



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

9TH INTERNATIONAL CONFERENCE ON THE COORDINATION OF SECURED TRANSACTIONS REFORMS

Scaling access to finance Through law, policy, digitalisation and investment

21 September 2026



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP



Alba Bozo

Managing Director, Deputy General Counsel,
EBRD



Shona Tatchell

Director, Trade Facilitation Programme,
EBRD



Ignacio Tirado

Secretary General,
UNIDROIT

Opening remarks

9:00 – 9:30



European Bank
for Reconstruction and Development



UNCITRAL



WORLD BANK GROUP



Ignacio Tirado

Secretary General, UNIDROIT



Jae Sung Lee

Principal Legal Officer, UNCITRAL

Opening roundtable

Coordinating international standards

9:30 – 10:00



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

9TH INTERNATIONAL CONFERENCE ON THE COORDINATION OF SECURED TRANSACTIONS REFORMS

Scaling access to finance Through law, policy, digitalisation and investment

21 September 2026

Coffee break

10:00 – 10:15



European Bank
for Reconstruction and Development



UNCITRAL



WORLD BANK GROUP

Milot Ahma, *Principal Counsel, EBRD (Moderator)*

Murat Sultanov, *Senior Operations Officer, IFC*

Christina Pak, *Assistant General Counsel, ADB*

Markus Renfert, *Senior Counsel, Banking, EBRD*

Irina Tyan, *Senior Banker, Trade Facilitation Programme, EBRD*

Panel 1

Coordinating the implementation of legal reforms and investment: The role of multilateral development banks

10:15 – 12:15



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP



Milot Ahma
Principal Counsel,
Legal Transition Programme,
EBRD

Panel 1

Coordinating the implementation of legal reforms and investment: The role of multilateral development banks

From legal reform to market activity

How upstream legal reform translates into market activity — and who does what

Policy teams (Including LTT and VP3)

- Legal and regulatory reform, aligned to international standards
- Registries, tax and prudential rules that let the law work
- Awareness and better market conditions for the product

FI teams, including TFP

- Awareness and capacity building with partner banks
- Product training and technical support for uptake
- Financing facilities to partner banks

SME Finance & Development

- Work with corporates and SMEs on the demand side
- Champion the EBRD SCF Facility
- Reverse factoring facilities along supply chains

The result — more market activity

A working enabling framework lowers the cost and risk of doing the product: banks and NBFIs offer it, corporates and SMEs use it, and volumes follow.

Areas of legal reform in focus

EBRD Legal Transition Programme — the last twelve months

Factoring

Ukraine

Law enacted — UNIDROIT MLF-aligned

Uzbekistan

Law enacted — UNIDROIT MLF-aligned

Georgia

Law enacted — UNIDROIT MLF-aligned

Jordan

Full technical assistance, in delivery

West Bank and Gaza

Full technical assistance, in delivery

Leasing

Mongolia

Law before Parliament

North Macedonia

Law passed

Digital negotiable instruments

Türkiye

MLETR-aligned reform

Morocco

MLETR-aligned reform

Ukraine

MLETR-aligned reform

Tunisia

MLETR-aligned reform

Coordinated with

UNIDROIT and UNCITRAL

IFC and World Bank Group

Asian Development Bank

ICC, FCI and ITFA

Markets' sentiment towards reforms

EBRD survey: 50 responses in six Western Balkan jurisdictions (Mar–Apr 2025) | Post-reform market data

1 MAIN OBSTACLES IN THE SURVEY

Top responses from financial institutions

9 Lack of awareness

9 Invoice verification and registration infrastructure

7 Legal barriers

Two of the top three barriers are directly addressed through legal and regulatory reform; awareness is tackled through market-building and capacity support.

2 MARKET REPORTS

14 of 16

financial institutions say broader legal changes are needed to grow supply and demand.

12 of 12

institutions already offering factoring report that demand has improved or is expected to improve.

3 REGULATOR VIEW

4 of 5

report a positive market effect; the exception cited weak enforcement.

4 BEFORE → AFTER REFORM

North Macedonia

EUR 25m → EUR 38m

2021–2023 | institutions 2 → 5

Uzbekistan

~USD 60m → ~USD 600m

2022–2025 | tenfold volume growth

Ukraine

~UAH 24.2Bn → ~UAH 43.3Bn

2023–2025 | doubled volumes

Generating uptake amongst the FIs

What the financier is trying to achieve and how the legal, regulatory and infrastructure measures make it possible.

FI Objective 1

Mitigate risk

Is it real, is it mine, will I be paid?

How the regulator helps

- Secured transactions law
- Factoring / receivables registry
- E-invoicing (authenticity)
- Contract law & enforcement
- Credit information history
- Licensing and supervision

FI Objective 2

Achieve efficiency

Cheap and fast to originate and run

How the regulator helps

- E-signatures
- E-communications
- Digital ID
- eKYC / proportionate compliance
- Centralised platform / marketplace
- E-invoicing (straight-through)

FI Objective 3

Improve capital treatment

It earns the capital it consumes

How the regulator helps

- TCI recognised for capital relief
- Receivables as eligible collateral
- Risk-sensitive weights
- Tax treatment of discounts & fees
- Registry data → better provisioning

FI Objective 4

Expand reach

Grow the book — new clients, new markets

How the regulator helps

- Foreign exchange & currency rules
- Invoice marketplace / platform access
- Credit information on new debtors
- Anti-assignment override
- Cross-border recognition of assignment



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

Thank you!

Milot Ahma
Principal Counsel,
Legal Transition Programme,
EBRD





European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP



Murat Sultanov
Senior Operations Officer,
IFC

Panel 1

Making secured transactions reform work: From enabling frameworks to financial-sector operations

The WBG portfolio has moved into market activation

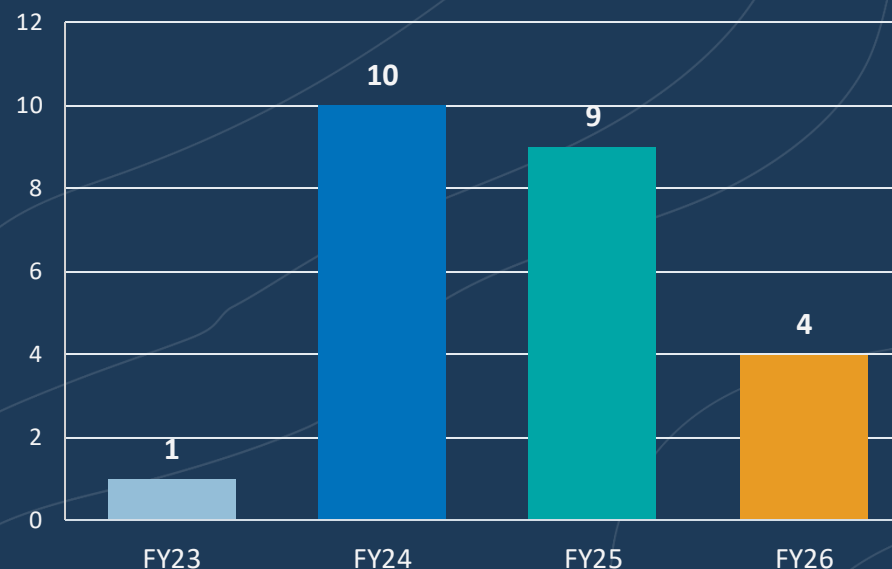
Selected active credit infrastructure projects, May 2026

24

active projects

8 focus directly on secured transactions, movable asset finance or supply chain finance

Active project approvals



Current emphasis

- 01 Lender adoption and operating capability
- 02 Product design, pilots and client pipelines
- 03 Digital registries, e-invoicing and data links
- 04 Financing instruments and private capital

Recent projects start after legal reform

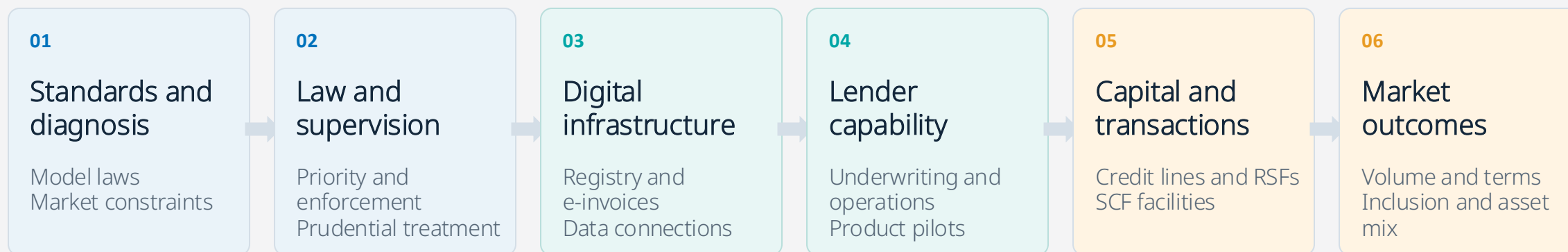
Implementation, use and financing now drive project design.

Post-registry market activation

Uganda, Philippines, Ghana, Malawi and Viet Nam

How WBG instruments connect reform to operations

A financing outcome requires each part of the implementation chain to function



World Bank / IDA

Policy reform Public systems Development policy and investment lending

IFC

Market regulation Lender capability and pilots Risk sharing, credit and transaction finance

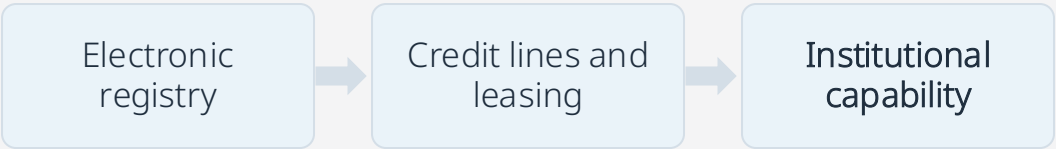
Implementation planning should specify the intended users, products and financing pathway from the outset.

Three pathways from policy to operations

Recent programmes combine public reform, market development and capital in different ways

ETHIOPIA

Integrated public reform and finance



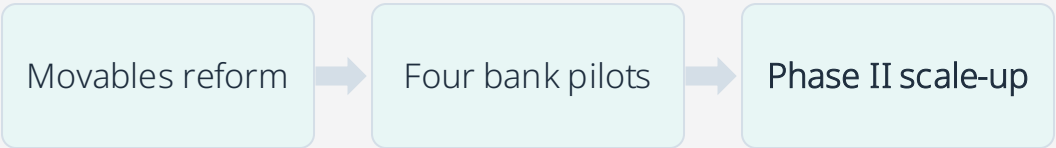
109k+
registry notices

7,525
SMEs supported

US\$431m
programme financing

VIET NAM

Market activation and scale



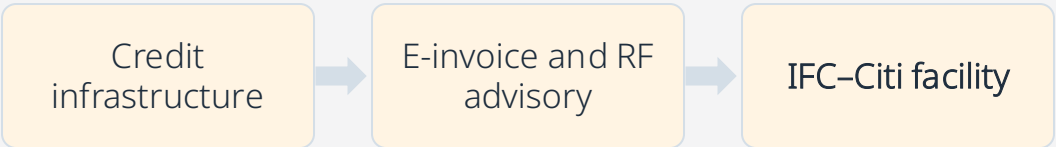
US\$33bn
up to
Phase I facilitated

500k+
SME target

US\$35bn
up to
working-capital target

MEXICO

Advisory foundations to investment



US\$500m
sustainable SCF facility

US\$2bn
global umbrella

Programme figures have different scopes. They should not be attributed solely to a registry or legal reform.

Sources: World Bank Ethiopia ISR (December 2024); IFC-SECO Viet Nam Phase II announcement (2025); IFC-Citi Mexico announcement (2024).

IFC supply chain finance: two complementary platforms

GTSF funds invoices directly. GSCF shares portfolio risk with partner banks.

GLOBAL TRADE SUPPLIER FINANCE

IFC funds approved supplier invoices

Anchor-buyer relationships and partner platforms extend early payment to emerging-market suppliers.

US\$22bn

cumulative disbursements since 2012

US\$3.8bn

FY2026 disbursements

84%

sustainability-linked in FY2026

2,500+ suppliers across 33 countries

GLOBAL SUPPLY CHAIN FINANCE

IFC shares risk with financial institutions

Partner banks originate the assets. IFC provides funded or unfunded portfolio risk participation.

Selected 2026 Africa facility

US\$300m

portfolio

up to US\$150m

IFC guarantee

US\$1.9bn

projected transactions over three years

500+

suppliers

8

African markets

The product scope is widening

Payables finance

Receivables discounting

Pre-shipment finance

Next frontiers

Digital verification

Sustainability incentives

Islamic structures

Local-currency delivery



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

Thank you!

Murat Sultanov
Senior Operations Officer,
IFC



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP



Christina Pak
Assistant General Counsel,
Asian Development Bank

Panel 1

Coordinating the implementation of legal reforms and investment: The role of multilateral development banks

ADB's law and policy reform program under the Office of the General Counsel



"The rule of law is needed to sustain development momentum and to ensure that the benefits of growth are equitably and widely shared." – ADB Strategy 2030

Building the legal and institutional foundations for inclusive and sustainable growth across Asia and the Pacific

LPR ACTIVITIES



Assist with legal and regulatory reforms



Develop tailored capacity building programs



Produce knowledge tools and resources



Convene knowledge sharing events

LPR FOCUS AREAS



Private Sector Development



Sustainable and Resilient Planet



Harnessing Technology



Access to Justice and Inclusive Growth

An aerial photograph of a busy port. A large container ship, with a blue hull and a deck stacked high with colorful shipping containers (red, yellow, blue, green), is docked at a pier. A tugboat is positioned alongside the ship. In the background, other ships and more containers are visible, along with port infrastructure. The water is a deep blue. The entire image is framed by a dark blue border with white wavy lines.

Trade and Supply Chain Finance Program (TSCFP)

ADB's Trade and Supply Chain Finance Program (TSCFP) provides AAA-rated guarantees and loans through over 250 partner financial institutions worldwide. These guarantees help companies diversify trade relationships and navigate new markets, supporting both international and intra-regional trade with developing Asia.

Secured transactions law reforms through ADB's pacific private sector development initiative

ADB

Facilitating Growth: Addressing the Challenges of Small Business Finance
in Fiji through Collateral Reforms



237,718 security interests

registered after movable asset financing
frameworks established in 10 countries

Capacity building

Underutilization of Secured Transactions Laws & Systems

	Bhutan	Cambodia	Nepal	Philippines	Uzbekistan
Law	Movable and Immovable Property Act (1999)	Law on Secured Transactions (2007)	Secured Transactions Act (2006)	Personal Property Security Act (2018)	Civil Code (1998), Law on Pledge (1992) and Law on Pledge Registry (2013)

Strengthening trade finance capacity increasing legal and regulatory know-how of local banks and regulators

Bangladesh Regulator Issued Circular on 11 June 2026 Development and facilitation of alternative trade finance mechanisms

04. Supply Chain Finance (SCF): ADs are encouraged to develop SCF solutions based on genuine underlying trade flows.

(a) Reverse factoring (Buyer-led financing): Under reverse factoring arrangements:

(i) Financing may be extended against invoices approved by creditworthy buyers;

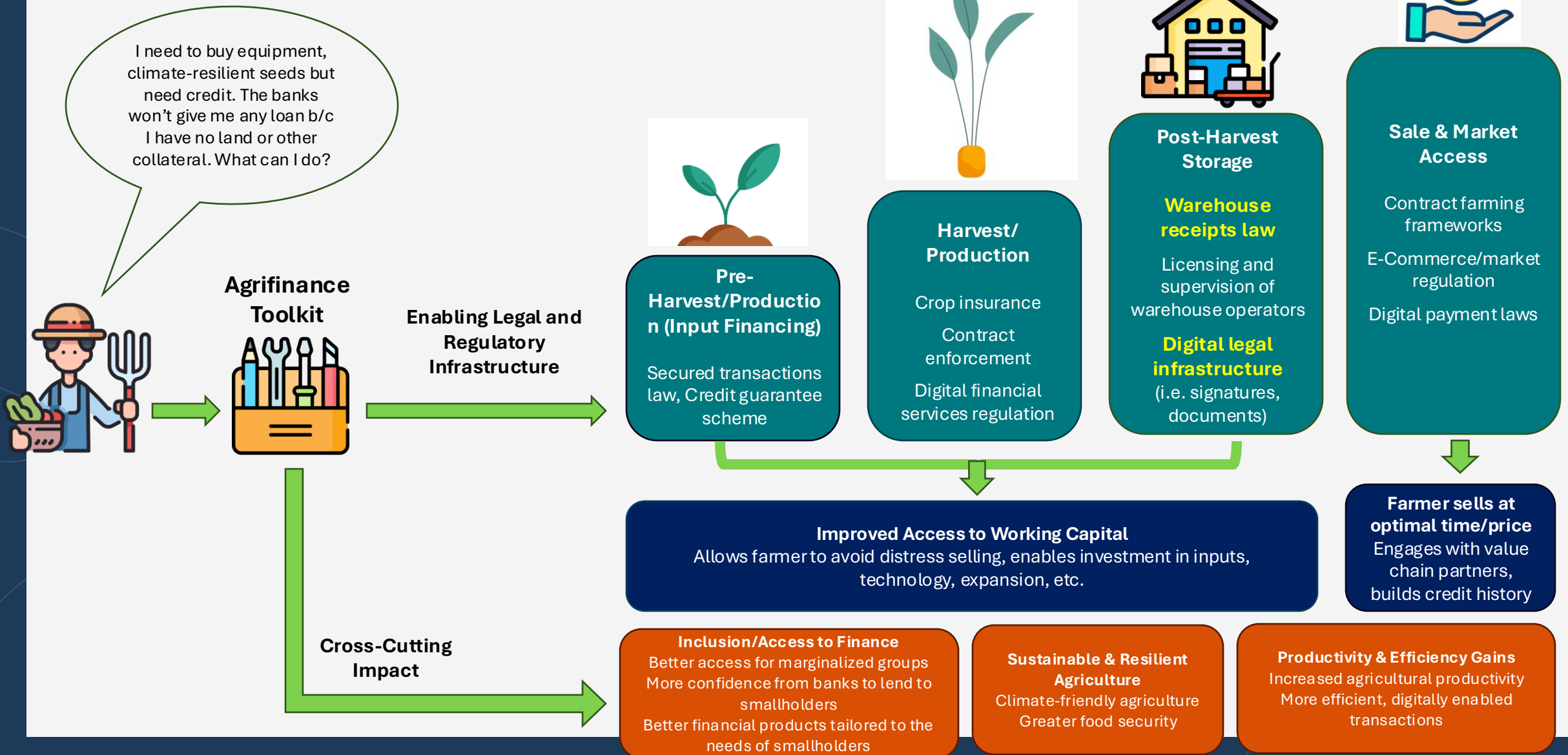
(ii) Suppliers/exporters may receive early payment prior to invoice maturity; and

(iii) The buyer shall repay the financing bank on the agreed maturity date.

(b) Supplier financing/Buyer financing: ADs may extend financing to creditworthy importers for usance imports under sales/purchase contracts. Alternatively, accepted usance import bills of creditworthy importers may be discounted by ADs on a non-recourse basis to the supplier, enabling early realization of export proceeds without imposing additional financing costs on the importer.

Asia and the Pacific agrifinance toolkit in action

Legal enablers to support a farmer's journey across the agri-value chain



UNCITRAL

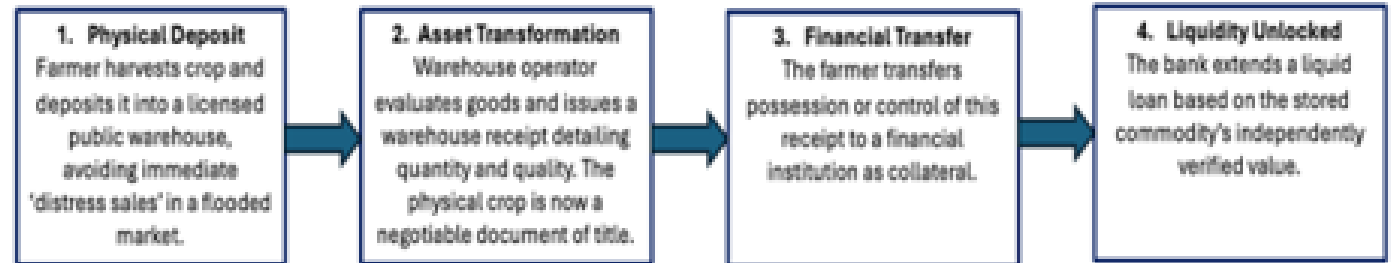
UNITED NATIONS COMMISSION ON INTERNATIONAL TRADE LAW

UNCITRAL-UNIDROIT
Model Law
on Warehouse Receipts
with Guide to Enactment



UNITED NATIONS

Post-Harvest: Unlocking 'Dead Capital'



Core Insight: A robust public warehousing system fosters market transparency and builds trusted infrastructure for rural finance without requiring land mortgages.

Source: ADB, 2026

Driving digitalization of global trade

UNCITRAL Model Law on Electronic Transferable Records

How we are Digitalizing Trade by 2030

Interoperability Standards	ADB's TSCFP is helping standardize 35 core trade documents so digital data can move seamlessly across customs, banks, shippers, and government systems. These standards ensure platforms share common interoperability frameworks, enabling automation, speed, and transparency in trade.
Legal Reform and Enabling Policies	We are supporting countries to align domestic laws with the Model Law on Electronic Transferable Records (MLETR) developed by UNCITRAL, helping ensure electronic trade documents are legally recognized and enforceable.
Industry and Technology Partnerships	We are working with the world's leading technology providers to scale interoperable digital trade solutions, from multinational corporations to small traders, so every participant in global supply chains can trade more efficiently and securely.
Global Advocacy and Leadership	We are advancing global cooperation on trade digitalization through partnerships with the Asia-Pacific Economic Cooperation (APEC), Association of Southeast Asian Nations (ASEAN), Commonwealth Secretariat, International Chamber of Commerce (ICC) Digital Standards Initiative, International Trade and Forfeiting Association (ITFA), United Nations Commission on International Trade Law (UNCITRAL), World Trade Organization (WTO), and other partners.



On 20 April 2023 in Tbilisi, Georgia, ADB's Trade and Supply Chain Finance Program and the Law and Policy Reform Program hosted more than 50 government officials and representative from private sector to discuss the Model Law on Electronic Transferable Records (MLETR), in conjunction with the [Georgia Revenue Service](#) and Digital Standards Initiative and [UNCITRAL](#).

Next generation secured transaction reforms & capacity building

ADB

*Proposed ADB Multiregional Technical Assistance:
Strengthening Legal Frameworks and Capacity to
Increase Access to Private Finance
(in design phase; to be launched in 2027)*

Let's Collaborate!



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

Thank you!

OFFICE OF THE GENERAL COUNSEL
**LAW AND POLICY
REFORM PROGRAM**



**Solving Complex
Challenges Together**

Christina Pak
Assistant General Counsel (Law and Policy Reform)
Asian Development Bank



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP



Markus Renfert
Senior Counsel, Banking,
EBRD

Panel 1

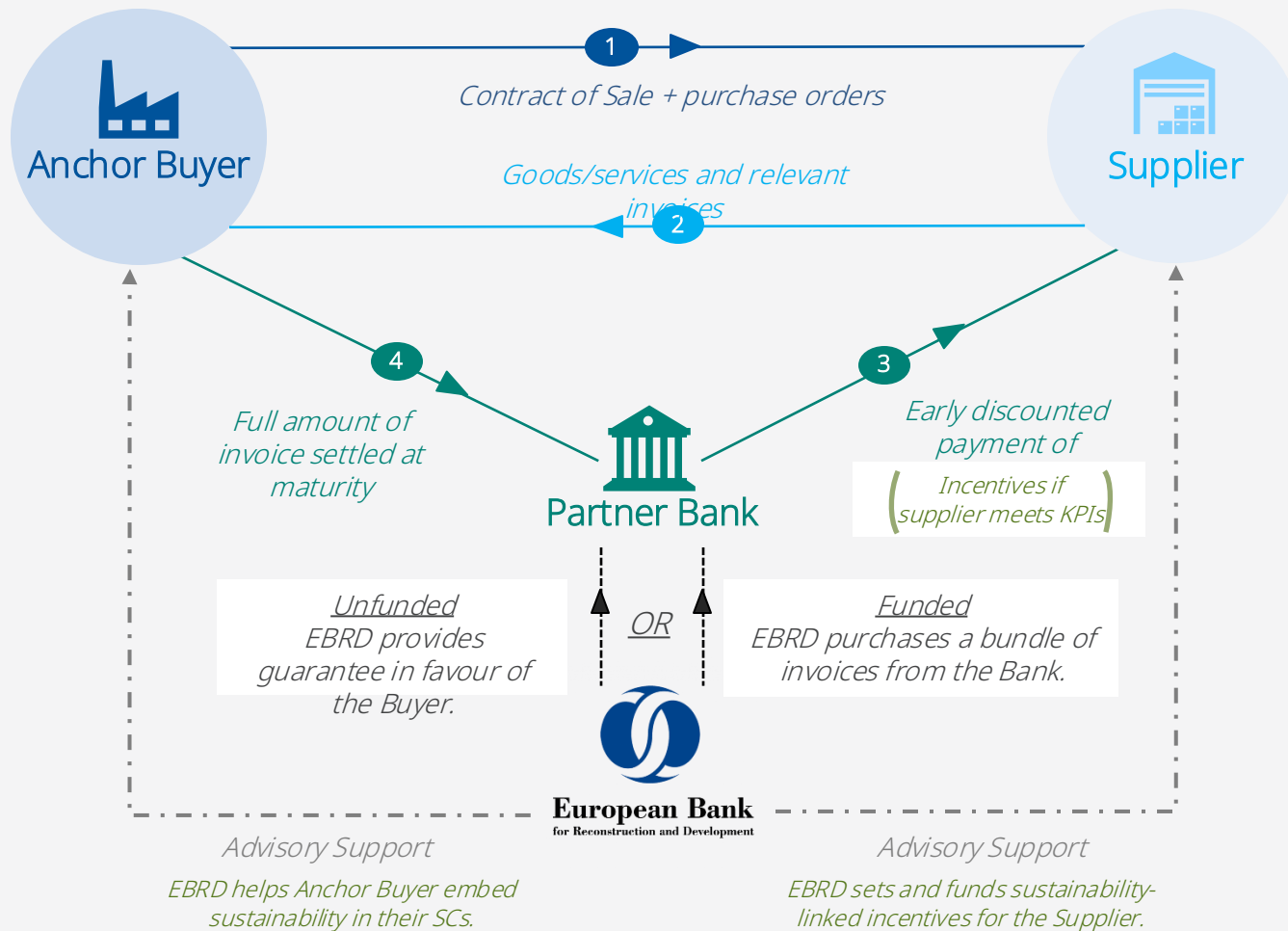
EBRD's supply chain solutions

Overview

- Supply Chain Finance and EBRD's role
- EBRD's Supply Chain Solutions Programme
- Supply Chain Finance and Law Reform



EBRD's participation in supply chain finance



EBRD's Participation

EBRD participates in the Supply Chain Finance programmes extended by Partner Banks to Anchor Buyers either on a funded (purchasing invoices) or unfunded (providing guarantee) basis.

Sustainability Offering

In addition, and subject to Anchor Buyer's interest, EBRD can support the establishment of a **Sustainable Supply Chain Finance** programme. This would entail incentives for suppliers who meet sustainability-linked KPIs as well as bespoke advisory support for Buyer and/or suppliers, as described in **(green)** on the left.

EBRD's participation in supply chain financing

- In 2025, the Bank financed multiple rounds of invoices issued by eligible suppliers with a total volume of financing reaching EUR 481 million;
- During 2025, the active SCS programmes financed a total of 94 suppliers, across Türkiye, Greece, Poland, Czech Republic, Estonia and Romania, of which 56% were SMEs;
- In 2026, EBRD is actively pursuing entry into new countries of operations, in particular in Central Asia and Ukraine - where the market for this product is at nascent stage.

What are the impediments to SCF transactions? What can law reform do?

Legal Framework

- Recognition of the independent payment undertaking
 - Law firms
 - Parties
 - Courts / Arbitrators
- Non-assignment clauses in commercial contracts
- Secured lending / true sale
- Validity of partial assignments of receivables

Regulatory Framework

Not every SCF structure provides the expected capital relief for the Partner Bank



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

Thank you!

Markus Renfert
Senior Counsel, Banking,
EBRD





European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP



Irina Tyan
Senior Banker, Trade Facilitation Programme,
EBRD

Panel 1

Support of factoring and reverse factoring activities under the EBRD's Trade Facilitation Programme



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE

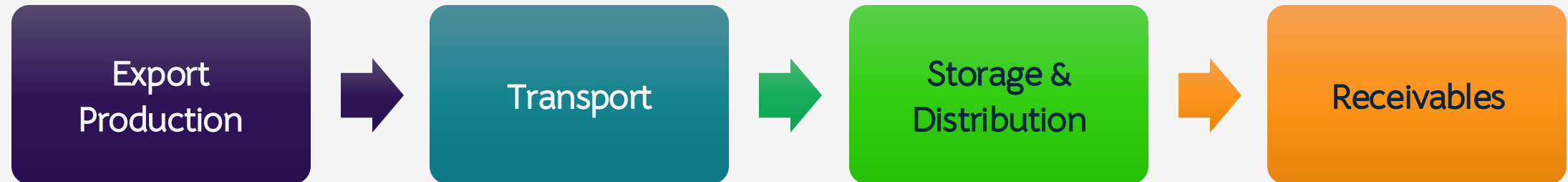


UNCITRAL



WORLD BANK GROUP

Facilitates financing of all stages of the trade chain





European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

TFP factoring: results at glance

Approved
2006

Factoring framework sublimit
€200 million

Number of factoring facilities

15 in 9 countries

(Armenia, Bulgaria, Georgia, Mongolia, Romania, Serbia, Türkiye, Ukraine and Uzbekistan)

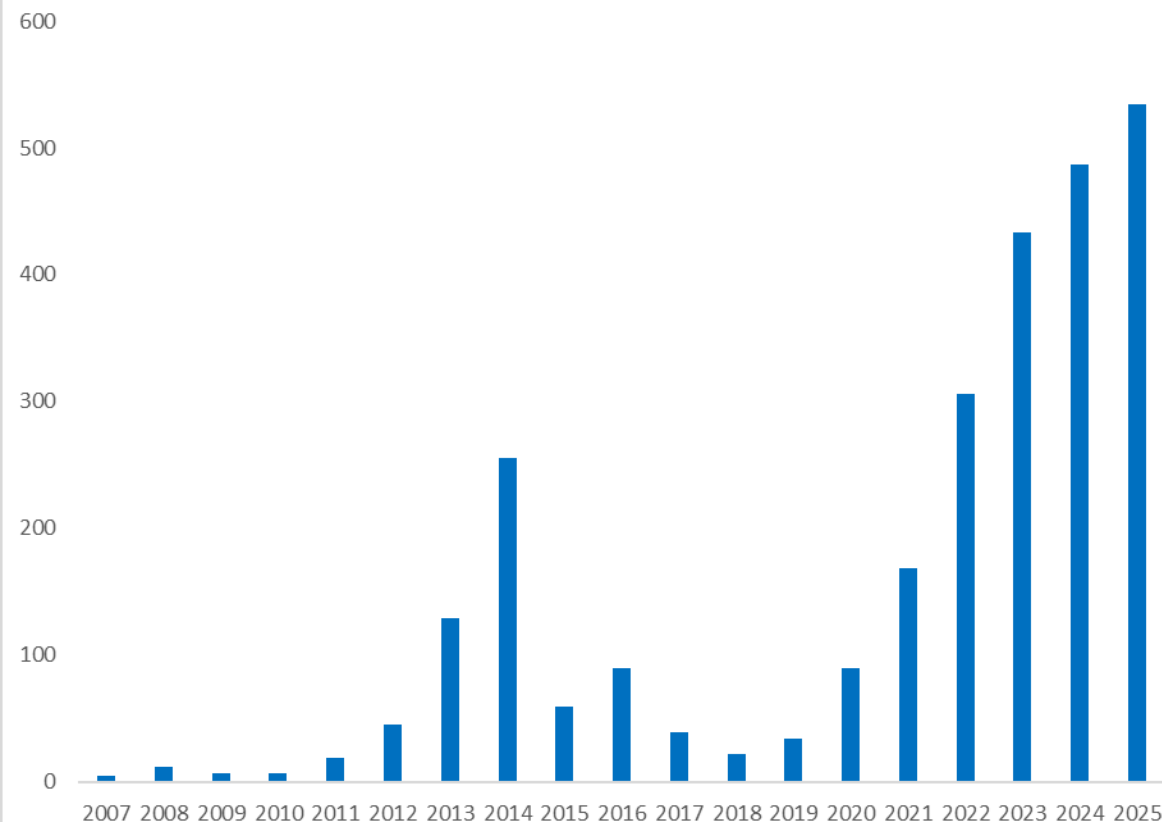
Number of transactions

+430

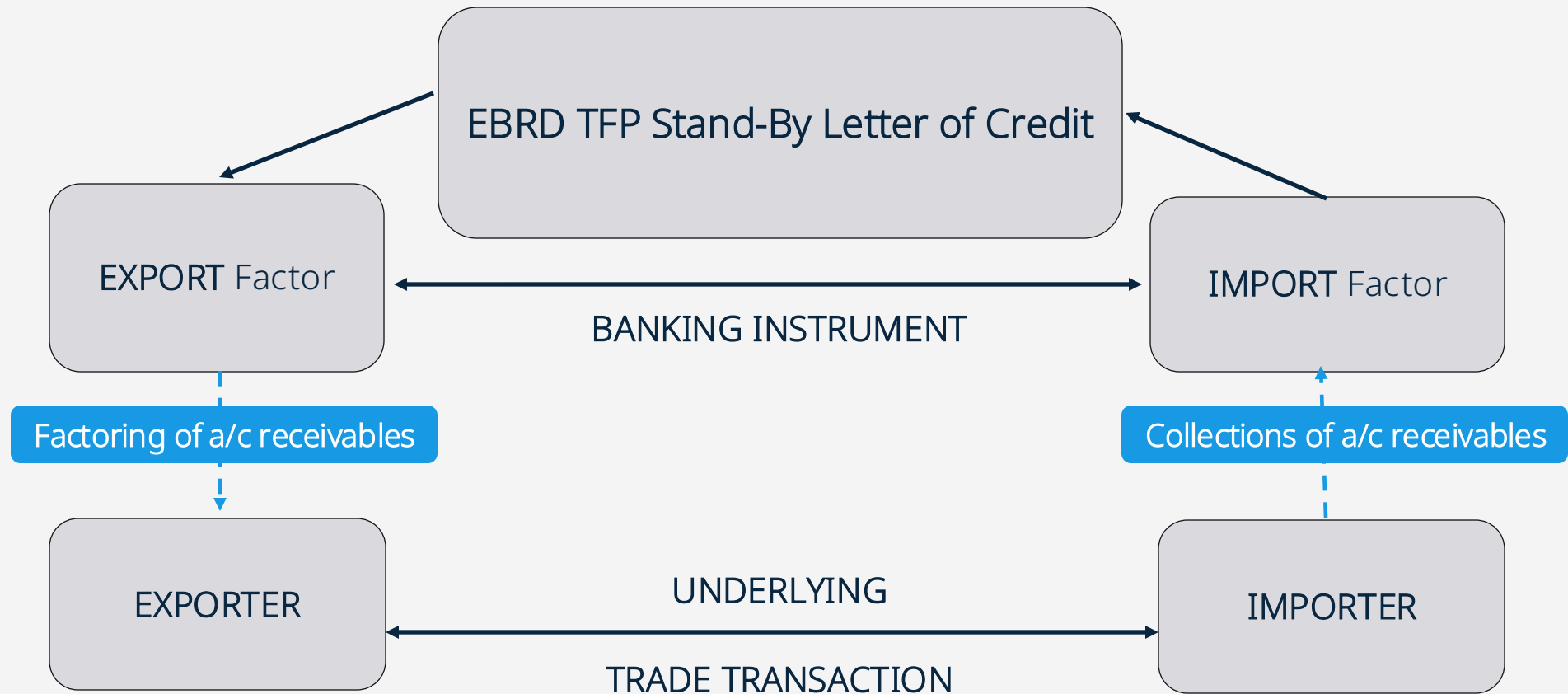
Total transaction value since 2006

€2.7 billion

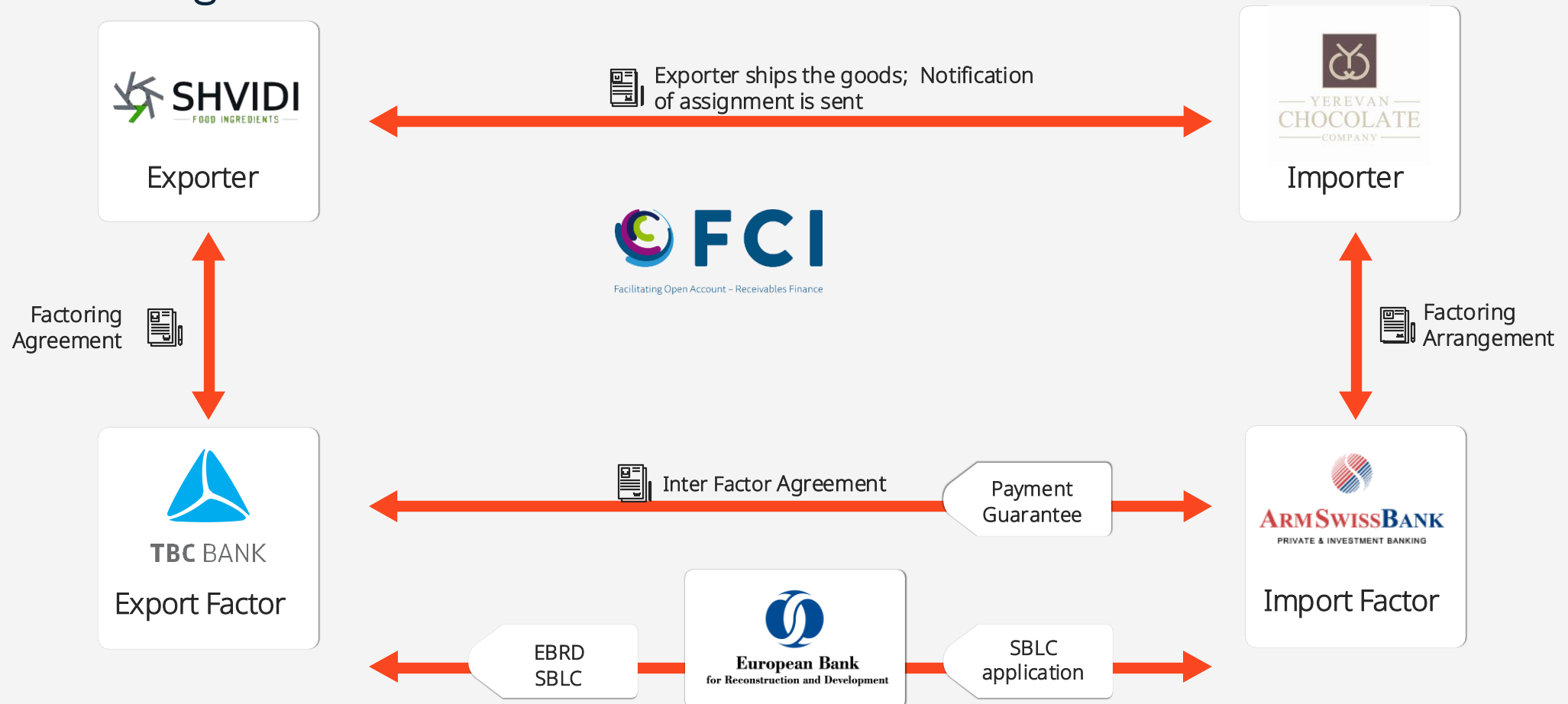
Factoring turnover (Eur mln)



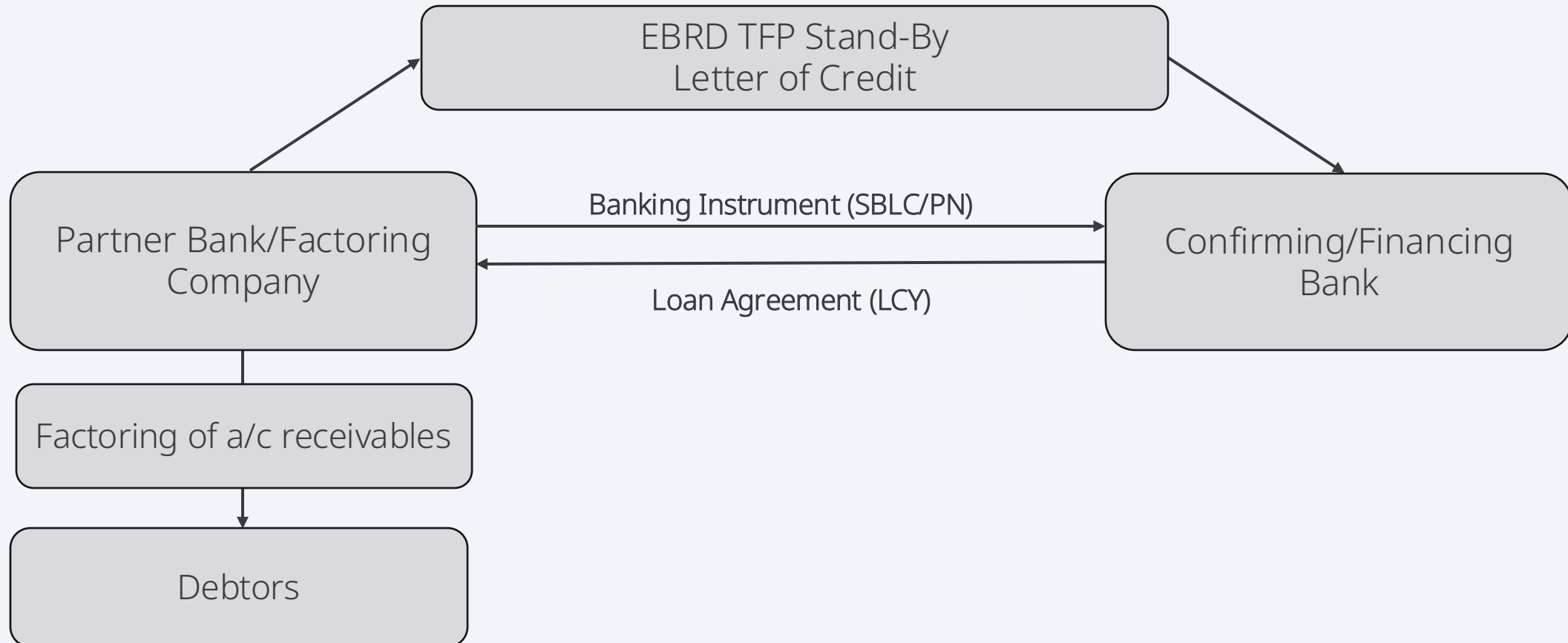
Factoring Guarantee Structure/Application



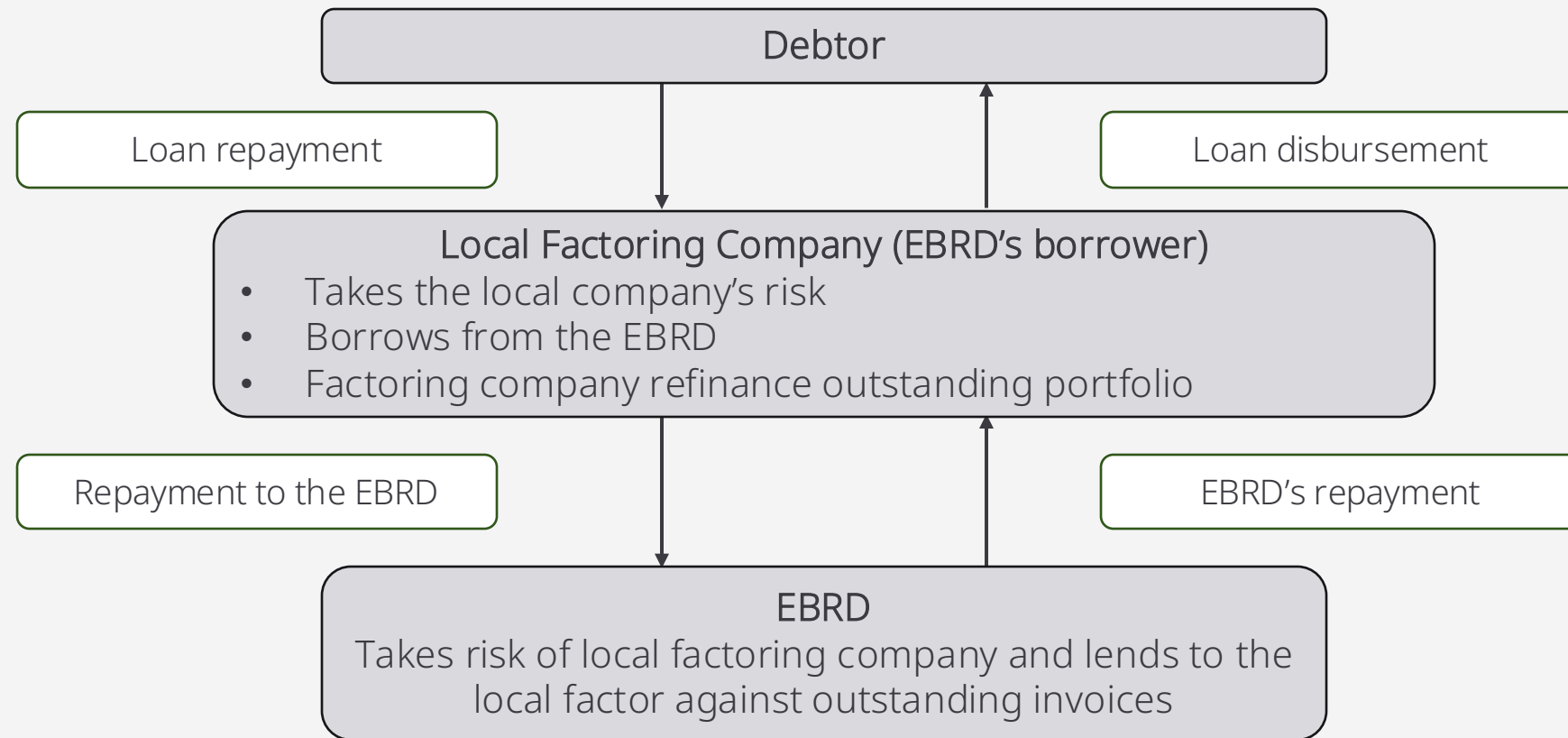
TFP guarantees cover the payment of the import factor in Armenia to the export factor in Georgia



Domestic factoring guarantee structure/application



Trade finance cash facility for domestic and international factoring





European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

Case study: EBRD's TFP and TBC Bank enhance factoring products to support SMEs in Georgia

- TFP has provided TBC Bank with the first factoring facility in local currency. The facility allowed TBC bank to increase its domestic factoring and reverse factoring business with SMEs in the country.
- Examples of domestic receivables financed under this facility include the distribution of food and goods, transportation services, and the production and trade of construction materials.



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

Capacity development: Trainings and Seminars

In partnership with FCI, TFP provides to its Partner Banks access to the following courses:

- ✓ Introduction to Factoring and Receivables Finance
- ✓ Fundamentals on Domestic and International Factoring
- ✓ Supply Chain and Reverse Factoring Course

The courses are available for all TFP partner banks

Target audience: risk management, relationship managers, colleagues from legal and trade finance, as well as corporate clients of the banks on a case-by-case basis



European Bank
for Reconstruction and Development



Capacity development: Conferences and Workshops

2018 & 2019	Factoring Workshop and Conference in Ukraine. Organised in cooperation with the National Bank of Ukraine
November 2020	Online Conference "Roadmap to Development of the Factoring Market in Ukraine" in Ukraine
November 2020	Online Conference "Secrets of Factoring demystified" in Jordan
February 2021	Online Conference "How to build Trade with Factoring? Your toolbox for operation" in Georgia
April 2021	"Factoring: Best Industry Practices" in Uzbekistan (webinar) & "Factoring: Best Industry Practices" in the Kyrgyz Republic (webinar)
2022 & 2023	Regional factoring conferences and workshops in Georgia, Moldova, Uzbekistan, Morocco & Jordan
2025	Regional Factoring Workshops in Georgia (March 2025), North Macedonia (April 2025), and Uzbekistan (October 2025)

Capacity Development: Conferences and Workshops

2026

EBRD & FCI Online Receivables Masterclass
11 webinars throughout 2026

Factoring Workshops across Western Balkans

Kosovo and North Macedonia – February

Albania and Serbia – March

Bosnia and Herzegovina – April

Montenegro – November

Sizing the Opportunity: Growth Pathways for Factoring in Southeastern Europe –
September 2026, Split, Croatia



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

Thank you!

Irina Tyan
Senior Banker,
Trade Facilitation Programme,
EBRD





European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

9TH INTERNATIONAL CONFERENCE ON THE COORDINATION OF SECURED TRANSACTIONS REFORMS

Scaling access to finance Through law, policy, digitalisation and investment

21 September 2026

Lunch break

12:15 – 13:30



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

Anna Veneziano, *Deputy Secretary General, UNIDROIT (Moderator)*

William Brydie-Watson, *Senior Legal Officer, UNIDROIT*

Natalia Pagkou, *Associate Counsel, EBRD*

Rafael Castillo-Triana, *CEO, Alta Group Latin America*

Martin Fleetwood, *Consultant, Addleshaw Goddard LLP*

Johan Kip Eideberg, *Senior VP, Association of Equipment Manufacturers*

Panel 2

Asset based finance and leasing

13:30 – 15:15



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP



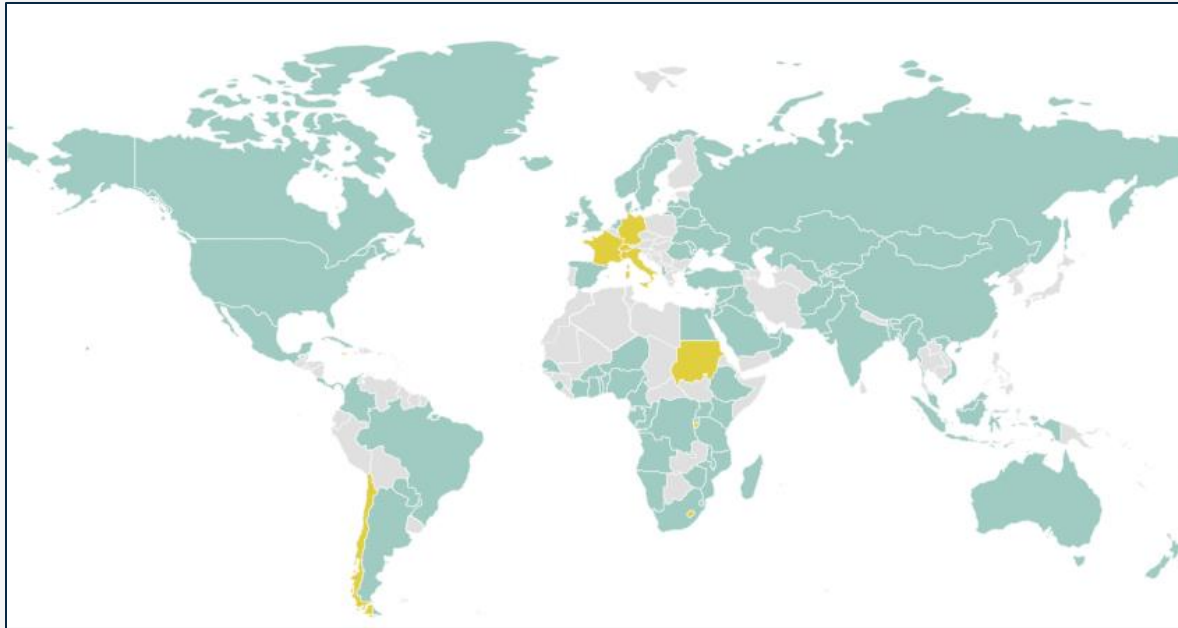
William Brydie-Watson
Senior Legal Officer,
UNIDROIT

Panel 2

The Cape Town convention and its protocols. A complementary international legal regime to support asset- based finance and leasing

The Cape Town Convention – a proven model of success

Contracting State Map



CTC & Aircraft Protocol cover more than half of global financing in the aviation sector

Political acceptance

- CTC: 90 contracting States + EU
- AP: 87 contracting States + 1 EU

Volume of transactions

- More than 1.8 Million registrations in the AP Registry since 2006, over 1 trillion USD in value of collateral

Quantifiable economic benefits

- “Cape Town Discount” for Export Credit Agencies under the OECD sector understanding (10% discount applicable when debtor is located in a CTC CS).
- Improved rating in recourse to capital market debt financing (leasing agreements)
- Better conditions in commercial transactions

The Cape Town Convention – a proven model of success

Convention on International Interests in Mobile Equipment

HIGH VALUE
MOBILE
UNIQUELY IDENTIFIABLE

Protocol on Matters Specific
to Aircraft Equipment
(2001, in force since 2006)



Luxembourg "Rail" Protocol
on Matters Specific to
Railway Rolling Stock
(2007, in force since 2024)



Protocol on Matters Specific
to Space Assets
(2012)



Protocol on Matters Specific
to Mining, Agriculture and
Construction Equipment
("MAC Protocol" - 2019)



OPERATION OF THE CAPE TOWN CONVENTION: Economic Benefits through Legal Certainty

1. Debtor (buyer) must be in country that has ratified the Convention and relevant Protocol (Contracting State)



The equipment or creditor does not need to be in Contracting State

2. Creation of an International Interest in covered equipment



Security Agreement
Retention of Title Agreement
Lease



4. Enforcement of Interest in MAC equipment on default or insolvency

Remedies include:
(i) possession
(ii) sale or lease
(iii) collection of income
(iv) export

3. Registration of Interest in International Registry (separate for each Protocol)



Registration creates legal priority, protects international interest in equipment

-
- UNCITRAL
- UNITED NATIONS COMMISSION ON INTERNATIONAL TRADE LAW
- # UNCITRAL Model Law on Secured Transactions
-
- UNITED NATIONS
-
- INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAUX POUR L'UNIFICATION DU DROIT PRIVÉ
- Unidroit 2008
Estudio LMA - Doc. 17
Original: Inglés/Francés
Diciembre de 2008
- ## LA LEY MODELO DE LEASING DE UNIDROIT
- (texto adaptado el 13 de noviembre de 2008 por la Sesión Conjunta de la Asamblea General de Unidroit y del Comité de expertos gubernamentales para la finalización y adopción de un texto modelo de ley sobre leasing, llevada a cabo en Roma entre el 10 y el 13 de noviembre de 2008)¹
- LA SESIÓN CONJUNTA DE LA ASAMBLEA GENERAL DE UNIDROIT Y DEL COMITÉ DE EXPERTOS GUBERNAMENTALES PARA LA FINALIZACIÓN Y ADOCIÓN DE UN TEXTO MODELO DE LEY SOBRE LEASING, RELEVADA EN ROMA EL 13 DE NOVIEMBRE DE 2008
- Reconociendo que el leasing ofrece a las países en desarrollo y países en transición, en particular, una importante fuente de capital para el desarrollo de la infraestructura y de las pequeñas y medianas empresas;
- Considerando que muchos Estados, y, en particular los de economías en desarrollo y economías en transición, requieren un marco jurídico que fomente el crecimiento de una importante industria de leasing y que otros Estados, mientras que ya tienen una industria de arrendamiento financiero bien desarrollado, sin embargo, podrían estar interesados en la adopción de la presente Ley;
- Convencido de acuerdo a lo anterior en cuanto a la utilidad de proponer una ley modelo sobre leasing para la consideración de los legisladores nacionales, quienes pueden adaptarla a sus necesidades específicas;
- Comprometida con el propósito de armonizar las regulaciones legales de arrendamiento sobre una base global con el fin de facilitar el comercio de bienes de capital;
- Comprobando que la Convención de Unidroit sobre Leasing Financiero Internacional, firmada en Ottawa el 28 de mayo de 1988, no sólo ha eliminado ciertas limitaciones legales para el leasing financiero internacional de equipos, manteniendo al mismo tiempo un equilibrio justo de intereses entre las distintas partes de la transacción para los Estados Partes de dicha Convención, sino que también ha servido con frecuencia como una referencia importante para los Estados en la elaboración de sus primeras leyes de leasing;
- ¹ El Secretario de Unidroit se agradece profundamente por su colaboración en la preparación de esta versión española. El texto original fue preparado por el equipo de expertos gubernamentales en la sede de Unidroit en La Jolla, California, EE. UU., por Rafael Sánchez, Asesorante, IR Alayón-Corpeñán S.A., Santa Fe de Bogotá, y Prof. Dr. Fabiano Aguiar Vesperti, Universidad Carlos III, Madrid.

The Luxembourg Rail Protocol



UNIDROIT
International Institute for the Unification of Private Law
Institut International pour l'Unification du Droit Privé



Interest in rail as the backbone of sustainable transport (both of people and of freight)

- Rehabilitation and expansion of railways enabled by expanding private sector funding for acquisition and use of railway rolling stock:
 - Diversification of financing devices (e.g., lease)
 - Helpful in complementing regional infrastructure projects (synergy with MAC Protocol)
 - Protocol introduces a unique identification system for railway rolling stock – legal certainty
- Protocol supported, among others, by UN regional agencies, African Union and EU, also because of its role in achieving sustainability goals
- Export Credit Insurance Corporation of South Africa: risk premium discount of up to 20% on rolling stock underwritings when the Luxembourg Rail Protocol is in force in the debtor or lessee's state

ENTRY INTO FORCE IN MARCH 2024



6 Signatories: France, Germany, Italy, Mozambique, Switzerland, UK



7 CS: EU + DRC, Gabon, Luxembourg, Paraguay, South Africa, Spain, Sweden

The Mining, Agriculture and Construction (MAC Protocol)



RATIFICATIONS

1. **DRC (2026)**
2. **Paraguay (2024)**



SIGNATURES

1. **Republic of Congo (2019)**
2. **Gambia (2019)**
3. **Nigeria (2019)**
4. **USA(2020)**
5. **EU* (2022)**

- Most recent treaty, designed to specifically assist developing countries that rely on the MAC sectors.
- Applies to largest universe of equipment - 56 HS codes, covering \$1.3 trillion over last 10 years.
- Independent economic assessment – predicted to increase global MAC stock by \$90 billion, increase global GDP annually by \$30 billion.
- Simplified approach to insolvency, additional rules on immovable-associated equipment and inventory providing additional legal clarity.
- Ability to expand scope to new HS codes, to incorporate future technological developments.
- Registry currently being established (ISC).
- Strong support from the private sector (North America, Europe, Japan).

Recent trends, coordination and cooperation

- In order to maximise economic benefits, take advantage of synergies and minimise implementation bureaucracy, States are increasingly ratifying two or more Protocols at the same time (e.g. Paraguay, DRC).
- UNIDROIT coordinates implementation of the Protocols through “Ratification Task Forces”, involving interested States, MDBs, IOs and the private sector.
- UNIDROIT is continuously looking to expand cooperation with partner organisations in implementing the CTC and its Protocols where doing so meets joint objectives (e.g. Papua New Guinea, Ukraine, Zambia).





European Bank
for Reconstruction and Development



UNCITRAL



WORLD BANK GROUP



UNIDROIT
International Institute for the Unification of Private Law
Institut International pour l'Unification du Droit Privé



Thank you!

<https://www.unidroit.org/instruments/security-interests/cape-town-convention/>

<https://www.unidroit.org/instruments/security-interests/rail-protocol/>

<https://www.macprotocol.org/>

<https://www.youtube.com/watch?v=W5nBdgKHMC4>

William Brydie-Watson

Senior Legal Officer

w.brydie-watson@unidroit.org



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP



Natalia Pagkou
Associate Legal Counsel,
Legal Transition Programme,
EBRD

Panel 1

Asset based finance and leasing



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP



Rafael Castillo-Triana, Esq.

Member of the Advisory Board of UNIDROIT Model Law

Diplomatic Conference Representative UNIDROIT Convention on International Financial Leasing

Member of the UNIDROIT Workstream Committee on Access to Credit and Rapporteur of Leasing

Panel 2

UNIDROIT Model Law on leasing: progress, application, and current challenges



Agenda overview

- Why leasing works: capital formation
- The equipment finance ecosystem
- UNIDROIT & UNCITRAL instruments
- Emerging-market examples
- Model Law on Leasing: key provisions
- Implementation & enforcement
- Case studies and recommendations

Why is leasing possible?

Leasing works because the lessor becomes the legal owner of the asset — and that ownership must let the lessor mitigate risk if the business owner fails.

For that to hold in the real world, the legal system has to make risk mitigation actually enforceable.

This means:

Seize and resell the asset in the shortest possible time

No legal or other expenses involved



UNIDROIT hard and soft legal instruments are addressed to achieve such result...
To which extent have we succeeded?

The mystery of capital formation

Emerging markets across Africa, Latin America, the Middle East and Asia-Pacific run on persistently low levels of capital formation.

Meanwhile, a large base of equipment and capital-goods manufacturers is leaving a great deal of money on the table.



The poor are starving

Without access to capital goods, businesses in emerging markets cannot build productive capacity — growth stalls before it starts.



The rich are drowning

Manufacturers sit on unsold inventories and idle production capacity, facing demand they cannot safely reach.

UNIDROIT instruments give the key to
close these gaps

The bestiary of the equipment financing chain

ASSET SUPPLY CHAIN >



Manufacturers
THE ELEPHANT · OEMs

▼
distribution



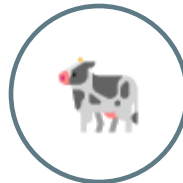
Dealers & Distributors
THE BEE · INTERMEDIARY

THE KEYSTONE



Equipment Lessors
THE OWL

leases the asset ▼ ▲ pays rent



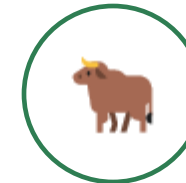
Lessees & Users
THE COW · THE HERD

< CAPITAL SOURCES



Bankers
THE BEAR · SENIOR DEBT

▼
funds the book



Capital Markets
THE MOVING ENSEMBLE




Regulators THE CROCODILE · THE WATER YOU ALL SWIM IN

Ancient, patient and mostly invisible beneath the surface — until a single, decisive strike. Its jaws are sanctions and licence; the boundaries it draws are exactly what keep the pond alive rather than chaotic.

The links that make the lifecycle work

To this whole ecosystem, the UNIDROIT instruments offer the legal links that allow its lifecycle — from manufacture and lease to funding, enforcement and remarketing.

1

UNIDROIT leasing & factoring

Leasing Convention · Model Law on Leasing · Factoring Convention, Model Law on Factoring — the private-law backbone for lessors and lessees.

2

Cape Town convention & protocols

Aviation, Rail, Space Assets and MAC Protocols — international interests, registration and swift remedies for high-value mobile equipment.

3

UNCITRAL instruments

Secured transactions and factoring / trade receivables texts — completing the credit and working-capital layer of the chain.

One connected legal architecture — from the asset to the capital that funds it

Examples of what can be made in any emerging market with these instruments in place

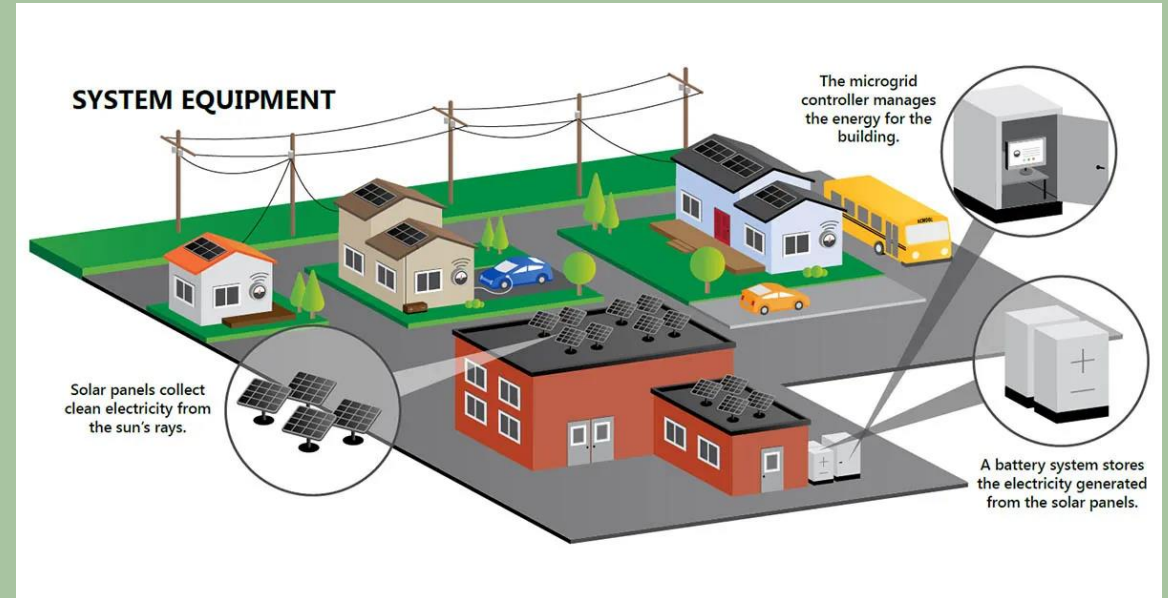
Real transactions unlocked once leasing, secured transactions and Cape Town remedies are law on the ground.



Leasing for electrification



Stand-Alone Solar Home Systems



Solar Hybrid Mini-Grids

Better technologies for rural and low-income populations.



Leasing for technology in education

This model was executed in Mexico under the Enciclomedia Program

A photograph showing a long line of dark-colored police vehicles, likely SUVs or trucks, parked in a lot. The vehicles have blue and red emergency lights on their roofs. In the background, there is a single-story building with a white facade and a prominent horizontal rainbow-colored stripe running along the roofline. Large green trees are visible behind the building under a blue sky with scattered white clouds. The overall scene suggests a police station or a fleet management area.

Leasing of police vehicles and infrastructure

It became possible in Kenya after regulations and business practices — including procurement rules — were aligned with the principles of the UNIDROIT Model Law on Leasing.

Strategic focus areas for healthcare leasing in any emerging market:

- Mobile clinics and diagnostic units
- Telemedicine kits and connectivity hardware
- Basic imaging and laboratory equipment
- Maternal and neonatal care devices



Leasing for agriculture

Leasing puts the three missing assets in the hands of smallholder farmers — connectivity, productive machinery and logistics.



Connectivity

Bringing poor farmers into e-commerce — direct access to buyers, prices and payments instead of a chain of intermediaries.



Machinery & AI

Modern equipment and AI-driven agronomy to raise yields, cut losses and make each hectare far more productive.



Transport & drones

Vehicles, cold chain and drones to control the supply chain — and capture a much larger share of the retail price of food.

In sum: Food Security

Leasing for rail equipment

CORRIDORS, ROLLING STOCK AND THE CAPE TOWN RAIL PROTOCOL

Rolling stock is the textbook leasing asset: high value, long life, mobile across borders — and financeable once ownership and priority rules are clear.

Lobito Corridor

Angola – DRC – Zambia

Refurbished locomotives and wagons moving critical minerals to the Atlantic. Leasing structures let operators access rolling stock without sovereign balance-sheet debt.

Tehuantepec Corridor

Mexico

Interoceanic freight and passenger service linking two oceans, with locomotive and wagon fleets suited to lease-based renewal and private operating concessions.

Saudi Rail Programme

Saudi Arabia

Landbridge and network expansion under Vision 2030 — large fleet orders where operating leases spread cost and transfer residual-value risk.

Türkiye Rail Projects

Türkiye

High-speed and freight corridor investment with liberalised operation, opening space for private lessors of locomotives and wagons.



The link: Cape Town Convention + Luxembourg Rail Protocol and the UNIDROIT Model Law on Leasing make cross-border rolling stock bankable.

Key provisions of the model law on leasing



What the UNIDROIT model law on leasing delivers

Scope (Arts. 1–2)

Covers both financial leases — where ownership may pass to the lessee at the end of the term — and operational leases, where the lessor keeps ownership and the lessee uses the asset for a set period against payments.

It applies where the equipment is located in the enacting State, where the lessee's centre of main interests is based there, or where the agreement chooses that State's law.

- 1 Tripartite structure: the supplier is a defined stakeholder with rights and remedies, bearing only passive liability for defects or non-conformity.
- 2 Unconditional obligation of the lessee to pay — reflecting the financial purpose of amortizing the lessor's investment.
- 3 Liability for operation and use sits with the lessee: traffic violations, environmental damage and tort liability.
- 4 Expedited repossession on default, combined in some countries with direct payment and out-of-court remedies.
- 5 Lease receivables freely assignable by the lessor; substitution of the lessee follows specific rules given the personal nature of the lease.

On lessee insolvency, the lessor's rights prevail — priority rentals or repossession. Several jurisdictions have based their leasing laws on the MLL.

Implementation challenges and issues



Variations in national legal systems and adaptation



- **Buying in the need of an ad-hoc law**

Countries like Chile developed their leasing industry thanks to good understanding of the Courts, making the need of the law subordinated

- **Political priorities and strong or weak lobby**

Few Leasing Associations have been consistent in fighting for the approval of a Law, recent exception: Guatemala

- **Constitutional Interpretation Bias**

Repossession self help has been construed as “justice by your own hand”, “justitia propria manum”, which is illegal under the Civil Law tradition.

(Eg. Mexico and Colombia with the Cape Town Convention)

Concerns related to enforcement and dispute resolution



- **Weak Enforcement Mechanisms**

Weak enforcement mechanisms can undermine the effectiveness of leasing regulations and reduce stakeholder confidence.

- **Prolonged Dispute Resolution**

Dispute resolution processes may be lengthy and costly, discouraging parties from pursuing claims under the Model Law.

- **Impact on Leasing Confidence**

Concerns about enforcement and dispute resolution decrease overall confidence in leasing transactions and model law effectiveness.

Self-help

vs.

Judicial intervention

Balancing extrajudicial
enforcement with due process
in asset-based finance



From half the region to a sixth

BRAZIL · The shift since 2008

Brazil fell from roughly half of Latin America's arrendamento mercantil portfolio around 2008 to about 15% today, ceding regional leadership to Mexico and Colombia.

The contraction

Tax, the switching effect of the reform to the Civil Code (alienação fiduciária) and interest-rate shocks **undid the formal leasing model**, and the regulated arrendamento mercantil book shrank sharply from its 2008 peak.

TODAY'S SHARE

~15%

Of the Latin American leasing portfolio is Brazilian today — now behind both Mexico and Colombia.



From ~50% to ~15% — the regional story is less a shrinking Brazil than a rebalancing region and a migration out of the formal leasing wrapper because Brazil has not adopted the UNIDROIT Instruments yet...

The core tension



The Keystone for Access to Financing via Asset Based Financing is that the provider of financing can be protected against the ruin if the entrepreneur fails. This translates into immediate possibility to realize the economic value of the asset

- The prohibition of self-redress

The state monopoly on legitimate force and fair-trial guarantees (Art. 6 ECHR, Art. 8 ACHR, Art. 14 ICCPR) make unilateral enforcement presumptively unlawful.

- The regulated exception

Common law admits self-help repossession where the creditor acts without breach of the peace.

- Why it matters for asset-based finance

The enforcement rule drives the cost of credit, collateral availability and recovery values.

Comparative regimes of extrajudicial enforcement

United States: UCC Article 9

Section 9-609 allows repossession without breach of the peace, with prior notice (9-611 to 9-616) and commercially reasonable disposition (9-627).

England, Scotland and the Commonwealth

Law of Property Act 1925, Consumer Credit Act 1974 and Torts (Interference with Goods) Act 1977; PPSA regimes in Australia (2009) and Ontario (1990).

Civil law tradition

Extrajudicial recovery is treated as unlawful autotutela, channelling enforcement through the courts under constitutional due-process review.

Harmonization instruments

The UNIDROIT Model Law on Leasing (2008) defers procedure to national law; the UNCITRAL Model Law (2016) details notice, private sale and distribution of proceeds.



What the courts have decided

- **Defining breach of the peace**

Williams v. Ford Motor Credit, MBank El Paso v. Sanchez and Chrysler Credit v. Koontz: no force, no confrontation, and a verbal objection halts the repossession.

- **Commonwealth boundaries**

Ropaigealach v. Barclays, Waldron v. Royal Bank of Canada and ANZ v. Bangadilly test possession without a court order and the duty to obtain fair value.

- **Civil law and human rights review**

The ECtHR (Immobiliare Saffi) and the CJEU (Aziz) anchor enforcement in effective judicial protection.

Recommended safeguards

- Prior notice and right to cure

Written notice with a cure period of no less than ten business days before any recovery of the asset.

- No force, coercion or deception

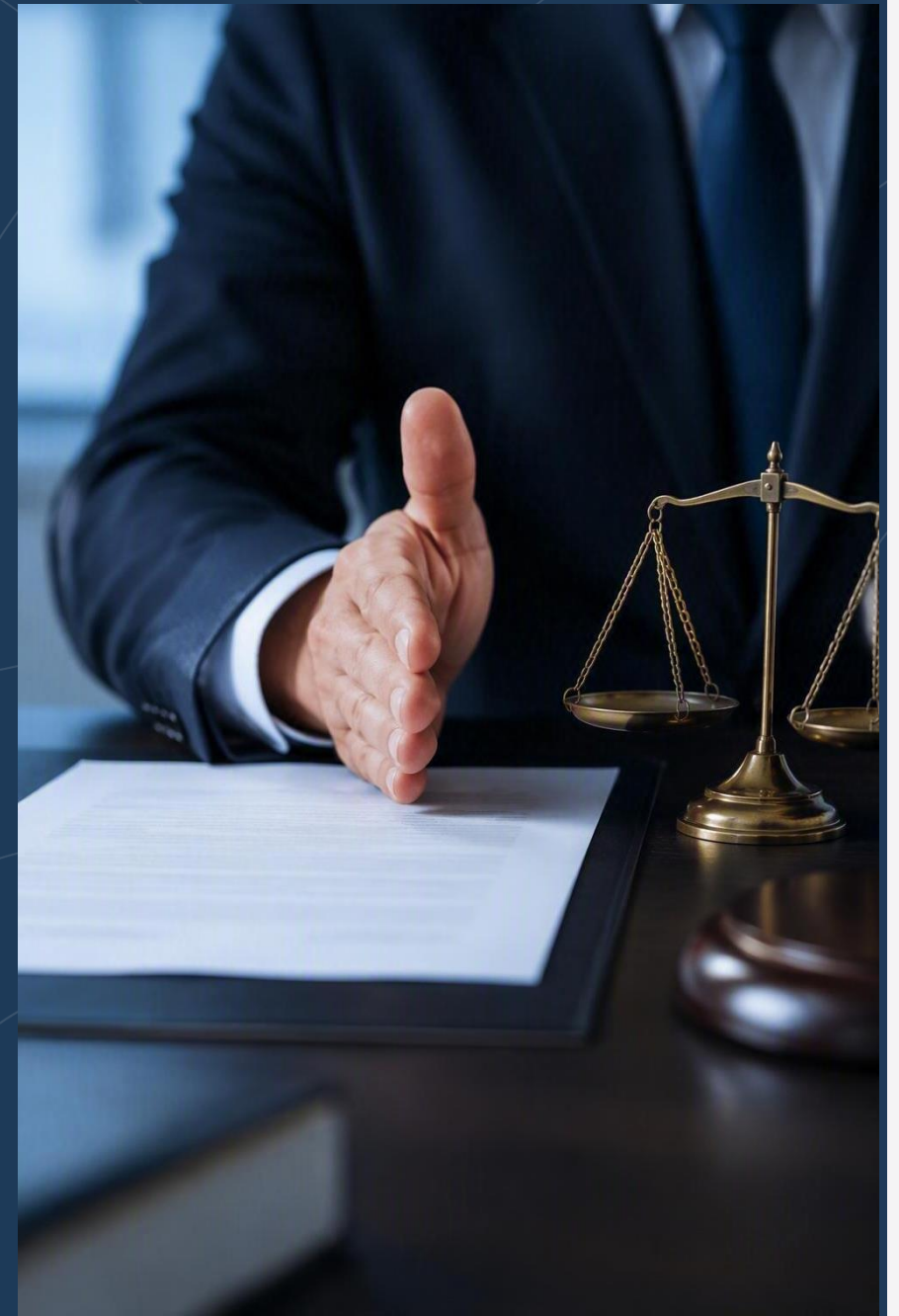
Express prohibition of force, threat or intimidation in physical repossession, with aggravated liability for abusive enforcement.

- Commercially reasonable disposition

Independent valuation, documented accounting of proceeds and reinforced protection for consumer debtors.

- Swift judicial recourse

An agile objection mechanism before the courts, supported by step-by-step contractual repossession and cure clauses.



Evaluating success and future directions



Case studies of implementation in different jurisdictions

- **Global Implementation Insights**

Analyzing multiple countries uncovers diverse successes and challenges in implementation efforts.

- **Learning from Challenges**

Identifying common obstacles helps shape better strategies for future adoption and success.

- **Strategic Recommendations**

Lessons learned guide refinement of strategies for effective implementation across jurisdictions.



Feedback from stakeholders and legal practitioners

- **Practical Benefits Recognized**

Stakeholders acknowledge the real-world advantages and improvements from implemented practices.

- **Challenges Encountered**

Legal practitioners identify issues such as unclear processes and resource limitations impacting effectiveness.

- **Need for Clarity and Training**

Emphasis on clear guidelines and comprehensive training to enhance practitioner competence and confidence.

- **Supportive Infrastructure Importance**

Adequate infrastructure is vital to support legal processes and enable smooth operations.



Recommendations for improving adoption and effectiveness

- **Capacity Building**

Enhance skills and knowledge through targeted training programs to boost adoption success.

- **Tailored Adaptations**

Customize strategies and solutions to fit specific contexts for optimal effectiveness.

- **Increased Awareness**

Promote awareness through campaigns and communication to encourage widespread acceptance.

- **Stronger Enforcement**

Implement robust enforcement frameworks to ensure compliance and maximize impact.



Conclusion



Harmonizing leasing law

The Model Law aims to standardize leasing regulations across different countries for legal consistency.



Implementation challenges

Challenges in adopting the Model Law require careful consideration and adaptation by jurisdictions.



Ongoing evaluation

Continuous stakeholder feedback and assessment will ensure the Model Law's effectiveness and improvement.



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

Thank you!

Rafael Castillo Triana

The Alta Group

rcastillotriana@thealtagroup.com





European Bank
for Reconstruction and Development



UNCITRAL



WORLD BANK GROUP



Martin Fleetwood
Secretary, Rail Working Group
Consultant, Addleshaw Goddard LLP

Panel 2

Asset based finance and leasing

Using the benefits of the Luxembourg Rail Protocol

Luxembourg Rail Protocol – status of implementation

Into force 8 March 2024:

Gabon, Luxembourg, Spain, Sweden & EU (relevant competencies)

Subsequent ratifications:

Democratic Republic of Congo, Panama & South Africa

Signatories not yet ratified:

France, Germany, Italy, Mozambique & the United Kingdom

Other States at different stages of the process towards ratification / actively looking at ratification:

Saudi Arabia, Malta, Ethiopia, Eswatini, Kenya, Mauritius, Namibia & Zimbabwe

Active support from:

African Union, UNECA, UNECE & Various international rail organisations

Luxembourg Rail Protocol – main benefits

Certainty of security over moveable railway assets for Owners/Financiers in ratified States – common system for repossession of rolling stock on default and insolvency of the debtor subject to public interest safeguards

Single international registry in Luxembourg in which security interests are registered and publicly searchable 24/7/365 – allows financiers and insurers to see ownership / interests chain

Creates globally applicable unique vehicle identifier – URVIS number

Identifier and register can be used to support domestic operations as well as for rolling stock crossing borders

Luxembourg Rail Protocol – expected consequences

Attract more private sector lenders into the rolling stock market reducing the cost of finance – States can focus on financing fixed assets (track, signals, etc) and private sector focuses on rolling stock

Lower cost of credit as banks and other lenders reduce their risk weighting / provisions (especially export credit agencies)

Facilitate lending to customers where poor credit and/or lack of supportive local legal infrastructure prevented bank / investor lending

Facilitate short term operating leases of rolling stock, not just into railway operators from financiers but also between operators ensuring more efficient use of rolling stock



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

How the Luxembourg Rail Protocol can help in the current international landscape

URVIS – Globally recognised identification scheme

URVIS number provides a non-changing unique identifier – can be applied by OEM

Internationally accepted marking requirements managed by UNECE Model Rules

URVIS numbers issued by the International Rail Registry and linked to identified vehicles in any jurisdiction – not just where LRP applies

Domestic benefits:

- Provides a source of verification of ownership

- Does not restrict changes to operator's running numbers / vehicle categorisation

- Insurance industry reassurance and vehicle tracking abilities

- "LRP ready" vehicles for when accession to the LRP occurs

Supporting corridor / regional infrastructure projects

Main benefits occur when rolling stock is crossing borders between LRP countries

States are best placed to provide the funding for the fixed infrastructure

Private investors well placed to fund assets moving across the different states forming the corridor where common internationally recognised levels of security apply to those moveable assets

Enhanced security provided if vehicles required for public interest services

Assets can be recovered and moved to different projects / systems within the region ensuring greater usage of those assets

Supporting corridor infrastructure projects

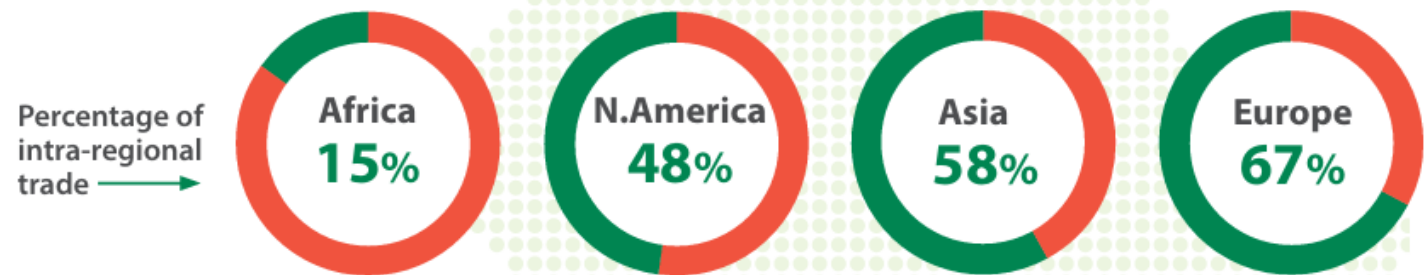
Investment is required in Africa's railways to develop sustainable corridor projects, particularly for freight

A common legal system to support financing needs to sit alongside common infrastructure requirements

UNECA highly supportive of the use of LRP to open up new transport corridors

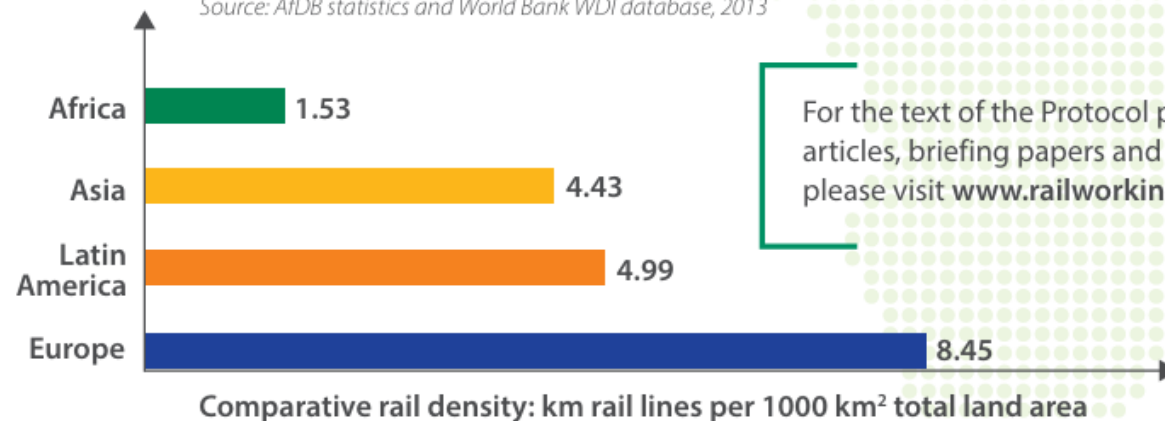
Africa has a low level of intra-regional trade ...

Source: UN Economic Commission for Africa



... and too little rail infrastructure

Source: AfDB statistics and World Bank WDI database, 2013



For the text of the Protocol plus helpful articles, briefing papers and presentations, please visit www.railworkinggroup.org

Luxembourg Rail Protocol – summary

- Benefits of URVIS number available now:
 - URVIS number can be applied by OEM during manufacture
 - Tracking abilities can be used in a domestic situation
 - Clear identification for insurers
- Corridor / regional ratification supports / enhances cross border operations
- Regional lead States to be identified and encouraged
- International Rail Registry established and able to assist with registrations / URVIS No.
- Rail Working Group experts provide support to States and the rail sector



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

Thank you!

Martin Fleetwood
Consultant

Addleshaw Goddard LLP

07763 577938

martin.fleetwood@addleshawgoddard.com



THE 2001 CAPE TOWN CONVENTION
ON INTERNATIONAL INTERESTS IN MOBILE EQUIPMENT



RAIL WORKING GROUP



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP



Johan Kip Eideberg
Senior Vice President, Government and Industry Relations
Association of Equipment Manufacturers

Panel 2

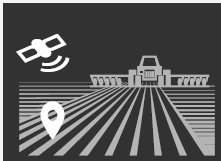
Asset based finance and leasing

Advancing the MAC Protocol

Why AEM supports the MAC Protocol

- **Expands access to essential equipment** by making it easier and more affordable for customers to finance high-value machinery.
- **Reduces risk and uncertainty** through a consistent international framework for recognizing and registering security interests in equipment.
- **Unlocks the benefits of innovation** by helping more farmers, contractors, and mine operators deploy equipment that improves productivity, efficiency, and sustainability.
- **Supports shared economic growth** by opening markets, strengthening trade, and creating opportunities for manufacturers, lenders, equipment users, and developing economies.

Precision agriculture technology



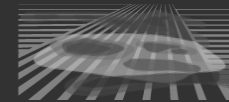
**Auto
Guidance**

Auto-steer uses GPS signals to automatically control the tractor in seeding, spraying, fertilizer application and harvesting.



**Machine
Section Control**

Machine section control technology automatically turns planter, fertilizer or sprayer sections on or off in rows that have been previously seeded or sprayed, or at headland turns, point rows and waterways.



Variable Rate

Variable rate technology uses sensors or preprogrammed maps to determine seeding, fertilizer, crop protection application rates. Technologies include variable rate controllers, GPS, yield monitors, crop, and soil sensors.



**Precision
Irrigation**

Precision irrigation is the ability to switch on/off apply and different amounts of water to different areas of the field (primarily concerns center pivots).

Precision construction technology



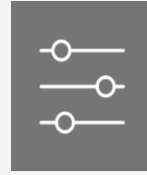
Machine & Grade Control

Using data from satellites, total stations, and 3D digital models, **machine control solutions** ensure that machine operators can accurately position machinery, check grade, automate equipment functions, and collect data.



Engines & Drivetrains

Today's **engines** are **drivetrains** are more fuel efficient, emit less particulate matter, and are significantly quieter than their predecessors.



Digital Control Systems

Digital control systems automate processes and tasks on a piece of equipment. They make operating the machine easier by using sensors and controls to reduce the number of variables the operator must control.



Machine Telematics

Telematics are the set of technologies used to monitor and optimize machine assets. Some of the variables tracked include location, use time (uptime), diagnostic trouble codes, fuel consumption, and operator behavior.

Environmental benefits

What telematics has helped save on total fuel use in North America

The fuel saved from reducing nonproductive idling across all machines in North America due to the effective use of telematics is equivalent to...

25,000

One-way flights from NYC to Chicago



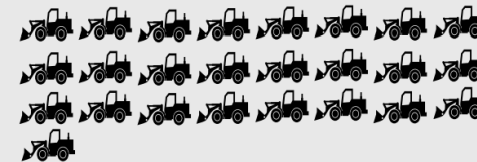
How much does a wheel loader emit today in comparison to its predecessor?

The 96%¹ reduction in NOx and DPM emissions would roughly mean that...

Emissions from **ONE** Wheel loader in **1990**



Emissions from **25** Wheel loaders in **2020**



What the latest efficient engines have helped save on total fuel use in North America

The fuel saved from improvement in efficiency of today's engines and drivetrains is roughly the equivalent to...

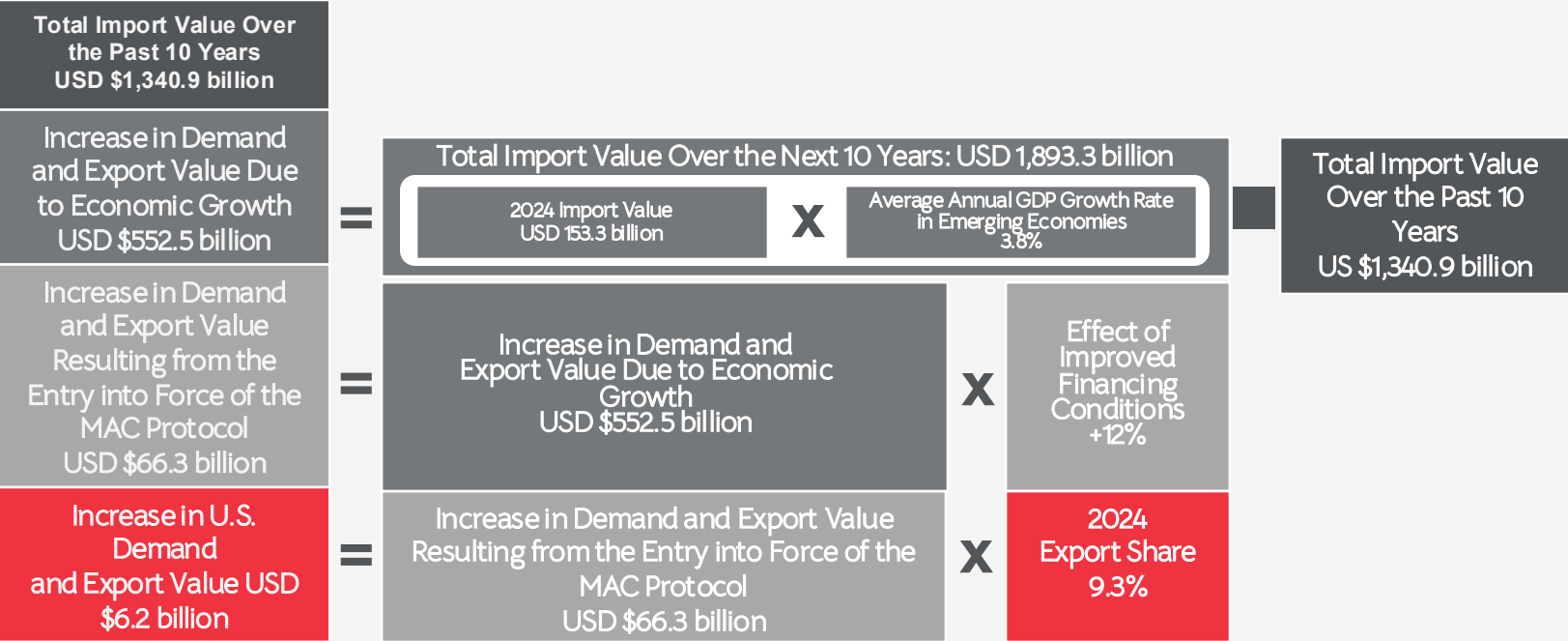
Removing 1,350,000

Cars off the road permanently



Economic benefits

- The entry into force of the MAC Protocol is expected to expand demand in emerging economies, increasing the machinery market by a cumulative USD \$66.3 billion over the 10 years following entry into force (UNIDROIT estimate).
- Based on this assumption, U.S. exports are expected to increase by a cumulative USD \$6.2 billion over the same period.



Assumptions: 10-year service cycle for MAC equipment (i.e., the installed equipment stock turns over once every 10 year)
Source: UNIDROIT "MAC Protocol Economic Assessment" (August 2018), World Trade Statistics, World Bank

U.S. economic benefits

MAC Benefit per Sector	Average Annual Increase	%
Construction	\$388,451,700	63%
Agriculture	\$160,313,400	26%
Mining	\$67,824,900	11%
10-Year Total Increase in Exports Attributable to MAC	\$616,590,000	100%

Assumptions: 10-year service cycle for MAC equipment (i.e., the installed equipment stock turns over once every 10 year)
Source: UNIDROIT "MAC Protocol Economic Assessment" (August 2018), World Trade Statistics, World Bank

AEM's role in advancing the MAC Protocol



The MAC Protocol: The Future of Global Equipment Sales

Right for manufacturers. Right for customers. Right for the environment.



Learn more at macprotocol.org



MAC Protocol Working Group

About the MAC Protocol

The Mining, Agriculture, and Construction (MAC) Protocol, when ratified, will increase access to modern, efficient and sustainable mining, agriculture and construction equipment in many markets worldwide.

- Improves access to modern equipment
- Lowers costs for farmers and workers
- Enhances legal protections for financing
- Expands market opportunities for manufacturers

Learn more at macprotocol.org



MAC Protocol Working Group



What is the MAC Protocol?

The Mining, Agriculture and Construction (MAC) Protocol is a treaty that has been signed by 5 countries and the European Union, but remains to be ratified. The treaty will provide uniform rules governing the creation, registration, and priority of legal interests in MAC equipment. The MAC protocol will enable parties involved in an international machinery transaction to use the machinery itself as collateral, and also facilitate enforcement of remedies in the event of a default or insolvency. Under this system, no matter where a financed object moves, parties to financing contracts will be certain of the applicable law and may register security interests in one central registry.

What does the MAC Protocol cover?

The scope of equipment covered is defined by specific codes of the Harmonized Commodity Description and Coding System (HS Codes). The currently approved list of HS Codes includes over \$100 billion worth of MAC equipment traded globally each year.

Why is the MAC Protocol needed?

The MAC Protocol reduces uncertainty and risk for all parties involved, thus enabling and encouraging improved availability, terms, and cost of financing. Improved financing options will lead to increased acquisition and use of high-value, efficient MAC equipment.

How does this benefit the equipment manufacturing industry?

The MAC Protocol will generate growth and increase efficiency in MAC industries for lenders and borrowers, for equipment manufacturers and purchasers, and in both developed and emerging countries by reducing the risks and costs of asset-based financing. An independent report projects that the MAC Protocol will boost annual developing country GDP by \$23 billion and \$7 billion in developed countries. The report estimates a 10-year increased stock of MAC equipment in developing countries of \$90 billion. The Protocol should realize significant savings in financing costs.

What is AEM's role?

The private sector needs to be involved in the implementation of the MAC Protocol and is doing so through the formation of a MAC Working Group, a representative body of private sector stakeholders. AEM is ideally positioned to spearhead a global, private-sector MAC Working Group. The MAC Working Group will provide counsel to the Registrar and Supervisory Authority, ensure the Registry's effectiveness and efficiency, encourage country ratification of the Protocol, and create awareness and preparedness for industry to take advantage of the new MAC Protocol.

aem.org/advocacy



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

Thank you!

Johan Kip Eideberg
keideberg@aem.org
+1 (202) 615-0096



<https://www.aem.org/>
<https://www.macprotocol.org/>



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

9TH INTERNATIONAL CONFERENCE ON THE COORDINATION OF SECURED TRANSACTIONS REFORMS

Scaling access to finance Through law, policy, digitalisation and investment

21 September 2026

Coffee break

15:15 – 15:30



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

Teresa Rodriguez de las Heras Ballell, *President, European Law Institute (Moderator)*

Gerardine Goh Escolar, *Deputy Secretary General, HCCH*

Theodora Kostoula, *Legal Consultant, UNIDROIT*

Monica Canafoglia, *Legal Officer, UNCITRAL*

Megumi Hara, *Professor of Law at Chuo University, Tokyo*

Monica Sah, *Partner, Clifford Chance UK*

Panel 3

Digital assets: institutional and market perspectives

15:30 – 17:15



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP



Gerardine Goh Escolar
Deputy Secretary General,
HCCH

Panel 3

Digital assets: institutional perspectives from the HCCH



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

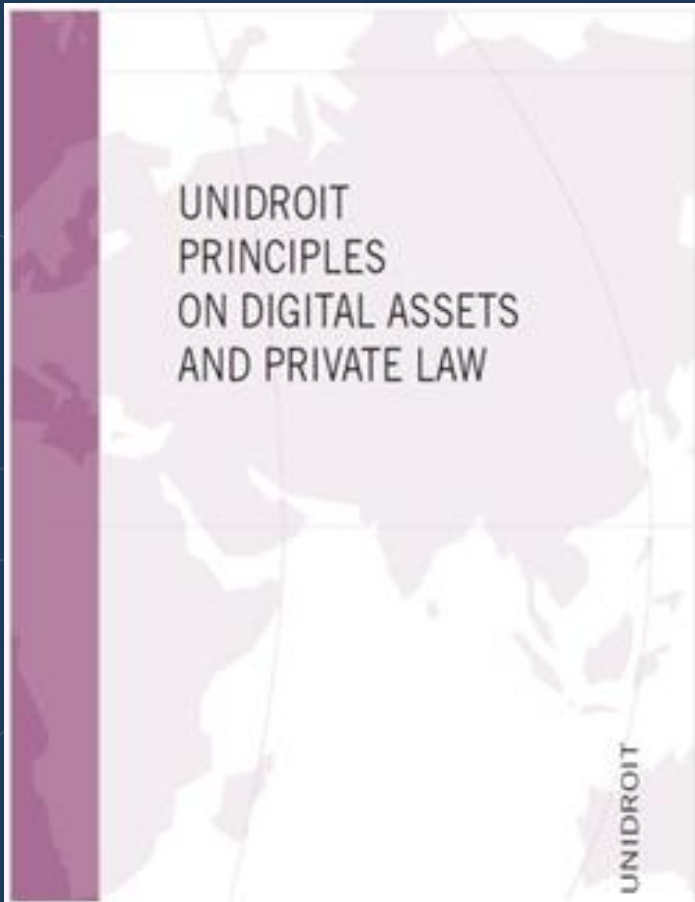


Theodora Kostoula
Legal Consultant,
UNIDROIT

Panel 3

Digital Assets and Secured Transactions The UNIDROIT Approach

The UNIDROIT approach



Private Law (proprietary rights, incl. security rights)

- Harmonise Private law
- Establish best practices

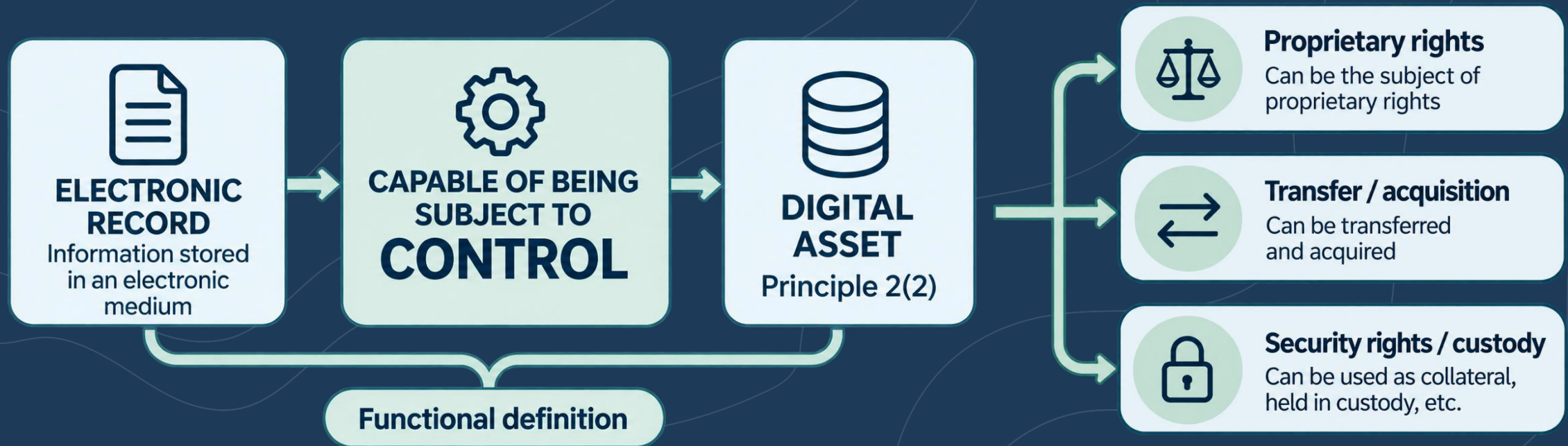
Best practices for effective enforcement *(forthcoming)*

- Guidance on how rights, including security rights in digital assets, can be effectively enforced

Digital assets: definition



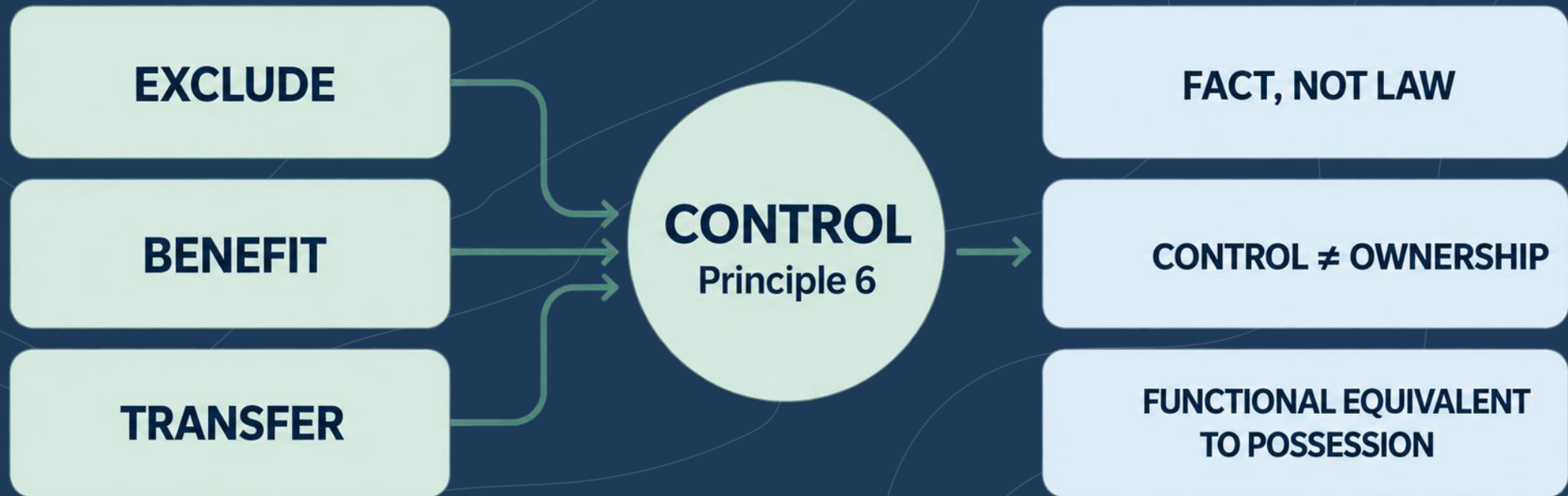
UNIDROIT
International Institute for the Unification of Private Law
Institut international pour l'unification du Droit Privé



The element of *Control*



UNIDROIT
International Institute for the Unification of Private Law
Institut international pour l'unification du Droit Privé



Key Principles



UNIDROIT
International Institute for the Unification of Private Law
Institut International pour l'unification du Droit Privé



P2

DA: Electronic record
capable of being the subject of **control**

P3

Can be the subject of **proprietary rights**

P14

Can be the subject of **security rights**

P19

Proprietary rights survive **insolvency**

Security rights: third-party effectiveness

THE CHALLENGE

Traditional methods do not always fit digital assets



Registration



Possession

DAPL RESPONSE – PRINCIPLE 15

Control as a method of achieving third-party effectiveness

A security right in a digital asset can be made effective against third parties where:



The secured creditor has control of the digital asset

as defined in Principle 6.

OR



A custodian maintains the digital asset for the secured creditor

as set out in Principle 10(2).

Security Rights: Priority

A security right made effective by control



A security right made effective only by another method

Control prevails over Registration;
Regardless of the time control was acquired

From Security Rights to Effective Enforcement



UNIDROIT
International Institute for the Unification of Private Law
Institut International pour l'Unification du Droit Privé



DAPL (enforcement is subject to other law)

- Remedies remain available
- Control can facilitate enforcement
- Court order for custodial assets

BPEE (enforcement in practice)

- Information
- Seizure
- Cooperation
- Realisation



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

Thank you!

Theodora Kostoula
Legal Consultant,
UNIDROIT
t.kostoula@unidroit.org





European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP



Monica Canafoglia
Legal Officer,
UNCITRAL

Panel 3

The UNCITRAL model law on secured transactions and digital assets

The starting point

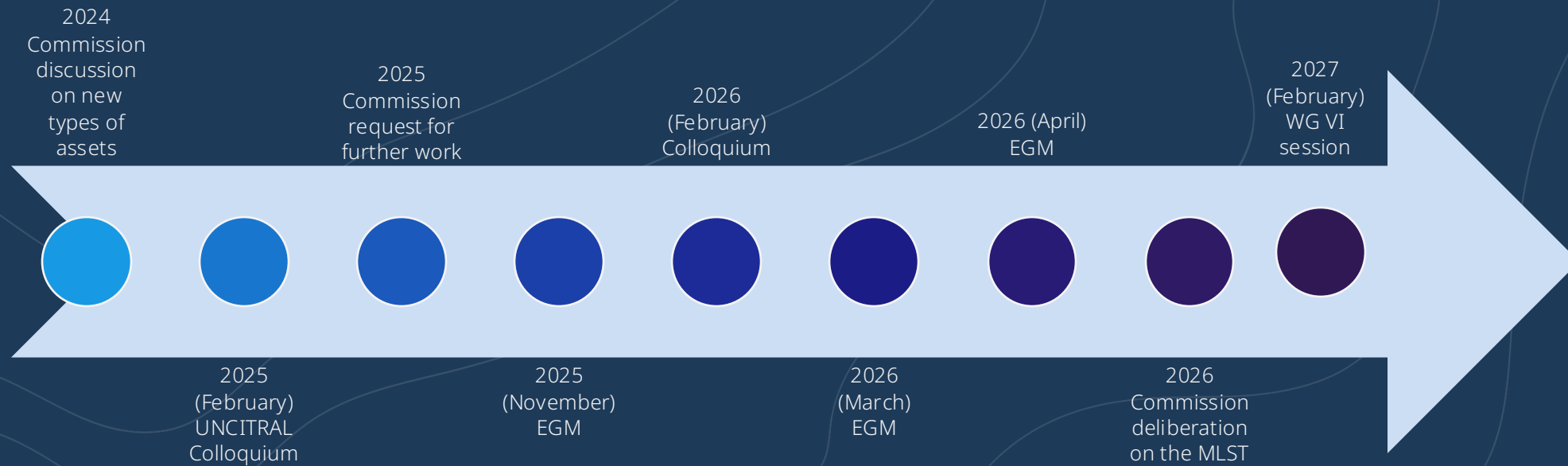


- Digital assets as part of mainstream commercial activity
- The question is not whether digital assets exist
- The question is whether and how the MLST can accommodate them
- If not, where are the gaps?

In the past few years UNCITRAL has carried out exploratory and preparatory work to assess whether the MLST requires clarification, supplementation or amendment

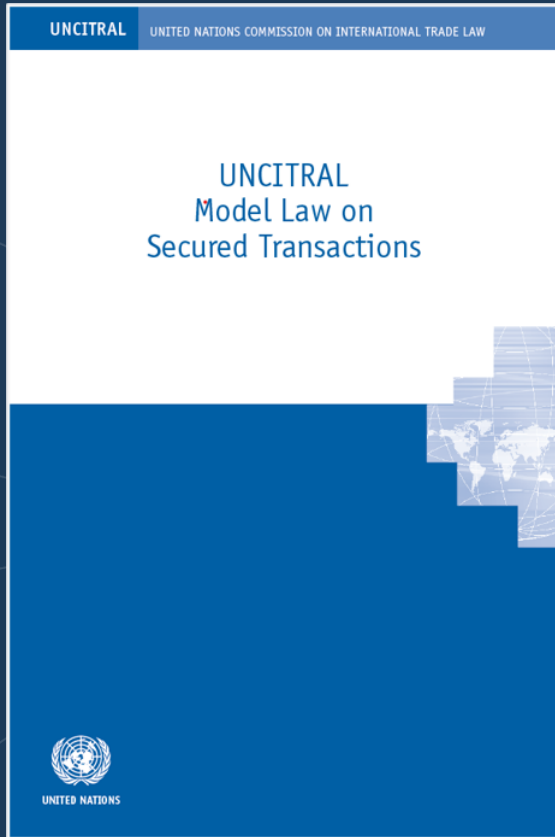


Timeline



The goal

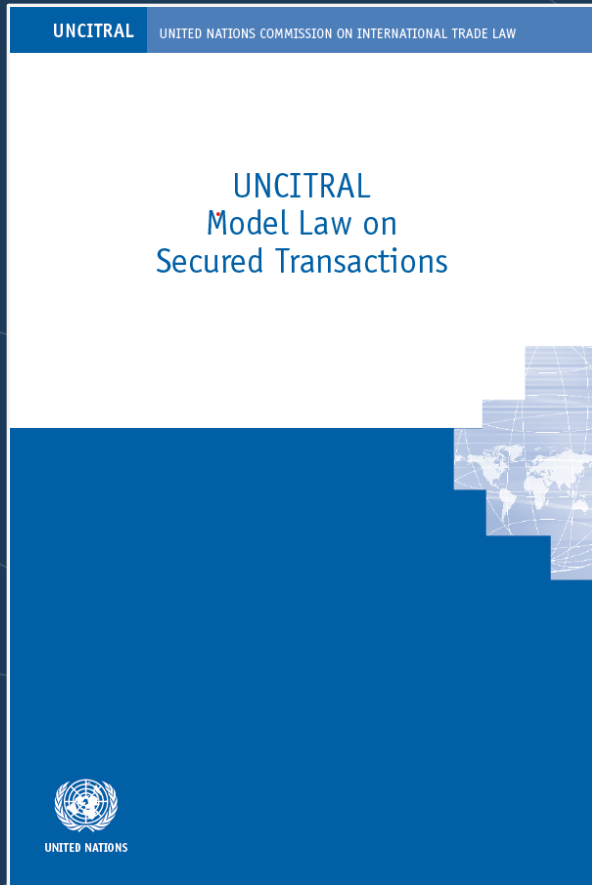
The goal is updating the MLST not replacing it. This will not change:



- ✓ Functional approach
- ✓ Technology neutrality
- ✓ Non-possessory secured lending (primarily)
- ✓ Broad asset coverage
- ✓ Registry -based
- ✓ Cross-border interoperability



The key points for the MLST



Scope & definition

- What is a digital asset?

Creation

- What does it mean?

TPE

- How do security rights become effective?

Publicity

- How to provide it?

Priority

- How to ensure it?

Enforcement

- How to realize value after default?

Conflict of laws

- Which rules do apply?

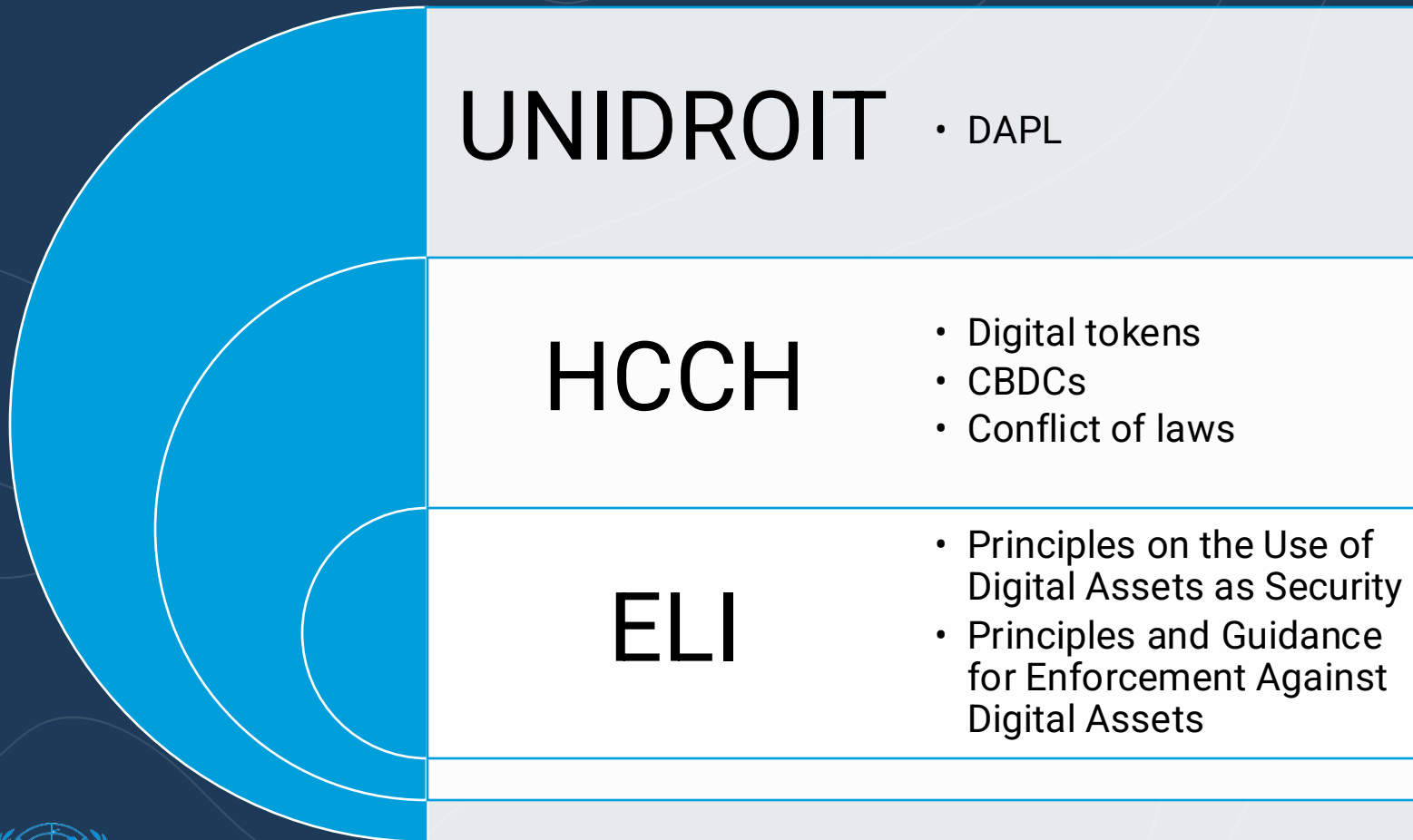


Digital assets new questions for the MLST

Asset classification	→	Which digital assets should fall within the MLST?	Chapter I
Current terminology	→	Are new concepts needed (control, custodian, custody agreement, electronic record)?	Chapter I
Asset and underlying value are usually aligned	→	What is the legal relationship between a token and any linked or underlying asset?	Cross-cutting
Grantor owns or controls the asset	→	Who can create a security right where control, custody and ownership might be separated?	Chapter II
General notice-based registry	→	How to establish interoperability with platform-specific systems?	Chapter IV



Revising but not in a vacuum



- ☐ Do not reinvent the wheel
- ☐ Build on existing international texts
- ☐ Ensure coherence and consistency



What about data?



Possible new type of asset under MLST?

- Not a property in many jurisdictions;
- Often governed through contractual /regulatory regimes (not proprietary)
- Raise different legal issues than digital assets

212. While there was support for the work to consider issues relating to data as collateral (in light of the growing importance of data and the ongoing work of Working Group IV), it was generally felt that it would not be appropriate to cover data at this time, especially in view of the distinct issues.



Way ahead – the Commission deliberations



- Preparation of a draft supplement
 - Support by experts
- Focus on digital assets
 - Ensure consistency with existing international tools
- WG VI session 8-12 February 2026
- Assess feasibility of work on data





European Bank
for Reconstruction and Development



UNCITRAL



WORLD BANK GROUP



United Nations
Commission on International Trade Law

Thank you!

Monica Canafoglia
Legal Officer,
UNCITRAL
monica.canafoglia@un.org
uncitral@un.org





European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP



Megumi Hara
Professor of Law
Chuo University,
Tokyo

Panel 3

Control and Third-Party Effectiveness

The basis is already settled

The Principles supply a working scheme; what remains is determination

DAPL Principle 6

What control is

The exclusive ability to prevent others from obtaining the benefit of the asset, the ability to obtain it, and the exclusive ability to transfer those abilities

DAPL Principle 15

Control as a method

Control makes a security right effective against third parties — exercised directly, through a custodian, or jointly with others

DAPL Principle 16

And it ranks first

A security right made effective by control outranks one made effective only by another method, even if obtained later

A principle states what control is. A rule must decide which actual arrangements perfect a security right, and from what moment. That determination is what remains.

And the drafting is under way

The question is not whether control belongs in the Model Law. It is what has to be decided before the scheme can be applied to the arrangements the market actually uses.

Determination requires a factual reference

DAPL

Framed in terms of abilities, so that they survive changes in technology. States are expected to take the definition into their law. But a definition does not tell you who, in a given arrangement, has those abilities.

The UKJT Control Panel

Technologists and lawyers describing how control is actually exercised. Expressly not a statement of law; expressly provisional. It gives courts a common factual vocabulary and leaves the legal consequences to them.

Its method: begin with the simplest holding, then relax the assumptions one at a time

Single key

held directly

Keys split

a threshold must be met

Code interposed

conditions enforced by contract

An intermediary

a custodian holds and acts on instruction

Layered systems

recovery, override, governance

At each step, at least one of three things moves

Who holds the abilities

How they can be proved

How stable they are

These three are what third-party effectiveness and priority depend on.

Two routes — Custodial holding and Self-Custody

Custodial holding

A party already in control undertakes to exercise the abilities for the creditor

- A maintained asset is not available to the custodian’s creditors, and on insolvency the representative must move control to the client
- Assets of one description may be held for several clients as an undivided pool; fungibility is a matter of market practice
- A client may grant a security right over a maintained asset to a third party
- The mechanism exists: the custodian must comply with the client’s instruction unless prohibited by an agreement with a third party to which the client consented

Self-custody

The creditor acquires the abilities, or shares them

- Perfection rests on a state of affairs, not on anyone’s undertaking
- No operator can be ordered to act — the report treats this as what makes control of digital assets novel
- The Principles allow the abilities to be shared, and leave much to States

Custodial holding: What remains — “Control agreement”

What the agreement must contain before the creditor is perfected ?

What it covers

a quantity of an asset of a description, not an identified unit

Whose instructions bind

the creditor alone, or the grantor until the creditor intervenes

Acknowledgment

whether it is required, and whether its timing ranks two creditors

Sub-custody

whether it reaches the party that in fact holds the keys

Where control is displaced

The holder keeps the key; someone outside the transaction holds the power

Control that can be displaced

The holder keeps the key and loses the power

- Guardians may reconfigure a multi-signature arrangement in recovery, overriding a signer who still holds the key — they cannot themselves spend
- A stablecoin holder's control is always subject to the issuer's power to freeze or revoke
- Permissioned systems and exchanges carry administrative override

Control mediated by code

A mechanism of enforcement, not a form of control ?

- Smart contracts are “frequently not a conceptually distinct form of control, but rather a mechanism by which those forms of control are enforced”
- Control is layered — signing, programmatic execution, administration, governance, protocol
- Even where execution appears automatic, “identifiable actors may retain override, pause, or modification powers” — and those actors are rarely parties to the security transaction

What the two have in common

In each case the power to displace the holder rests with a party outside the security transaction — a guardian set, an issuer, a system administrator, a governance body. The creditor's control is defeasible by someone with whom it has no bargain, and whose powers it cannot examine at the time of lending.

Can control that a third party may displace make a security right effective against third parties — and if so, at what moment is it assessed?

How much must the creditor be able to do?

One arrangement, three allocations of the keys, three different answers

Take a two-of-three multi-signature wallet in which the creditor holds one key. Whether its security right is effective against third parties depends entirely on who holds the other two.

How the keys are held	Who can move the asset	Where that leaves the creditor
Grantor holds two	The grantor alone	Its key prevents nothing. There is no control to speak of
One each, a third party holds one	Neither party alone	It cannot dispose. its control may not be sufficient ??
Creditor holds two	The creditor alone	Control is clear, but the grantor can no longer use the asset

Two things have to be decided

Must the creditor be able to act now?

If it cannot dispose without the grantor’s agreement, does its control still perfect? The middle row is the ordinary case, not the hard one.

Or is it enough that it can act on default?

If so, what must the creditor be able to do until then — and is an ability to prevent transfer enough? The same question arises where a smart contract, not a key, holds the asset

A lender advancing against a wallet in one State and enforcing in another needs the same answer in both.

Where concretisation runs into difficulty

Points the Supplement will have to settle ?

Question		Arrangement
Restriction on the creditor	Where neither party may act alone, does the creditor's control still perfect?	Multi-signature holding
The grantor's retained right	May the debtor keep the right to deal until default, on the bank-account model?	Shared control
Displaced control	Does control that an issuer, administrator or governance body may override still perfect?	Stablecoins; permissioned systems; guardians
Ability short of disposal	Is an ability to prevent transfer enough, where the creditor can act only on default?	Code-based collateral arrangements
The third-party agreement	What must it contain in order to perfect, as distinct from binding the custodian?	Custodial holding
Competing controllers	Should the Supplement supply a rule, or leave it to national law as the Principles do?	Two creditors, one custodian



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

Thank you!

Megumi Hara
Professor of Law at Chuo University,
Tokyo





European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP



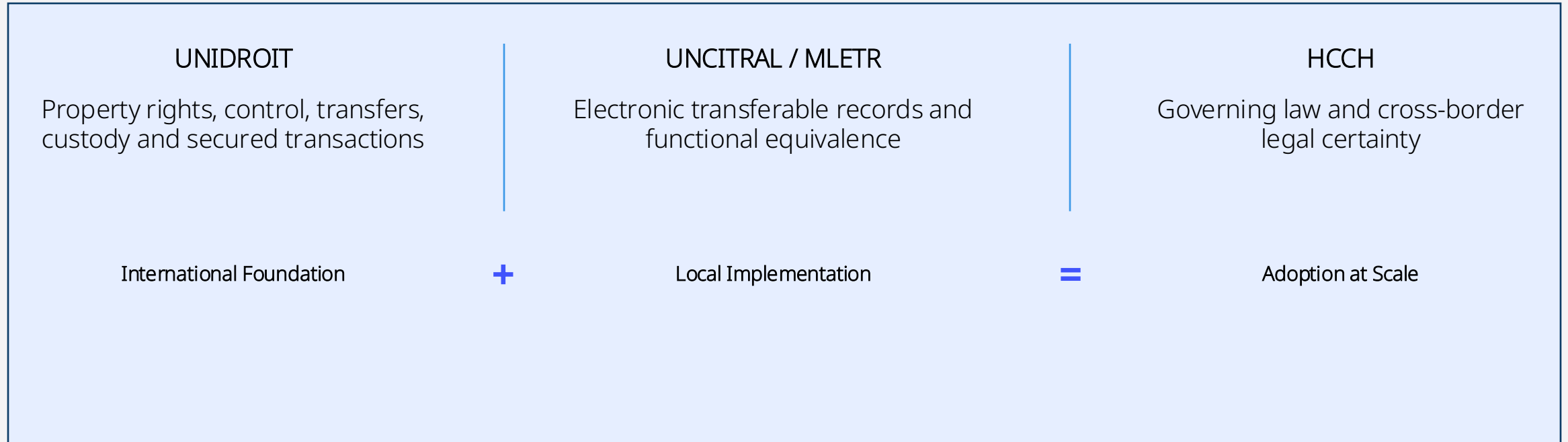
Monica Sah
Partner,
Clifford Chance UK

Panel 3

Market Perspectives: a path to greater institutional adoption

International alignment is essential – but not sufficient

Core theme



“Global principles must be translated into workable local legal, regulatory and market infrastructure.”

Market opportunity for digital assets

Why tokenisation matters

The clearest near-term opportunity is tokenised financial instruments.

Why Now

- Built on familiar financial products
- Fits existing governance, risk and compliance frameworks
- Offers a credible path from pilots to scale

value Creation

- 1 Efficient issuance & servicing
- 2 Reduced settlement friction
- 3 Better collateral efficiency
- 4 Transparency & automation
- 5 Cross-border connectivity



“Tokenisation is not simply about digitising assets; it is about modernising market infrastructure.”

Three priorities for scalable adoption

Practitioner perspective

01

Get the regulatory perimeter right

Regulate the rights and substance – not the technology.

02

Modernise company and commercial law

Deliver equivalent outcomes for traditional and tokenised instruments.

03

Enable digital market infrastructure

Permit new rails where they achieve equivalent regulatory outcomes.



Get the regulatory perimeter right

Priority 01

Technology Neutrality

Treatment should follow the rights represented – not the technology used.



Maintain the distinction

- 1 Financial instrument
- 2 Record token evidencing the asset
- 3 Associated digital infrastructure

Misclassification

→ uncertainty, cost and slower adoption.

Modernise company and commercial law

Priority 02

Equivalent instruments should produce substantially equivalent legal outcomes.

Company law

Shareholder registers

Transfer mechanics

Custody arrangements

Insolvency frameworks

Example: tokenised shares

“The biggest barriers may be legacy legal assumptions – not crypto law.”

Enable digital market infrastructure

Priority 03

Regulate for outcomes

Settlement finality

Investor protection

Operational resilience

Market integrity

Enable new rails

- Avoid unnecessary dependence on legacy infrastructure
- Accommodate digital systems delivering equivalent outcomes
- Use sandboxes to test and inform permanent reform

Traditional Infrastructure

↔ Interoperability ↔

Digital Infrastructure



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



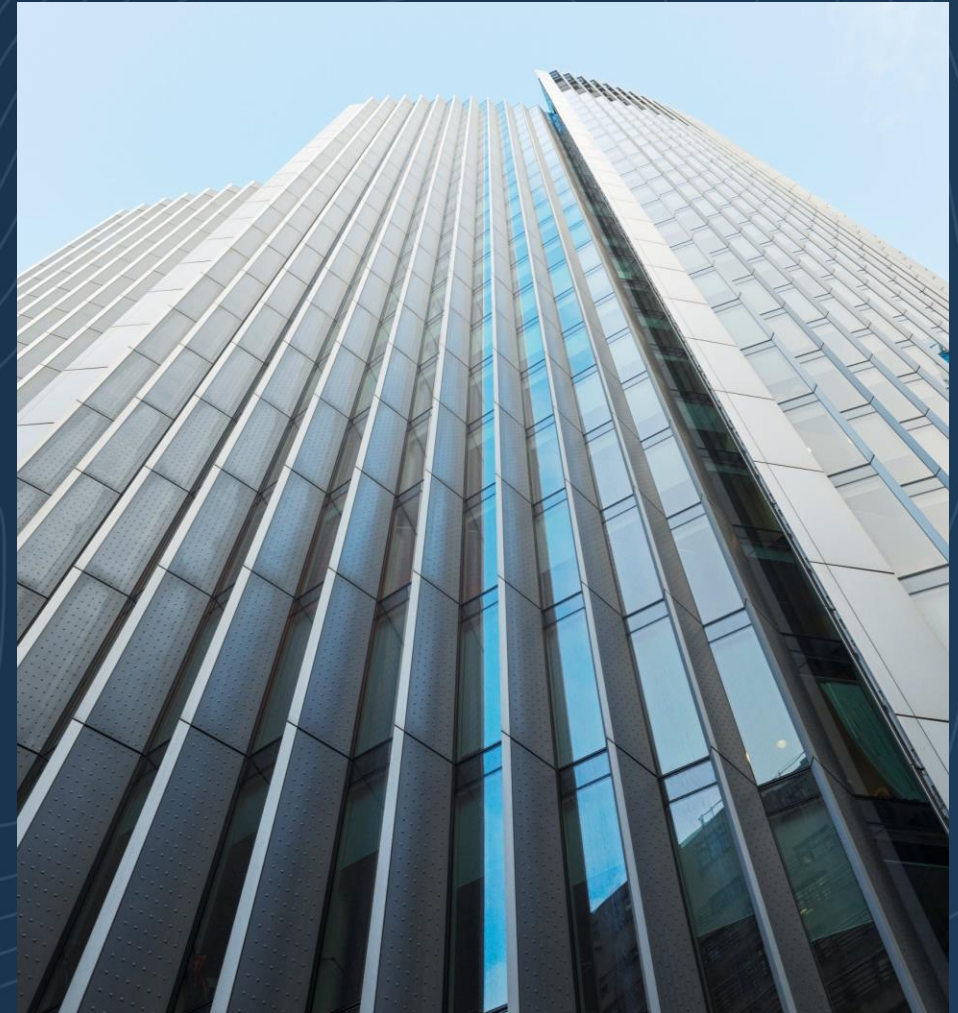
UNCITRAL



WORLD BANK GROUP

Thank you!

Monica Sah
Partner,
Clifford Chance UK





European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

Jae Sung Lee, *Principal Legal Officer, UNCITRAL (Moderator)*

Yanying Li, *Legal Officer, UNCITRAL*

Andrea Tang, *Head of Legal, FIATA*

James Hookham, *Director, Global Shippers Forum*

Jun Xu, *Vice President, ICC Banking Commission*

Luca Castellani, *Senior Digital Trade Specialist, EBRD*

Panel 4

The financing of goods in transit: The emergence of new standards and interaction with existing instruments

17:15 – 18:30



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP



Yanying Li
Legal Officer,
UNCITRAL

Panel 4

Overview of the United Nations Convention on Negotiable Cargo Documents

Adopted by the General Assembly on 15 December 2025, the United Nations Convention on Negotiable Cargo Documents establishes a uniform legal framework governing the issuance and use of negotiable cargo documents (NCDs) — a new type of document of title, in paper or electronic form, that represents goods in transit, regardless of transport mode.

The purpose of the Convention is to extend the benefits of negotiable transport documents beyond maritime transport.



**United Nations Commission on
International Trade Law**

Fifty-second session

Vienna, 8–19 July 2019



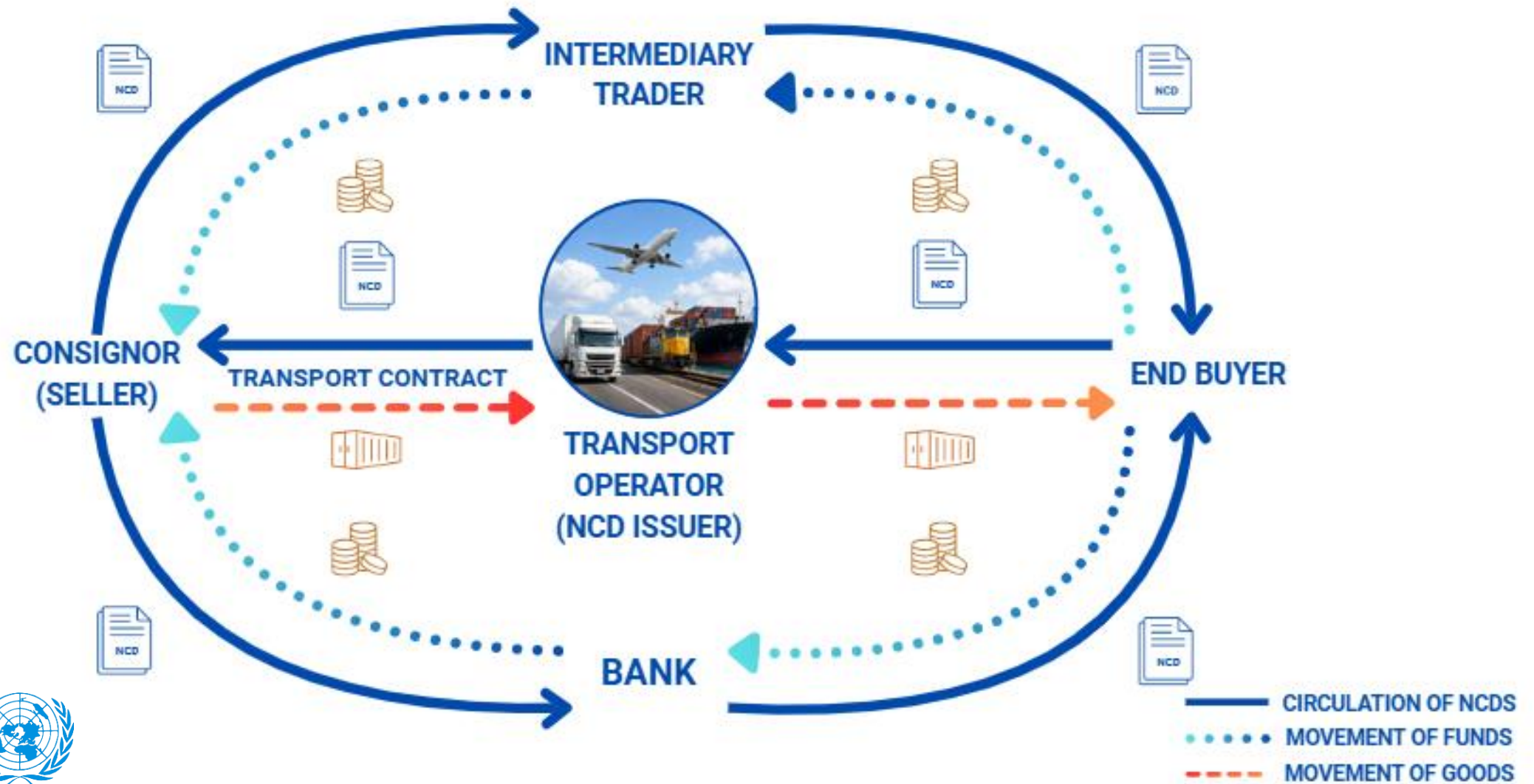
A/CN.9/998

Annex

Proposal by the Government of the People's Republic of China on UNCITRAL's Future Work: Solving the problems of railway consignment notes which are not of the same nature as documents of title

3. In practice, however, an international railway consignment note is only of the same function as a railway transport contract and a cargo receipt, rather than as a document of title. It cannot be used for the settlement and financing of letter of credit (L/C) as an ocean bill of lading (B/L) does, thus limiting the ability of banks and other institutions to provide financing services, and increasing the financial pressure on importers and the risk of payment collection for exporters. Specifically, as a railway consignment note is not a document of title and is required to accompany cargo, it cannot be transferred or pledged, and it is impossible for the holder to claim the right to possession and disposal of cargo by virtue of a consignment note. Due to risk management, banks are reluctant to treat a railway consignment notes as a negotiable document under L/C, leaving buyers and sellers unable to settle with financing through their railway consignment notes. Therefore, buyers have to make advance payment for goods under huge financial pressure while sellers are unable to receive payment in time. Apart from these, the non-negotiable nature of railway consignment notes makes it impossible for buyers to resell the goods in transit, which further limits the transfer of goods and efficiency of transactions. For the above reasons, the further development of inland trade was hindered to some extent.

<https://docs.un.org/en/A/CN.9/998>



What is an NCD?

➤ Legal effect as document of title

The issuance and initial transfer of possession of an NCD, as well as any subsequent transfers, to the holder shall have the same effect, for the purpose of acquisition of rights to the goods, as the physical handing over of the goods. (Art. 7 (4))



Transfer of ownership of the goods



What is an NCD?

➤ Evidentiary effect of NCDs

Transport operator may qualify Art. 4(1)(c) information furnished by the consignor if it has actual knowledge/ reasonable grounds to believe that it is false/misleading, or no reasonable means of checking. (Art. 6 (1))

Except to the extent qualified, NCD is prima facie evidence of the taking in charge of the goods by the transport operator as stated. (Art. 6 (2))

If transferred to a **third party acting in good faith in reliance on any of the information** therein, proof to the contrary by the transport operator is not admissible against that third party (except to the extent qualified). (Art. 6 (3))

Rights and liability of the NCD holder

➤ Rights of the NCD holder

Holder stepping
into the shoes of
the original
contracting party



Holder as
a third-party
beneficiary



Upon issuance of an NCD,
the rights provided for in the NCD
can be exercised **only by the holder**,
which shall include the **right to
demand delivery of the goods
at destination.** (Art. 7 (1))



Rights and liability of the NCD holder

The Convention does not impose any obligation on the NCD holder. Notably, the NCD holder does not have an obligation to provide missing information, instruction or documents.

Holder (other than consignor) who does **not exercise any right** under Art. 7:



Not assume any liability under the transport contract solely by reason of being a holder. (Art. 9 (1))

Electronic NCDs

Electronic negotiable
cargo documents

- Similar to the **UNCITRAL Model Law on Electronic Transferable Records (MLETR)**.
- Follows a “functional equivalence” approach which prescribes the conditions by which the functions of formal requirements traditionally associated with dealings in paper documents can be fulfilled by the use of electronic means.
- It is expected that systems and methods used to support electronic transferable records in compliance with the functional equivalence rules in MLETR can be used to support the use of eNCDs in compliance with the rules in Chapter 4 of the NCD Convention.



Security rights over NCDs



The Convention does not address whether and how a holder could create security rights over NCDs.

The creation, third party effectiveness and priority of any security interest in an NCD will be determined by other legal regimes, including, where relevant, the law governing the NCD itself.

*UNCITRAL Model Law on
Secured Transactions
(2016)*



Next steps



A **signing ceremony** will be held in Accra, Ghana on 26 October 2026. Instruments of ratification, acceptance, approval or accession may be deposited during the ceremony or afterwards at the office of the UN Treaty Section in New York (treatysection@un.org).



The Convention will enter into force **180 days** after the **10th** instrument of ratification, acceptance, approval or accession is deposited. (Art. 25 (1))



NCD Tracker



Cross-Border Paperless Trade Database

[Home](#)[Projects](#)[Services](#)[Submit](#)[Legal Instruments](#)[Implementation Instruments](#)[Readiness Assessment](#)[Glossary](#)[About](#)

NCD Convention Tracker

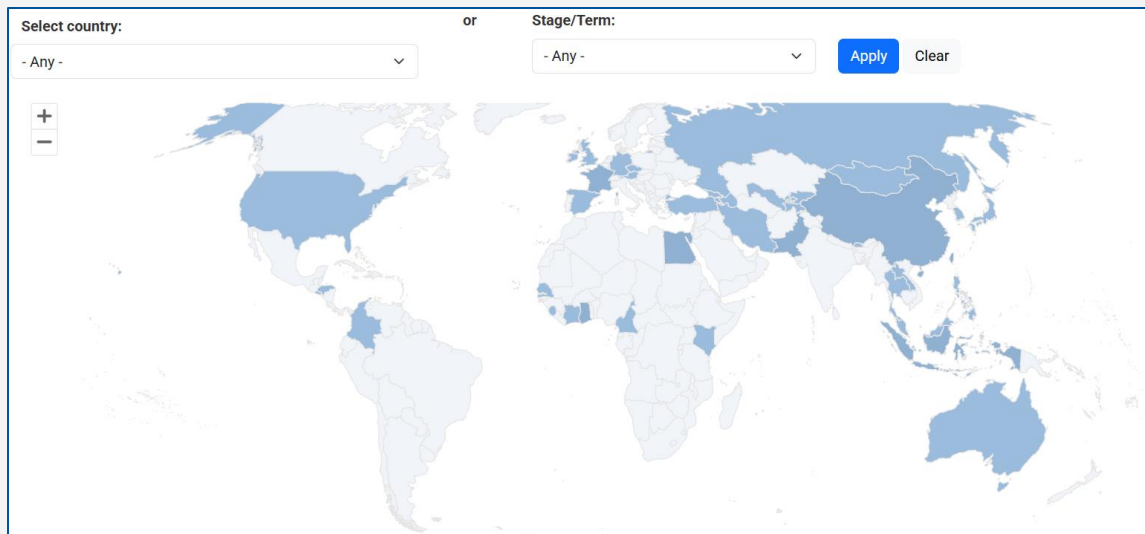
The NCD Tracker monitors the progression of States toward becoming parties to the UN Convention on Negotiable Cargo Documents (the "Accra Convention", adopted 15 December 2025). It complements official depositary records by capturing observable engagement preceding formal treaty acts.

The Convention enters into force 180 days after ten States deposit instruments of ratification, acceptance, approval, or accession. The signing ceremony is expected in Accra, Ghana, H2 2026.

This webpage on the NCD tracker was developed under the project entitled "Strengthening performance, interconnections and multimodal network integration of dry ports in the Asia-Pacific region", implemented by Transport Division, ESCAP.

More information on the project can be found on its webpage at: <https://www.unescap.org/projects/strengthening-dry-ports>

<https://www.digitalizetrade.org/ncd-convention>



United Nations Convention on Negotiable Cargo Documents (New York, 2025) (the “Accra Convention on Negotiable Cargo Documents”)

Date of adoption: 15 December 2025

Objective

The United Nations Convention on Negotiable Cargo Documents (the “Convention”) establishes a uniform legal framework governing the issuance and use of negotiable cargo documents (NCDs) — a new type of document of title, in paper or electronic form, that represents goods in transit, regardless of transport mode. The purpose of the Convention is to extend the benefits of negotiable documents beyond maritime transport. By providing clear rules on the issuance and use of NCDs (including their legal effect) as well as on the rights and liability of NCD holders, the Convention aims to facilitate trade finance, enable the sale of goods in transit, promote multimodal transport, and support the digitalization of global trade. In addition, the Convention enables the use of a single NCD covering the entire journey, thereby streamlining documentation, improving operational efficiency, and facilitating customs clearance.

[Call for action] UN Convention on Negotiable Cargo Documents



Additional Resources

- [Text - Explanatory note](#)  (advance copy)
- [Certified true copy](#) 
- [General Assembly resolution 80/162](#) 
- [Information flyer](#) 
- [Frequently Asked Questions](#) 
- [Working Group](#)
- [\[Call for action\] UN convention on negotiable cargo documents](#)(UN WebTV)
- [Information Brochure for States intending to become Parties to the Convention on Negotiable Cargo Documents](#) 



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP



United Nations
Commission on International Trade Law

Thank you!

Yanying Li
Legal Officer,
UNCITRAL





European Bank
for Reconstruction and Development



UNCITRAL



WORLD BANK GROUP



Andrea Tang
Director of Legal & Regulatory Affairs,
FIATA

Panel 4

The Financing of Goods in Transit: the emergence of new standards and interaction with existing instruments



150+
TERRITORIES

Global reach across
every major market



40,000+
COMPANIES

Freight forwarders
and logistics providers
worldwide



1926
FOUNDED

100 years of advancing
global trade



**A STRONGER
INDUSTRY**

Supporting members today,
shaping the future of
global logistics



GLOBAL VOICE

Representing freight forwarders
and multimodal logistics
providers worldwide



TRUSTED PARTNER

Working with governments,
customs and international
organisations



DRIVING DIGITALISATION

eFBL • Data governance •
Interoperability



BRIDGING POLICY & PRACTICE

Translating global regulatory
developments into practical
industry solutions

FIATA

The Global Voice of Freight Forwarders for 100 Years

Goods move multimodally — financing must follow



Multiple transport modes



Reliable evidence of rights



Multiple borders



Transferability



Alternative routings



Trusted cargo data



Goods in transit



Legal certainty

The UN NCD Convention can strengthen cross-border trade and economic competitiveness by supporting financing needs in multimodal cargo movements in real-life corridor operations.

Freight forwarders enabling trusted trade



Strengthening supply chain resilience

Building flexible and future-ready supply chain solutions



Enabling operational agility

Optimising routes, modes and processes to reduce cost and time



Connecting cargo and finance

Creating trusted documentation and data that can support commercial and financial processes.



Strengthening trade with negotiable cargo documents

What is the NCD Convention?



A UN treaty developed by UNCITRAL to recognise negotiable cargo documents in electronic form (e.g. eFBL).



Provides legal certainty that electronic documents are equivalent to paper.



Applies across all modes and supports interoperability between different systems and jurisdictions.

Why it matters for corridor performance



FASTER BORDER PROCESSES

Enables earlier data sharing with customs and authorities, supporting risk-based clearance.



SMOOTHER MULTIMODAL FLOWS

A single trusted document can be used across different modes and operators, reducing handover frictions.



LOWER TRANSACTION RISK

Greater legal certainty increases trust among trading partners, facilitating trade and finance.

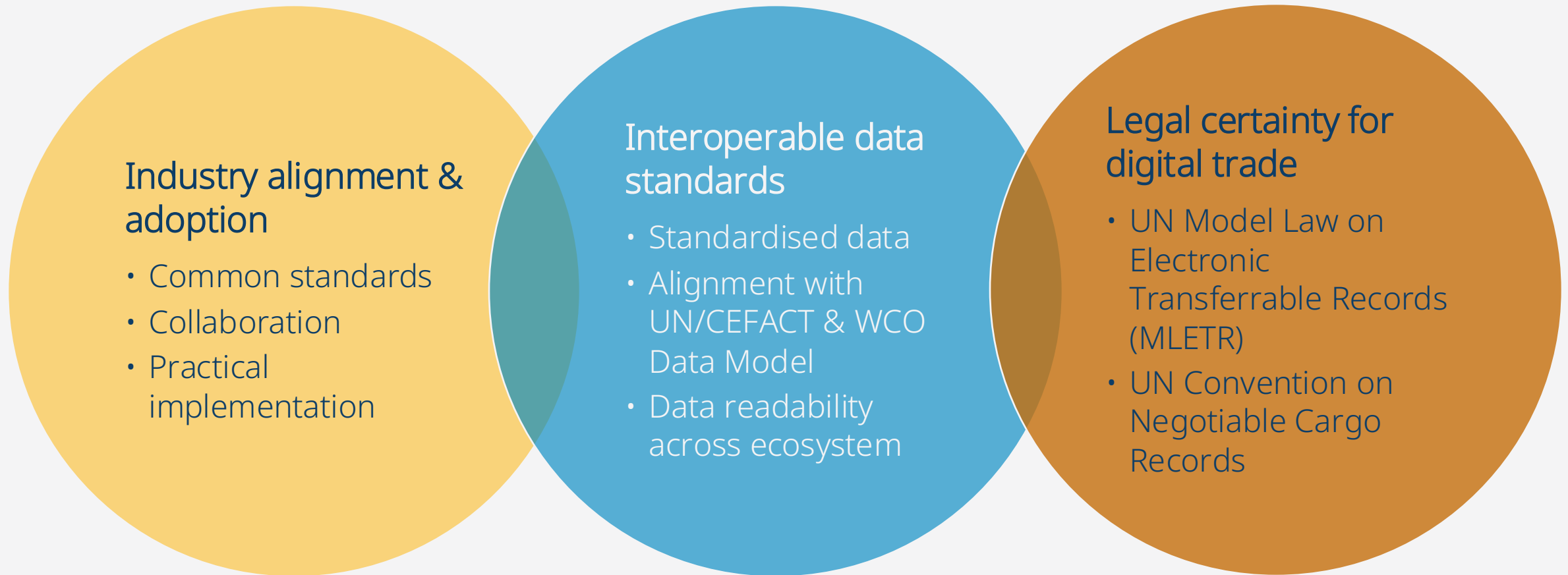


MORE RELIABLE AND RESILIENT CORRIDORS

More predictable cargo flows, better use of existing infrastructure and stronger supply chain resilience.

By enabling a negotiable cargo document to function across modes, the Convention can provide a legal basis for rights in goods in transit to be represented and transferred throughout a multimodal journey.

Building the legal and digital ecosystem for trade



Realising the financing potential of e-NCDs requires legal certainty, interoperable data standards and practical implementation across the trade ecosystem.

Strengthening trade with negotiable cargo documents

Established global standard

The only global standard forwarder bill of lading since 1968, compliant with UCP 600 and UNCTAD/ICC rules.

End-to-end multimodal transport

Covers the full transportation chain across all modes when the forwarder acts as contractual carrier.

Open source and accessible

Open-source solution accessible via API and integrated with forwarders' everyday tools, fully digital or convertible to paper.

Trusted and verifiable

Built on verifiable data and an immutable ledger for trusted, interoperable transmission to supply chain actors.



DB7869181466627F1-prod.pdf

Registered on 12 May 2022

View

Drag & drop to upload or [browse](#) to verify

DB7869181466627F1  Verify

Documents uploaded (1)

[Clear all](#)

Document registered by **FIATA**

12 May 2022 - 10:36:38 pm CEST

Document issued by **Waters - Stark**

09 Oct 2022 - 12:49:42 am CEST

Address

Anya Burgs
10248 Sarasota
Pitcairn Islands

Member of

FIATA

Consignor
Consignor: Fred Odelius
Storöy 1000
10000 Storöy
Pitcairn Islands
(500) 453-6578

PAGE 1 OF 3



DB7869181466627F1

MULTIMODAL TRANSPORT
BILL OF LADING

Issued subject to UNCTAD / ICC Rules for
Multimodal Transport Documents (ICC Publication 680)

Consigned to order of
Waters - Stark
Consignee: Waters - Stark
10000 Storöy
Pitcairn Islands
(500) 453-6578

Notify address
Consignee: Waters - Stark
10000 Storöy
Pitcairn Islands
(500) 453-6578

Place of receipt
Waters - Stark

Ocean vessel
Cargus Vessel

Port of delivery
Storöy, Pitcairn Islands

Waters - Stark
Consignee: Waters - Stark
10000 Storöy
Pitcairn Islands
(500) 453-6578

Place of receipt
Waters - Stark

Ocean vessel
Cargus Vessel

Port of delivery
Storöy, Pitcairn Islands

Marked and numbered packages
TBAVE
10000 Storöy
Pitcairn Islands
(500) 453-6578

Gross Weight
288,750 kg
288,750 m³
1000,000 m³
22,100 m³
202,011 m³

At the time of the document registration, **Waters - Stark** fulfilled all conditions as specified in the **terms and conditions of the FBL**

How e-NCDs can support financing goods in transit



THE RESULTS: FINANCE-READY GOODS IN TRANSIT



EARLIER RISK ASSESSMENT

More timely and reliable information for finance and compliance.



FASTER PROCESSING

Reduced documentary friction across transport, customs and finance.



GREATER VISIBILITY

Real-time data supports monitoring of goods in transit and exposure.



STRONGER, MORE RESILIENT TRADE FLOWS

Improved liquidity and confidence to support sustainable trade growth.

e-NCDs such as the eFBL provide trusted, standardised trade data that can be shared early on, enabling earlier risk assessment, smoother border processes and more predictable flows.

The eFBL in action in real corridor movements



TURKMENISTAN → ROMANIA (2024)

Multimodal | 2,000 tonnes of fertiliser

Proof that a full multimodal move can go paperless, with title issued, transferred and surrendered electronically.



KAZAKHSTAN → CHINA (2024)

Trade finance | SME support

Proof that banks will lend against electronic records. Bank of China Jiangsu Branch financed an SME importer using the eFBL as collateral — the first pilot under the draft NCD Convention.



CHINA → GEORGIA (2026)

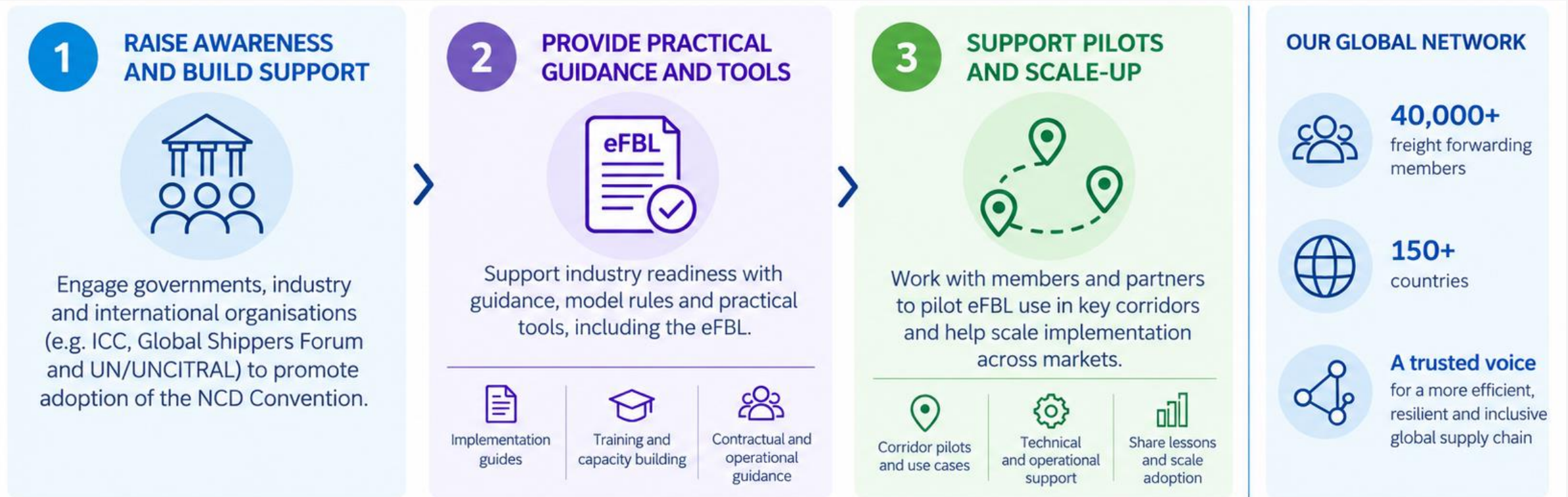
Platform interoperability | Live shipment

Proof that platforms can interoperate. An eFBL generated on the Global DTC platform was verified through FIATA's API on a live Middle Corridor shipment.



FIATA has run eFBL pilots on live commercial shipments across key corridors — testing issuance, title transfer, data sharing and trade finance under the UN NCD Convention.

From legal certainty to financing in practice



By bridging global adoption with practical implementation, FIATA is working to translate the UN NCD Convention into real-world benefits to enable faster, more reliable and more inclusive trade and financing opportunities.



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



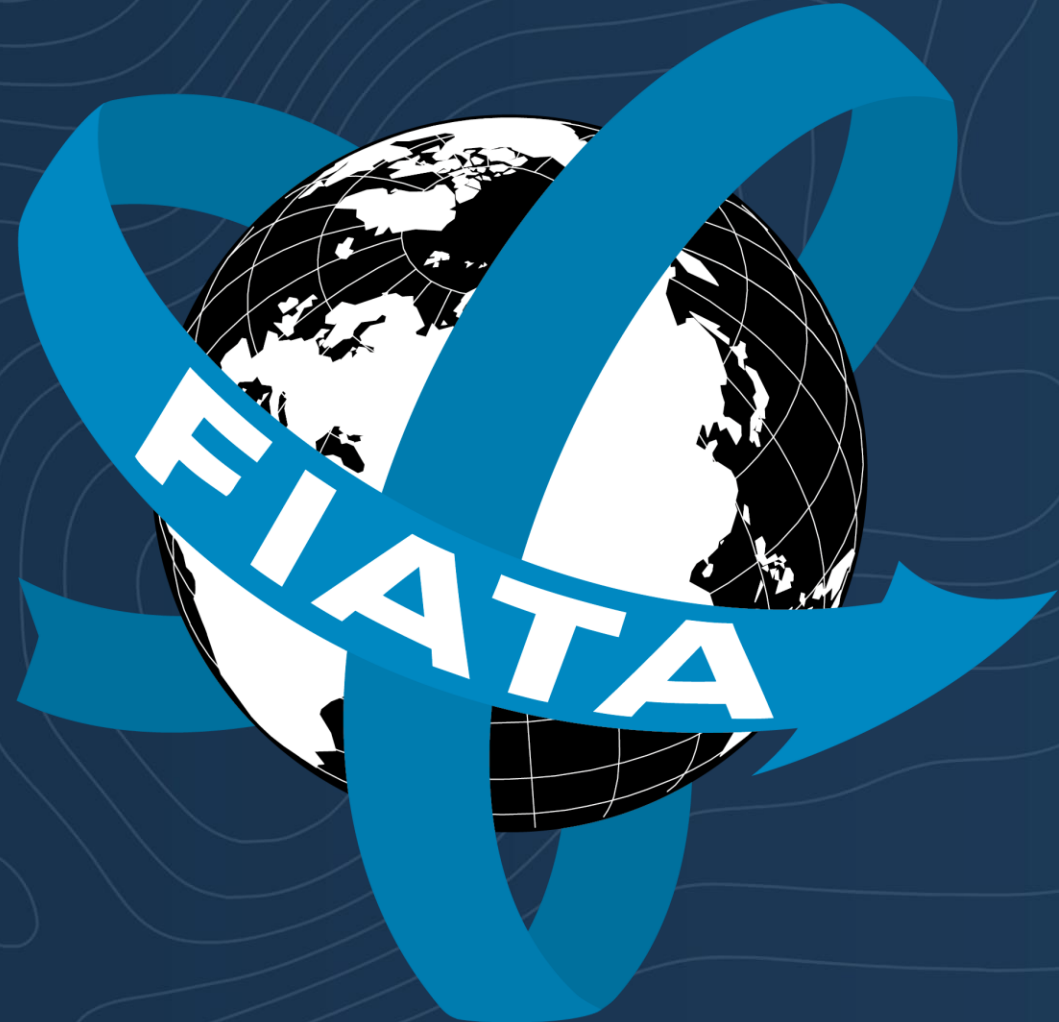
WORLD BANK GROUP

Thank you!

Andrea Tang, Director of Legal &
Regulatory Affairs

FIATA – International Federation of Freight
Forwarders Associations

legal@fiata.org





European Bank
for Reconstruction and Development



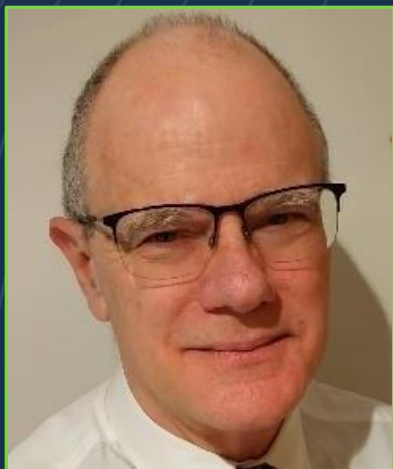
UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

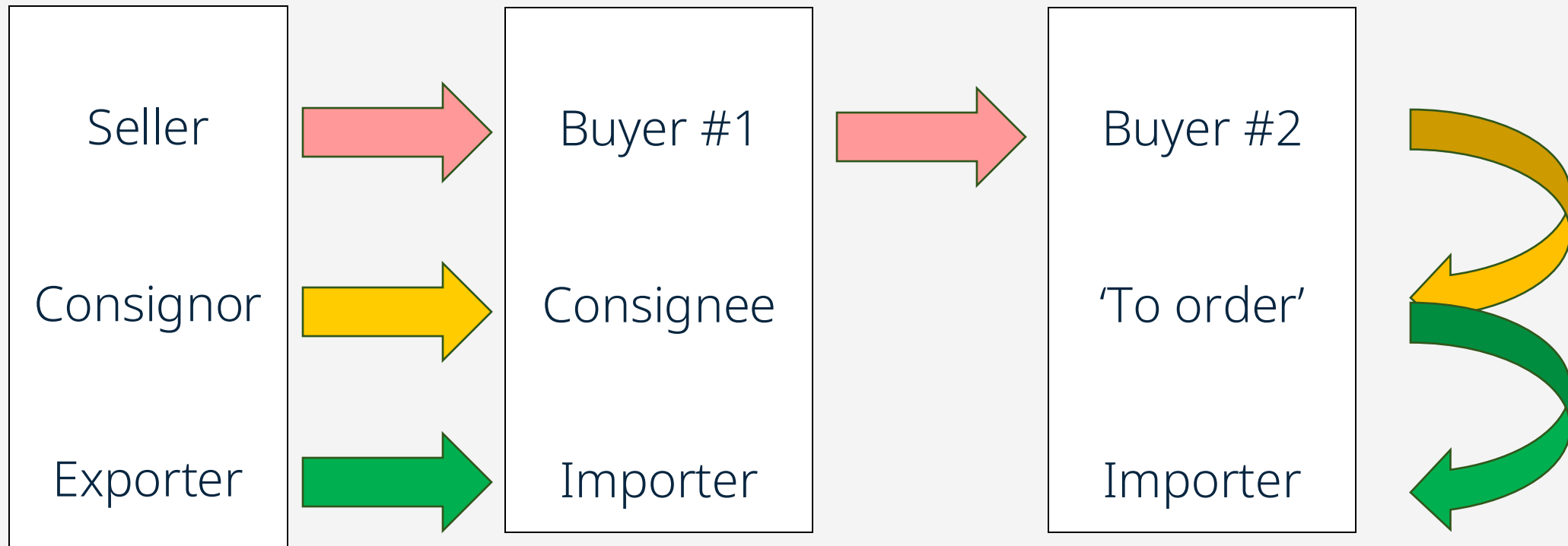


James Hookham,
Director, Global Shippers Forum

Panel 4

The Financing of Goods in Transit: the emergence of new standards and interaction with existing instruments. Shippers' perspectives

NCDs: The role of 'shippers'



NCDs: Benefits for Shippers



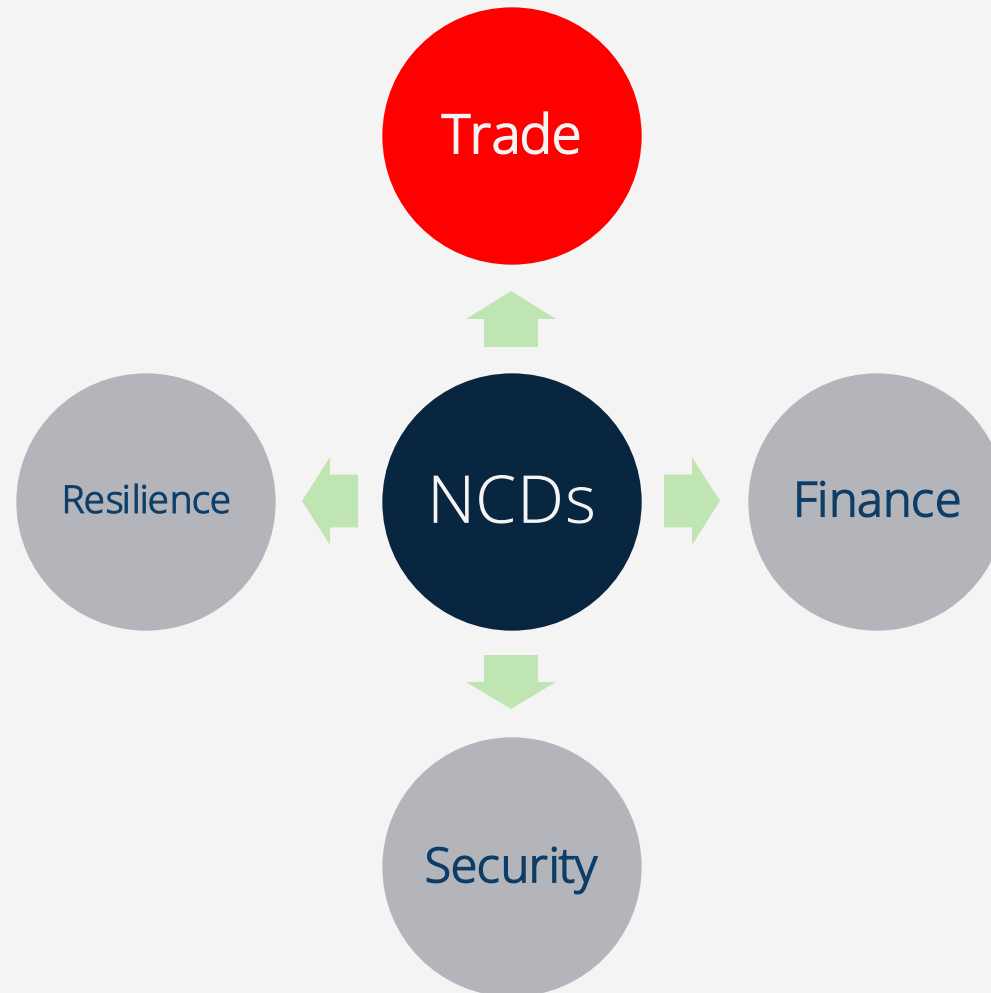
TRADE: New markets + new connections + new multimodal transport solutions = **new trading opportunities.**

RESILIENCE: shippers can sell goods during transit if demand changes or delivery schedules are **disrupted.**

SECURITY: 'electronic cargo records' legally recognised in secure, **digital** trading environments.

FINANCE: Transferable title in goods provides collateral for financing **banks.**

NCDs: Benefits for Shippers



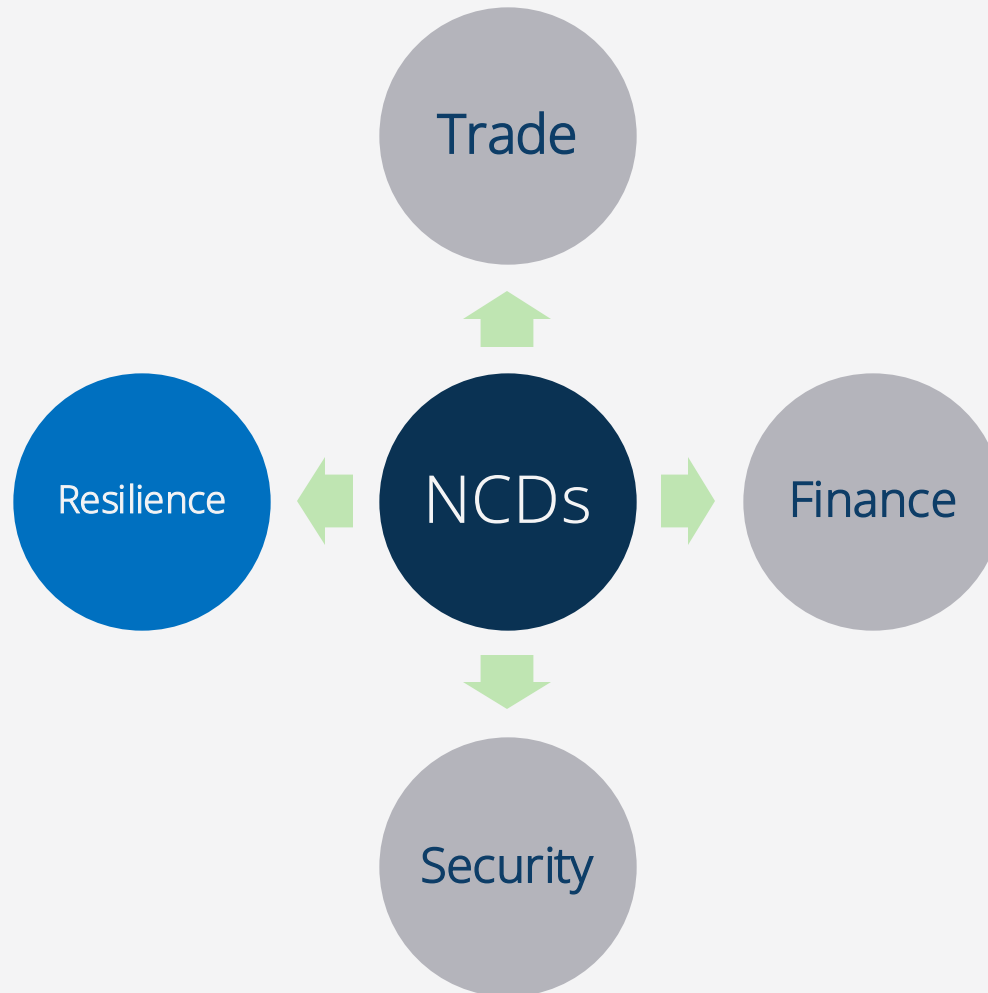
Trade

- Emerging consumer markets and centres of production
- Extended overland journey to/from gateway ports/airports
- New surface transport corridor development

NCD Convention:

- single, legal framework for use of NCDs in overland and multimodal shipments
 - confidence to buyers and sellers
 - **development of new trade routes**

NCDs: Benefits for Shippers



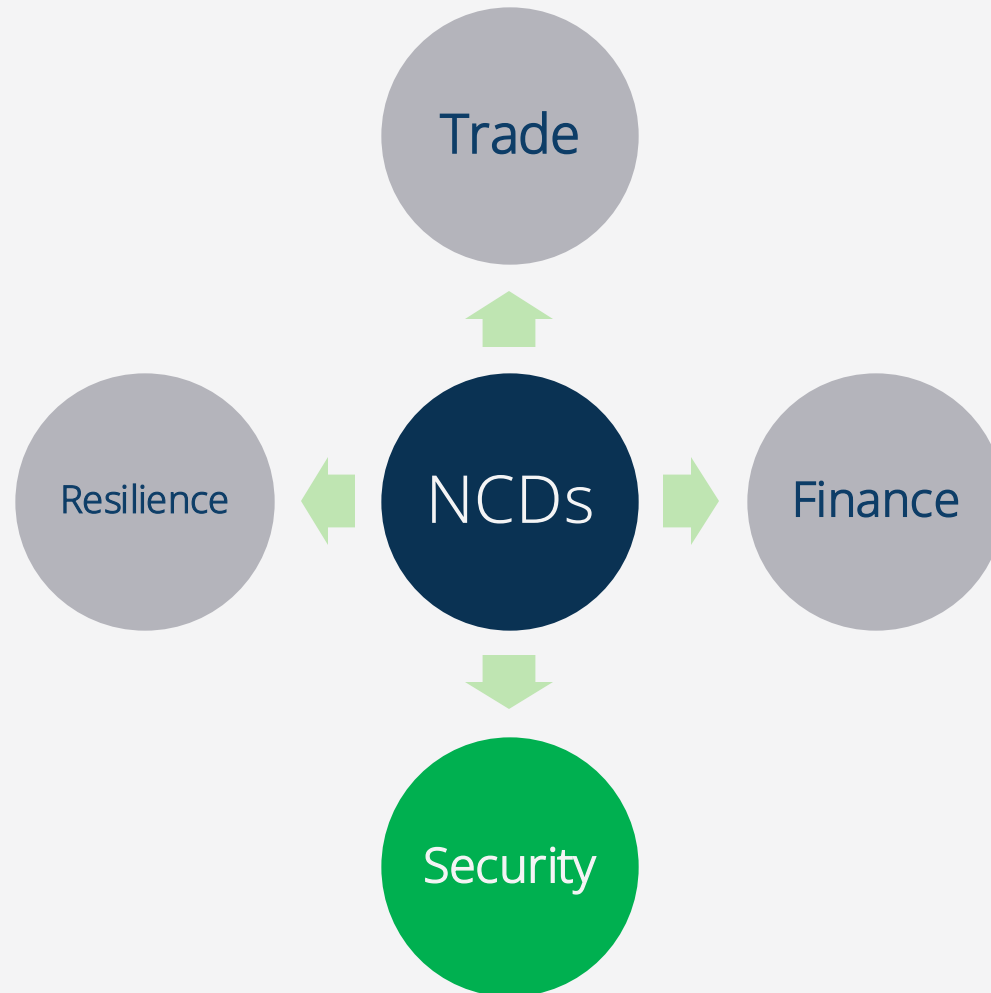
Resilience

- More frequent and prolonged disruptions to logistics services
- Cause missed delivery deadlines and lost selling opportunities
- Use of NCDs mean goods can be sold on in event of delay

NCD Convention:

- single, legal framework defining rights & obligations of parties
- applicable in all modes of transport
 - confidence to sellers and new buyers; and to contractual carriers
 - better business resilience; less waste

NCDs: Benefits for Shippers



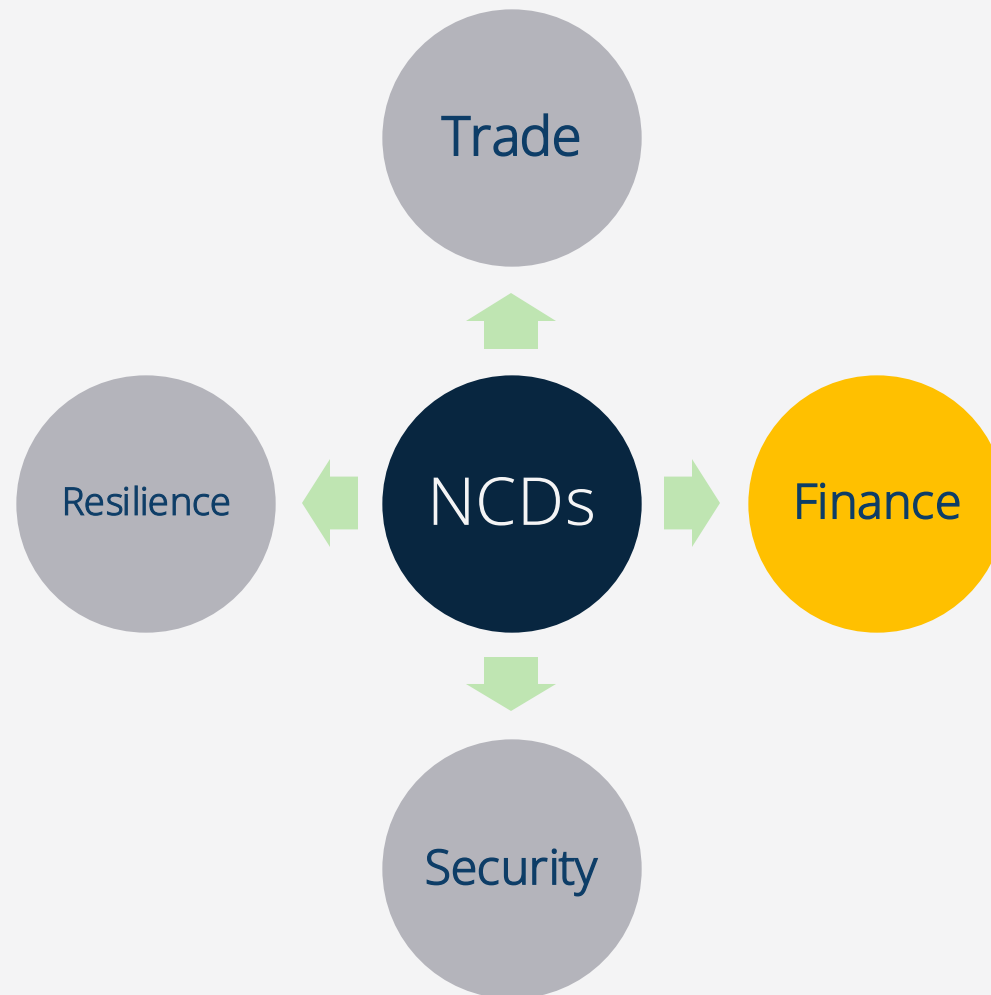
Security

- Industry transitioning to digital trading systems
- Greater, security, speed, flexibility & resilience

NCD Convention:

- Specific provisions for 'Electronic Cargo Records'
 - Aligned with MLETR
- confidence to all parties in legal standing of electronic NCDs
- more rapid transition to benefits and security of digital trade

NCDs: Benefits for Shippers



Finance

- Trade finance guarantees crucial to buyers' confidence
- Banks can and should use transferable title in goods as collateral for LoC and other payment guarantees

NCD Convention:

- single, legal framework defining rights & obligations of parties
- including electronic documents
 - confidence to banks in extending credit terms to SME buyers & sellers
 - **better SME access to trade finance**



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

Thank you!

James Hookham
Global Shippers Forum
jhookham@globalshippersforum.com
+44 7483 16 99 76



The Global Voice of Cargo Owners



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP



Jun Xu

(Bank of China)

Vice Chair, ICC Global Banking Commission

Panel 4

NCD Application and Outlook - from Banking Industry Perspective

Transport documents in global trade & trade finance

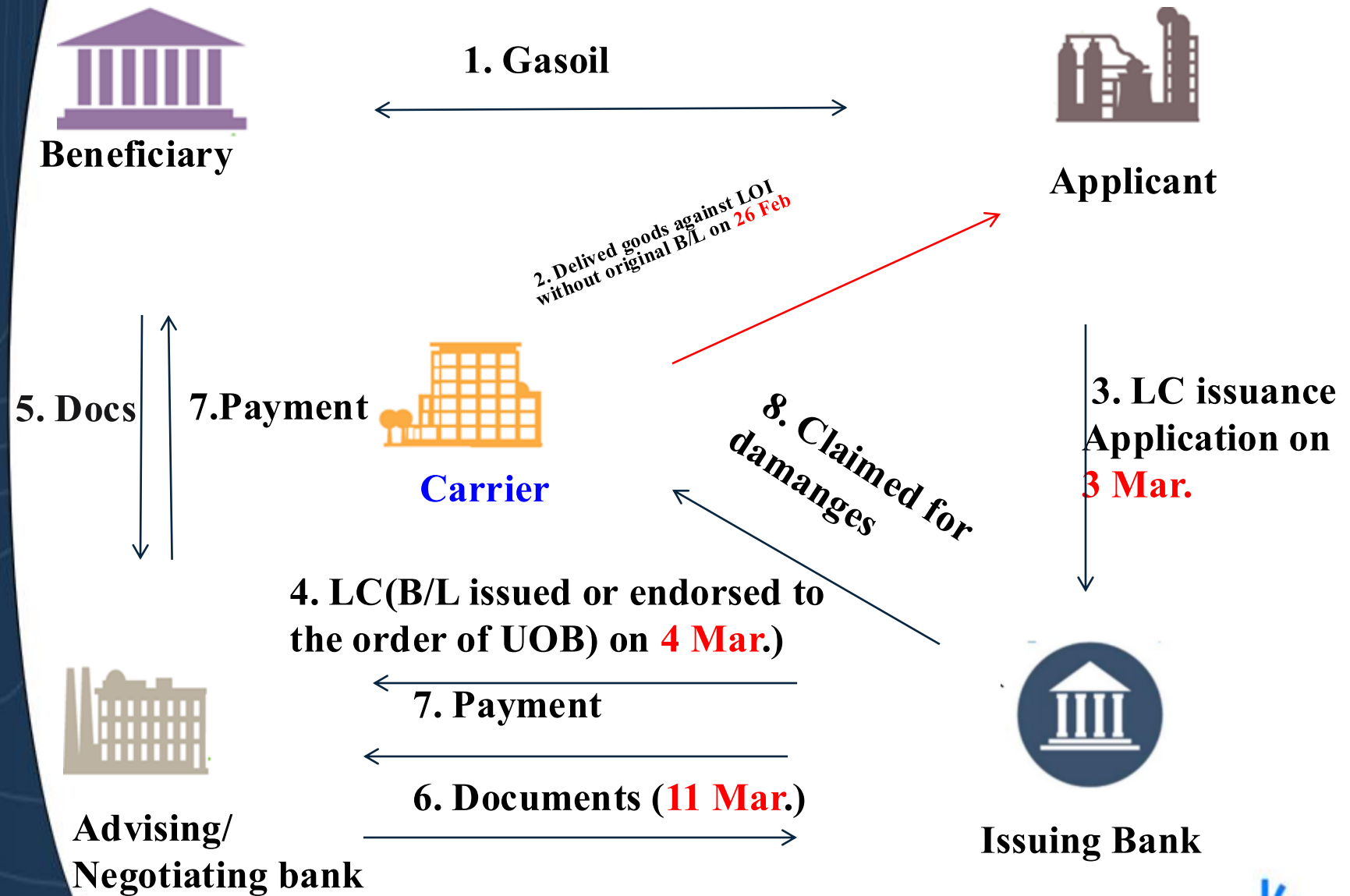


Negotiable maritime B/L: Cornerstone of international trade & trade finance

- ✓ Maritime privilege: negotiability & transferability of B/L
- ✓ Primary function of negotiable B/L: lawful holder of B/L is entitled to claim delivery of the goods at the port of discharge
- ✓ Capital conservation: depending on applicable regulations

Role	Negotiable maritime B/L	Non-negotiable transport document (rail, air, road, sea)
Transfer of rights to goods in transit	✓	✗
Collateral for financing	✓	✗
Risk mitigant	✓	✗

Examples of the roles of negotiable b/l for banks

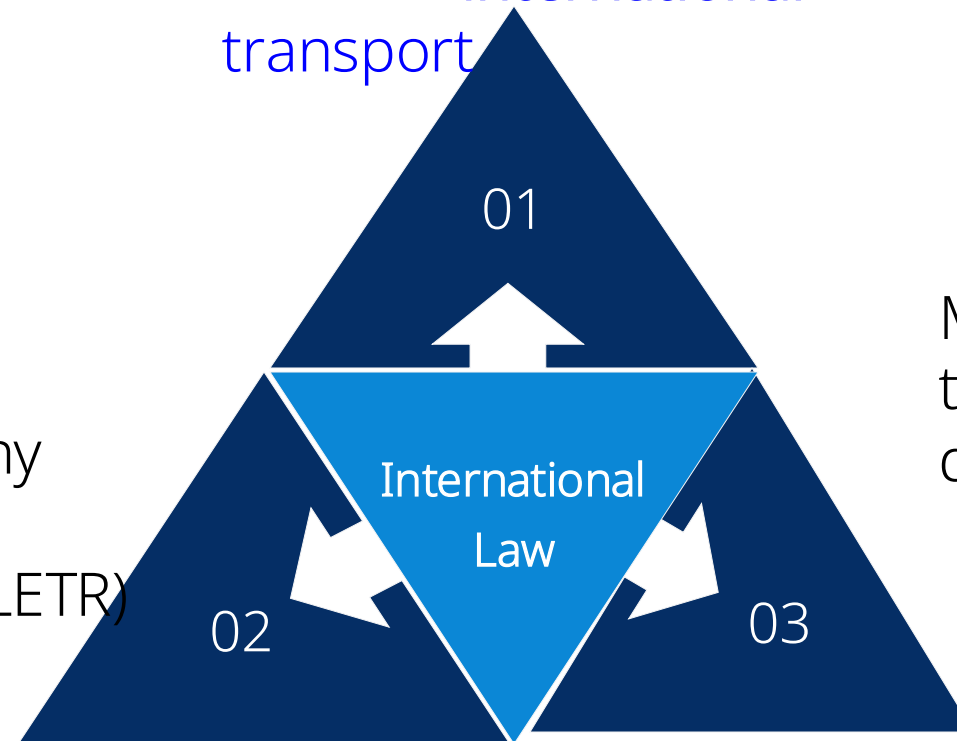


Significance of NCDs

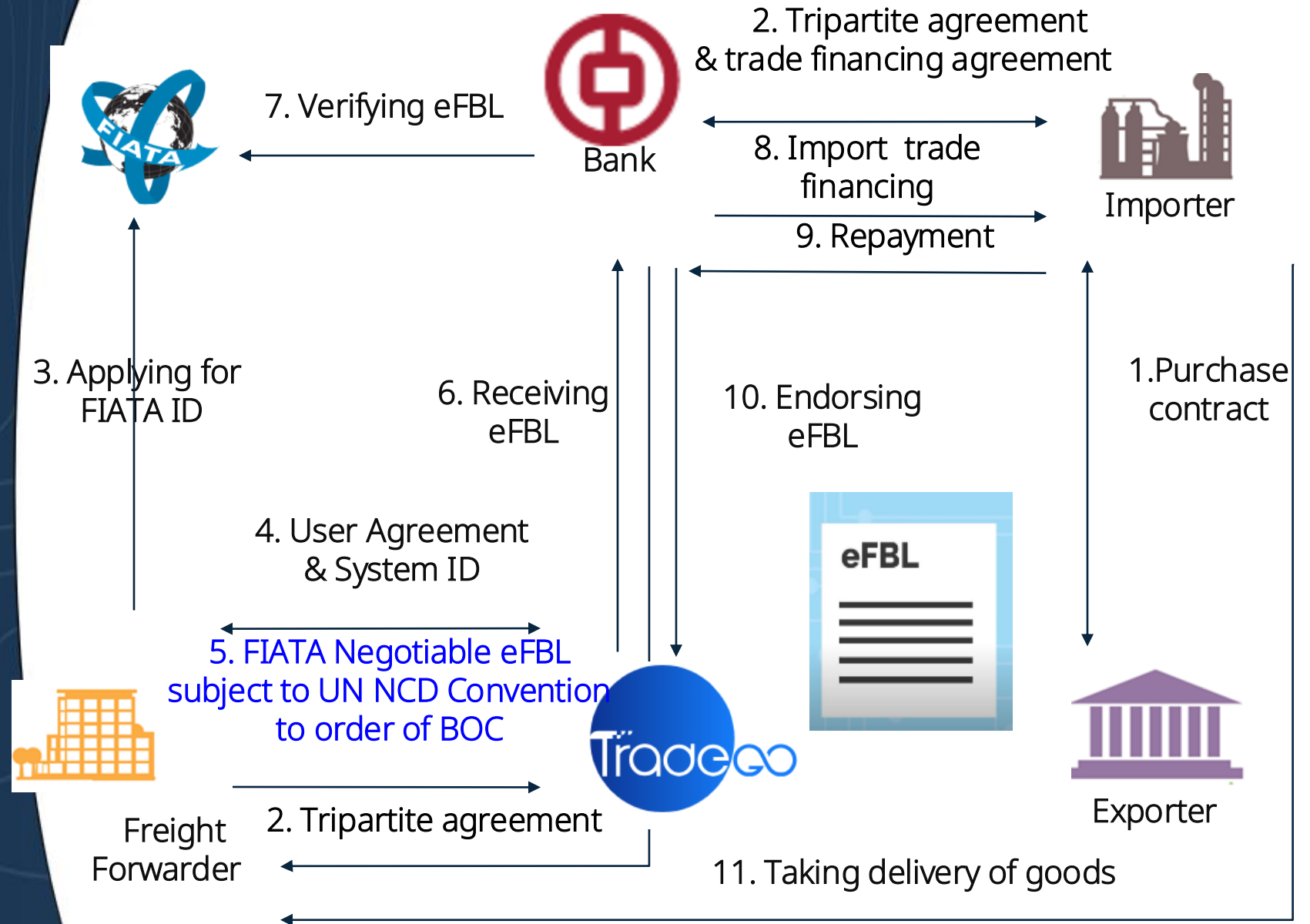
Electronic
transferable
records in any
mode of
transport(MLETR)

Negotiable transport
documents for **any
mode of international
transport**

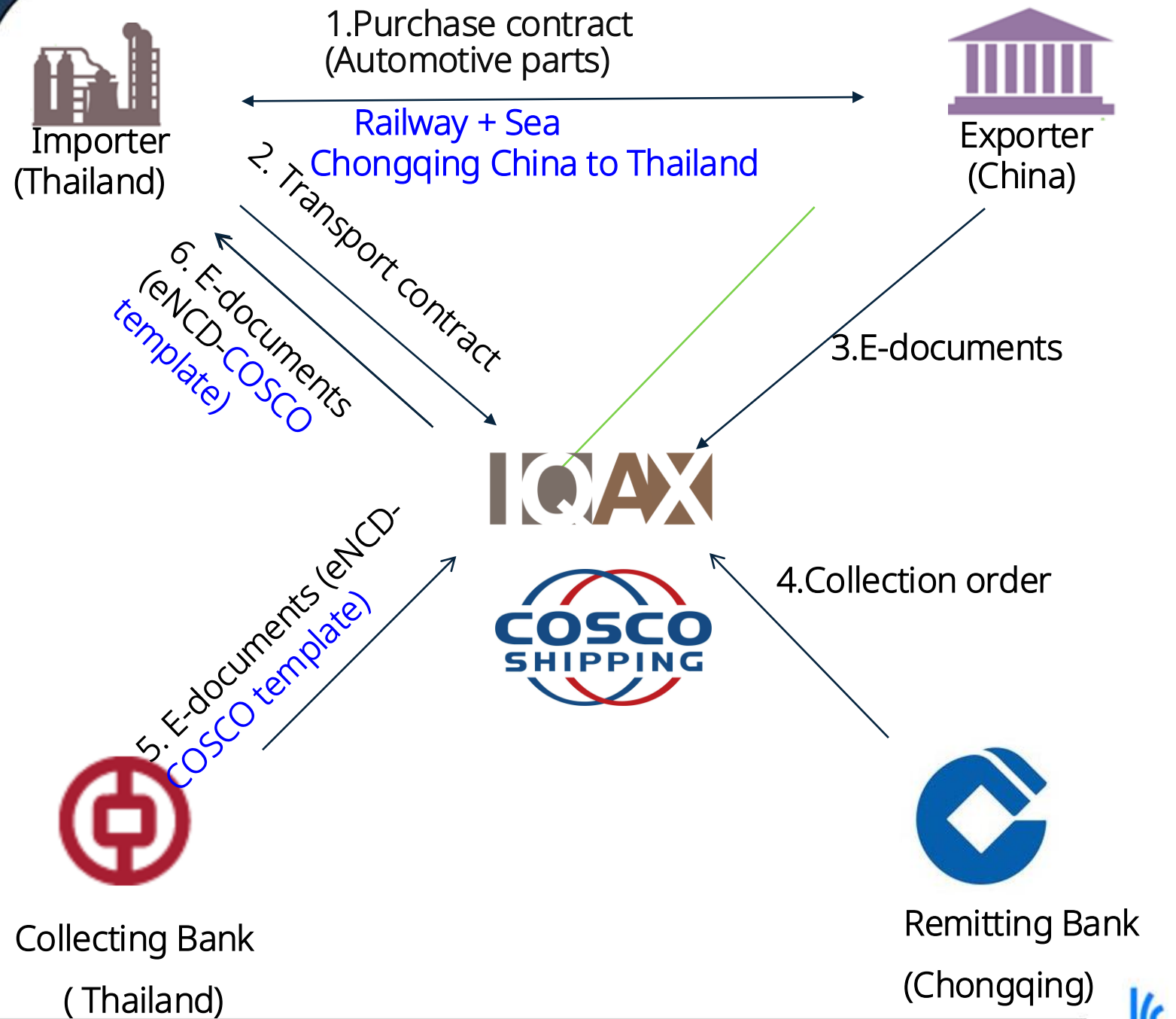
Multimodal
transport
documents



NCD pilot projects: eNCD (Open A/C)



NCD Pilot Projects: eNCD (Documentary Collection D/A)



NCD Pilot Projects: eNCD (Documentary Collection D/A)



中远海运集装箱运输有限公司
COSCO SHIPPING LINES CO., LTD.

COPY
PAGE: 1 OF 1

Tel: +86 21 3512 4888

E-Business: elines.coscoshipping.com

NEGOTIABLE CARGO DOCUMENT

1. Consignor/Shipper Insert Name Address and Contact Details CHONGQING, CHINA		Booking No. 6460965470		Negotiable Cargo Document No. COR	
2. Consignee Insert Name Address and Contact Details (This original NCD is Negotiable. Insert "TO ORDER" or "TO ORDER OF xxx" here.) AUTO SOUTHEAST ASIA CO., LTD. RAYONG 21140, THAILAND		Forwarding Agent		Port and Country of Destination	
3. Notify Party Insert Name Address and Contact Details (It is agreed that no responsibility shall attach to the Transport Operator or its agents for failure to notify.) SAME AS CONSIGNEE		Also Notify Party			
4. Place of Receipt CHONGQING, CHINA		5. Place of Delivery LAEM CHABANG, THAILAND			
Transport Vehicles/Ocean Vessel Vty. No. AUM2-QV3260722/X0004		Type of Movement CY-CY		Service Contract No. GAR25166	
6. Total Number of Containers and/or Packages (in words) Subject to Clause 13 Limitation of Liability SAY ONE CONTAINER TOTAL		Description of Goods (If Dangerous Goods, See Clause 20) 48 PACKAGE/40HQ C AUTOMOTIVE PARTS CY006403 OCEAN FREIGHT PREPAID SHIPPER'S LOAD STOW COUNT AND SEAL ON CY-CY TERM FCL / FCL		Declared Cargo Value USD Description of Contents for Shipper's Use Only (Not part of This NCD)	
7. Freight & Charges		Revenue Tons		Rate	
Per		Amount		Pv	
This Negotiable Cargo Document (NCD) constitutes a document of title to the goods, and with duly endorsement, by virtue of becoming the holder of the NCD, the person to whom delivery is to be made have transferred to and vested in the holder of the NCD the rights of taking or demanding delivery of any of the goods to which this NCD relates and all rights of suit under the transport contract to be used with as if they had been a party to such transport contract. The transport operator has issued this original NCD, all of this tenor and date, upon any one of the original NCD be surrendered and endorsed or signed against the delivery of the transport, the others shall be void. In accepting this NCD the Merchants hereby severally accept and agree to all printed, written or stamped provisions, exceptions and conditions of this NCD and the Rules and the Rules of the International Union of Marine Insurance, which also provides other services and more detailed information. If any ambiguity or query, please search by Demurrage & Detention Tariff Enquiry. Received in external apparent good order and condition except as otherwise noted. The total number of the packages or units specified in the container, the description of the goods and the weights shown in this NCD are furnished by the merchants, and which the Transport Operator has no reasonable means of checking and is not a part of this NCD document. All claims and disputes existing from or in connection with this NCD shall be governed by laws of P. R. China, shall be submitted to China Maritime Arbitration Commission (CMAC) for arbitration in accordance with CMAC Arbitration Rules for the time being in force at the time of applying for arbitration. The arbitral award is final and binding upon all parties.					
2601 Date of Issue 16 JUL 2026		Place of Issue CHONGQING		Signed for the Transport Operator, COSCO SHIPPING LINES CO., LTD.	

5.DELIVERY OF GOODS

5.1 Delivery of the Goods may be demanded from the Transport Operator only against surrender of the original NCD.

To enable commercial entities to familiarize themselves with the rights, obligations, and liabilities of the parties as prescribed under the NCD Convention, this **NCD Template** directly incorporates key concepts from the NCD Convention into the reverse-side clauses.

武汉中远海运集装箱运输有限公司
COSCO SHIPPING LINES (WUHAN) CO., LTD.

AS AGENT

(1)



Application of eNCD

Q: When can an eNCD be issued?



Precondition of eNCD issuance: agreed between transport operator and the shipper



Principle of medium change: agreed between the NCD holder and the transport operator.

Q: Is a particular technology or method required for issuing eNCDs?



Principle of “technology neutrality”

Q: What do banks need to consider in eNCD application?

- Digital platform
- Access to the digital platform
- Interoporability across digital platforms



Application of eNCD

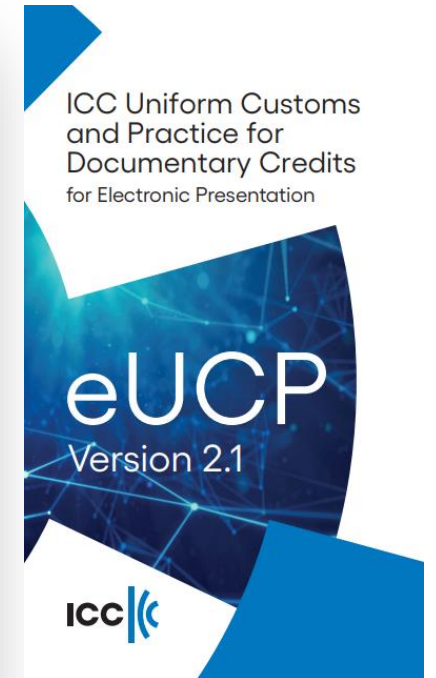
What do banks need to consider in LCs transactions involving eNCD?

Choice of ICC eUCP rule

eNCD can be presented only when LC is issued subject of ICC eUCP rule

Tailored LC conditions

- **ICC UCP 600 & ISBP:** non-negotiable type of transport document consigned to either the issuing bank or the applicant is acceptable when LC requires it to be made out to order or to order of XXX
- **NCD Convention:** order document
- **Solution:** Tailored LC conditions



Common problems in Practice



NCD issuance issues

NCD issuer & template

Capacity of the issuer not identified (especially in LC transactions)

Missing conspicuous reference to the NCD Convention

Consignee column incorrect: consigned to XXX instead of "to order" or "to order of XXX"

Mandatory contents missing

Incorrect place of receipt and place of arrival

Number of originals missing

Date of issuance missing



Operational and Integration Issues

LC not issued properly when NCDs are required

No agreement among shipper, transport operator and bank when NCD collateral needed to mitigate trade finance risks

Lack of interoperability among digital platforms

Customs clearance practice at destination



Potential scenarios for the use of eNCD

- ❑ **Scenario 1:** Where the traditional negotiable transport documents are unavailable---use of NCDs as collateral to mitigate financing risks
- ❑ **Scenario 2:** When clients are pursuing efficient hinterland trade routes with high demand of fast documents flows
- ❑ **Scenario 3:** When an eUCP LC is used for hinterland trade routes
- ❑ **Scenario 4:** When banks wish to have visibility of cargo flows in transit, avoid risks associated with paper NCD(fraud, loss, delay), conduct regulatory compliance, make transition to digitalization.



ICC BC's Engagement in UN NCD Convention

Observer delegation in UNCITRAL Working Group VI (NCD)

Submissions to UNCITRAL

UNCITRAL Pilot project

Promoting awareness in collaboration with UNCITRAL, FIATA, GSF, EBRD, GCC etc

Joint Briefing paper & Guidance on NCD: GSF, FIATA, ICC BC

Advocacy for ratification of the Convention in collaboration with FIATA, GSF



<Date>
<Address>
GSF, FIATA and ICC strongly encourage your support for early ratification and stand ready to assist in advancing this shared objective to strengthen the resilience, predictability and digital readiness of global supply chains.
Dear Minister

United Nations Convention on Negotiable Cargo Documents

On December 15, 2025, the United Nations General Assembly adopted the Convention on Negotiable Cargo Documents (NCDs), establishing a modern international legal framework that will benefit your country's importers, exporters, freight forwarders, logistics providers, and financial institutions engaged in international trade. (A/RES/80/162)

Joint submission by Global Shippers Forum (GSF), International Federation of Freight Forwarders Associations (FIATA) and International Chamber of Commerce Banking Commission (ICC)

[Original: English]
[Date: 4 June 2025]

United Nations Commission on International Trade Law
Fifty-eighth session
Vienna, 7-23 July 2025

Compilation of comments on the draft convention on negotiable cargo documents



What You Need to Know About the UN Convention on Negotiable Cargo Documents (NCDs)

FAQ

December 2025



A Guide to Negotiable Cargo Documents for governments, policy makers and international trade advisors

Prepared by
Global Shippers Forum,
FIATA
and
ICC Global Banking Commission



May 2026



NCD Convention Tracker

The NCD Tracker monitors the progression of States toward becoming parties to the UN Convention on Negotiable Cargo Documents (the "Acc observable engagement").
The Convention enters into force upon the deposit of the 10th instrument of ratification, accession or approval.
This webpage on the multimodal network

China: Stage 2

China

Domestic Awareness

Political Support

Formal Domestic Review

Signal

Domestic Legislative Process

Instrument Deposited

In Force

Evidence Summary:

Several government reports publicly supported the UN Convention on Negotiable Cargo Documents.





European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

Thank you!

Jun Xu (Bank of China)

Vice Chair, ICC Global Banking Commission

UNCITRAL WG VI (Negotiable Cargo

Documents) ICC Observer



European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP



Luca Castellani
Senior Advisor, Digital Trade
EBRD

Panel 4

The emerging digital layer for Trade Finance

Recent uniform texts relevant for Trade Finance

UNCITRAL Model Law on Electronic Transferable Records (2017) applicable to bills of lading, bills of exchange, promissory notes, etc

Functional equivalence is achieved through singularity, control and integrity.

Does not change existing “substantive” law.

Must be enacted in national law: open to variations.

Relies on existing PIL frameworks (treaty or statute-based).

UNCITRAL – UNIDROIT Model Law on Warehouse Receipts (2024)

Medium-neutral: applies same rules to electronic and paper documents based on MLETR.

Replaces existing law.

Must be enacted in national law: open to variations.

Relies on other PIL frameworks (statute-based).

United Nations Convention on Negotiable Cargo Documents (2025)

Medium-neutral: applies same rules to electronic and paper documents based on MLETR.

Introduces a new type of document of title.

As a treaty, it is not open to variations besides admissible declarations / reservations.

PIL framework is self-contained (treaty-based).

Open legal and regulatory issues in Digital Trade Finance / Fintech

- Integration of all documents in a single data pipeline requires cross-border legal recognition of documents and technical interoperability.
- Does the electronic form of the document affect traditional PIL rules?
- Which role play trust services?
- Are rules for electronic documents different for use in transport and in finance? Are they different when electronic documents are exchanged in closed systems and when documents are transferred to third parties or to public authorities?
- How is reliability assessment of ETR management systems dealt with? Is the assessment carried out at the request of private or public entities? Does this affect applicable rules?
- How does the above relate to policy choices on innovation vs. regulation and market openness vs, market protection?

Optimizing Trade Finance Rules for the 21st Century

- Digital trade currently pursues end-to-end trade digitalization.
- However, documents of title still follow a fragmented approach based on the status of the goods (in transit or not) and the mode of transport.
- Codification under this approach started 100 years ago (Hague Rules, Geneva Conventions).
- A digital Unified Document of Title (UDT) could cover the full lifecycle of the goods.
- This would give best information on the legal status of the goods, their origin and qualities.
- The UDT can be a twin to regulatory documents such as the EU Digital Product Passport.
- It can be issued under a dual system (title to property and title to security).
- It can be totally detached from the underlying liability regime and fully respect it.



European Bank
for Reconstruction and Development



UNCITRAL



WORLD BANK GROUP

Thank you!

Luca Castellani
Senior Advisor, Digital Trade
EBRD
CastellL@ebrd.com

To stay connected:





European Bank
for Reconstruction and Development



UNIDROIT
INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE



UNCITRAL



WORLD BANK GROUP

9TH INTERNATIONAL CONFERENCE ON THE COORDINATION OF SECURED TRANSACTIONS REFORMS

Scaling access to finance Through law, policy, digitalisation and investment

Thank you for today's session!

We look forward to welcoming you tomorrow

21 September