic jurisdictions as part of the implementation process.

145. *The representative of the HCCH* reiterated her appreciation for the ongoing cooperation with UNIDROIT in relation to the development of the draft UNIDROIT Principles on the Legal Nature of VCCs and, in particular, the exchanges concerning the applicable law provision in draft Principle 4. As reflected in the conclusions and decisions adopted by the HCCH Council on General Affairs and Policy (CGAP) in March 2026, the HCCH EG had completed the initial phase of its mandate and had engaged extensively with the UNIDROIT Working Group through meetings, intersessional work, and written exchanges. The CGAP noted that at the time there was no alignment or agreement of views between the two groups on the applicable law rule in Principle 4. The CGAP also emphasised the importance of maintaining ongoing cooperation and coordination with UNIDROIT. Against this background, the HCCH welcomed the continuation of exchanges with the UNIDROIT Working Group. It was further noted that significant differences of views remained regarding the current formulation of the applicable law provision in draft Principle 4. In particular, members of the HCCH EG continued to express concerns

regarding the treatment of situations in which the underlying carbon mitigation project was subsequently found to be unlawful under the law of the host State and the implications this may have for the legal status and treatment of related carbon credits in cross-border situations. The HCCH EG had also continued to raise a number of broader private international law concerns relating, *inter-alia*, to the scope of the applicable law rule, insolvency, security rights, and custody issues, and certain interactions with the broader international framework governing carbon markets. The HCCH remained committed to continued dialogue and cooperation with UNIDROIT and other international organisations, including UNCITRAL and the UNFCCC Secretariat, in accordance with its mandate and areas of expertise. However, should differences on the applicable law provision ultimately persist, the HCCH stated that it would continue to develop its work on private international law issues arising for carbon markets on the basis of the input received from its broad and globally representative expert network, and report developments to its members through the framework established by CGAP.

146. *The Governing Council took note of the novelty and technical complexity of the project and expressed its strong appreciation to the Drafting Committee, the members and observers of the Working Group, and the Consultative Committee for their valuable contribution to the development of the draft Principles on the Legal Nature of Verified Carbon Credits, as presented in the Annexe to document C.D. (107) 7. The Governing Council authorised the Secretariat to proceed with public consultation and submit the final draft Principles for approval at its 108th session in December 2026.*

Item 6 on the agenda: Private Art Collections – Orphan Objects ([C.D. \(107\) 8](#))

147. *The Secretary-General introduced the Project on Private Art Collections – Orphan Objects (relating to objects the provenance of which contained gaps) as a project meant to be fully aligned with the principles of the 1995 UNIDROIT Convention.*

148. *Principal Legal Officer and Treaty Depositary Ms Marina Schneider reported on the progress of the project and indicated that since the last meeting of the Governing Council, the Working Group had met twice (in December 2025 and in March 2026). The fourth session, held in December 2025, had begun with a Research Symposium on “Orphan Objects: Curatorial, Ethical, and Legal Aspects”, which allowed several experts to grapple with specific questions linked to the definition of orphan objects, the role of provenance research, its articulation with due diligence, and the status of “orphan” objects in art collections. The discussion of the draft Guidelines then continued in light of the presentations made during the Symposium and the documents prepared by the UNIDROIT Secretariat. Moreover, a new Guideline was discussed on the scientific publication of “orphan” cultural objects, aiming to encourage the publication of cultural objects lacking a complete provenance in scientific reviews and journals.*

149. Ms Schneider noted that between the fourth and fifth sessions of the Working Group, intersessional work had been organised across five Sub-Groups to examine specific issues and facilitate consensus ahead of the fifth session. Each Sub-Group had met several times, eventually refining the text of the black-letter rules and indicating references to be inserted in the commentary.

150. The fifth session had taken place in March 2026, enabling the Working Group to make significant progress on the basis of a document prepared by the Secretariat reporting the results of the intersessional work. Participants also discussed the issue of publicisation and dispute resolution (Guidelines E and F). The Working Group welcomed the participation of Prof. Kristen Carpenter, who shared insights as Director of the American Indian Law Program at the University of Colorado Law School.

151. *Mr Jorge Sánchez Cordero, Chair of the Working Group, reported on the Group’s discussion on finding an alternative term for “orphan” objects, as some members and observers viewed the*

term as inappropriate when used in relation to cultural objects, while others noted its established use in the international art market. He also stressed the Working Group's emphasis on the need for clearer articulation between due diligence and provenance research and noted the importance of scientifically publishing research findings to help prevent counterfeit cultural property from entering the art market.

152. *Mr Alfonso Calvo Caravaca* discussed the challenges of implementing certain national laws, particularly their retroactive application in proceedings for the recovery of stolen cultural objects and questioned whether such legislation was compatible with international law and its effective application extraterritorially. In response, *Ms Schneider* noted that the observation was linked to the 1995 UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects and recalled that it was not retroactive. She mentioned the example that France had adopted legislation in May 2026 on the restitution of cultural property subject to unlawful appropriation, including property taken during colonial periods, and that several other countries were considering similar measures. She further explained that these developments had prompted parliamentary discussions concerning the 1995 UNIDROIT Convention.

153. *Ms Kathryn Sabo* congratulated the Working Group for the progress achieved and highlighted the efforts made to include Indigenous communities in discussions. She questioned if repatriation, transfer or restitution under duress were issues that would be taken into account in the future by the Working Group.

154. *The representative of the United States of America* supported the Working Group's focus on developing best practices for provenance research. She welcomed the idea of a voluntary registry consistent with applicable privacy laws to increase transparency regarding "orphan" objects while stressing that UNIDROIT should not be responsible for vetting information contained in the registry and that it should not be perceived as a mechanism for "clearing" a title. She encouraged broader participation in the Working Group, including by experts from relevant academic fields and representatives of Indigenous communities. To conclude, she recommended that the Working Group remain focused on its mandate concerning private collections, supported efforts to replace the term "orphan" objects, and cautioned against extending the work to areas such as scientific publication standards, which was beyond the expertise of the Working Group.

155. *The Secretary-General* clarified that the members of the Working Group agreed on a registry that did not intend to facilitate the trade of unprovenanced or insufficiently provenanced cultural objects but would function as a soft-law, notice-based information tool. He noted that its effects would not be defined in the Guidelines but left to individual jurisdictions, particularly regarding whether registration could support due diligence assessments over time. The approach was explicitly non-prescriptive, allowing each jurisdiction to determine the legal significance of entries in the registry.

156. *The Governing Council took note with satisfaction of the progress made on the project of private art collections with a focus on orphan objects. It welcomed the renewal of the Memorandum of Understanding signed with the Fondation Gandur pour l'Art and the Art-Law Centre of the University of Geneva, and endorsed the work done by the Working Group.*

Item 7 on the agenda: New Work Programme 2026–2028**(a) Projects initiated under the 2026-2028 Work Programme**
([C.D. \(107\) 9.1 rev](#))

157. *The President* introduced the discussion on projects initiated under the 2026-2028 Work Programme and gave the floor to the Secretary-General to provide an overview.

158. *The Secretary-General* recalled that five new projects had been included in the Work Programme for 2026-2028 and that two existing projects had been upgraded by the Governing Council at its session last year and subsequently confirmed by the General Assembly. He further recalled that, considering the Institute's Centenary celebrations, strategic planning activities and institutional amendments, the Council had instructed the Secretariat to exercise flexibility in the implementation of the Work Programme and to focus primarily on preparatory work, refraining from commencing any new project until the second half of the year. He noted that the Secretariat had adhered closely to those guidelines.

i. Corporate Sustainability Due Diligence in Global Value Chains

159. *The Secretary-General* recalled that the project had been on the Work Programme for some time and that its preparatory work had already been completed. He noted that consultations with several States suggested a reduced level of interest in the topic at present and explained that the project was therefore ready to commence when the appropriate time came, requiring no further preparatory work beyond updating the existing documentation.

160. *The representative of the People's Republic of China* encouraged the Secretariat to keep Member States informed of developments that might affect the future direction of the project.

161. In response, *the Secretary-General* reiterated that all projects would continue to progress in accordance with the timetable previously approved by the Governing Council and emphasised that the Secretariat had deliberately limited its activities in relation to preparatory work.

162. Before concluding, the Secretary-General explained that Corporate Sustainability Due Diligence Project had not been further developed since the Exploratory Work had been conducted the previous year. The Secretariat had a mandate from the Governing Council to proceed with the project as a high priority; however, it had received indications of declining appetite among States to allocate resources to the project for the time being.

163. *The Governing Council noted the update provided by the Secretariat on the completion of the preparatory work for the project on Corporate Sustainability Due Diligence in Global Value Chains.*

ii. Agricultural Financing Legal Guide

164. *The Secretary-General* recalled that the Agricultural Financing Legal Guide project had originated from a proposal submitted by the United States of America and the World Bank. He reported that preparatory work on the project had been undertaken through bilateral consultations with stakeholders and discussions at the 8th Conference on International Coordination of Secured Transactions Reform in Hong Kong. He noted that the project sought to bring together various international instruments relevant to agricultural financing and that consultations had highlighted crop receipts as an area of particular practical importance. In that regard, he referred to a webinar hosted jointly by the International Law Institute (ILI) and the International Finance Corporation (IFC), which had examined the possible future development of a model law on crop receipts, as well as to a complementary expert roundtable held in May 2026 to continue discussions regarding the project

further. He indicated that the Secretariat intended to submit a further proposal to the Governing Council in December and did not anticipate any Working Group meetings until the end of the year.

165. *The representative from the United States of America* welcomed the upgrading of the Agricultural Financing Legal Guide project to high priority and the commencement of work to define its scope and establish a Working Group. Noting the continued value and practical importance of the project, she sought clarification regarding the anticipated timing of the first Working Group meeting.

166. In response, *the Secretary-General* indicated that the Secretariat hoped to convene the first Working Group meeting at the end of 2026, or early 2027.

167. *The Governing Council noted with satisfaction the initial work done to prepare an Agriculture Financing Legal Guide and encouraged the realisation of its next steps before the next session of the Council, including a first Working Group session.*

iii. Legal Guide on the Insolvency of Insurance Enterprises and Harmonisation of National Regimes

168. *The Secretary-General* recalled that the project, proposed by the Institute for the Supervision of Insurance (Istituto per la vigilanza sulle assicurazioni, IVASS), sought to complete the cycle of work which had begun with the Institute's work on bank insolvency. The Secretariat had worked closely with the proponents to prepare an initial Issues Paper and conduct comparative analysis on relevant approaches across different legal systems. The Secretariat had also identified preliminary lists of experts and observers for the working group.

169. Referring to the consultation arrangement for the project, the Secretary-General observed that consideration would need to be given as to whether a Consultative Committee was necessary, since many of the anticipated observers would be national insurance supervisory authorities already directly represented in the Working Group. He noted that there was no need to resolve this question at present, as a Consultative Committee would provide input once a text was available.

170. *The Governing Council took note of the excellent preparatory work undertaken by the Secretariat and the Secretariat's assessment that an exploratory workshop for the project was not required at this stage. The Governing Council further took note of the preliminary list of individual experts as well as international, regional and national bodies and organisations proposed to be invited to participate in the Working Group. On that basis, the Governing Council encouraged the Secretariat to start the activities of the Working Group and, if deemed appropriate, a Consultative Committee in due course.*

iv. Legal and Regulatory Aspects of Investment-Based Crowdfunding (debt and equity)

171. *The Secretary-General* recalled that the project, proposed by the World Bank, intended to facilitate early-stage access to credit for small and medium-sized enterprises and concerned the issuance of debt or equity securities in small amounts offered to the community through supervised electronic platforms. This alternative financing mechanism was considered particularly vital for jurisdictions where banking systems were incomplete or relied on restrictive practices constraining economic growth. The Secretariat had undertaken preparatory work to further delineate the scope of the project, including matters of contract law, liability, property and corporate law, and insolvency. Together with the World Bank, the Secretariat had identified a preliminary list of experts and institutions to be invited to the exploratory workshop, planned to be held in the second half of 2026.

172. *The representative of the ELI* drew attention to the various forms that crowdfunding could take, the most prominent being crowdfunding platforms based on a digital platform model. She noted

that the ELI's earlier Model Rules concerning digital platforms were also relevant to this project and expressed its willingness to provide support.

173. In response, *the Secretary-General* welcomed the ELI's offer of cooperation and noted that, while digital platforms constituted an important aspect of crowdfunding activities, the project would focus primarily on the corporate and private law aspects of capital raising through crowdfunding. He further indicated that the Secretariat would take into account relevant work undertaken by other organisations, including the International Organization of Securities Commissions (IOSCO), and seek coordination with related initiatives where appropriate.

174. *The Governing Council took note of the preparatory and exploratory work undertaken by the Secretariat to delineate the scope of the project, in collaboration with the World Bank Group. The Governing Council further took note of the preliminary list of potential invitees as annexed and authorised the Secretariat to establish a Working Group.*

v. Regulation of Digital Risks through Civil Liability Law

175. *The Secretary-General* reported on the preparatory work that had been undertaken in relation to the project on the Regulation of Digital Risk through Civil Liability Law. He noted that the Secretariat had collaborated with the team assembled by the German Federal Ministry of Justice, led by Governing Council Member Mr Lars Entelmann together with Professor Dr Gerhard Wagner (Humboldt University, Berlin) in developing a mapping exercise to identify the technological risks capable of giving rise to liability. He explained that the project followed a two-stage structure. The first stage would focus on the methodology for assessing digital risk, while the normative consequences and the form of the instrument would be considered at a second stage and would be brought back to the Governing Council for discussion and authorisation. He observed that the work, though preparatory, was already proving useful and offered significant synergies with existing UNIDROIT instruments. He clarified that no working group meetings were envisaged to take place for the project this year and indicated that the Secretariat intended to present a more concrete document at the December meeting.

176. *Ms Vanessa El Khoury-Moal* referred to the project on Digital Risks through Civil Liability Law and reiterated concerns previously expressed regarding the need to demonstrate the practical negative effects of the fragmentation of legal systems on civil liability before considering future normative work. She also sought clarification regarding envisaged next steps for the project, including the possibility of establishing a Working Group in light of its medium-priority status.

177. In response, *the Secretary-General* reiterated that the project remained at the methodological stage and that no decision had been taken regarding the establishment of a Working Group or the form of any future instrument. He emphasised that any proposal for future work would be submitted to the Governing Council for consideration before the project progressed beyond the preparatory phase. He also welcomed the participation of the French experts in the ongoing preparatory work and acknowledged the need to further refine and narrow the scope of the project.

178. *The representative of the ELI* emphasised the importance of defining and conceptualising what constitutes a digital risk, whether by reference to the environment in which it arises, the technology causing it, or the nature of the harm itself (such as data loss or the loss of an avatar in a virtual world), and underlined the particularly complex question of liability for harm caused by artificial intelligence. She noted that the European Law Institute had undertaken substantial work in this area, including in connection with relevant European Union regulatory initiatives, and expressed its willingness to contribute to the project.

179. In response, *the Secretary-General* welcomed the ELI's offer of cooperation and explained that the Secretariat was currently working on defining the scope and methodology of the project. He

noted that the issues identified by ELI would likely be relevant in that context and that the Secretariat would continue to build upon relevant work undertaken by other international organisations.

180. *The Governing Council took note of the preparatory and exploratory work undertaken by the Secretariat to define the scope of the project, as well as the preparation of a draft explanatory factual note, encouraging continuation of the work on the first part of the project.*

vi. International Principles on Construction and Engineering Contracts

181. *The Secretary-General then turned to the project on International Principles on Construction and Engineering Contracts based on the UNIDROIT Principles of International Commercial Contracts (UPICC), which had been undertaken jointly with the International Federation of Consulting Engineers (FIDIC). He reported that several preparatory meetings had been held, including one in person at the seat of the Institute with the Vice-President and the head of legal of FIDIC, concerning the future composition of a Working Group and how best to align the respective methodologies of the two organisations. He further noted that a smaller group of experts had been convened to discuss the scope of the future project.*

182. *The representative of UNCITRAL drew attention to a number of related UNCITRAL texts, including the Legal Guide on Drawing Up International Contracts for the Construction of Industrial Works, the Model Law on Public Procurement, and the Model Legislative Provisions and the Legislative Guide on Public-Private Partnerships, as well as guidelines prepared by the United Nations Industrial Development Organization (UNIDO) on infrastructure development through build-operate-transfer projects. Noting the potential overlaps with these texts, he sought clarification regarding the anticipated scope of the project on International Principles on Construction and Engineering Contracts, namely, whether it was intended to provide commentary or guidance on the application of relevant provisions of the UNIDROIT Principles of International Commercial Contracts (UPICC) to construction and engineering projects, or whether a broader scope was envisaged, potentially similar to that of the Legal Guide on Drawing Up International Contracts for the Construction of Industrial Works and effectively updating it. He noted that clarification on this point would assist UNCITRAL in considering its future involvement in the project.*

183. *Ms Uma Sekhar expressed support for the project and welcomed the consultations undertaken with FIDIC regarding its structure. She enquired about the envisaged process for advancing the work, considering the indication that no Working Group would be established in the near future, and whether other mechanisms, such as a task force, were envisaged. She also requested clarification regarding the statement that the project would not develop model contract clauses and whether this reflected existing industry practice.*

184. *In response to the representative of UNCITRAL and Ms Uma Sekhar, the Deputy Secretary-General clarified that the project was not intended to develop model contracts or model clauses, as those functions were already performed by FIDIC. Rather, the project would seek to identify gaps in existing frameworks and assess whether additional principles or guidance were required to support legislators and other stakeholders in the regulation of construction and engineering contracts. She further explained that the project would not replicate UNCITRAL's work on procurement, although relevant instruments could be taken into account where appropriate. Regarding the timing of the project, she noted that the commencement date remained subject to ongoing discussions with FIDIC and the completion of additional preparatory work.*

185. *The Governing Council noted the preparatory activities undertaken in relation to the International Principles on Construction and Engineering Contracts project. In particular it noted the discussions held between UNIDROIT, FIDIC representatives and a limited group of experts regarding institutional cooperation and the scope of the project. The Governing Council authorised the Secretariat to establish a Working Group when appropriate.*

vii. Standard Essential Patents

186. *The Secretary-General* further informed the Council that preliminary discussions had taken place with the World Intellectual Property Organization (WIPO) regarding the project on Standard Essential Patents. He noted that, given the political sensitivity and complexity of the subject matter and the project's low-priority status, work had thus far remained limited to exploratory exchanges between the respective Secretariats, with a view to ensuring that the project was thoroughly prepared from a technical standpoint before any drafting was undertaken.

187. *Ms Kathryn Sabo* thanked the Secretariat for the report and expressed continued support for the projects included in the Work Programme. She observed that implementation of the programmes would place considerable demands on both the Secretariat and participating experts once the projects entered their substantive phases.

188. *The Governing Council* took note of the low priority assigned to the Standard Essential Patents project, and that limited exploratory work had been carried out.

(b) New proposal on Model Procedural Law Implementing the Cape Town Convention and Aircraft Protocol ([C.D. \(107\) 9.2 rev.](#))

189. *The President* opened the discussion on the new proposal on Model Procedural Law Implementing the Cape Town Convention and Aircraft Protocol, submitted under the 2026-2028 Work Programme, and invited the Secretary-General to introduce the item.

190. *The Secretary-General* informed the Governing Council that, on the preceding day, the Institute had received the instruments of accession by the Democratic Republic of Congo to the Luxembourg Rail Protocol, the MAC Protocol and the Space Protocol. He welcomed these ratifications as a further expansion of the Cape Town Convention family.

191. He explained that the documentation had reached Council Members only recently because, although the proposal had been formally received on 6 May 2026, the Secretariat had awaited confirmation that the Governments of the United Kingdom and Mexico wished to join as proponents before issuing the revised document. ([C.D. \(107\) 9.2 rev.](#)).

192. The Secretary-General recalled that the request would entail the inclusion of a new item in an already-approved work programme. In this regard, he referred, first, to the decision taken at the 101st session of the Governing Council, by which the Council had authorised a measure of flexibility in incorporating new projects; and, secondly, to the precedent of the Model Law on Warehouse Receipts, which the Council had likewise recommended for inclusion in a Work Programme already underway, and which, with the agreement of the General Assembly, had subsequently been concluded.

193. The Secretary-General indicated that the proposal had been submitted by the Governments of Mexico and the United Kingdom together with the Aviation Working Group (AWG). He recalled that the AWG was a not-for-profit organisation established to promote the proper implementation of the Cape Town Convention, which had since proved instrumental to the success of the Aircraft Protocol. He observed that the AWG worked to encourage further ratifications and accessions and to liaise with governments and stakeholders on implementation, and that, through instruments such as the Cape Town Convention Compliance Index, it had acquired close knowledge of, and valuable data on, the manner in which the Convention was implemented in each Contracting State.

194. Turning to the substance, the Secretary-General explained that one of the principal sources of the Convention's success lay in the efficient enforcement mechanisms it afforded creditors upon default, including remedies such as de-registration and relief pending final determination, as well as

its approach to insolvency, which in many jurisdictions went beyond existing ordinary domestic procedural law. He noted that the AWG had identified a series of problems concerning the implementation of the Convention which, where they arose in a number of States, could have a knock-on effect and potentially undermine the application and efficiency of the Convention globally. The proposal accordingly envisaged a model law focused exclusively on the identified problems of implementation of the Cape Town Convention.

195. The Secretary-General confirmed that the Secretariat supported the inclusion of the proposal in the Work Programme and offered several considerations. First, there was no contradiction with the recently approved instrument, namely the Best Practices for Effective Enforcement, the proposed work concerning a *lex specialis* that was distinct from a general enforcement framework. Second, since the problems identified were procedural in nature and therefore in the area public interest, they could not be adequately addressed merely by contract law. Accordingly, a model law was the appropriate instrument. Third, he explained there was a precedent within the Institute for the use of a soft-law instrument to improve the implementation of a hard-law instrument, namely the Legislative Guide on Intermediated Securities (2017), relating to the Geneva Securities Convention of 2009. He noted that the present proposal differed in that it sought to address specific, concrete points rather than to provide an explanation of the treaty. Fourth, there is no legitimacy problem arising from the differing constituencies of the States Party to the Convention and the Member of the Governing Council and the General Assembly, given that the instrument would be fully consistent with the Convention and it would not entail any amendment. He emphasised that as a soft law instrument it would remain entirely optional for States.

196. Fifth, concerning the other Protocols, he acknowledged the interest in extending the exercise beyond the Aircraft Protocol but considered this would be best undertaken in two stages. The first stage should focus on the Aircraft Protocol, since the relevant problems had been identified, and sufficient implementation data existed, with respect to Aircraft; the data concerning rail was insufficient and there was none concerning the remaining Protocols, which were not yet in force. The Secretariat therefore proposed to begin work on a model law addressing the problems identified for aircraft while inviting the experts from the Rail and MAC Protocols to be involved from the outset, so that lessons could be drawn in parallel, and the model law may later be extended efficiently to the other Protocols. Finally, regarding resources, he described the project as a short and relatively inexpensive one, half of the cost would be borne directly by the AWG and the remainder undertaken by a small number of experts working largely remotely, therefore, in the Secretariat's assessment, it would not undercut the implementation of the other existing projects.

197. The floor was open for discussion.

198. *Mr Jorge Sánchez Cordero* recalled Mexico's longstanding experience with the Cape Town Convention and the Aircraft Protocol, noting that North America had been among the first regions to ratify the instruments. He explained that Mexico had initially adopted a more cautious approach but was now considering moving towards a more flexible option. He indicated that the proposal could assist both in encouraging further ratifications and in addressing the difficulties encountered by States that had already ratified the instruments, particularly the gaps that could arise in their procedural application. Describing the proposal as modest but important, he stated that its aim was to introduce greater certainty and predictability, so that similar cases would be resolved in a similar manner, and to make complex matters more readily applicable through uniform rules of procedure.

199. *The Secretary General of the Aviation Working Group, Mr Jeffrey Wool*, drawing on implementation data, submitted that the problem was real and that there was a strong need to address it, in particular for developing jurisdictions, where the economic benefits of the Convention could be considerably greater. He noted that the work could be carried out to a high standard acceptable to States. He emphasised that the proposed work constituted a *lex specialis*, with no other body being engaged in the matter, and that the 2015 Global Code of Enforcement was both too

general and, in several respects, inconsistent with the Cape Town Convention. He considered a model law to be precisely the right instrument, affording both precision and flexibility, since a set of principles alone would inevitably lead to a two-step process that would be slower and more resource intensive. He highlighted that the instrument would in any event be accompanied by annotations and commentary. While certain matters, such as airport safety and security procedures, were specific to aircraft, he considered that the participation of the other Protocols as observers would accelerate their own work, as had occurred with the official commentary. Recalling precedents for joint projects with the International Chamber of Commerce and DIDIC, he submitted that such a joint undertaking would bring collective energy, expertise and industry buy-in.

200. *Mr Daniel Denman* expressed his government's pleasure in joining as a proponent of the project, for the reasons set out by the Secretary-General, namely that the practical difficulties identified in the implementation of the Aircraft Protocol were impeding the ability of the Cape Town Convention and the Protocol to achieve their full potential. Although the United Kingdom was not itself among the States experiencing such difficulties, he emphasised that it was in the interest of all parties. He supported the development of a model procedural law as the most practical means of addressing the implementation gap and observed that the project was a fitting one in the Institute's centenary year. He welcomed the collaboration it would entail between industry and academic expertise and noted its connection with the project on Best Practices for Effective Enforcement. He also stressed that the United Kingdom considered it important to ensure that there would be no disruption to the other projects agreed at the previous session and that the work could be undertaken with minimal input by drawing on existing expertise and working closely with the Aviation Working Group.

201. *Mr Eesa Allie Fredericks* supported the inclusion of the project in the 2026–2028 Work Programme with high priority. Recalling South Africa's particular appreciation of the Cape Town Convention, given the role played by Cape Town in its formative stages and adoption, he considered it fitting that attention should now turn to ensuring that the Convention's enforcement architecture functioned as effectively as its substantive framework. He regarded a model procedural law as an opportune and sensible means of addressing domestic procedural gaps without disturbing the Convention or the Aircraft Protocol, by assisting States in translating treaty obligations into workable domestic procedures. He also took comfort from the support of Mexico, the United Kingdom, the Aviation Working Group and the Secretariat, as well as the assurance that the project would not disrupt the current Work Programme. He welcomed the intention to ensure that the work remained inclusive and attentive to different legal traditions and levels of *development*.

202. *Ms Uma Sekhar* expressed full support for the proposal, noting that it addressed a critical procedural implementation gap under Article 14 of the Convention and that, given operational fragmentation across jurisdictions, a standardised procedural blueprint was necessary. She referred in particular to the discretionary treatment of urgent interim relief, divergent regimes for the recognition of foreign judgments and enforcement of arbitral awards, and delays in execution caused by the absence of asset-disclosure frameworks and overlapping public liabilities, such as airport liens. She sought clarification on the intended drafting process, including whether further groups would be constituted to support the core joint working group, and how experts from the Rail Protocol and MAC Protocol would be involved during the current phase to avoid conflicting procedural templates within the Cape Town ecosystem.

203. *Ms Sharon Ong*, having consulted the relevant authorities, expressed full support for the proposal, considering a model law well suited to addressing the gaps in domestic procedural implementation and valuable as a joint project combining the Institute's normative and institutional expertise with the AWG's operational experience. She expressed reservations, however, regarding the contemplated second stage extending the work to the Rail Protocol and MAC Protocol, which she considered warranted further examination for the reasons stated in paragraph 17 of the proposal. She suggested that the joint working group first prepare the draft model law for the Aircraft Protocol

and report back to the Governing Council, and that any extension to a second stage be the subject of a fleshed-out proposal identifying its issue, scope, process and next steps, for the Council's endorsement and the General Assembly's approval.

204. *Mr. Antti Leinonen* supported the pragmatic, staged approach proposed for the Aircraft Protocol and considered a model law likely the most suitable instrument, while noting that a guide might also merit reflection. His main concern related to resources, particularly the Secretariat's workload. Reassured that much of the work would be undertaken by the AWG, he sought clarification that the project would not place a significantly greater burden on the Secretariat. He could accept the proposed high priority, though he did not consider the matter urgent from his own perspective.

205. *Mr Yusuf Çalışkan* expressed full support for the project, citing a practical need for implementation. He recalled that Türkiye, a party to the Convention and the Aircraft Protocol, had in 2014 enacted enforcement and insolvency legislation containing a provision on the implementation of the Convention, but that, as Turkish practitioners had recently confirmed, the provision did not go far enough, in particular as to the consequences where a debtor objected, with the result that specific procedural difficulties remained.

206. *Ms Kathryn Sabo* thanked the AWG for the carefully developed proposal and the Governments of Mexico and the United Kingdom for co-sponsoring it. While accepting that the Convention and the Aircraft Protocol had created implementation difficulties in some States, she expressed reservations about proceeding directly to a model law, the possibility of addressing the issue separately from procedural, administrative and regulatory law, and the proposed high priority. She noted that the proposal mainly reflected the perspective of creditors and the aviation finance industry and considered that governments' perspectives and the broader procedural and regulatory context should also be taken into account. She suggested that the Council first consider how the proposed work would relate to existing procedural rules and what form of instrument would best achieve the objective, which could be guidance and commentary rather than a model law.

207. She noted that the project, while not financially burdensome, could place additional pressure on an already stretched Secretariat and affect other work. She questioned its urgency and did not consider it sufficient to amend the Work Programme, though she would not object to its inclusion. She suggested that the Secretariat first undertake preparatory work, drawing on the proposal and relevant work. She also suggested keeping greater flexibility as to UNIDROIT's role, expert participation, and the final product and process.

208. *The observer from the United States of America* considered that a model procedural law could be a useful tool. She suggested that the project could serve as proof of concept for possible similar work on the other Protocols and welcomed the participation of experts on those Protocols as observers. She also emphasised that the project should remain collaborative, expert-driven and guided by the Secretariat.

209. *Mr Lauris Rasnačs* expressed support for the proposal, and his agreement with the comments made by Ms. Sabo.

210. *Mr Jean-Christophe Boulet* agreed with the proposal but raised concerns about resources, including both the Secretariat's workload and the Governing Council's own capacity. He considered the Secretariat's assessment decisive. He also suggested that, in developing the future instrument, an early distinction should be made between provisions common to other Protocols and those specific to the Aircraft Protocol, to facilitate any possible later extension.

211. *Ms Karen Banks* expressed that while she was fundamentally in agreement to the proposal and attracted by the prospect of giving concrete form to the best practices work through one or more models adapted to different legal systems, she agreed with the reservations expressed by Ms Sabo

and others. The work would have to be undertaken with great care, taking account of the multiplicity of local laws and of the sensitivities involved, since the adjustment of procedural law in favour of one set of interests might not be welcome in every context; this would require consultation, time and resources.

212. *Ms Stefania Bariatti* considered that the Institute had a responsibility to address the clearly identified lack of procedural rules needed to achieve the objectives of the Convention. She noted that any solution should be carried out within the scope of the Convention, which concerns secured transactions in aircraft between commercial parties. On the form of the instrument, she suggested keeping the matter open, noting that best practices, a model law or a legislative guide could all be useful. While acknowledging that the work would touch upon States' procedural law and sovereignty, she considered that the Institute had the necessary experience and expertise, together with Member States and experts, to carry out the work.

213. *Mr Lars Entelmann* supported including the project as a useful way to improve the implementation of one of the Institute's key instruments, but shared concerns regarding the Secretariat's resources and the possible impact on existing high-priority projects. He sought clarification on how the project would be accommodated within the current work programme. He also cautioned against automatically extending the work to the MAC and rail Protocols, given the lack of sufficient experience and data.

214. Responding to the discussion, *the Secretary-General* addressed the question of the other Protocols, confirming that the work would only concern aircraft, that synergies would be sought by inviting representatives of the other working groups to participate, and that no second stage would be initiated unless the Governing Council agreed.

215. In response to the question on how the second phase would be initiated, he confirmed that this would be a matter for the Council's decision, and that there was no intention of focusing resources on all the Protocols simultaneously. He framed the essential question for the Council as being whether it envisioned the Institute to be part of the solution to a problem that risked seriously undermining the application of the Convention, or whether it preferred that solution to be supplied by a third party.

216. As to the complexity of the work, the Secretary-General expressed the understanding that the exercise was directed at certain specific items in enforcement and implementation rather than a model of procedure as such; while certain matters, such as registration, might touch upon administrative law, the items were limited and listed in the proposal, and a model law on general procedure was neither intended nor feasible. Addressing the concern for possible overlap with the UNCITRAL Model Law on Secured Transactions, he confirmed that the proposed work was confined exclusively to the implementation of the Cape Town Convention, the Secretariat seeking no mandate beyond that.

217. On the choice of instrument, the Secretary-General considered that mere guidance would be of limited assistance, since States required guidance on drafting the specific elements of their own law that they presently lacked. He recalled that the Council retained the power to alter the type of instrument as the work progressed. As to urgency, he explained that the matter had been identified by those operating in practice as an acute problem standing in the way of the efficient application and was therefore more pressing than a legal vacuum in a field not yet governed by a treaty. In response to the suggestion that the proposal lacked a governmental perspective, he explained that the proposal was founded precisely upon what governments had indicated they needed to implement the Convention.

218. Regarding resources, the Secretary-General recalled that, under the Institute's current practice, instruments were drafted by experts appointed by the Council and the Secretariat, with the

Council closely following the work and retaining ultimate responsibility. He further explained that the proposed instrument was expected to be relatively brief, with half of the cost borne by the AWG. While the Secretariat's capacity was limited, the inclusion of the project would only require the deferral of one project which was not yet under way, namely the project on Standard Essential Patents or the CSDD project. He further noted as the Standard Essential Patents project was unlikely to start soon and the CSDD project had lost traction among Member States, the present shorter project could proceed without disrupting the existing programme.

219. *The representative of the HCCH* recalled that issues concerning the recognition and enforcement of foreign judgments and orders in civil and commercial matters fell within the HCCH's mandate, noting that the HCCH had developed instruments and was conducting ongoing work that was relevant to questions of recognition and enforcement in cross-border contexts. She remarked that any private international law issues arising from the project should be addressed in cooperation with the HCCH. In response, *the Secretary-General* acknowledged the HCCH mandate on Private International Law and expressed full awareness of the 2019 HCCH Judgments Convention, pointing out that the implementation of the Cape Town Convention Treaty would not be subject thereto. *Ms Sabo* expressed agreement with the Secretary-General in that there would be no overlap and that the HCCH expertise was nevertheless always welcome. *Mr Meier* expressed support for the proposal and deferred to the Secretary-General on the question of available resources.

220. *The representatives of Mexico and China* expressed agreement with the Secretary-General's explanations and support for the proposal. *The Secretary-General of the AWG* reiterated that the key question was whether the Institute wished to be part of the solution to an evident problem, confirmed the AWG's readiness to devote resources to the joint project, and noted that the expected outcome would be an annotated model law, while acknowledging that this could change as the work progressed.

221. In summary, *the Secretary-General* noted that no member had opposed the inclusion of the project in the Work Programme. Differing views mostly concerned the question of priority and of timing while the differences regarding the difficulty and scope of the work could be resolved only as the work progressed. Noting a clear majority support for commencing the work on the understanding that it would focus on the Aircraft Protocol, subject to any later extension to the Rail and MAC Protocols being referred back to the Council, he recalled that only preparatory work could be undertaken pending General Assembly approval. He therefore proposed that the Council recommend the project's inclusion in the Work Programme and authorise preparatory work aimed at defining its scope and identifying the relevant provisions for consideration.

222. *The Governing Council recommended the inclusion of the development of a Model Procedural Law implementing the Cape Town Convention and the Aircraft Protocol in UNIDROIT's Work Programme for the 2026–2028 period, for consideration at the next session of the General Assembly.*

223. *The Governing Council further authorised the Secretariat to start preparatory work and, should the inclusion be approved by the General Assembly, convene a joint Working Group with the Aviation Working Group (AWG).*

Item 8 on the agenda: International Interests in Mobile Equipment**(a) Implementation and status of the Cape Town Convention and the Aircraft Protocol ([C.D. \(107\) 10](#))**

224. In light of the extensive discussion of implementation issues under the preceding agenda item, the Governing Council was referred to document [C.D. \(107\) 10](#) for detailed information on recent developments of the Cape Town Convention and the Aircraft Protocol, including the status and implementation work undertaken by the Secretariat and the Aviation Working Group.

225. *The Governing Council noted with appreciation the progress on implementation of the Aircraft Protocol to the Cape Town Convention.*

(b) Implementation and status of the Luxembourg Rail Protocol ([C.D. \(107\) 11](#))

226. *The Deputy Secretary-General* presented an oral report on the developments related to the Luxembourg Rail Protocol. She informed the Council that the Democratic Republic of Congo had become the seventh ratifying State. She highlighted ongoing implementation efforts in other countries, noting the advancement of rail bills to a third reading in the United Kingdom's House of Lords and domestication efforts in South Africa. She shared the significant news that the South African Export Credit Insurance Corporation (ECIC) had announced a Cape Town–Luxembourg Protocol discount applicable when the instrument is enforced in the state of the debtor or lessee, which indicates a strong endorsement to the Protocol.

227. In relation to institutional matters, the Deputy Secretary-General provided a four-point update regarding the Supervisory Authority's April session. First, she noted that the Supervisory Authority had elected its officers: Spain as Chair, and South Africa and the United Kingdom as Vice-Chairs. Second, she reported that the Commission of Experts, chaired by Mr Howard Rosen with Sir Roy Goode and Mr Benjamin von Bodungen serving as Vice-Chairs, had presented its first session report and officially commenced its work. Third, the Supervisory Authority had approved amendments to the model rules on the permanent identification of railway rolling stock in cooperation with the United Nations Inland Transport Committee (ITC), a vital step to ensure practical registration for the industry. Finally, she acknowledged that registry activity remained relatively low pending further ratifications, prompting a call for increased dissemination efforts. Nevertheless, the Protocol continued to gain vital support from intergovernmental organisations, highlighted by statements from the EU, the African Union and the UN Economic Commission for Africa, as well as a European Commission communication in November 2025 referencing the Luxembourg Rail Protocol as a means to connect Europe through high-speed rail.

228. Underscoring extensive dissemination activities, the Deputy Secretary-General announced the completion of an official Arabic translation that had been prepared internally by Legal Officer Ms Philine Wehling, which would be crucial for promotional work in Saudi Arabia. She also highlighted a promotional event on the MAC Protocol and the Rail Protocol, jointly organised with the China University of Political Science and Law and the China Society of Private Law. Furthermore, she underlined the excellent ongoing cooperation with the European Bank for Reconstruction and Development (EBRD), particularly concerning joint MAC and Rail Protocol events and specific work outlining the benefits of the instruments for Ukraine. She concluded by noting that the Rail Working Group would continue to promote the instrument at major industry events, such as InnoTrans in Berlin.

229. *The Governing Council took note with appreciation of the recent developments in relation to the implementation of the Luxembourg Rail Protocol.*

(c) Implementation and status of the Space Protocol ([C.D. \(107\) 12](#))

230. *The Deputy Secretary-General* delivered a brief update on the Space Protocol, sharing the positive news of a second ratification by the Democratic Republic of Congo. While acknowledging that the instrument required ten ratifications to enter into force, meaning work on the required infrastructure remained suspended, she highlighted a shift in focus towards active promotion and reassessing industry involvement.

231. To this end, she announced the creation of a focus group on implementation with a clear mandate to write a practice guide and expand outreach to various industry sectors. Chaired by Mr Hamza Hameed, the group was currently being established and had already received enthusiastic responses from invited participants, aiming to further assess how the Protocol could be useful for both the industry and governments.

232. *Ms Kathryn Sabo* sought a brief clarification from the Deputy Secretary-General, who confirmed that the focus group on the Space Protocol, while a Secretariat initiative, was being conducted as part of the Protocol's promotional efforts.

233. *The Governing Council* noted the activities in relation to the implementation of the Space Protocol with appreciation.

(d) Implementation and status of the Protocol on Matters specific to Mining, Agricultural and Construction Equipment (MAC Protocol); Update on the allocation of functions of the Supervisory Authority for the MAC Protocol Registry among UNIDROIT governing bodies ([C.D. \(107\) 13](#))

234. *Senior Legal Officer Mr William Brydie-Watson* introduced document [C.D. \(107\) 13](#), noting that it provided both an update on implementation of the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Mining, Agricultural and Construction Equipment (MAC Protocol) and an overview of preparations undertaken for UNIDROIT's future role as Supervisory Authority of the International Registry to be established under the Protocol.

235. Mr Brydie-Watson reiterated that three elements were required for the MAC Protocol to enter into force: (a) the establishment of an International Registry; (b) the designation of a Supervisory Authority; and (c) the deposit of five instruments of ratification, acceptance, approval or accession.

236. In relation to the establishment of the Registry, he reported that a significant milestone had been reached on 23 December 2025, with the signing of a contract with Information Services Corporation (ISC) for the operation of the future International Registry. He reported that ISC, which also serves as Registrar under the Luxembourg Rail Protocol, intended to establish the Registry in Ireland, thereby benefiting from the experience of the Irish legal system in matters relating to international registries established under the Cape Town Convention framework. In this regard, the Secretariat had received pro bono legal assistance from DLA Piper London during the negotiation and due diligence process relating to the Registry Agreement with ISC, which had contributed to the strengthening of the contractual arrangements particularly in relation to insolvency protections, cybersecurity, intellectual property rights, subcontracting arrangements and other mechanisms necessary to ensure the effective discharge of future supervisory responsibilities. He added that a Registrar Working Group, composed of experts nominated by Australia, China, Germany, Japan, the United Kingdom and the United States of America, had been established to undertake further negotiations with the ISC in relation to the subsidiary agreements required to establish the Registry.

237. Mr Brydie-Watson briefly drew the attention of the Governing Council to a revision of the Harmonized System (HS) nomenclature adopted by the World Customs Organization, which would enter into force in 2028. He noted that the Secretariat's initial analysis indicated that the revision

would affect one of the HS codes referenced in the MAC Protocol (HS code 843031), as the English text had been slightly altered to properly reflect the French language version. He explained that the change would necessitate a technical adjustment to the Annexes to the Protocol, and to this end, the Secretariat has commenced the process for adjusting the Annexes in accordance with Article XXXV of the MAC Protocol.

238. Turning to implementation matters, Mr Brydie-Watson reported that, through the work of the Ratification Task Force and its partners, the Secretariat had undertaken twenty bilateral consultations and participated in fourteen events during the reporting period.

239. Further, Mr Brydie-Watson apprised the Governing Council of recent enhancements to the MAC Protocol website, including the integration of global trade data based on United Nations trade statistics. He explained that the data provided a valuable tool for demonstrating the relevance and potential economic benefits of the MAC Protocol to States. He noted that the figures illustrated the substantial scale of international trade in MAC equipment, with more than USD \$1.6 trillion in relevant equipment exported globally over the previous decade, including approximately USD \$162 billion in 2024 alone.

240. Drawing on the implementation work undertaken during the reporting period, Mr Brydie-Watson identified three notable trends. First, he welcomed the increasing involvement of international financial institutions and multilateral development banks, including the EBRD, the Asian Development Bank (ADB) and the World Bank Group. He highlighted cooperation with the EBRD on outreach and implementation activities, including a joint conference held in London in September 2025, and noted ongoing discussions regarding potential assistance to the Ukrainian authorities in relation to the implementation of the MAC and Rail Protocols. He further reported that the Secretariat had been working with the ADB following a request for assistance concerning the implementation of the Cape Town Convention and its Protocols in Papua New Guinea. In addition, he noted that the World Bank Group was considering the inclusion of the Cape Town Convention and its Protocols within its Financial Sector Assessment Programmes (FSAP), which could significantly incentivise implementation of the MAC Protocol in World Bank countries of operation. Secondly, he noted the strengthening engagement of private-sector stakeholders. In particular, he referred to discussions with the largest MAC equipment manufacturer in the world and to an economic assessment commissioned by the Japan Construction Equipment Manufacturers Association (CEMA) and prepared by Deloitte regarding the potential benefits of Japanese ratification of the MAC Protocol, which industry representatives hoped would support domestic consideration of the treaty. Finally, Mr Brydie-Watson reported on the increased activity of the Ratification Task Force, which had moved to more frequent and targeted meetings with a view to accelerating progress towards entry into force. He explained that the Task Force had adopted a more focused approach by concentrating its efforts on a smaller number of jurisdictions with strong prospects for near-term ratification.

241. Turning to the allocation of Supervisory Authority functions among UNIDROIT governing bodies, Mr William Brydie-Watson reiterated that in 2023 the Governing Council had approved the designation of UNIDROIT as the Supervisory Authority under the MAC Protocol and that, in 2025 the General Assembly had approved the establishment of a Supervisory Authority Committee to exercise both the general and specialist functions of the Supervisory Authority.

242. Mr Brydie-Watson informed the Governing Council that the Secretariat was considering a number of issues relating to the future operation of the Supervisory Authority Committee (as indicated in paragraphs 37 - 40 of document [C.D. \(107\) 13](#) which would need to be addressed in the Committee's Rules of Procedure). Two open issues were highlighted. First, in terms of Committee membership, it was noted that the Rules of Procedure would need to determine whether Committee membership should be automatic for UNIDROIT Member States that had signed or ratified the MAC Protocol, or whether participation of every UNIDROIT Member State interested in participating in the Committee would need to be approved individually by the General Assembly. Second, Mr Brydie-

Watson identified as an open question whether the Committee should have the ability, or in certain circumstances the obligation, to refer particularly significant or sensitive matters to the General Assembly for consideration. Referring to the experience from the Aircraft Protocol, he observed that most matters arising before the Supervisory Authority were likely to be routine. However, issues such as the insolvency of the Registrar, the exercise of insolvency step-in rights, urgent revisions to fee structures, or the dismissal or replacement of the Registrar could raise questions of sufficient importance to warrant consideration by the General Assembly. At the same time, he noted that mandatory referral mechanisms could create practical difficulties in situations requiring urgent action. He invited Governing Council Members to share their views on these matters in order to assist the Secretariat in preparing the draft Rules of Procedure.

243. *Ms Kathryn Sabo* welcomed the progress made in relation to the establishment of the MAC Protocol Registry and the appointment of Information Services Corporation (ISC) as Registrar. She suggested that consideration might also be given to whether the ongoing revision of the UNIDROIT Regulations raised any issues relevant to UNIDROIT's future role as Supervisory Authority. On the issues identified by the Secretariat, Ms Sabo expressed general support for the proposed approach outlined in paragraphs 33 to 43 of document [C.D. \(107\) 13](#), including the preparation of draft Rules of Procedure by the Secretariat, the proposed arrangements regarding Committee membership and observers, and the reporting framework. She noted that states that were Parties to the Convention and Protocol might bring perspectives distinct from those of UNIDROIT Member States, a factor that could be taken into account in the design of the Committee's membership arrangements. With regard to the referral of extraordinary matters to the General Assembly, Ms Sabo supported the practical approach proposed by the Secretariat and considered that any referral mechanism should remain discretionary rather than mandatory. She noted the importance of allowing the Supervisory Authority Committee sufficient flexibility to exercise its responsibilities effectively, particularly in situations requiring timely decision-making.

244. *The representative of the United States of America* expressed appreciation for the Secretariat's work in preparing for the implementation of the MAC Protocol, particularly the finalisation of the Registrar contract. With regard to the proposed Supervisory Authority Committee, the representative supported the inclusion of both signatories and Contracting States as automatic members of the Committee. The representative also supported a pragmatic approach to the referral of extraordinary matters, observing that time-sensitive issues should remain within the competence of the Committee where referral to the General Assembly could adversely affect the effective operation of the Registry.

245. *The Governing Council noted with appreciation the progress on the implementation of the MAC Protocol to the Cape Town Convention, including the appointment of ISC as Registrar to establish and operate the future International Registry for MAC equipment. The Governing Council also noted the additional work undertaken by UNIDROIT to establish a Supervisory Authority Committee to perform UNIDROIT's Supervisory Authority functions once the MAC Protocol enters into force.*

**Item 9 on the agenda: International Protection of Cultural Property:
Implementation and status of the 1995 Convention
([C.D. \(107\) 14](#))**

246. *Ms Marina Schneider (Principal Legal Officer and Treaties Depositary)* indicated that the 1995 UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects currently had 56 States Parties. She further observed that several States had already finalised their domestic procedures for ratification or accession but had not yet deposited their instruments and stressed that UNIDROIT was actively engaging with these States to encourage completion of the process (for example Mauritania, Mongolia, Sudan and Iraq).

247. She highlighted how the outreach and capacity-building activities had also continued during 2025 in regions where ratification of the Convention remained limited, including African countries, the Balkans, and Southeast Asia. Reference was made among others to a Ministerial conference and capacity-building workshop held in Pakistan. Similar capacity-building initiatives had also encouraged engagement with the 1995 UNIDROIT Convention in countries such as Moldova, Costa Rica, Mongolia, and several East African States.

248. The importance of cooperation with other organisations in advocating, promoting and implementing the 1995 UNIDROIT Convention was underscored. She referred to a recent meeting between the Deputy Secretary-General and representatives of the Spanish Ministry of Culture and the Spanish Historical Monument Committee, held at UNIDROIT which had focused on discussing Spanish initiatives to promote the 1995 UNIDROIT Convention. It was also noted that UNIDROIT had participated in online meetings and was referenced in two declarations adopted during the G20 in South Africa in 2025. In addition, UNIDROIT had continued to develop partnerships with other institutions, including ISESCO, with which it was working on capacity-building programmes relating to the implementation of the 1995 UNIDROIT Convention.

249. Ms Schneider explained that UNIDROIT continued to collaborate closely with the art market through participation in a specific European Union Working Group. Moreover, she stressed the excellent cooperation with ICOM including participation in the celebrations marking the 25th anniversary of the ICOM Red Lists, an important tool for exercising due diligence in line with the objectives of the 1995 UNIDROIT Convention, and in the ICOM General Assembly held in Dubai in 2025, providing an opportunity to continue discussions with the Gulf States.

250. Cooperation with UNESCO remained ongoing, particularly through participation in the statutory meetings of the 1970 UNESCO Convention, contribution to a Massive Open Online Course (MOOC) on the fight against illicit trafficking in cultural property and support for the UNESCO Virtual Museum of Stolen Objects. Collaboration with the Italian Carabinieri also continued, with discussions focusing on the synergies between the various international instruments addressing cultural property protection and illicit trafficking. Academic collaboration in relation to UNIDROIT's work was further highlighted with contribution to university courses on art law including Master's programs at LUISS University in Rome or the Catholic University of Milan.

251. *The representative of the United States of America* expressed appreciation for the Secretariat's update on the 1995 UNIDROIT Convention and requested further information on the budgetary implications of the proposed actions. She supported the creation of a Workstream Committee on Cultural Property for the UNIDROIT Centenary and proposed that its work included a review of the UNESCO–UNIDROIT Model Provisions on State Ownership of Undiscovered Cultural Objects to assess whether amendments might be appropriate.

252. *The Secretary-General* reiterated that implementation of UNIDROIT treaties remained a high priority for both the Governing Council and the General Assembly, with resources primarily allocated

to implementation activities in parallel to other high-priority projects. He further noted that implementation work was often supported through partnerships with other institutions.

253. *Ms Schneider* also made a reference to a 2015 United Nations Security Council resolution (2199) recognising illicit trafficking as a source of terrorism financing and identifying the 1995 UNIDROIT Convention as a relevant instrument in combating such trafficking. In this context, she announced a workshop on anti-money laundering measures in the art market would be held at UNIDROIT early June.

254. *Mr Jorge Sánchez Cordero* added that, although the protection of cultural property was recognised as a topic of importance by the United Nations Security Council, there remained a degree of reluctance to take a direct position on the matter, which was often regarded as falling within the remit of other organisations. Nevertheless, he noted how several Security Council resolutions had been adopted unanimously recognising that the protection of cultural heritage was closely linked to international peace and stability.

255. *The Governing Council congratulated the Secretariat for the work done in promoting the ratification and implementation of the 1995 UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects and appreciated the partnerships developed for its promotion.*

Item 10 on the agenda: Implementation status and promotion strategy for UNIDROIT instruments

(a) UNIDROIT Principles of International Commercial Contracts
([C.D. \(107\) 15](#))

256. *The Deputy Secretary-General* referred to document [C.D. \(107\) 15](#) and provided an update on the implementation and promotion strategy for the UNIDROIT Principles of International Commercial Contracts (UPICC) (see [C.D. \(103\) 19](#)).

257. She emphasised that the UPICC constituted one of UNIDROIT's flagship instruments and that its promotion continued to be pursued not only through the efforts of the Secretariat, but also through the valuable contribution of UNIDROIT Correspondents and other academics and practitioners familiar with the instrument. She further recalled that the renewed promotion strategy was structured around five interrelated pillars. In the interest of brevity, she presented three of them, namely (i) leveraging UPICC as a background for general contract law for specific types of contracts; (ii) enhancing awareness and wider dissemination among practitioners, arbitral courts, and judges; and (iii) promoting awareness among younger generations through legal education.

258. With regard to the pillar concerning leveraging the UPICC as a background for general contract law for specific types of contracts, she referred to two projects undertaken by UNIDROIT, namely the ongoing project on UPICC and International Investment Contracts (IICs); and the new high-priority project on International Principles for Construction and Engineering Contracts, adopted within the 2026-2028 Work Programme, to be undertaken jointly with the International Federation of Consulting Engineers (FIDIC).

259. In relation to the pillar concerning enhancing awareness and wider dissemination among practitioners, arbitral courts, and judges, she underscored the importance of formal endorsements by professional organisations. While acknowledging that the UPICC had already received endorsements by professional organisations, she drew the Governing Council's attention to a particularly noteworthy milestone achieved since the last session, namely the fact that the International Association of Young Lawyers (AIJA) had adopted, by way of resolution, that the UPICC "be considered by its members and by the international legal community as an important option in connection with drafting, interpretation, and resolution of disputes relating to international

contracts". The Deputy Secretary-General considered this endorsement to be particularly significant given AIJA's engagement with the next generation of lawyers (in conjunction with the next pillar) and the prospective application of the UPICC in their practice.

260. The Deputy Secretary-General further referred to promoting the UPICC through conferences and seminars highlighting three notable examples: (i) participation in an international conference organised by the Union Internationale des Avocats (UIA) in Krakow, Poland, which offered a valuable opportunity to present how the UPICC could be strategically deployed by contracting parties in practice as a soft law instrument; (ii) the organisation of a conference with the ICC Tunisia in Tunis, featuring in-depth discussions on the UPICC and the IICs project; and (iii) the hosting of the UNIDROIT Asian Transnational Law Centre (ATLC) Seminar, titled "The UNIDROIT Principles of International Commercial Contracts in China and Beyond", with participation of the President of the Civil Law Society of the China Law Society. The latter events underscored the continued influence that the UPICC exert on legislative reforms regarding contract law around the world.

261. Turning to capacity-building programmes as a means of promoting the UPICC, the Deputy Secretary-General particularly highlighted the continuation of the Secretariat's active participation in the International Trade Law Programme at the International Training Centre of the International Labour Organization (ITC-ILO) co-sponsored by UNIDROIT.

262. In relation to the pillar concerning the promotion of awareness among younger generations through legal education, the Deputy Secretary-General referred briefly to the UPICC International Arbitration Moot Initiatives, which she described as one of the most important outreach and capacity building initiatives for familiarising law students with the UPICC. She further noted that these initiatives had generated valuable spillover effects, including the development of a Peruvian Moot Court under the auspices of a UNIDROIT Correspondent and the organisation of the *Martes de UNIDROIT* series featuring online presentations by experts.

263. In closing, the Deputy Secretary-General referred to the event planned on the Centenary of UNIDROIT within the International Association of Comparative Lawyer's Congress in Berlin. She finally encouraged Members of the Governing Council to continue to contribute to the dissemination and application of the UPICC.

264. *The Governing Council expressed its appreciation for the Secretariat's ongoing efforts to promote the UNIDROIT Principles of International Commercial Contracts and to strengthen awareness of the Principles among practitioners, academics and younger generations of legal professionals.*

(b) UNIDROIT Model Law on Factoring and Guide to Enactment
([C.D. \(107\) 16](#))

265. Senior Legal Officer Mr William Brydie-Watson introduced document [C.D. \(107\) 16](#), recalling that the UNIDROIT Model Law on Factoring had been adopted by the Governing Council in May 2023 and that the substantive content of the Guide to Enactment had been approved by the Governing Council at its 105th session in May 2025.

266. He reported that the English version of the Guide to Enactment had been finalised and made available on the UNIDROIT website in May 2026. He explained that it had taken longer than anticipated to finalise the English version, partially due to technical issues in verifying that all of the decisions made by the Working Group at its third session (Beijing, April 2025) were included in the final Guide, and partially due to the Secretariat's need to prioritise work with partner organisations to support ongoing implementation activities around the world for the Model Law on Factoring itself. He further noted that the official launch of the Guide to Enactment was scheduled to take place during the FCI's 58th Annual Meeting in Lisbon, Portugal on 8 June 2026, which would provide an opportunity to raise the visibility of the Guide to Enactment among a global audience of factoring practitioners and

industry stakeholders. Mr Brydie-Watson further noted that work on a French translation was underway, with completion expected by the end of the year.

267. Turning to the substance of the Guide, Mr Brydie-Watson highlighted two innovative features. First, he explained that the Guide identified seven key features underpinning the Model Law, designed to assist States in understanding the core legal concepts necessary to establish an effective legal framework for receivables finance, while recognising that implementation need not require the verbatim adoption of every provision of the Model Law. He noted that implementation partners had already reported that these key features had proven valuable in guiding domestic law reform efforts. Secondly, he referred to the Digital Economy Supplement, a separate and adaptable component intended to address emerging technological developments such as digital platforms and digital currencies.

268. Mr Brydie-Watson then drew attention to implementation activities undertaken during the reporting period. He highlighted that, since the previous session of the Governing Council, the Secretariat had participated in eleven implementation-related events across eight States, supported domestic law reform initiatives in eight jurisdictions, and supported the development of a Spanish translation of the Model Law, led by Working Group member Professor Alejandro Garro.

269. Mr Brydie-Watson emphasised the importance of partnerships in promoting implementation of the Model Law. He noted that all implementation activities had been undertaken in close cooperation with organisations including FCI, the EBRD, the World Bank Group and the Asian Development Bank, whose technical expertise and global networks had been instrumental in supporting domestic reform processes. Finally, he highlighted, that implementation of the Model Law was already producing concrete beneficial economic results, noting that the EBRD had reported that recent legal and regulatory reforms undertaken by Uzbekistan based on the MLF had led to a tenfold increase in Uzbekistan's factoring volumes, from approximately \$60 million in 2022 to \$600 million in 2025. He observed that this tenfold increase demonstrated how a combination of legal reform based on the MLF, complementary regulatory reforms and private sector involvement could generate significant economic benefits for States. He also noted that Ukraine, North Macedonia, the UAE and Viet Nam had all completed reforms, as well as ongoing reforms in a further six countries.

270. *The Governing Council noted the finalisation of the UNIDROIT Model Law on Factoring Guide to Enactment. The Governing Council further noted the progress made in 2025 in executing the Implementation Strategy for the UNIDROIT Model Law on Factoring, and endorsed the future implementation activities proposed for 2026.*

(c) UNIDROIT Principles on Digital Assets and Private Law [\(C.D. \(107\) 17\)](#)

271. *Legal Officer Ms Giulia Previti* provided an update on the promotion and implementation of the UNIDROIT Principles on Digital Assets and Private Law (the 'DAPL Principles'). She recalled that the DAPL Principles had been launched in 2023 and, at its 103rd session, the Governing Council had expressed support for the four-part promotion and implementation strategy outlined by the Secretariat, namely: (i) position the DAPL Principles as the leading international standard on the proprietary aspects of digital assets; (ii) identify priority jurisdictions and engage with relevant stakeholders to support domestic awareness of the DAPL Principles; (iii) raise awareness of the DAPL Principles at relevant industry, academic, and institutional fora in priority jurisdictions; and (iv) ensure that the DAPL Principles were broadly accessible, including by engaging with partner stakeholders to facilitate unofficial translations of the instrument into languages other than English and French.

272. Ms Previti noted that the DAPL Principles continued to be recognised as the leading international standard on the proprietary rights of digital assets. Legislation consistent with, or inspired by, the DAPL Principles had been implemented in several jurisdictions, including the United

States of America, Italy, and Dubai. Most recently, in March 2026, the Scottish Parliament had passed the Digital Assets Scotland Bill, which was consistent with many aspects of the DAPL Principles. In particular, the Bill recognised digital assets as incorporeal assets in Scots private law, meaning that they could be the subject of proprietary rights. The Bill also adopted a control-based approach, similar to that reflected in the DAPL Principles, and introduced a take-free rule protecting good faith acquirers who obtained control of a digital asset. Notably, the DAPL Principles were cited in the Policy Memorandum supporting the Bill as evidence of the relevant international standards with which the legislation should be aligned.

273. Ms Previti explained that, over the past year, the Secretariat had continued to promote and support the DAPL Principles in accordance with the agreed-upon strategy. In particular, the Secretariat had conducted research into priority jurisdictions, namely those considered to be best positioned or open to benefit from the DAPL Principles. In this context, the Secretariat identified States that had enacted or were considering legislation related to digital assets and countries which had looked at digital assets as a means to attract investment.

274. The Secretariat also partnered with the Digital Assets Roundtable Expert (DARTE) Series, an initiative launched by a former DAPL Working Group member, to host two expert-driven, invitation-only, workshops specifically dedicated to the DAPL Principles. The first workshop focused on specific implementation challenges faced by civil and mixed law jurisdictions. Ms Previti expressed the Secretariat's gratitude to Ms Monika Pauknerová who had suggested supporting a dialogue among civil law countries on the understanding that they might be facing similar questions with respect to adapting the concept of control into domestic legislation. Thanks to Ms Pauknerová's suggestion, the workshop featured a representative from the Czech Ministry of Industry and Trade, who presented on the issues faced by the Czech Republic. The workshop also benefited from the participation of representatives from across Europe, as well as Asia and other jurisdictions, to provide input on those questions.

275. The second workshop focused on common and mixed law jurisdictions. Ms Previti thanked Mr Eesa Allie Fredericks, recalling that at the last Governing Council session he had mentioned that these were issues that were of particular relevance to jurisdictions in Africa. On that basis, the Secretariat had tried to involve representatives from across the African continent and a speaker from Nigeria had been invited to present at the workshop.

276. Ms Previti noted the Secretariat's continued engagement in promotion and implementation-related activities, welcoming the support of Governing Council Members in this respect.

277. Ms Previti concluded by sharing that the DAPL Principles had been translated into Japanese, Chinese and Spanish and that translations were in progress into Korean as well as, under the coordination of the ATLC, into Turkish, Mongolian, and Vietnamese.

278. *Ms Monika Pauknerová* welcomed the activities aiming at the promotion of DAPL Principles and thanked the Secretariat for its efforts. She noted that steps were being taken in the Czech Republic to make the DAPL Principles more widely known, despite there being obstacles in the implementation of instruments of soft law.

279. *The representative of the HCCH* expressed appreciation for the continued engagement and exchange with UNIDROIT in relation to digital assets, digital tokens, and related developments. As reflected in the conclusions of the CGAP, in March 2026, the HCCH Experts Group on Digital Tokens had been mandated to continue its study on the private international law issues raised by digital tokens, with a view to identifying more specific issues to be addressed, alongside the development of draft provisions for a private international law framework relating to electronic transferable records aligned with UNCITRAL's Model Law on Electronic Transferable Records (MLETR). In a second work stream, the Experts Group has focused on a broader and more holistic examination of the private

international law issues arising in digitally mediated transactional environments and infrastructures. In that context, the work was proceeding on the basis of an integrated and relationship-centred approach focused on jurisdiction, applicable law, recognition and enforcement, international cooperation mechanisms, and the interaction of legal relationships arising across digital environments.

280. *The Governing Council welcomed the update provided by the Secretariat on the implementation and promotion of the UNIDROIT Principles on Digital Assets and Private Law and noted with appreciation the continued efforts undertaken to support their dissemination and practical uptake across jurisdictions.*

(d) UNCITRAL-UNIDROIT Model Law on Warehouse Receipts and Guide to Enactment ([C.D. \(107\) 18](#))

281. *Legal Officer Ms Philine Wehling* provided an update on activities undertaken to promote and support the implementation of the Model Law on Warehouse Receipts (MLWR), drawing the attention of the Governing Council to document [C.D. \(107\) 18](#). She recalled that the UNCITRAL-UNIDROIT Model Law on Warehouse Receipts had been developed collaboratively by the two organisations and adopted by the Governing Council in May 2024. Ms Wehling then outlined the Secretariat's strategy for advancing the dissemination, adoption, and implementation of the MLWR, which is structured around four interrelated pillars: (i) awareness-raising and capacity-building, (ii) regional promotion and outreach, (iii) domestic legislative implementation, and (iv) accessibility and knowledge resources.

282. With regard to the first pillar, awareness-raising and capacity-building, she noted that, over the course of the past year, the Secretariat and its partners had integrated the MLWR into a number of recurring capacity-building programmes, including the International Programme for Law and Development (IPLD), as well as strategic conferences and workshops, such as the World Bank's Legal Justice and Development Week 2025 and the Hong Kong Legal Week 2025.

283. Turning to the second pillar, regional promotion and outreach, she explained that the Secretariat had focused its efforts primarily on Africa and Asia, where many countries could benefit significantly from implementing a legal framework inspired by the MLWR, particularly considering their smallholder and SME driven agricultural economies.

284. Addressing the third pillar, domestic legislative implementation, she noted that, although implementation of the MLWR remained at an early stage, governments in the Middle East and Central Asia had already sought guidance on possible legal reforms. In this context, UNIDROIT and UNCITRAL had worked closely with the relevant ministries in Saudi Arabia and Uzbekistan to assess their existing legislative frameworks considering the Model Law.

285. Turning to the fourth pillar, accessibility and knowledge resources, Ms Wehling highlighted that both the Model Law and its Guide to Enactment were available in six official languages, Arabic, Chinese, English, French, Russian, and Spanish, thereby facilitating broad accessibility and supporting implementation efforts across different regions.

286. With regard to future activities, Ms Wehling reported that the promotion and implementation of the MLWR were currently being assessed by two Centenary Workstream Committees, on Access to Credit and Private Law and Agriculture respectively. Their recommendations would be incorporated into the Secretariat's promotion strategy as appropriate. Finally, she noted the new UNIDROIT project on an Agricultural Financing Legal Guide would further contribute to the promotion of the MLWR, which would serve as a key building block for the future Guide.

287. The *representative of UNCITRAL* expressed appreciation for the work carried out by the Secretariat. He commended the cooperation and coordination achieved in the context of this project, noting that the UNCITRAL Secretariat had greatly valued this collaboration and hoped it could serve as a model for future initiatives. He further confirmed that the Model Law was available in the six official UN languages on both the UNCITRAL and UNIDROIT websites and expressed appreciation for the ongoing activities to promote the MLWR and the next steps in its dissemination.

288. *The Governing Council commended the promotion and implementation strategy for the UNCITRAL-UNIDROIT Model Law on Warehouse Receipts. Furthermore, the Council noted with appreciation the promotion activities carried out in 2025 and 2026, as well as the cooperation between the Secretariats of both UNIDROIT and UNCITRAL in this regard.*

(e) UNIDROIT Legislative Guide on Bank Liquidation ([C.D. \(107\) 19](#))

289. *Senior Legal Officer Ms Myrte Thijssen* recalled that the Legislative Guide on Bank Liquidation, developed jointly with the Financial Stability Institute (FSI) of the Bank for International Settlements (BIS), had been adopted by the Governing Council at its 105th session in May 2025. She summarised the Secretariat's activities to promote the Guide since then, with reference to the five-part promotion and implementation strategy approved by the Governing Council: (i) dissemination and public awareness campaigns; (ii) targeted presentations at key events; (iii) ensuring broad accessibility; (iv) supporting domestic implementation; and (v) monitoring and reporting on implementation.

290. She reported that information on the adoption and publication of the Legislative Guide had been disseminated through UNIDROIT's website and social media channels. Both the FSI and the Bank of Italy had issued public statements welcoming the publication of the instrument. The Legislative Guide had been promoted through various outreach initiatives including a podcast, an interview disseminated to European central banks, and an explanatory video (see [C.D. \(107\) 19](#), paras. 5–11). Furthermore, the Legislative Guide had been presented regularly at international events directed at policymakers, regulators, insolvency practitioners, academics, and other stakeholders. She highlighted the launch event organised by UNIDROIT and the FSI in Basel, which brought together more than 200 experts from various jurisdictions to discuss the practical implementation of the Guide, and a high-level meeting on banking supervision jointly organised by the Association of Supervisors of Banks of the Americas, the Basel Committee on Banking Supervision, and the FSI. She noted the strong interest shown by regulators and participants from a wide range of jurisdictions ([C.D. \(107\) 19](#), para. 12).

291. With respect to accessibility, Ms Thijssen reported that, following the publication of the official English version, draft French and Spanish versions had been prepared internally and were expected to be finalised in due course. Moreover, unofficial translations into Japanese and Chinese had already been published thanks to the support of the Japanese and Chinese Deposit Insurance Corporations respectively (see [C.D. \(107\) 19](#), paras. 13–14). While there was limited information available regarding implementation given the Guide's recent adoption, the Secretariat remained available to assist interested jurisdictions in implementing the Guide and intended to continue cooperating closely with partner institutions including the FSI, the European Bank for Reconstruction and Development (EBRD), and the Asian Development Bank (ADB), in dissemination and technical assistance activities (see [C.D. \(107\) 19](#), para. 15). She added that the Financial Markets and Technology Workstream, established in the context of the UNIDROIT Centenary, was considering means of further enhancing implementation and promotion work.

292. *The Governing Council took note with appreciation of the update on the Secretariat's implementation and promotion efforts relating to the UNIDROIT Legislative Guide on Bank Liquidation.*

(f) Principles of Reinsurance Contracts (C.D. (107) 20)

293. *The Deputy Secretary-General* referred to the document and presented a brief report on the implementation status and promotion strategy for the Principles of Reinsurance Contracts (PRICL).

294. By way of background, she recalled that the PRICL had been developed by the Universities of Zurich, Frankfurt and Vienna, with the participation of two consultative groups from the insurance and reinsurance industry and the contribution of the UNIDROIT Secretariat, aimed at ensuring consistency in the interpretation and application of the UNIDROIT Principles of International Commercial Contracts (UPICC), on which the PRICL are based.

295. In relation to developments since the last Governing Council session, she announced that following the authorisation of the Governing Council at its 105th session in May 2025, the PRICL, second edition, had now been officially published and were available in both hard copy and online.

296. She emphasised the practical importance of this instrument for the global reinsurance and insurance markets. She observed that the industry had undergone significant developments over recent decades, evolving from a restricted sector traditionally based on a common understanding of the contractual obligations of the parties to a more diversified market, which called for a more balanced and structured global contractual guidance.

297. Since the PRICL's publication, the Secretariat had undertaken various dissemination and promotion activities. Firstly, a successful launch event had been held at Lloyd's of London during which the instrument and its potential application, including for the purposes of interpretation of existing contractual and legislative frameworks, were discussed and considered. Secondly, a Memorandum of Understanding (MoU) between UNIDROIT and the University of Zurich was signed to formalise the institutional continued cooperation. The Deputy Secretary-General stressed the strategic importance of the MoU for continued cooperation in the promotion of the PRICL and in monitoring its implementation.

298. With regard to future promotional activities, the Deputy Secretary-General indicated that the Secretariat would organise further events during the following year with a view to raising awareness of the PRICL. She noted that one such event would be organised in collaboration with the QMUL/UNIDROIT Institute for Transnational Commercial Law.

299. *Ms Kathryn Sabo* expressed her appreciation for the Secretariat's efforts in carrying out promotion strategies for this instrument.

300. *The Governing Council welcomed the publication of the Principles of Reinsurance Contract Law and expressed its appreciation for the Secretariat's continued efforts, in cooperation with academic and industry partners, to promote the instrument and monitor its implementation.*

Item 11 on the agenda: UNIDROIT Academy ([C.D. \(107\) 21](#))**(a) UNIDROIT Academic Projects****i. Cape Town Convention Academic Project**

301. Due to time constraints the Cape Convention Academic Project was not discussed. Updates on the project since the last Governing Council meeting can be found in document [C.D. \(107\) 21](#).

ii. 1995 UNIDROIT Convention Academic Project

302. Due to time constraints the Cape Convention Academic Project was not discussed. Updates on the project since the last Governing Council meeting can be found in document [C.D. \(107\) 21](#).

iii. UNIDROIT Middle East and North Africa Transnational Law Academic Initiative

303. *The Secretary-General* introduced the item on the UNIDROIT Academy and recalled that the Institute's academic activities had been consolidated under the UNIDROIT Academy to increase their visibility and to facilitate access to grants and research funding. He explained that the proposed Middle East and North Africa (MENA) Transnational Law Academic Initiative arose from the Institute's mandate to implement and disseminate its instruments and to strengthen its academic activities and cooperation. The MENA region had demonstrated considerable interest in closer engagement with the Institute, as illustrated by the strengthened cooperation with Egypt. He noted that the MENA Initiative would also allow the Institute to increase its presence, and potentially its membership, in a region where it had few Member States, and which was particularly well suited to its work: it comprised jurisdictions drawing on common law, civil law, and Sharia-compliant legal systems, with the civil law jurisdictions themselves reflecting several distinct legal traditions. This legal diversity, combined with the region's close cultural, religious, and linguistic ties as well as the growth of financial markets in the area, made it a fertile ground for cooperation.

304. The Secretary-General reported that, with the assistance of Mr Wool in his capacity as Senior Academic Fellow, the Secretariat had undertaken preparatory research and, in February 2026, convened an Academic Symposium at the seat of the Institute, bringing together academics, judges, practitioners and government officials from ten jurisdictions. The Symposium provided a forum for the exchange of views, in a non-politicised setting, on matters such as cross-border investment, access to credit, and economic exchange. He emphasised that the workshop had remained strictly technical in nature and had been organised with minimal cost; the principal expense, namely the travel of two Palestinian professors, had been covered by external funding. He expressed the view that, notwithstanding the difficult situation in the region, this was an appropriate time for such an initiative, consistent with the Institute's founding purpose of using the harmonisation of private law to bring economies and peoples together, and that strengthening academic and civil-society ties in the field of private law would help to establish an infrastructure on which reconstruction and cooperation could be built in due course.

305. *Mr Wool* reiterated that the MENA initiative reflected the Institute's original purpose of undertaking technical, commercial, and private international law work and building relationships and institutions. He observed that the initiative drew on the Institute's expertise across common law, civil law and Sharia law, and highlighted a particular interest in the region regarding the interaction between the digital assets and Sharia law, notably in the Gulf states. He also drew attention to the role of Special Economic Zones as an area meriting further examination.

306. Mr Wool illustrated the project's potential by reference to follow-up activity after the Academic Symposium, noting that Al-Quds University had begun to draw on the Symposium

materials to develop a transnational commercial law programme. He explained that, should the Council approve the project, its governance would follow the precedents of the Asian Transnational Law Centre and the Centre for Nordic Studies. Under that model the Secretariat would be responsible for the activities of the project, an Advisory Committee including interested Governing Council Members would be established, and he would serve as Director, reporting to the Secretary-General.

307. *The Secretary-General* clarified that the establishment of a Centre was not a foregone conclusion, and whether the project developed into a Centre comparable to the Asian Transnational Law Centre or the Centre for Nordic Studies would depend both on the Council's support and the availability of external financing. He emphasised that the initiative would not have a financial impact on the Institute beyond the limited resources ordinarily devoted to implementation activities in other regions, and that any further development would require external sponsorship. *Mr Wool*, in his capacity as President of the UNIDROIT Foundation, indicated that the Foundation was committed to seeking external funds for the initiative.

308. *Governing Council Member ad-honorem, Ms Baiba Broka*, expressed full support for the initiative, having taken part in the Academic Symposium, and noted the significant potential of the MENA region. She observed that the Islamic financial markets were substantial and that centres such as Dubai were positioning themselves as hubs for digital technologies. While regulatory frameworks were in place, the private law treatment of digital assets, in particular proprietary aspects and the legal status of tokens, remained underdeveloped, and the Institute's instruments could assist in this respect. She cited the adoption by the Dubai International Financial Centre of a Digital Assets Law, drawing on the UNIDROIT Principles on Digital Assets and Private Law, as an indication of the region's readiness to engage with such standards.

309. *Ms Kathryn Sabo* expressed support for the merits of the proposal and raised a question concerning resources and the burden on the Secretariat. She suggested that the Council might authorise the Secretariat to proceed and reassess the initiative in due course, while emphasising the importance of articulating and structuring priorities within the Institute's Work Programme. She noted that this raised the broader question of the balance between normative and promotional work and indicated that, given the importance of the Institute's academic dimension, UNIDROIT might appropriately reach a different view of that balance from other organisations.

310. *The Secretary-General* agreed, explaining that the initiative was a means of structuring the Institute's implementation activities to focus them where they could be most effective, and that it would not require any legislative project to be set aside. He reiterated that the necessary funds would be raised externally, and noted that a structured regional presence would make it more likely for the Institute to obtain secondees and other support from states in the region.

311. *The Governing Council noted the activities developed and endorsed the UNIDROIT Middle East and North Africa Transnational Law initiative. The Council authorised the Secretary-General to take steps to advance the MENA initiative as defined in the relevant document, within the framework of the UNIDROIT Academy, subject to securing external financial resources.*

(b) Academic Institutes and Law Centres

i. Queen Mary University London (QMUL)-UNIDROIT Institute of Transnational Commercial Law

312. *The Deputy Secretary-General*, speaking in her capacity as Co-Director of the QMUL-UNIDROIT Institute for Transnational Law (the QMUL-UNIDROIT Institute), referred to document [C.D. \(107\) 21](#) and presented a brief oral report on the activities undertaken by the QMUL-UNIDROIT Institute since the last session of the Governing Council.

313. She began by conveying the Secretariat's appreciation for the excellent cooperation with Co-Director Ms Rosa Lastra and Deputy Director Dr Kamala Dawar. She noted that, through the joint efforts of its leadership, the QMUL-UNIDROIT Institute had organised a number of impactful activities and was able to develop a promising strategy for its future work.

314. Activities conducted after the last session of the Governing Council included, among others, the launch of a lecture series inaugurated by UNIDROIT President Emerita Ms Maria Chiara Malaguti and by the Secretary-General, with participation of several members of the Advisory Board of the Institute from all continents. She noted that the planned lecture by Sir Roy Goode had been postponed and further information would be shared at a later time. Moreover, she shared that the QMUL-UNIDROIT Institute intended to undertake additional activities with a view to further promoting UNIDROIT instruments to a broader international audience. Building on the successful partnership with ICC UK, and leveraging on the global networks of QMUL and the QMUL-UNIDROIT Institute, a further event had been planned in the context of the G20 to be held in the United Kingdom in 2027.

315. *The Governing Council noted the activities carried out by the Queen Mary University London-UNIDROIT Institute of Transnational Commercial Law and expressed support for its ongoing work.*

ii. Roma Tre-UNIDROIT Centre for Transnational Commercial Law and International Arbitration

316. Due to time constraints updates on the Roma Tre-UNIDROIT centre for Transnational Commercial Law and International Arbitration were not discussed.

iii. UNIDROIT Centre for Nordic Studies and Transnational Private Law

317. Due to time constraints updates on the UNIDROIT Centre for Nordic Studies and Transnational Private Law were not discussed.

iv. UNIDROIT Asian Transnational Law Centre

318. In his capacity as ATLC Co-Director, *Mr William Brydie-Watson* introduced paragraphs 46–55 of document [C.D. \(107\) 21](#). He recalled that the ATLC's mandate was to promote the work of UNIDROIT in the Asia-Pacific region through engagement with non-governmental stakeholders, and noted that the Centre's activities were funded entirely by third-party sources. He reported that the Advisory Committee, composed of Governing Council Members from the Asia-Pacific region and academics from Member States not represented on the Governing Council, continued to meet quarterly to guide the Centre's work. He thanked Ms Sekhar, Mr Çalışkan, Mr Kanda, Mr Kim and Mr Ji Wenhua for their service on the Advisory Committee, as well as Ms Ong for nominating Ms Dora Neo. He reported on new Memoranda of Understanding (MoU) concluded with the University of Law, Vietnam National University, Hanoi (VNU-UL) in Viet Nam and the Royal University of Law and Economics (RULE) in Cambodia, noting that although Viet Nam and Cambodia were not yet UNIDROIT Member States, these agreements with leading law schools were intended to strengthen relationships with important stakeholders that would support future membership. In relation to the Library, he reported that the

ATLC had supported the refurbishment of an additional section of the Library Annexe to accommodate its growing Scholarship, Internship and Research Programme, and that the Centre had supported translations of the UNIDROIT Principles on Digital Assets and Private Law (DAPL) into Chinese and Japanese, the revised Model Law on Factoring (MLF) into Chinese, and the Legislative Guide on Bank Liquidation into Chinese. Further translations of the DAPL into Turkish, Mongolian and Vietnamese, and of the MLF into Japanese and Turkish were planned for the ATLC's third year. Finally, he explained that the ATLC directly funded five scholars and five interns from the Asia-Pacific region annually for research stays in Rome, and separately administered the senior internship and fellowship agreement with the China Scholarship Council (CSC), all of which were fully funded outside the UNIDROIT Budget.

319. In her capacity as ATLC Co-Director, *Ms Meiling Huang* provided an overview of the Centre's three flagship initiatives. With regards to the Summer School, she recalled that the inaugural 2025 edition had brought together 100 students from 18 countries for a two-week programme of academic lectures, workshops and cultural activities, and reported that the second edition, to be held in Shanghai from 22 June to 3 July 2026, would welcome another 100 participants from over 30 jurisdictions. She noted that the Summer School offered in-depth training on 11 UNIDROIT instruments across all the Institute's areas of work. Regarding the UPICC Moot, she noted that the first edition in 2025 had brought together nearly 150 participants and 70 arbitrators from 8 jurisdictions in its preliminary rounds, with the semi-final and final rounds held at the UNIDROIT headquarters in Rome involving 55 participants and arbitrators from 6 jurisdictions. She announced that the call for applications for the second edition had been officially launched with the preliminary rounds to be held in Hong Kong in November 2026. Concerning the ATLC Seminar Series, she reported that three seminars had been successfully held in 2025, each dedicated to a specific theme relating to UNIDROIT's work, alongside a further seminar on the UPICC held in January 2026. Beyond these flagship initiatives, she highlighted that the ATLC had organised eight international conferences and outreach activities over the past year across Rome and seven jurisdictions in Asia and the Pacific, involving stakeholders from Japan, China, Viet Nam, Cambodia, Malaysia, Australia and New Zealand. She outlined further activities planned for the second half of 2026, including a seminar to be co-hosted with the National University of Mongolia (NUM) in July and support for the UNIDROIT Asia Centenary Conference in October. She concluded by reflecting on the ATLC's role in building lasting bridges between UNIDROIT and the Asia-Pacific region, and thanked the Governing Council for its continued support and trust.

320. *Ms Uma Sekhar* thanked the Secretariat for its delivery of such an ambitious range of activities. She commended the way in which the ATLC was disseminating UNIDROIT's mandate across the Asia-Pacific region, bringing together legal professionals and institutions from outside government in numerous activities. She noted that she had followed the Centre's work closely through online participation in the Advisory Committee sessions and expressed her hope to take part in future activities in-person.

321. *Ms Sharon Ong* congratulated the Secretariat and the ATLC on its success across its activities, as reflected in the report, and commended the work of the Co-Directors and the entire ATLC team.

322. *The representative of the People's Republic of China* commented on the achievements of the Secretariat and the ATLC, extending thanks to the ATLC team, and noted that the range of activities undertaken in the past year was impressive. He observed that the ATLC had introduced new initiatives, such as the Moot, illustrating that such activities could enhance both the Institute's influence and that of its instruments. He noted that awareness of UNIDROIT in China had increased over the past two to three years, an achievement to which he considered the ATLC had made a significant contribution. He expressed his continued support for the work of UNIDROIT and the ATLC.

323. *The Governing Council noted with appreciation the continued progress and further development of the ATLC's activities in its second year, including its successful flagship initiatives, deepened institutional relationships, and broader outreach. The Governing Council also commended*

the ATLC on the high quality and impact of its work in promoting the work of UNIDROIT in the Asia-Pacific region.

(c) UNIDROIT International Programme for Law and Development

324. The *Deputy Secretary-General* presented a brief update on the International Programme for Law and Development (IPLD).

325. She noted that the IPLD had reached its fifth edition and had become one of the Institute's most significant capacity-building initiatives, consistently receiving positive feedback. She acknowledged the excellent work accomplished by the Programmes Director Ms Maria Teresa Iaquina and her team.

326. The *Deputy Secretary-General* also expressed her gratitude to the Directorate General for Development Cooperation of the Italian Ministry of Foreign Affairs and International Cooperation (MAECI-DGCS) for the continued support of this initiative, which went beyond the generous financial support. She noted that the increased financing provided by the MAECI-DGCS in 2025 had been instrumental in enabling the development and continuity of two parallel programmes: (i) the expanded "Africa Plus" programme, which had held its fourth edition in June-July 2025, and (ii) the pilot first edition of the "BEPAC" (Balkans, European Partnership, Central Asia, and Caucasus) programme, which had been held in September 2025.

327. In further elaboration of the programme's core features and as an update on the status of the activity, she informed the Governing Council that the 2026 call for applications for the "Africa Plus" segment of the programme had already closed, the selection of participants had been finalised, and preparations were underway for the one-week online preparation phase followed by the three-week in-person component. Twenty-nine participants from seventeen different African countries had been selected from 234 applications. The programme includes judges, legal drafters, government officials, public sector lawyers, and practitioners. She further informed that the IPLD BEPAC Programme had been renewed for a second edition, attracting a growing number of applicants. The call for applications was still open and would likely be extended in light that the Secretariat's efforts in further promoting the programme through partnership with other international organisations, including the Asian Development Bank.

328. The Deputy Secretary-General further announced that the support for the initiative had been renewed for the 2027 edition of both programmes. She underlined that continuity was one of the principal strengths of the IPLD, as it enabled the establishment of a strong alumni network connecting former and current participants. She further recognised that the IPLD provided an interactive forum facilitating exchanges among the Secretariat, external experts and participants, and thanked UNIDROIT colleagues and experts for their sustained contribution. More importantly, the IPLD served a broader awareness-building platform which created lasting synergy effects and developed institutional relationships. She highlighted that the IPLD provided an avenue for UNIDROIT to reach non-Member States which would benefit from its instruments and to receive valuable input from legal systems and jurisdictions that were otherwise less directly engaged in its ongoing initiatives and projects. In this context, she referred to Georgia, whose engagement with UNIDROIT had since been strengthened.

329. The *Vice-President Mr Jorge Sánchez Cordero* noted that the IPLD was developing in the right direction and underscored its distinctive function as a forum for participants who shared an interest in UNIDROIT's work, as well as in matters relating to uniform law and comparative law.

330. Mr Eesa Allie Fredericks thanked the Secretariat and expressed strong support for the continued development of IPLD from an African perspective. He noted the substantial growth in applications for the Africa Plus initiative - from 122 applicants from 24 African countries for the 2025

Edition to 234 applicants from 34 African countries for the 2026 Edition - was a strong indication of the IPLD's growing visibility, relevance and credibility across the African continent. By way of example, he shared that one of his mentees had participated in the Africa Plus initiative the previous year and had described the experience at UNIDROIT as "incredible". He encouraged the Secretariat to continue developing the initiative not only as a training programme but also as a tool for long-term alumni engagement, implementation and a platform for partnerships with African legal professionals.

331. *The Deputy Secretary-General* expressed her appreciation for the supportive remarks and further expanded upon the synergies and sustained engagement fostered by the IPLD. She highlighted that the lasting and stable connections forged with legal professions from participating States was illustrated by the return of two prominent participants as lecturers in subsequent editions of the programme, namely Judge Eduard Derek Wille of the Supreme Court of South Africa, who was invited this year to participate in a special panel addressing African development and free trade agreements, and Judge Dr. Mohamed A.M. Ismail, Vice-President of the Egyptian State Council (Conseil d'État) and sitting judge at the Supreme Administrative Court of Egypt.

332. *Mr Fredericks* added that Judge Eduard Derek Wille, in his capacity as Judge of the Supreme Court of South Africa, had expressly cited and relied upon the UNIDROIT Principles of International Commercial Contracts in his judicial decisions.

333. *The Governing Council* noted with appreciation the work carried out by the IPLD and the continued growth of the Programme, highlighting the IPLD Africa Plus Programme's visibility, relevance and credibility across the African continent. The Governing Council also welcomed the launch of the new regional IPLD Programme targeting countries in the Balkans, Eastern Partnership, Central Asia, and the Caucasus (BEPCAC).

(d) UNIDROIT Historical Archive, Library & Publications

334. *Head Librarian Ms Alexandra Logue* first provided the Council with a succinct update on UNIDROIT's Historical Archives project's progress and milestones, including the official declaration of its "particularly important historical interest" by the Italian Ministry of Culture's Superintendency for the Roman Fine Arts and Landscape Regional Commission for the Cultural Heritage of Lazio. She also noted that the Library had been bestowed with a recognition from the Superintendency as being of "exceptional cultural interest". These declarations were important not only in terms of recognition and prestige but also for protection and funding opportunities. Then, she briefed the Council on the development of the UNIDROIT Library's collection, drawing special attention to and expressing deep gratitude for the donations received over the past year, as well as challenges faced in planning an update of the Library's software and modernisation of its online public access catalogue. Finally, she presented the monographs published by UNIDROIT since the last in-person session of the Council: the Legislative Guide on Bank Liquidation, the Principles of Reinsurance Contract Law (PRICL) 2025, the Spanish version of the Model Law on Factoring, and a collection of essays examining the founder and first President of UNIDROIT: *Vittorio Scialoja's Contemporary Relevance*.

335. *Legal Consultant and Uniform Law Review Managing Editor Ms Lena Peters* informed the Council about the *Uniform Law Review's* developments since the last in-person session of the Council.

336. Introducing this item, Ms Peters recalled that paragraph 81 of document [C.D. \(107\) 21](#) provided statistics on subscriptions and online consultation of the *Uniform Law Review*. The statistics for 2025 had just arrived and were very positive. In 2025 subscriptions had increased from 2,522 in 2024 to 3,494 in 2025. It should be noted that the figures referred to all the methods of subscription, the majority of which were collection subscriptions, i.e. a collection of different reviews subscribed to *en bloc*, traditional, personal subscriptions were almost non-existent. Online requests for articles in 2025 had been made mostly from Europe, but not only: 24,910 had been made from Europe, 11,811 from Asia, and 4,763 from North America, requests had also been made from the Middle East

and Africa, Australia, New Zealand and Latin America. The royalties UNIDROIT received had almost doubled in 2025.

337. The importance of the *Uniform Law Review* as a source of information on both the Institute and its instruments, as well as on the instruments of other organisations active in international uniform private law, and the reception of the international private law instruments in the nations that adopted them, or used them in the case of soft law instruments, could not be overstated. Its importance could also be seen in the increased number of articles submitted by the authors, many of whom came from Africa and Asia. As stated in the document, in 2025, 82 articles had been submitted to the *Uniform Law Review*. At the time of the Governing Council meeting in 2026, 34 articles had been submitted.

338. Surveys conducted by OUP indicated that of the factors taken into consideration by authors when deciding to submit an article to the Uniform Law Review, the reputation of the Review came first, scoring 8.8 out of 10, and the readership of the Review second, scoring 8.7 out of 10. Despite the difficulties of the peer review process, a survey of the satisfaction of the authors with this process scored 8.3 out of 10, indicating that it was possible for the management of the Review to enlist the assistance of highly qualified experts to act as reviewers, despite the voluntary nature of the activity. In fact, the helpfulness of the review process scored 8.9 out of 10.

339. Ms Peters stated that the Uniform Law Review published not only on traditional subjects such as contracts or sales, it also published on new areas such as electronic trade documents, smart contracts or digital assets. A regular feature since 2018 was the acts of the conferences of the Teachers of Transnational Commercial Law, normally in Issue 2 of the year.

340. She stressed that from 2027 the Uniform Law Review will be an online-only review, as OUP were in the process of converting all their journals to online journals. What effect this would have on both readership and the number of authors submitting articles was not certain, even if it was true that subscriptions were becoming more and more electronic, so perhaps it would turn out to be a positive development.

341. *The Governing Council took note of and expressed support for the progress in the project to overhaul and advance UNIDROIT's Historical Archives, the Library's endeavours to expand holdings and optimise its catalogue while exploring alternative platforms and maintaining a flat budget, and UNIDROIT's publications from the Uniform Law Review to its in-house publication of its instruments, acts, and other monographs.*

(e) UNIDROIT Scholarship, Internship and Research Programme

342. Mr William Brydie-Watson presented the UNIDROIT Scholarship, Internship and Research Programme. He emphasised that, like all Academy initiatives, the programme was fully funded by third parties and not from ordinary Member State contributions, expressing gratitude to the Asian Transnational Law Centre, the Ministry of Commerce of the People's Republic of China, the Madruga Law Firm in Brazil, and the UNIDROIT Foundation for providing funding for the 2026 Programme. He reported exceptional growth in the programme, noting that applications had increased from approximately 100 per year a decade ago to around 800 applications per year, with the Institute currently accepting about 80 interns annually across both senior and junior internships. He underlined that this additional support has been essential for the Secretariat to deliver its ambitious legislative and implementation work. Highlighting the global and diverse nature of the applications, he pointed out that candidates applied from 76 countries for the 2026 Programme, with 75% of internship applications and 66% of scholarship applications originating from outside Europe. In conclusion, he thanked his colleagues Ms Laura Tikanvaara and Ms Catherine High for their significant work in operating the Scholarship, Internship and Research Programme.

343. *The representative of China* commended the achievements of the Secretariat concerning the Scholarship, Internship and Research Programme and the collaboration with other institutions. Noting the growing number of young scholars and interns from China, he requested that, upon the completion of their terms, the Secretariat invite them to prepare a brief summary of their experiences in Chinese or English, which could be shared on the existing WeChat platform dedicated to promoting UNIDROIT.

344. *The President* supported the intervention, stating that it was a valuable reminder for all members to spread awareness within their respective legal communities, as a higher number of diverse participants and applicants would greatly benefit UNIDROIT.

345. *The Governing Council welcomed the continued growth of the Institute's Scholarship, Internship and Research Programme and noted its appreciation for the contributions of scholars and interns to UNIDROIT's work.*

(f) Cooperation with academic and partner institutions

346. *Legal Officer Ms Philine Wehling* drew the attention of the Governing Council to document [C.D. \(107\) 21](#), Section VIII (pp. 21–22), which provided an overview of the Institute's recently concluded cooperation agreements with academic institutions and other partner organisations.

347. Ms Wehling reported that the Secretariat had continued to expand and deepen its network of institutional partnerships. With regard to academic cooperation, since the 105th session of the Governing Council in May 2025, UNIDROIT had concluded cooperation agreements with eight universities and research institutes across a diverse range of jurisdictions, including Saudi Arabia, Hong Kong SAR, Switzerland, Viet Nam, Cambodia, and Italy. She further noted that two additional agreements with German universities had been concluded following the finalisation of the Council document and were therefore not reflected therein.

348. In parallel, the Institute had strengthened its cooperation with key non-academic institutions. Since May 2025, formal partnerships had been established with four organisations: the Beijing Arbitration Commission/Beijing International Arbitration Court, the Italian Arbitration Association, the Ministry of Justice of the Kingdom of Saudi Arabia, and the Egyptian State Lawsuits Authority.

349. Ms Wehling emphasised that these agreements were being actively implemented through concrete collaborative activities. By way of example, she referred to the recently concluded agreement with the Egyptian State Lawsuits Authority, which is entrusted, *inter alia*, with representing the Arab Republic of Egypt before international courts and arbitral tribunals, as well as providing judicial training and legal capacity-building within the Egyptian judiciary. Building on these complementary mandates, the Secretariat and the Authority were exploring the development of a joint training programme for judges and legal counsellors from Egypt and the wider region, with a view to promoting knowledge-sharing and strengthening expertise in areas relevant to UNIDROIT's work.

350. Finally, Ms Wehling noted that the Secretariat's active engagement with its partners under these agreements had enabled the development of strong institutional networks, enhancing the Institute's ability to reach and engage stakeholders at the national level and thereby increasing the impact of its outreach activities.

351. *The Governing Council commended the Secretariat for its expanded and deepened cooperation with academic and governmental institutions worldwide.*

Item 12 on the agenda: Cooperation with other international organisations
([C.D. \(107\) 22](#))

352. *The Secretary-General* introduced document [C.D. \(107\) 22](#). He noted that since the last Governing Council session, UNIDROIT had continued to engage in extensive cooperation and collaboration with other international organisations.

353. He observed that these cooperation and collaboration could broadly be categorised into two primary pillars: (i) UNIDROIT's partnership network, which could be further divided into sector-specific partnerships, international intergovernmental financial institutions, and non-financial intergovernmental organisations and (ii) tripartite coordination between UNIDROIT, the HCCH and UNCITRAL.

354. Elaborating on the sector-specific partnerships, the Secretary-General reported that the Secretariat remained actively engaged in advancing the implementation and development of the Protocols to the Cape Town Convention through a multi-tier collaboration network. Firstly, within sector-specific intergovernmental organisations, including the International Civil Aviation Organisation (ICAO), the Intergovernmental Organisation for International Carriage by Rail (OTIF) and Aviareto, which operates the International Registry for the Aircraft Protocol. Secondly, the Secretariat maintained collaboration within the United Nations framework, specifically with the United Nations Economic Commission for Europe (UNECE) and the United Nations Economic Commission for Africa (UNECA). Thirdly, collaboration with the private sector was channelled through the Working Groups, including the Aviation Working Group, the Rail Working Group and the MAC Working Group, all of which had originally been set up during the negotiation of the Cape Town Convention.

355. Turning to the area of cultural property, the Secretary-General emphasised that inter-organisation collaboration was fundamental to UNIDROIT. Echoing the presentation delivered by Principal Legal Officer and Treaty Depositary Ms Marina Schneider, he noted that UNIDROIT regularly collaborated with international organisations including, but not limited to, UNESCO, ICOM, and the International Centre for the Study of the Preservation and Restoration of Cultural Property (ICCROM).

356. The Secretary-General characterised collaboration with International Intergovernmental Financial Institutions as very strong because these financial institutions were uniquely positioned to identify the on the ground needs for legal reform and were able to participate in the development of UNIDROIT instruments both as Observers in drafting processes and proponents of new projects. Reciprocally, as recently affirmed by the General Counsel of the International Monetary Fund (IMF) and the General Counsel of the World Bank Group in the Centenary's International Workshop on Transnational Law and Cooperation of International Organisations, these financial institutions routinely rely upon UNIDROIT instruments when advising States on legal reforms. He further articulated a strategic ambition to secure the inclusion of UNIDROIT instruments into these organisations' Financial Sector Assessment Program noting that while such milestone would lead to an exponential increase in ratifications, it would inherently require board approvals from both institutions.

357. Continuing thereon, the Secretary-General expressed his sincere appreciation towards the European Bank for Reconstruction and Development (EBRD) and the Asian Development Bank (ADB) for substantially strengthening our partnership. He particularly expressed gratitude for the EBRD's support in implementing the UNIDROIT Model Law on Factoring and Best Practices for Effective Enforcement in various jurisdictions, and in hosting UNIDROIT seminars on several topics related to access to credit. Similarly, he thanked Ms Christina Pak from the ADB not only for her sustained presence at the Governing Council sessions but for extensive collaboration in tandem with the ADB including: (i) the joint effort alongside UNCITRAL in furtherance of the implementation on the UNCITRAL-UNIDROIT Model Law on Warehouse Receipts and the Cape Town Convention; (ii) the issuance of two impactful ADB publications, one dedicated to identifying and explaining the UNIDROIT

Principles on Digital Assets and Private Law, and the other its Legal Blueprint for Developing and Regulating Carbon Markets which synergised with the ADB's active participation in the UNIDROIT Working Group on Verified Carbon Credits; and (iii) a productive mission to the Philippines undertaken by President Emeritus Ms Maria Chiara Malaguti and Senior Legal Officer Mr Rocco Palma in which the ADB facilitated exchange with its own expert in the area of investment contracts, which provided a valuable opportunity for UNIDROIT to refine its own draft instrument.

358. Turning to collaboration with non-financial intergovernmental organisations, the Secretary-General highlighted the cooperation with the Asia-Pacific Economic Cooperation (APEC), the Food and Agriculture Organization (FAO), the International Development Law Organization (IDLO) and the Asian African Legal Consultative Organization (AALCO). He further emphasised the synergy created by the cooperation between UNIDROIT and AALCO, given UNIDROIT's strategic focus on Asia and Africa.

359. With regard to the tripartite coordination with UNCITRAL and the HCCH, the Secretary-General referred to Section III of the document and expressed appreciation for the presence of the representatives of those institutions, Mr Neale Bergman and, earlier in the week, Mr Jae Sung Lee. He highlighted the vital role of the annual in-person tripartite meetings, the continuous exchanges between the Secretariats of the three organisations, and the reciprocal participation of the staff in one another's Working Groups and expert meetings, all of which contributed to a good level of institutional collaboration and coordination. He expressed satisfaction with the highly productive cooperation maintained over the past year with UNCITRAL.

360. The Secretary-General further observed that these achievements were structurally supported by the HCCH-UNCITRAL-UNIDROIT Coordination Guidelines the finalised version of which had been annexed to document [C.D. \(107\) 22](#). He stated that the Coordination Guidelines, drafted under the initiative of the HCCH's Permanent Bureau, had been approved by the UNCITRAL Commission and the HCCH Council on General Affairs and Policy (CGAP). By way of a specific example of cooperation with the HCCH, he referenced the project on Verified Carbon Credits drawing upon the updates shared by the representative of the HCCH and explained that the CGAP's decision was that the cooperation between UNIDROIT and HCCH should continue. He concluded by emphasising that UNIDROIT would remain dedicated and continue to make every effort to facilitate coordination in the period leading up to the finalisation of the instrument.

361. *Vice President Jorge Sánchez Cordero* thanked the Secretary-General for the comprehensive report and opened the floor for discussion.

362. *Ms Kathryn Sabo* commended the Secretary-General for his extensive report and the Secretariat's exceptional efforts in expanding the network partnerships, which had in turn delivered tremendous benefits to its work. In welcoming the finalised version of the Coordination Guidelines, she noted notwithstanding the protracted drafting process, its adoption ensured efficient use of resources and avoided the duplication of outcomes. She emphasised that the Coordination Guidelines, being a flexible tool in nature, should be subject to periodic review and adjustment as circumstances evolved. Drawing on the discussions on the International Workshop on Transnational Law and Cooperation of International Organisations, she cautioned that even a degree of competitiveness could hinder fruitful cooperation and collaboration between international organisations. She stressed the recognition of the specificities and strengths of the organisation, alongside the identification how those could complement UNIDROIT's work would allow the Institute to benefit most from the cooperation. She further drew the attention of the Members of Governing Council to the differences in authorities, responsibilities and processes between organisations such as UNIDROIT, the HCCH and UNCITRAL and remarked that recommendations of cooperation made in any forum should take account of such specificities in order for cooperation to be effective.

363. *Vice President Jorge Sánchez Cordero* thanked Ms Sabo for the insightful reflection regarding the complexities of inter-organisation cooperation and expressed his full agreement.

364. *Ms Vanessa El Khoury-Moal* expressed her gratitude to the Secretary-General. She observed that it was of vital importance to maintain close cooperation with other international organisations, particularly with UNCITRAL and the HCCH, to eliminate the risk of developing similar, divergent or overlapping rules. Welcoming the adoption of the Coordination Guidelines by each respective organisation, she noted that the framework marked a significant step in the right direction. She fully echoed Ms Sabo's remarks regarding the distinct mandate of each organisation and encouraged the Secretariat to continue to identify the best possible method of coordination with the HCCH on the Verified Carbon Credits project.

365. *Vice President Mr Antti Leinonen* affirmed his full support for inter-organisational coordination. Acknowledging that coordination among the three sister organisations had vastly improved over the last five to ten years, he expressed his view that there remained significant work to be done. He further endorsed the intervention of Ms Sabo, reminding the Governing Council to give greater consideration before requesting a higher level of coordination among international organisations and their Secretariats. He also emphasised the responsibility of individual Member States, particularly those who were members of all three sister organisations, to actively improve in coordination domestically and on the capital front.

366. *Ms Sharon Ong* echoed Ms Sabo's remarks adding that she was heartened by UNIDROIT's extensive cooperation and coordination network with many other international organisations, noting that these strengthened partnerships and that the joint activities and projects have greatly enriched UNIDROIT's work. She further extended her thanks to the partner organisations for their collaboration and for recognising the unique value that UNIDROIT brought to their shared efforts. In the same vein, she welcomed the Coordination Guidelines as they provided a very useful framework for coordination, and for increasing visibility of the work carried out by the three sister organisations. More importantly, the Coordination Guidelines would foster coherence, coordination, and strategic complementarity among the three organisations working towards the harmonisation and standard-setting of international private and commercial law, and that its continued implementation would reduce potential legal fragmentation while streamlining operational efficiency based on individual institutional strengths.

367. *Ms Uma Sekhar* echoed the sentiments of the previous speakers and shared her reflections from her attendance at the CGAP. She recalled that at least for the past seven years, the CGAP had devoted a substantial amount of time dedicated to discussing the need for effective cooperation among the three sister organisations. She stated India, as a member of all three organisations, took inter-organisational coordination very seriously and sought to foster synergy between the work and mandate of the three organisations with a view to avoid overlap of projects which in turn carried budgetary implications for developing countries. Having highlighted this concern on several occasions during the CGAP, she concluded her intervention by reiterating the paramount importance of coordination principles and its implementation.

368. *The representative of UNCITRAL* referenced paragraph 25 of the document [C.D. \(107\) 22](#) and emphasised that cooperation and coordination of all three organisations in the implementation of their respective mandates was not only desirable, but essential for the adequate use of public resources. To that end, UNCITRAL participated in the Governing Council session as an observer to hear the updates on UNIDROIT's work, to ask questions about the scope of projects, and to point out overlaps with certain texts with a view to avoid fragmentation and duplication, and to ensure consistency in the work of the two organisations. On that note, given the multiple high-priority initiatives on UNIDROIT's Work Programme, he suggested greater visibility regarding project timelines would be beneficial enabling the UNCITRAL Secretariat to allocate its limited institutional resources effectively to follow and participate in projects that implicated UNCITRAL's mandates and legislative texts. He further expressed appreciation for the reciprocal participation of UNIDROIT staff in UNCITRAL's sessions and colloquia.

369. Turning to the Coordination Guidelines which were originally proposed by the HCCH Permanent Bureau, the representative of UNCITRAL stated that the Guidelines sought to facilitate and strengthen the cooperation and coordination between the three Secretariats in order to avoid undesirable overlap between work programmes, inefficient use of resources, and possible risks of inconsistency and fragmentation. He further referenced the Joint Network for Secured Transactions Reform as an example of successful collaboration, bringing together key organisations including UNCITRAL, UNIDROIT, the HCCH, multilateral development banks and the International Law Institute to promote best practices and harmonise standards in secured transactions law.

370. He further stated that, as the 2025 Chair of the Joint Network Executive Committee, UNCITRAL were delighted to co-organise the eighth International Conference on the Coordination of Secure Transactions Reform, together with the Asian Institute of International Financial Law and the Faculty of Law at the University of Hong Kong, which successfully took place in November 2025. In conclusion he noted that UNCITRAL looked forward to the next steps concerning the Joint Network, as well as the further implementation of the Coordination Guidelines.

371. *The representative of the HCCH* expressed her full agreement with the interventions of the representative of UNCITRAL. She highlighted that the HCCH continued its coordination and exchanges with both UNCITRAL and UNIDROIT in area of mutual relevance and noted that the Permanent Bureau contributed to the work of both organisations through various means. She referenced the annual tripartite coordination meeting held at the Permanent Bureau in the Hague on 8 May 2026 during which various matters, including but not limited to the implementation of Coordination Guidelines, information sharing, operational coordination, and transparency concerning relevant activities and timelines were discussed.

372. The representative of the HCCH stated cooperation and early engagement with HCCH would be most effective and appropriate in the development of an international instrument by another organisation, since it allowed the HCCH to plan its involvement, allocate the necessary resources, and ensure that its participation was reflected appropriately in its work programme, and produced concrete and demonstrable results. She concluded her intervention by stressing that the Permanent Bureau looked forward to the full implementation of the Coordination Guidelines and reaffirming that the effective cooperation between international organisations in the development of private international law framework would be best achieved through mutual respect for each organisation's mandate, methodology, and institutional processes.

373. *The representative of the EBRD* expressed her delight at attending the Governing Council session and celebrating UNIDROIT's Centenary as an Observer. She expressed the EBRD's satisfaction with its partnership with UNIDROIT and welcomed the continued strengthening of cooperation between the two organisations. She expressed hope that the EBRD, alongside other multilateral development banks could amplify the impact of UNIDROIT's instruments by raising awareness and knowledge and supporting legislative implementation across economics in which they engaged. Using cooperation among international financial institutions as an analogy, she stressed that such cooperation was necessary particularly considering the differences in mandate, geographical scope and capacity constraints. She further commended UNIDROIT as a centre of excellence, stating that its instruments, including the most recent publication, UNIDROIT Best Practices for Effective Enforcement, provided credible reference points for policy dialogue and legislative drafting. In concluding her intervention, she thanked the Secretariat for the guidance provided to EBRD on the application of UNIDROIT instruments, and in the Institute's innovation to close gaps in the sphere of private international law.

374. *The representative of AALCO* expressed his appreciation to UNIDROIT for the opportunity to participate in the Governing Council session as an Observer. He further expressed his gratitude to the Secretariat, especially to the Deputy Secretary-General, for her active participation and organisation of a side event focusing on access to credit in AALCO's last annual session. He concluded

by reiterating his support for UNIDROIT's work, and closer cooperation between AALCO and UNIDROIT in the future.

375. *The representative of the ADB* expressed her gratitude to the President, the Secretary-General, the Deputy Secretary-General, and the Governing Council for the valuable opportunity to participate in the Governing Council session. She commended the Secretariat's innovative approach to the dissemination of UNIDROIT's work and its effective use of resources. She particularly noted the striking alignment between UNIDROIT's instruments and the practical needs of ADB developing member economies. These included not only UNIDROIT's core instruments in areas of contract, enforcement, insolvency, restructuring, secured transactions, and access to credit but also emerging instruments in areas of digital assets and verified carbon credits. On that note, she stated that UNIDROIT's instruments, which were true public goods, would help its Member States to leapfrog over outdated, fragmented domestic laws. In that respect, she cited the verified carbon credits principles as an excellent example as the ADB was currently assisting countries in drafting carbon market laws and regulations. On a separate note, she echoed the need for the international financial institutions to enhance their coordination as they ultimately served and worked for the benefit of developing economies, despite their differences in mandates. In concluding she thanked UNIDROIT for welcoming the ADB into its network and looked forward to fostering closer collaboration with UNIDROIT and other partner organisations.

376. *The Secretary-General* thanked all the speakers for their expressions of support and called for greater cooperation and collaboration. Echoing the remarks made by the representative of UNCITRAL, he acknowledged the constraints of operating under limited resources and noted that efficient cooperation was inherently a two-way process. In that regard, he drew attention to UNIDROIT's consistently applied policy of appointing experts who had previously worked on relevant UNCITRAL instruments, such as those involved in drafting the secured transaction and enforcement components of the UNCITRAL Model Law with a view to facilitating coordination, making efficient use of limited resources and reducing agency costs.

377. The Secretary-General further expressed agreement with the remarks of the Vice President Mr Antti Leinonen and others concerning the importance of prior internal coordination within States. He observed it was not uncommon for an organisation to find out State representatives from the exact same State were unaware of the matters raised by another representative in a different forum. That typically occurred through a lack of cooperation and coordination among the officials designated to represent a State across different international organisations. He concluded that greater internal alignment within the State would significantly streamline the work of the Secretariats and minimise unnecessary friction.

378. *Ms Sabo* requested the Secretariat to provide an outline of the expected follow-up and an explanation on how the insights and ideas gathered from the International Workshop on Transnational Law and Cooperation of International Organisations held on 25 and 26 May 2026 could be put to good use.

379. *The Secretary-General* responded that the Secretariat planned on reviewing the workshop and would prepare a summary, and potentially a high-level declaration for consideration of the participating organisations.

380. *Ms Sabo* further supplemented that a list of suggested action items would be ideal.

381. In response, *the Secretary-General* recalled the proposal advanced by the Senior Vice President of the World Bank to expand the existing cooperation regarding secured transactions to other matters. The proposal envisaged expanding the cooperation and collaboration beyond strictly standard setting organisations to include implementing bodies such as the World Bank and other international financial institutions could be extremely impactful. He affirmed that the creation of a

forum dedicated to facilitating information flow would be a valuable step toward resolving coordination issue, though acknowledging such an initiative would require financing to ensure regular updates.

382. *The Governing Council noted with satisfaction the Institute's broad cooperation network that is highly beneficial to the Institute's work, and approved the HCCH-UNCITRAL-UNIDROIT Coordination Guidelines.*

Item 13 on the agenda: Institutional and Administrative matters

(a) Preparation of the draft Budget for the 2027 financial year
([C.D. \(107\) 23](#))

[Confidential discussion; paragraphs 383 to 399 are restricted.]

400. *The Governing Council considered and approved the draft Budget for the 2027 financial year, to be communicated to the Governments of Member States for comments.*

(b) Report of the Special Committee to update the UNIDROIT Regulations
([C.D. \(107\) 24](#))

[Confidential discussion; paragraphs 401 to 422 are restricted.]

423. *The Governing Council welcomed the update on the activities of the Special Committee to Update the UNIDROIT Regulations and approved the proposed amendments thereto. With regard to Article 16, there was broad support for allowing all Member States, upon request, to attend sessions of the Governing Council in a consultative capacity. While recognising the importance of further strengthening Member State engagement, the Council agreed that further reflection was needed on their involvement in the development and approval of soft-law instruments, without making the process unnecessarily burdensome or overly complex.*

(c) Beyond 100 years: a discussion on the organisation's strategy
([C.D. \(107\) 25](#))

[Confidential discussion; paragraphs 424 to 449 are restricted.]

450. *The Governing Council took note of the content of the document and engaged in a discussion of its main elements. Some Members expressed doubts about the time frame for completing the strategy and debated the approach to future discussions, with some suggesting focused meetings on specific topics rather than large group remote sessions. Some Members shared their view that the definition of a strategy would not be a priority ahead of other more pressing elements of the Institute's mandate. The Council agreed that the strategy should focus on identifying broad objectives and priorities, with particular attention to resource allocation and the organisation's mandate.*

(d) Update concerning establishment of a Liaison Office in Hong Kong SAR (China) ([C.D. \(107\) 26](#))

[Confidential discussion; paragraphs 451 to 468 are restricted.]

469. *The Governing Council noted with appreciation the steps undertaken by the Secretariat to establish the UNIDROIT Asia-Pacific Liaison Office in the Hong Kong Special Administrative Region of the People's Republic of China in November 2026.*

(e) **Initiatives related to the Centenary of UNIDROIT** ([C.D. \(107\) 27](#))

[Confidential discussion; paragraph 470 is restricted.]

471. *The Governing Council took note with satisfaction of the progress of the activities undertaken by the Institute to celebrate the Centenary.*

Item 14 on the agenda: Digital communications strategy and social media outreach
([C.D. \(107\) 28](#))

472. *The President* introduced the item, inviting reflection on the Institute's potential for a more prominent presence across social media. He observed that, while UNIDROIT was well known within academic circles and students with an international profile, its work was less recognised beyond those audiences, therefore the outcomes of the Institute work were not always attributed to it. The President illustrated this with the lack of responsiveness from the Italian postal authorities regarding a commemorative stamp for the Institute's Centenary, in contrast to the favourable cooperation with the Vatican authorities. He suggested that this experience reflected differing levels of awareness of UNIDROIT outside its established circles and presented the matter for the Council's reflection.

473. *Legal Consultant Ms Kateryna Bovsunovska* presented an overview of the Institute's digital presence, on behalf of herself and Co-Manager of the Digital Communications Programme, Ms Theodora Kostoula. She recalled that the Institute's digital presence consisted of its website, which remained the principal platform of communication, and its social media accounts (LinkedIn, X, Facebook, and YouTube). In view of the Institute's Centenary, the Centenary logo was in active use across these channels and a dedicated Centenary page featuring a countdown to the final events in December 2026 had been launched on the Institute's website. A set of Centenary communication materials had also been prepared for publication. Ms Bovsunovska highlighted the continued organic growth of the Institute's social media reach and followers, achieved at negligible cost, and acknowledged the valuable contribution of the digital communications interns to the implementation of the activities.

474. *Ms Kathryn Sabo* noted that the Institute had adapted to contemporary channels of communication with positive impact, as reflected in the statistics on engagement. She expressed support for the use of YouTube as a tool for reaching the Institute's various target audiences and suggested that continuing and expanding such activity would be beneficial.

475. In response *Ms Bovsunovska* elaborated on the "UNIDROIT Instruments Explained" YouTube video series noting that the short explanatory videos had been produced using an Artificial Intelligence platform to animate scripted content, to avoid drawing on the time of the Institute's Legal Officers beyond the preparation of the script and underlying material.

476. *Ms Maria Ignacia Vial Undurraga* suggested that, given the increasing number of memoranda of understanding between UNIDROIT and universities and other institutions, links to the UNIDROIT website, or to relevant activities, could be included on the web pages of those partner institutions.

477. *The Secretary-General* added that the Secretariat, led by Ms Philine Wehling, had undertaken a significant effort to update the Institute's Wikipedia page, which was often an initial point of reference for information about the Institute. He explained that the page was now considerably more detailed, while noting the inherent limitation that entries remained open to subsequent amendment by other Wikipedia users.

478. *The Governing Council noted the Secretariat's activities and commended its achievements in this area. The Governing Council suggested further improvements to the Institute's digital presence and agreed to continue providing input in the future.*

Item 15: Dates and venues of future sessions of the Governing Council ([C.D. \(107\) 1 rev.](#))

479. *The Governing Council noted that the next session of the Governing Council was scheduled to take place on 9 December 2026 at the seat of UNIDROIT, as well as a joint session with the UNIDROIT General Assembly on 10-11 December 2026. The venue was still to be confirmed. The provisional dates for the Governing Council meeting in 2027 were 26-28 May.*

ANNEXE I**AGENDA**

1. Adoption of the annotated draft agenda (C.D. (107) 1 rev.)
2. Appointment of First and Second Vice Presidents of the Governing Council (C.D. (107) 1 rev.)
3. Reports
 - (a) Annual Report 2025 (C.D. (107) 2)
 - (b) Report on the UNIDROIT Foundation (C.D. (107) 3)
4. Approval of Final Draft of UNIDROIT Best Practices for Effective Enforcement (C.D. (107) 4)
5. Preliminary endorsement and authorisation to proceed with public consultation
 - (a) Collaborative Legal Structures for Agricultural Enterprises (C.D. (107) 5)
 - (b) UNIDROIT Principles of International Commercial Contracts and Investment Contracts (C.D. (107) 6)
 - (c) UNIDROIT Principles on the Legal Nature of Verified Carbon Credits (C.D. (107) 7)
6. Private Art Collections – Orphan Objects (C.D. (107) 8)
7. New Work Programme 2026-2028
 - (a) Projects initiated under the 2026-2028 Work Programme (C.D. (107) 9.1)
 - i. Corporate Sustainability Due Diligence in Global Value Chains
 - ii. Agricultural Financing Legal Guide
 - iii. Legal Guide on the Insolvency of Insurance Enterprises and Harmonisation of National Regimes
 - iv. Legal and Regulatory Aspects of Investment-Based Crowdfunding (debt and equity)
 - v. Regulation of Digital Risks through Civil Liability Law
 - vi. International Principles on Construction and Engineering Contracts
 - vii. Standard Essential Patents
 - (b) New proposal on Model Procedural Law Implementing the Cape Town Convention and Aircraft Protocol (C.D. (107) 9.2)
8. International Interests in Mobile Equipment
 - (a) Implementation and status of the Cape Town Convention and the Aircraft Protocol (C.D. (107) 10)
 - (b) Implementation and status of the Luxembourg Rail Protocol (C.D. (107) 11)
 - (c) Implementation and status of the Space Protocol (C.D. (107) 12)

- (d) Implementation and status of the Protocol on Matters specific to Mining, Agricultural and Construction Equipment (MAC Protocol); Update on the allocation of functions of the Supervisory Authority for the MAC Protocol Registry among UNIDROIT governing bodies (C.D. (107) 13)
- 9. International Protection of Cultural Property: Implementation and status of the 1995 Convention (C.D. (107) 14)
- 10. Implementation status and promotion strategy for UNIDROIT instruments
 - (a) UNIDROIT Principles of International Commercial Contracts (C.D. (107) 15)
 - (b) UNIDROIT Model Law on Factoring and Guide to Enactment (C.D. (107) 16)
 - (c) UNIDROIT Principles on Digital Assets and Private Law (C.D. (107) 17)
 - (d) UNCITRAL UNIDROIT Model Law on Warehouse Receipts and Guide to Enactment (C.D. (107) 18)
 - (e) UNIDROIT Legislative Guide on Bank Liquidation (C.D. (107) 19)
 - (f) Principles of Reinsurance Contracts (C.D. (107) 20)
- 11. UNIDROIT Academy (C.D. (107) 21)
 - (a) UNIDROIT Academic Projects
 - i. Cape Town Convention Academic Project
 - ii. 1995 UNIDROIT Convention Academic Project
 - iii. UNIDROIT Middle East and North Africa Transnational Law Academic Project
 - (b) Academic Institutes and Law Centres
 - i. Queen Mary University London (QMUL)-UNIDROIT Institute of Transnational Commercial Law
 - ii. Roma Tre-UNIDROIT Centre for Transnational Commercial Law and International Arbitration
 - iii. UNIDROIT Centre for Nordic Studies and Transnational Private Law
 - iv. UNIDROIT Asian Transnational Law Centre
 - (c) UNIDROIT International Programme for Law and Development
 - (d) UNIDROIT Historical Archive, Library & Publications
 - (e) UNIDROIT Scholarship, Internship and Research Programme
 - (f) Cooperation with academic and partner institutions
- 12. Cooperation with other international organisations (C.D. (107) 22)
- 13. Institutional and Administrative matters
 - (a) Preparation of the draft Budget for the 2027 financial year (C.D. (107) 23)
 - (b) Report of the Special Committee to update the UNIDROIT Regulations (C.D. (107) 24)
 - (c) Beyond 100 years: a discussion on the organisation's strategy (C.D. (107) 25)
 - (d) Update concerning establishment of a Liaison Office in Hong Kong SAR (China) (C.D. (107) 26)
 - (e) Initiatives related to the Centenary of UNIDROIT (C.D. (107) 27)

14. Digital communications strategy and social media outreach (C.D. (107) 28)
15. Dates and venues of the future sessions of the Governing Council (C.D. (107) 1 rev.)
16. Any other business

ANNEXE II

**LIST OF PARTICIPANTS /
LISTE DES PARTICIPANTS**

(Rome, 27-29 May 2026 / Rome, 27-29 mai 2026)

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Ms Baiba BROKA

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