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Why the Republic of Mauritius should adopt the Luxembourg Rail Protocol

The Luxembourg Protocol to the Cape Town Convention is a new global legal system for the recognition and prioritisation of security interests held by creditors lending on or leasing all types of railway equipment. This security will be registered in a new international registry, in Luxembourg, which is searchable by the public 24/7.

Adoption of the Protocol will have a positive impact on Mauritius. It will:

1. increase the availability, and reduce the cost, of private finance for railway equipment in Mauritius such as the planned Light Rail Transit system (LRT) between Curepipe and Port Louis as well as gantries, cranes and other equipment at Port St Louis harbour (also covered by the Protocol) as external lenders and lessors take into account lower capital costs and lower risk.
2. remove the need for the state to finance rolling stock procurement, releasing resources for other priorities and encouraging new investments in Mauritius.
3. facilitate discounted Western ECA funding support for the financing of imported rolling stock as well as rolling stock leased into other parts of Africa.
4. develop Mauritius's growing reputation as the key financial services centre for Africa and beyond by
 - a. supporting the establishment in Mauritius of lessors and secured lenders financing rolling stock operating outside of Mauritius, by making it easier and cheaper to raise finance; and
 - b. making it attractive for foreign operators and lessors to establish special purpose vehicles in Mauritius to finance rail transactions across Africa through operating leasing or secured lending

because the Protocol applies where the debtor is located in a jurisdiction which has adopted the Protocol (not where the rolling stock is located).

5. create new development solutions for sister countries across Africa, supporting the Continent's sustainable growth agenda and leading to more jobs in Mauritius as it develops its speciality in this area.

The Rail Working Group is a not-for-profit association constituted under Swiss law representing a broad cross section of the global railway community.

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The costs of the new system will be minimal. The advantages and opportunities will be tremendous.

For more on the Luxembourg Rail Protocol, visit www.railworkinggroup.org, or contact us at info@railworkinggroup.org. Keep up to date with all the latest developments via the Rail Working Group's [LinkedIn group page](#).