

Position paper

The Luxembourg Rail Protocol enables the insurance industry to better assess risks in rail transport and contribute more actively to sustainable mobility

Motivation from the insurer's perspective

The achievement of increased sustainable, cross-border mobility using rail transport is a key challenge of our time. [The Luxembourg Rail Protocol](#) to the [Cape Town Convention on International Interests in Mobile Equipment](#), in effect since 8 March 2024, is a transformative international treaty that makes it easier and cheaper for the private sector to finance railway rolling stock. It facilitates the financing of rolling stock, creates legal certainty, and promotes investment in the railway system. This opens up new opportunities for the insurance sector in terms of industry-specific insurance products, offers potential for risk minimisation, and leads to regulatory harmonisation. Harnessing these opportunities calls for close cooperation between politics, finance, and the railway industry.

A better understanding of risk thanks to URVIS

At the heart of the Luxembourg Rail Protocol is the [International Registry](#), a new public registry, open 24/7 online, based in Luxembourg. On demand, the International Registry issues globally unique 16-digit URVIS (Unique Rail Vehicle Identification System) numbers that are allocated to specific items of railway rolling stock. Secured creditors (i.e. lessors and lenders taking a pledge over the financed rolling stock) secure their position by registering their security interest in the International Registry against the URVIS number. The URVIS number is then marked on the rolling stock in accordance with the UN [Model Rules on the Permanent Identification of Railway Rolling Stock](#).

Use of the URVIS number, combined with a digital platform facilitated in the latest iteration of the UN Model Rules, enables real-time tracking of the location and utilisation of rolling stock, constituting a major benefit for all stakeholders and practical security for creditors. It provides railway undertakings (RUs) with a powerful tool to use their fleets more efficiently, and for creditors to monitor the physical location of the rolling stock.

Digital access to rolling stock maintenance status provides incremental security, particularly for RUs that use third-party rolling stock, or carry out transfers. Following the derailment in the Gotthard Base Tunnel in summer 2023, the Swiss Federal Office of Transport called for precisely this [type of transparency](#) in order to increase safety within the rail network.

Another advantage is that real-time tracking enables usage-based maintenance intervals based on the actual kilometres travelled. This method is more efficient, cuts costs, and is safer than time-based maintenance intervals, which can only imprecisely take into account actual wear and tear on the rolling stock.

Levers for the further development of insurance concepts

The Luxembourg Rail Protocol can serve as an important step towards strengthening international rail transport and meeting global climate targets. Digital platforms incorporating URVIS numbers allow insurers, whether or not rolling stock is funded by third-party credit, to track and regulate their risks in real time – a key benefit for risk management.

Understanding risk

Access to maintenance data and logs (the URVIS numbering system facilitates a lifetime logbook for rolling stock regardless of where it is operated during its useful life) allows damage analyses to be performed rapidly, and leads to more precise risk assessments. Adherence to usage-based maintenance intervals reduces the risk of failure (and costly accidents) as no components are overloaded. Accurate tracking of the location and utilisation of the rolling stock helps insurers to assess country and operator risk more accurately. This risk minimisation should reduce the cost of insurance cover to the customer.

Increased efficiency

Digital platforms create transparency relating to the use of rolling stock. Freight transport companies can identify and sell off or lease out underutilised wagons, which reduces the sum insured and thus the exposure and premium. Rolling stock that is used less also incurs less wear and tear. When protected correctly, the risk of comprehensive and operational damage decreases significantly over the insurance year. Accordingly, the utilisation of rolling stock below a certain level can result in reduced premiums.

New insurance concepts

Innovative models such as mileage-based pay-as-you-go premiums are possible thanks to URVIS and real-time tracking. In future, these could be combined with maintenance

and rental costs in leasing contracts, and offer flexible, user-oriented insurance solutions.

Why Helvetia Global Solutions Ltd. supports the Luxembourg Rail Protocol

- **Legal certainty and investment promotion**
Uniform rules create clear ownership and security rights. This reduces risks in the event of defaults, damage/loss, or insolvencies, and gives banks and insurance companies the security they need to take optimal investment and risk decisions.
- **Understanding risk**
The transparency and traceability of rolling stock enables insurers to assess the level of risk more accurately. Fewer uncertainties can lead to more stable calculations and lower premiums.
- **Standardisation**
By refocusing the finance community onto asset-based, rather than debtor-based credit, where the ability to redeploy rolling stock to other users is critical, the Luxembourg Rail Protocol creates an important dynamic towards standardisation of rolling stock, leading to economies of scale for manufacturers, operators, and maintenance providers – and insurers as they assess and quantify risk.
- **Sustainability**
The promotion of rail transport supports global ESG goals and decarbonisation. Sustainability is key for the finance and insurance industry – both in terms of hedging sustainable risks or financing and asset management. The Luxembourg Rail Protocol provides a solid basis for this.

A few steps still need to be taken

Different national rules pose a challenge to implementation. Diverse definitions of risk allocation in cross-border rail transport and the associated tax regimes – such as direct taxes or special levies on supplementary insurance – complicate insurance matters. Regulatory harmonisation – not only for insurance and tax matters, but also for operations, language, and security systems – creates decisive benefits for the entire railway industry. The Luxembourg Rail Protocol can play an important role the harmonisation process – particularly when adopted by neighbouring groups of states.

Transparency surrounding insured rolling stock, and consistency in the application of creditor rights in different jurisdictions, are important steps in minimising risk. The overall rail transport system also includes the infrastructure, which still represents a significant element of uncertainty. The condition, expansion, electrification, and installation of train protection systems vary greatly in international transport. Compared to rolling stock, the infrastructure still has a long way to go from a risk perspective.

Access to relevant data needs to be simple, secure, and compliant with data protection for all stakeholders. Different national data protection laws can pose an additional challenge to the implementation and management of digital platforms.

Removing legal barriers and promoting cooperation

Clear and, as far as possible, uniform legal frameworks are required in all contracting states in order to support private sector investment in rail transport. These form the basis for standardisation and enable the development of new insurance products in collaboration with the industry.

Cost-neutral data access for investors and insurers increases the chances of cost reductions and creates incentives for cooperation and the further development of products and services.

The (rail)roadmap for ensuring sustainable mobility is in place

The Luxembourg Rail Protocol addresses key issues in the insurance industry, starting with the introduction of a global identification system (URVIS) for rolling stock, and the UN Model Rules on permanent identification and marking of rolling stock using the URVIS number, which together minimises the risks of the railway industry and make them more transparent and manageable. The cost of compliance is minimal.

The Luxembourg Rail Protocol makes insurance and investment in sustainable mobility by rail significantly more attractive, reducing risk for insurers and costs for customers. As an international treaty, adoption of the Luxembourg Rail Protocol requires formal accession by individual States and incorporation into its domestic law. It has no cost for governments and can only help move the transport sector to a financially and environmentally sustainable future – a key priority for any government. Accordingly, it is in the interest of the entire financial sector to sensitise governments and call for rapid implementation.

Vaduz, 19th May 2026