



## Press release

# New partnership opens the way for rail freight KYC (Know Your Cargo) technology – transparent worldwide tracking of rail freight and rolling stock

The Rail Working Group and Nexxiot to work together to drive complete digitization and security of worldwide cargo and rail assets.

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Zurich, 13 September 2021

**Governments and private freight rail operators have long recognized the need for cargo and freight wagon trackability and security, particularly when goods move across borders. Until now, a major impediment has been finding a common and secure rolling stock identification system that rail operators, asset managers and investors can agree on. A major step towards solving this challenge has now been taken by the Rail Working Group and Nexxiot.**

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The [Rail Working Group](#) (RWG) is the international nonprofit charged with global implementation of the [Luxembourg Rail Protocol](#), a uniform system for identifying, recognizing and enforcing security for creditors financing railway rolling stock. Now the RWG and Swiss supply chain digitization pioneer [Nexxiot](#) are joining forces to implement the forthcoming Unique Rail Vehicle Identification System (or URVIS) which will become available for the first time under the Protocol, to enable complete worldwide cargo rail digitization. This will use Nexxiot's proprietary cloud-based technology, which has the flexibility and scalability to encourage uniform acceptance by shippers, operators and governments, to place URVIS numbers on all rolling stock supported by Nexxiot as soon as these numbers are available.

**Howard Rosen**, Chairman of the Rail Working Group, said: "The Luxembourg Rail Protocol creates a new global legal system to facilitate the recognition and prioritization of security interests held by creditors in this equipment. These interests will be registered in a new international registry, which is searchable by the public 24/7. A critical element of this system will be the unique identification of all railway equipment under a common structure with numbers issued by a neutral, trusted source, the international rolling stock asset registry, based in Luxembourg





and established under the Protocol. This makes it possible, for the first time, for all interested parties to easily learn of a creditor's security interest, and for that creditor to enforce its security in cases of debtor default or insolvency." He added: "With Spain's recent announcement that it will adopt the Protocol, we expect it to come into force in all ratifying states in 2022."

Since the adoption of the Luxembourg Rail Protocol in 2007, the RWG has engaged intensively with governments and the private sector to create a secure and reliable system that guarantees every rail asset in the world through a unique identifier. Now Nexxiot will combine its groundbreaking, solar-powered mobile sensor and gateway technology with the URVIS numbering to achieve complete rail cargo and rolling stock transparency and accountability.

Investors financing rail assets take on significant risk. However, this risk is often assumed without the technology to give investors certainty that the assets will remain with the designated carrier, in agreed countries, and safeguarded against piracy and fraud. Although unique identification numbers have been standard for goods from electronics to automobiles for decades, until now this has not been the case for railcars - even though they are multimillion dollar assets. The URVIS number, facilitated by the Luxembourg Rail Protocol, changes this for the rail sector by introducing a single, global, unique identifier for all rolling stock.

Nexxiot CEO **Stefan Kalmund** explained how Howard Rosen and the Rail Working Group are visionaries at the vanguard of efforts to establish a new legal regime for the recognition and enforcement of railway securities. "Howard Rosen was involved in drafting and implementing the 2007 Luxembourg Rail Protocol, and has been active for over 25 years in supporting the interests of the industry. He works closely with governments and international organizations, as well as financiers, operators, manufacturers and professional advisers, to implement a long-term vision for the benefit of all participants. Nexxiot is committing to incorporating the URVIS number onto its platform, at minimal cost, thereby making it much easier for clients to finance both existing and new rail equipment. This lets Nexxiot clients take advantage of the cheaper credit underwritten by the Protocol, while making it simpler for operators and creditors to track the status and location of the equipment. Howard's leadership and vision support a mutually beneficial partnership between our company and the RWG."

Although the rail industry is moving quickly to equip its mobile assets with devices like Nexxiot's Globehopper sensor gateway, there is increasing pressure from cargo owners and shippers for rail operators to provide full cargo transparency throughout the entire journey. This "Know Your Cargo" (KYC) initiative is a major trend driven by Nexxiot. Similar to the way Fintech transparency measures have





transformed the financial sector, it is equally important for operators to assume responsibility not just for the assets themselves, but for the goods they contain. This is important for risk reduction, safety and security, and to streamline business processes to drive up efficiency and customer satisfaction.

Assigning each railcar across the globe with a unique, independently registered number maintained in a global repository is essential to providing the next level of accountability and security for the cargo rail industry, its financial investors, and the governments that secure them. As an innovator in the TradeTech space, Nexxiot's technology provides both the hardware and Intelligent IoT Cloud software platform that will enable the unique identification of every railcar in the world while offering shippers, carriers and governments the flexibility to track assets utilizing their own networks and systems.

Based in Switzerland and adhering to proven Swiss precision and quality standards, the RWG and Nexxiot share a common vision and approach to cargo rail digitization. "Bringing together our two organizations in this project is a critical enabler that opens the door to diverse new services and quality standards needed all along the supply chain, as well as by the recipients of all created value - the consumer at the end of the line." Stefan Kalmund added. "We are very excited by this collaboration with Nexxiot and we encourage other rail manufacturers and service providers to work with us to adopt this ground-breaking initiative" added Howard Rosen.

Nexxiot has been leading the RWG delegation at the UN Economic Commission for Europe Inland Transport Committee [Group of Experts on the Permanent Identification of Railway Rolling Stock](#) working to create a standard set of global guidelines for marking rolling stock.

**The Rail Working Group:** Headquartered in Zug, Switzerland, [the Rail Working Group](#) (RWG) is a nonprofit organization mandated by [UNIDROIT](#) (the International Institute for the Unification of Private Law) to advocate for the global rail industry's adoption and implementation of uniform recognition and enforcement standards for security interests in railway rolling stock as presented in the 2007 Luxembourg Rail Protocol. With the goal of creating a new international system for recognising creditor rights in rolling stock, regardless of its location, the RWG's mission is to encourage greater and more cost-effective financing by the private sector of capital investment in railway rolling stock, which will strengthen supply chains and operational transparency around the world. The RWG's membership comprises a growing worldwide consortium of key rail stakeholders including rail and transport associations, and operates numerous policy advocacy groups that work closely with





governments, the United Nations and other intergovernmental agencies towards the adoption of the Protocol. <https://www.railworkinggroup.org/>

**The Luxembourg Rail Protocol** to the Cape Town Convention on International Interests in Mobile Equipment is a new global treaty under the auspices of UNIDROIT, the International Institute for the Unification of Private Law. The Protocol will make it much easier and cheaper for the private sector to finance railway rolling stock. It sets up a new system for the recognition, prioritization and enforcement of creditor and lessor rights, which will be registered in an international registry based in Luxembourg, accessible to everyone over the internet 24/7. The Protocol applies to all rolling stock, from locomotives to freight and passenger wagons, trams and metro trains, and is expected to enter into force in contracting states in 2022. The European Union (in respect of its competences), Luxembourg, Sweden and Gabon have ratified the Protocol. France, Germany and Switzerland are in preparation for ratification, Mozambique, Italy and the UK have already signed the Protocol. Spain and South Africa are expected to sign the Protocol shortly. Many other states around the world, including Ethiopia, Kenya, Uganda, Namibia, Malta, Finland, Ukraine and Mauritius are working actively on adoption of the Protocol.

**Nexxiot AG:** [Nexxiot](https://nexxiot.com/) is a driver of the TradeTech solutions of tomorrow. An industry leader in the digitalization of asset and cargo transportation, Nexxiot empowers global shipping companies and suppliers to harness the power of their data through proprietary, cutting-edge technology and integrated data solutions to track, find and protect cargo from more than 167 countries around the world and across 450 network roaming partners to ensure accountability, security and efficiency. Headquartered in Zurich, Nexxiot operates throughout Europe and the U.S., employing people from 22 countries. The company's secure, industry leading Cloud comprises data from over 2.5 billion travelled miles. Committed to sustainability through corporate and social responsibility, Nexxiot's goal is to enable a five percent reduction in worldwide carbon dioxide emissions in the logistics industry by increasing cargo transport efficiency and eliminating waste caused by empty runs and inefficient routes. <https://nexxiot.com/>

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