

ECA/CSO Export Credit Consultation meeting

OECD, Paris

15th June 2026

The Luxembourg Rail Protocol

Progress report and looking ahead

Howard Rosen

Chairman Rail Working Group

Switzerland

www.railworkinggroup.org

[Follow us on LinkedIn](#)

About the Rail Working Group - who we are

- Formed in 1996 at the request of UNIDROIT
- Not-for-profit global industry group based in Switzerland
- Over 60 direct members and many hundreds via 19 industry associations, linking up various industry stakeholders
- Close to 30 country or region contact groups; European steering group based in Brussels
- Dedicated to the adoption of the Luxembourg Rail Protocol to the Cape Town Convention

About the Rail Working Group

- who we work with

- Intergovernmental bodies
 - UNIDROIT
 - European Union
 - African Union
 - United Nations

- Multilateral Development Banks
 - African Development Bank
 - European Bank for Reconstruction and Development
 - European Investment Bank
 - The Eastern and Southern African Trade and Development Bank (TDB)
 - Africa Finance Corporation
 - World Bank

The Luxembourg Rail Protocol to the Cape Town Convention

- [The Luxembourg Rail Protocol](#) to the 2001 [Cape Town Convention on International Interests](#) in Mobile Equipment is an international treaty that makes it easier and cheaper for the private sector to finance all types of railway rolling stock when the debtor/lessee is in a contracting state
- Introduces a common treaty based transnational legal framework for securing private sector creditors financing rolling stock moving across jurisdictional borders
- In force since 8 March 2024, now already adopted by 7 contracting states: the Democratic Republic of Congo, Gabon, Luxembourg, South Africa, Spain, Sweden, Paraguay and EU (in respect of its competences) with more to come

The Luxembourg Rail Protocol to the Cape Town Convention

- Creates a new public [International Registry](#) where creditors register their collateral and notices of sale
- Initiates the world's first global unique identification system (URVIS) for rolling stock
- Provides for the URVIS number to be marked on the rolling stock in accordance with the [UN Model Rules on the Permanent Identification of Railway Rolling Stock](#) with the latest iteration opening the way for real time tracking of the location and use of rolling stock by operators, creditors, insurers and regulators

Democratic Republic of Congo accedes to the Luxembourg Rail Protocol - Moving SADC Forward

Presentation of the Instrument of Accession to UNIDROIT, Rome
4th June 2026

L to R: M.Teddy Kamembo Milambo, Director – Head of the Legal and Litigation Department, Secretary-General for Foreign Affairs Democratic Republic of Congo; M. Gérard Tumba Kaniki, Deputy Chief of Staff to the Prime Minister Democratic Republic of Congo; Professor Anna Veneziano, Dep. Secretary General UNIDROIT



“We are delighted that DRC has acceded to the Luxembourg Rail Protocol and is now the second SADC contracting state. As our neighbours also move forward with accession, we look forward to seamless, cost effective, private finance for rolling stock moving around the SADC network”

- **Her Excellency Madame Judith Suminwa Tuluka**, Prime Minister and Chief of Government of Democratic Republic of Congo

The Luxembourg Rail Protocol – Private Sector Benefits

- Lower financing costs as banks reduce margins thanks to reduced creditor risks and lower required capital allocation for banks against loans or leases under Basel 3/4
- More secure system encourages institutions/pension funds and private equity investors to enter the market, thereby increasing the supply of private capital
- Reduced legal, documentation and transaction structure expenses and cost to the industry (and government) is minimal
- and reduced ECA premiums?

The Luxembourg Rail Protocol

– Meeting a Need

- Investment urgently needed in rolling stock in developing states
 - to create more capacity
 - to replace old equipment
 - to introduce new technology and more efficient equipment
- State and MDB financing limited and should be allocated to supporting infrastructure rehabilitation and expansion
- “Open access” means more private sector operators – needing credit
- Unsecured credit too expensive (if available at all)
- But financing rates can determine if a rail project is financially sustainable

The Luxembourg Rail Protocol

– Export credit support makes a difference

- Facilitates exports into markets with poor credits
- Enables OECD manufacturers to compete in potentially large markets
- Under the Aircraft Sector Understanding, ECAs may discount their risk premiums by up to 10% when the Aircraft Protocol applies. This is known in the industry as the “Cape Town Discount”.

The Luxembourg Rail Protocol

– Export credit support makes a difference

- The rail sector does not understand why the Cape Town Discount is available for aircraft - and not rolling stock when the CTC is applied to rolling stock since the same security enhancements apply:
 - Common rules applying across jurisdictional boundaries
 - Detailed rules on debtor default
 - Special protections for creditors on debtor insolvency
 - International registry for recording security interests

And the ASU Cape Town Discount has undoubtedly played a role in encouraging adoption of the aircraft protocol (less than 50 had adopted in 2011; almost 90 have done so now)

A Message from one of the World's leading rolling stock manufacturers

Commercial

STADLER

Stadler Rail Management AG, Fries-Stadler-Strasse 1
5600 Bussnang, Switzerland

To OECD Export Credit Agencies

AUTHOR
MOBILE
EMAIL

Dr. Ansgar Brockmeyer
+41 79 273 99 12
Ansgar.brockmeyer@stadler.com

Bussnang, Switzerland, 05th June 2026

Supporting exports of railway rolling stock under the Arrangement on Officially Supported Export Credits (the Arrangement).

Dear Sirs

We are writing to you as one of the world's leading manufacturers and exporters of railway rolling stock. We have customers all over the world. But however good our products are, finance for our customers at the most competitive rates is critical.

The Luxembourg Rail Protocol to the Cape Town Convention is now in force in a growing number of states. These will be current or prospective markets for us where even a small change in the effective cost of finance can be the difference between whether or not we secure an order. We note that pursuant to the Arrangement and the Sector Understanding on Export Credits for Civil Aircraft thereunder, you are reducing your risk premiums by up to 1.0% (the so-called "Cape Town Discount") when underwriting export finance for aircraft and the Cape Town Convention applies.

We are truly grateful for your ongoing support for exports of rolling stock under the Arrangement but regret that currently there is no comparable "Cape Town Discount" on your premiums when supporting exports of rolling stock. This is particularly puzzling since the railways are a powerful tool in combating climate change and promoting sustainable development, and the Protocol creates significant additional security for you as creditor underwriters. Respectfully we strongly urge you to change this policy and to apply at least the same Cape Town Discount for underwriting premiums on export finance for railway rolling stock when the Cape Town Convention applies to railway rolling stock through the Luxembourg Rail Protocol.

Thank you in advance for considering our request.

Yours faithfully


Dr. Ansgar Brockmeyer
EVP Marketing & Sales
Deputy Group CEO

A Message from one of the World's leading rolling stock manufacturers

We are writing to you as one of the world's leading manufacturers and exporters of railway rolling stock. We have customers all over the world. But however good our products are, finance for our customers at the most competitive rates is critical.

The Luxembourg Rail Protocol to the Cape Town Convention is now in force in a growing number of states. These will be current or prospective markets for us where even a small change in the effective cost of finance can be the difference between whether or not we secure an order.

We note that pursuant to the Arrangement and the Sector Understanding on Export Credits for Civil Aircraft thereunder, you are reducing your risk premiums by up to 10% (the so-called "Cape Town Discount") when underwriting export finance for aircraft and the Cape Town Convention applies.

We are truly grateful for your ongoing support for exports of rolling stock under the Arrangement but regret that currently there is no comparable "Cape Town Discount" on your premiums when supporting exports of rolling stock. This is particularly puzzling since the railways are a powerful tool in combating climate change and promoting sustainable development, and the Protocol creates significant additional security for you as creditor underwriters. Respectfully, we strongly urge you to change this policy and to apply *at least* the same Cape Town Discount for underwriting premiums on export finance for railway rolling stock when the Cape Town Convention applies to railway rolling stock through the Luxembourg Rail Protocol.

A Message from another ECA



MEDIA RELEASE

27 AUGUST 2025

FOR IMMEDIATE RELEASE

Incentivising Rail Sector Exports under the Luxembourg Rail Protocol

Pretoria, 27 August 2025 — The Export Credit Insurance Corporation of South Africa (ECIC), in collaboration with key stakeholders in the transport and financial sectors, is proud to announce its participation at the Southern African Railways Association (SARA) Rail Conference and Exhibition.

At this year's event, the ECIC will highlight how the Luxembourg Rail Protocol can serve as a powerful catalyst for incentivising rail sector exports and unlocking growth opportunities for South African manufacturers, financiers, and operators. The Luxembourg Rail Protocol, which provides a harmonised international legal framework for the recognition and enforcement of security interests in railway rolling stock, introduces significant advantages for exporters and financiers alike with enhanced access to finance. By reducing lender risk through stronger asset-based security, the Protocol lowers financing costs and expands access to credit for rail-related exports. It also acts as a functional platform as a boost to rail exports. South African manufacturers of locomotives, wagons, components, and signalling equipment stand to gain from increased competitiveness in regional and international markets.

In light of market expansion across Africa the Protocol supports cross-border interoperability and ownership recognition, making it easier for exporters to penetrate new markets across the African continent as well as stimulating private investment. With greater legal certainty it encourages more private sector participation in the financing of rolling stock and rail infrastructure projects. **Accordingly, ECIC announces today that when the Protocol in force in the state of the debtor/lessee, ECIC will apply a discount of up to 20% to its risk premium when it underwrites rolling stock financings, subject to ECIC minimum local South African content rules, compliance with the Protocol and other underwriting conditions. A detailed policy guideline will be published by ECIC in the coming days.**

Speaking ahead of the event, ECIC Acting Chief Executive Officer, Ntshengedzeni Gilbert Maphula said: "The Luxembourg Rail Protocol is a game-changer for Africa's rail industry. By aligning financing structures with global best practice, it not only strengthens investor confidence but also positions South African exporters to play a leading role in supplying the continent's rail revolution. The ECIC is committed to supporting exporters in seizing these opportunities through innovative export credit solutions."

The ECIC's presence during the 2025 SARA Rail Event will showcase how export credit insurance can be leveraged in conjunction with the Luxembourg Rail Protocol to unlock new

.. the Luxembourg Rail Protocol can serve as a powerful catalyst for incentivising rail sector exports and unlocking growth opportunities for South African manufacturers, financiers, and operators. The Luxembourg Rail Protocol, which provides a harmonised international legal framework for the recognition and enforcement of security interests in railway rolling stock, introduces significant advantages for exporters and financiers alike with enhanced access to finance. By reducing lender risk through stronger asset-based security, the Protocol lowers financing costs and expands access to credit for railrelated exports. It also acts as a functional platform as a boost to rail exports. South African manufacturers of locomotives, wagons, components, and signalling equipment stand to gain from increased competitiveness in regional and international markets.

A Message from another ECA



MEDIA RELEASE

27 AUGUST 2025

FOR IMMEDIATE RELEASE

Incentivising Rail Sector Exports under the Luxembourg Rail Protocol

Pretoria, 27 August 2025 — The Export Credit Insurance Corporation of South Africa (ECIC), in collaboration with key stakeholders in the transport and financial sectors, is proud to announce its participation at the Southern African Railways Association (SARA) Rail Conference and Exhibition.

At this year's event, the ECIC will highlight how the Luxembourg Rail Protocol can serve as a powerful catalyst for incentivising rail sector exports and unlocking growth opportunities for South African manufacturers, financiers, and operators. The Luxembourg Rail Protocol, which provides a harmonised international legal framework for the recognition and enforcement of security interests in railway rolling stock, introduces significant advantages for exporters and financiers alike with enhanced access to finance. By reducing lender risk through stronger asset-based security, the Protocol lowers financing costs and expands access to credit for rail-related exports. It also acts as a functional platform as a boost to rail exports. South African manufacturers of locomotives, wagons, components, and signalling equipment stand to gain from increased competitiveness in regional and international markets.

In light of market expansion across Africa the Protocol supports cross-border interoperability and ownership recognition, making it easier for exporters to penetrate new markets across the African continent as well as stimulating private investment. With greater legal certainty it encourages more private sector participation in the financing of rolling stock and rail infrastructure projects. **Accordingly, ECIC announces today that when the Protocol in force in the state of the debtor/lessee, ECIC will apply a discount of up to 20% to its risk premium when it underwrites rolling stock financings, subject to ECIC minimum local South African content rules, compliance with the Protocol and other underwriting conditions. A detailed policy guideline will be published by ECIC in the coming days.**

Speaking ahead of the event, ECIC Acting Chief Executive Officer, Ntshengedzeni Gilbert Maphula said: "The Luxembourg Rail Protocol is a game-changer for Africa's rail industry. By aligning financing structures with global best practice, it not only strengthens investor confidence but also positions South African exporters to play a leading role in supplying the continent's rail revolution. The ECIC is committed to supporting exporters in seizing these opportunities through innovative export credit solutions."

The ECIC's presence during the 2025 SARA Rail Event will showcase how export credit insurance can be leveraged in conjunction with the Luxembourg Rail Protocol to unlock new

In light of market expansion across Africa the Protocol supports cross-border interoperability and ownership recognition, making it easier for exporters to penetrate new markets across the African continent as well as stimulating private investment. With greater legal certainty it encourages more private sector participation in the financing of rolling stock and rail infrastructure projects. **Accordingly, ECIC announces today that when the Protocol in force in the state of the debtor/lessee, ECIC will apply a discount of up to 20% to its risk premium when it underwrites rolling stock financings, subject to ECIC minimum local South African content rules, compliance with the Protocol and other underwriting conditions.**

A Message from another ECA



MEDIA RELEASE
27 AUGUST 2025

FOR IMMEDIATE RELEASE

Incentivising Rail Sector Exports under the Luxembourg Rail Protocol

Pretoria, 27 August 2025 — The Export Credit Insurance Corporation of South Africa (ECIC), in collaboration with key stakeholders in the transport and financial sectors, is proud to announce its participation at the Southern African Railways Association (SARA) Rail Conference and Exhibition.

At this year's event, the ECIC will highlight how the Luxembourg Rail Protocol can serve as a powerful catalyst for incentivising rail sector exports and unlocking growth opportunities for South African manufacturers, financiers, and operators. The Luxembourg Rail Protocol, which provides a harmonised international legal framework for the recognition and enforcement of security interests in railway rolling stock, introduces significant advantages for exporters and financiers alike with enhanced access to finance. By reducing lender risk through stronger asset-based security, the Protocol lowers financing costs and expands access to credit for rail-related exports. It also acts as a functional platform as a boost to rail exports. South African manufacturers of locomotives, wagons, components, and signalling equipment stand to gain from increased competitiveness in regional and international markets.

In light of market expansion across Africa the Protocol supports cross-border interoperability and ownership recognition, making it easier for exporters to penetrate new markets across the African continent as well as stimulating private investment. With greater legal certainty it encourages more private sector participation in the financing of rolling stock and rail infrastructure projects. **Accordingly, ECIC announces today that when the Protocol in force in the state of the debtor/lessee, ECIC will apply a discount of up to 20% to its risk premium when it underwrites rolling stock financings, subject to ECIC minimum local South African content rules, compliance with the Protocol and other underwriting conditions. A detailed policy guideline will be published by ECIC in the coming days.**

Speaking ahead of the event, ECIC Acting Chief Executive Officer, Ntshengedzeni Gilbert Maphula said: "The Luxembourg Rail Protocol is a game-changer for Africa's rail industry. By aligning financing structures with global best practice, it not only strengthens investor confidence but also positions South African exporters to play a leading role in supplying the continent's rail revolution. The ECIC is committed to supporting exporters in seizing these opportunities through innovative export credit solutions."

The ECIC's presence during the 2025 SARA Rail Event will showcase how export credit insurance can be leveraged in conjunction with the Luxembourg Rail Protocol to unlock new

“The Luxembourg Rail Protocol is a game-changer for Africa’s rail industry. By aligning financing structures with global best practice, it not only strengthens investor confidence but also positions South African exporters to play a leading role in supplying the continent’s rail revolution. The ECIC is committed to supporting exporters in seizing these opportunities through innovative export credit solutions.”

ECIC Acting Chief Executive Officer, Ntshengedzeni
Gilbert Maphula

Application of the Cape Town Discount to railway rolling stock – up to 20%?

By comparison with the aircraft protocol, the Luxembourg Rail Protocol provides incremental benefits:

1. First global unique identifier for rolling stock
2. First public registry for security interests in rolling stock
3. UN Model Rules on marking of rolling stock and the new mechanism for real time tracking of rolling stock

And in practice commercial aircraft have a shorter average operational and useful life, and probably lower residual values (i.e. higher amortisation) than standard rolling stock = lower collateral risk

Application of the Cape Town Discount to railway rolling stock – the process

1. Initial statement of intent and formation of public/private task force
2. Creation of detailed guidelines as an annexe to the Climate Change Sector Understanding looking in particular at
 - agreeing the benchmark
 - setting the conditions (declarations)
 - how the policy should apply to different types of rolling stock
 - establishing the monitoring process
3. Introduction and operation of the new policy

Application of the Cape Town Discount to railway rolling stock

- Is logical since it
 - reflects incremental security for lenders
 - brings the same benefits as for the aircraft protocol
 - Will create a virtuous circle by encouraging adoption by States of the Luxembourg Rail Protocol

And 20% is justifiable *as a benchmark* because of the greater benefits of the rail protocol

- Would materially help your exporters to compete
- A meaningful support for environmentally sustainable transportation and for developing states at a critical point in their economic development

Now is the time for ECAs to extend the Cape Town Discount to rolling stock

ECA/CSO Export Credit Consultation meeting

OECD, Paris

15th June 2026

The Luxembourg Rail Protocol

Progress report and looking ahead

Howard Rosen

Chairman Rail Working Group

Switzerland

www.railworkinggroup.org

[Follow us on LinkedIn](#)

The Luxembourg Rail Protocol to the Cape Town Convention – resources

- [Luxembourg Rail Protocol – in a nutshell \(English\)](#)
- [What equipment is covered by the Luxembourg Protocol?](#)
- [Implementation of the Luxembourg Rail Protocol - current status](#)
- [The Luxembourg Rail Protocol - helping to build the rail infrastructure of the future](#)
- [The Luxembourg Rail Protocol's relevance for domestic transactions](#)
- [The Luxembourg Protocol and opportunities for manufacturers](#)
- [The URVIS number under the Luxembourg Rail Protocol - What is it and how does it work in practice?](#)

The Luxembourg Rail Protocol to the Cape Town Convention – resources

- International Registry [Website](#), [YouTube](#) channel, [Regulations](#), [Procedures](#) and current [Fee schedule](#)
- [Oxera report: Luxembourg Rail Protocol: estimated impact on rolling stock financing cost in Europe](#)
- [Oxera report. Luxembourg Rail Protocol: estimated impact on rolling stock financing cost in countries using the 1520 gauge](#)
- [Guidance notes on the adoption of the Rail Protocol to the Cape Town Convention](#)
- More information in our library [here](#)
- Follow the latest developments via the Rail Working Group's [LinkedIn group page](#)