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Why the Rail Protocol makes sense for UK Plc

Although the UK has a sophisticated finance sector for the rail industry, the Rail Protocol will still bring significant benefits for the UK. These advantages can be summarised as:

- 1. A major additional security for lenders and lessors** of rolling stock that will also facilitate notifications of title positions established after the Rail Protocol comes into force in the UK
- 2. Will facilitate combined UK/European financings** if the Rail Protocol is applicable throughout, encouraging UK financiers to export their expertise.
- 3. A new tool for private sector financing of suburban transportation:** the Rail Protocol will apply to underground and light rail equipment and will facilitate private sector funding of this equipment
- 4. Eliminates a competitive advantage for the less environmentally friendly aviation sector** now the UK has ratified the Cape Town Treaty Aircraft Protocol. The UK should be consistent and adopt the Rail Protocol
- 5. Makes it easier and cheaper for rail infrastructure companies to lease specialised mobile rail construction equipment**
- 6. Supports the City of London in promoting non-UK financings from the UK** and in particular the Cape Town Treaty should give a boost to asset backed securitisation products. With New York, London is in the forefront of this market but it will be hindered if the country where the securities are issued does not adopt the Treaty system
- 7. Provides new security for UK operators financing UK-based assets** that can move across borders to outside the UK
- 8. Lowers the barriers for entry for UK operators abroad** wishing to take advantage of the opening of the rail sector in Europe and beyond
- 9. A new instrument for overseas aid** (and a new market for UK funders) – the Rail Protocol, by creating the legal conditions in developing countries for the private sector to finance rolling stock, will deliver new investment in this sector with limited government financial commitment
- 10. A highly useful mechanism for UK manufacturers** exporting wagons to be able to finance equipment being offered (as their competitors will do)
- 11. Compatibility:** The Rail Protocol will harmonise key aspects of security law with other countries in Europe which will adopt the Rail Protocol

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12. A voice for the UK: By adopting the Rail Protocol, the UK will have a voice in the composition of the supervisory authority that will regulate and modify the operation of the Rail Protocol, in turn affecting UK companies operating outside the UK in the rail sector