



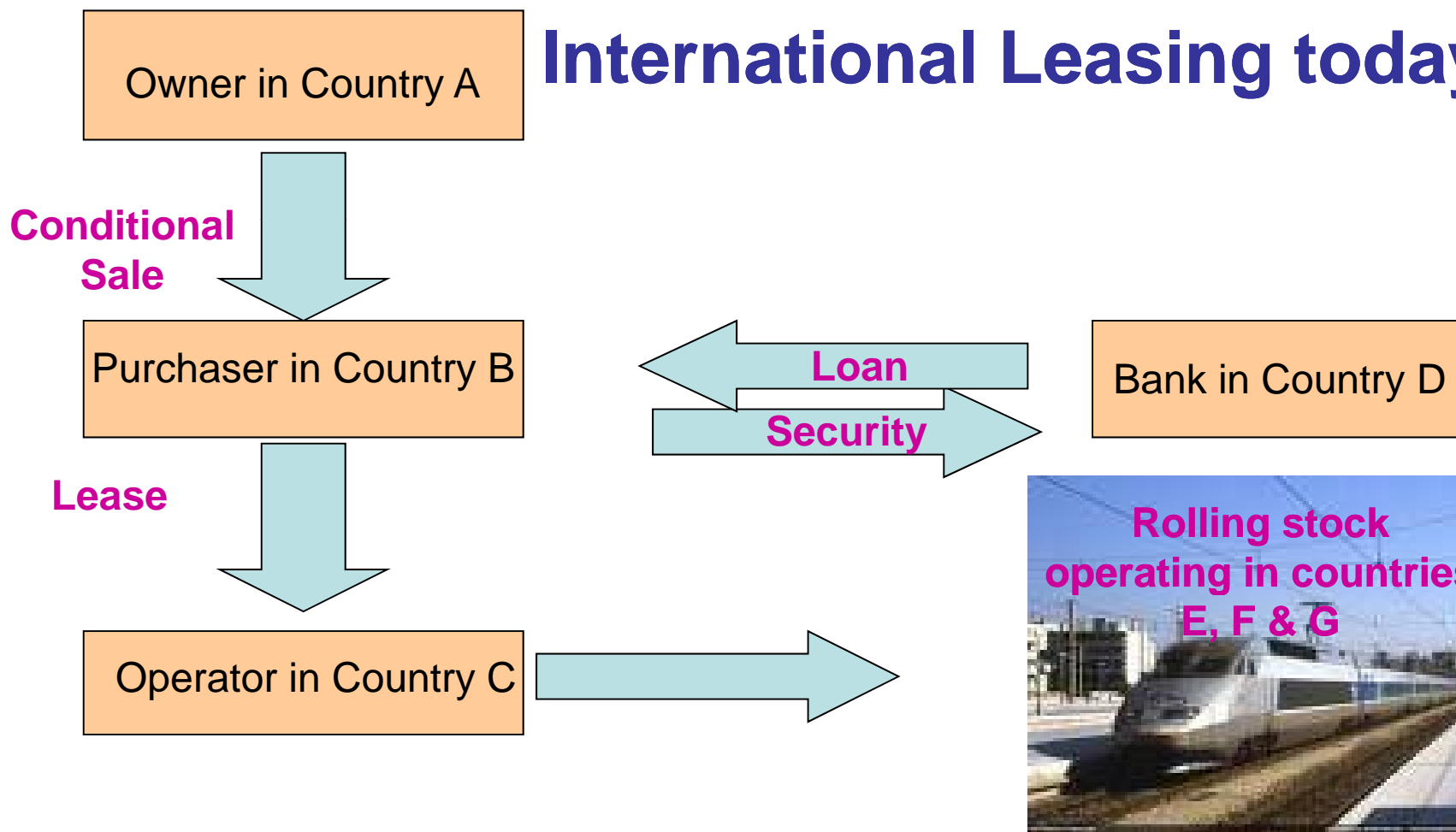
Looking forward: The Goals, Benefits and Challenges of the Unidroit Luxembourg Rail Protocol

**Viet Transport 2009
Conference
Hanoi, Vietnam
9th – 11th December 2009**

**Howard Rosen
Principal, Howard Rosen Solicitors, Zug, Switzerland
Chairman, Rail Working Group**

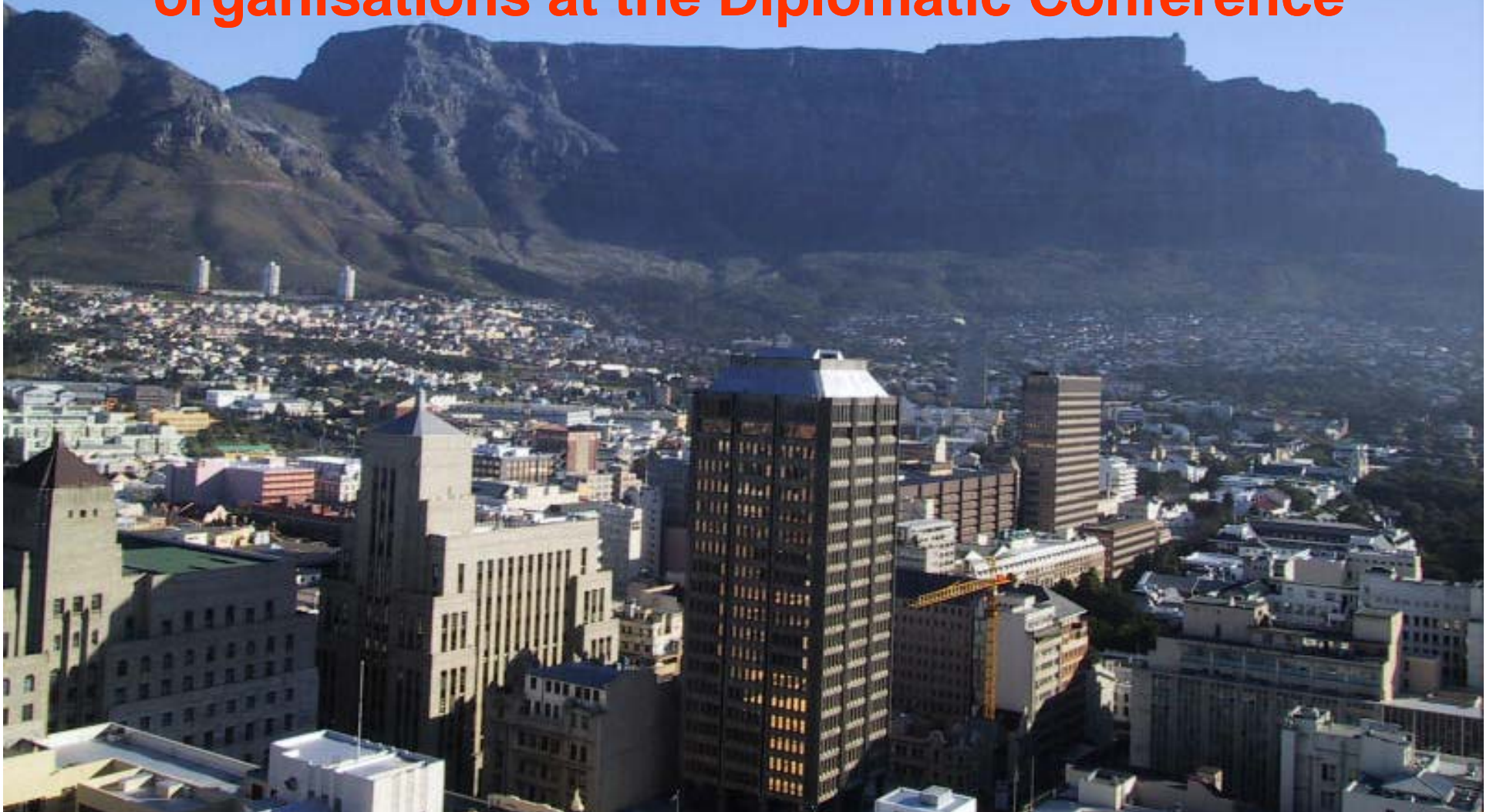


International Leasing today



Cape Town October/November 2001

participants from 58 States and 11 international organisations at the Diplomatic Conference



gettyimages

Luxembourg 2007

participants from 42 States and 12 international organisations at the Diplomatic Conference





Introduction

- What are the Luxembourg Protocol's goals?
- What does it apply to?
- Who benefits and why?
- How does it achieve the goals – the legal analysis
- The challenge of the unique identification of rolling stock
- How will it work in practice?



What are the Luxembourg Protocol's goals?

- **More extensive private sector finance for rolling stock at a lower cost**
- **Reduce barriers to entry to the rail sector**
- **Create more diverse financing systems in order to facilitate a more competitive and dynamic industry**



Howard Rosen Solicitors, Zug, Switzerland

What does it apply to?

“Railway rolling stock” means vehicles movable on a fixed railway track or directly on, above or below a guideway, together with traction systems, engines, brakes, axles, bogies, pantographs, accessories and other components, equipment and parts, in each case installed on or incorporated in the vehicles, and together with all data, manuals and records relating thereto.



Howard Rosen Solicitors, Zug, Switzerland

What does it apply to?

- High-speed train sets and inter-urban rolling stock
- All freight rolling stock
- Trams, metro and light rail
- Mountain railways and even people movers at airports



Howard Rosen Solicitors, Zug, Switzerland



www.railworkinggroup.org

Who benefits and why?

- Banks and Lessors
- Operators
- Manufacturers
- Customers
- Governments
- Aid Agencies



Howard Rosen Solicitors, Zug, Switzerland



www.railworkinggroup.org

How does it achieve the goals – the legal analysis

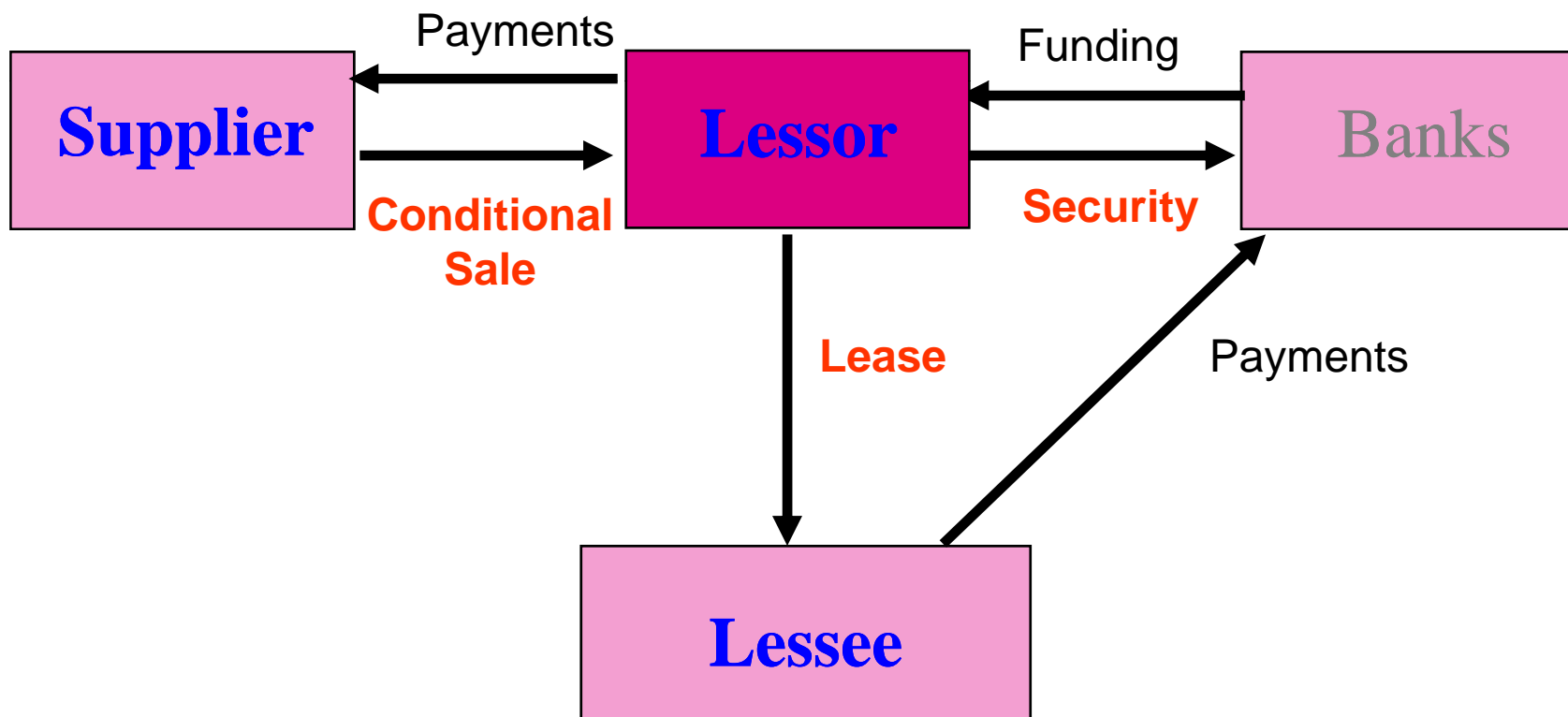
- Creates as an “International Interest” security interest held by certain types of creditors and establishes priority rules
- Provides for an international registry accessible through the internet 24/7 at which interests can be registered and searched against and allocates priorities to registered interests
- Detailed enforcement rules for creditors on debtor default/insolvency



Howard Rosen Solicitors, Zug, Switzerland



Identifying the “International Interests”?



The challenge of the unique identification of rolling stock

- Why is unique identification needed, and what do we mean by “unique”?
- Current practice
- Is an operational number a unique identifier?
- Other possible ways forward



Howard Rosen Solicitors, Zug, Switzerland

How will it work in practice?

- **Economic benefits filtering through (hopefully) to operators**
- **Organisation of the Registrar**
 - **Registrations, searches and how much it will cost**
 - **Ancillary services**
- **The operation of the Registry**
- **Transitional issues**
- **Selection of debtor jurisdiction and documentation issues**



Howard Rosen Solicitors, Zug, Switzerland



Looking forward: The Goals, Benefits and Challenges of the Unidroit Luxembourg Rail Protocol

**Viet Transport 2009
Conference
Hanoi, Vietnam
9th – 11th December 2009**

Howard Rosen
Principal, Howard Rosen Solicitors, Zug, Switzerland
Chairman, Rail Working Group
www.railworkinggroup.org
www.legalease.ch