Implementation of the Luxembourg Rail Protocol to the Cape Town Convention
Current status as at 23 January 2023

The Luxembourg Rail Protocol to the Cape Town Convention on International Interests in Mobile Equipment is a ground-breaking global treaty which will make it much easier for the private sector to finance railway rolling stock worldwide (applicable to all rolling stock, from high-speed rail and monorails to trams and hyperloops). It provides a new international system of rights for creditors whose interests will be registered, and searchable online 24/7, at an international registry to be based in Luxembourg. It applies to financings of rolling stock operating domestically, as well as in multiple jurisdictions, and will also introduce a new global unique and permanent numbering system for rolling stock (which is referred to as URVIS – Unique Rail Vehicle Identification System).

Once it comes into force, the Rail Protocol will facilitate more and cheaper finance from the private sector to support much needed new rolling stock procurement, as well as necessary ongoing financing for existing fleets. It will lower the barriers to entry for operators, open up new markets for manufacturers, and lead to a more competitive and dynamic rail industry worldwide – bringing important social, environmental, developmental and economic advantages, as well as new business opportunities for manufacturers, lessors and other stakeholders.

The Cape Town Convention and the Aircraft Protocol thereto was adopted in 2001 and is now in force in 85 countries. It has been a great success, with well over 1 million registrations covering 110,000 aircraft (as well as other registrable equipment) with an estimated value of over US$ 650 billion being registered since commencing operations in 2006. The Rail Protocol was adopted in 2007 and requires 4 ratifications, as well as a certificate of readiness from OTIF (Intergovernmental Organisation for International Carriage by Rail) which functions as the secretary to the Protocol’s Supervisory Authority, to enter into force.
The following states and organisations have thus far ratified the Protocol:

**European Union (in respect of its competences)**
- Gabon
- Luxembourg
- Spain
- Sweden

Furthermore, the following states have signed the Protocol and will move towards ratification (although the precise timing thereof shall, of course, vary from state to state):

- France
- Germany
- Italy
- Mozambique
- South Africa
- Switzerland
- United Kingdom

We expect South Africa and Mauritius to ratify over the course of 2024.

Additionally, there are ongoing discussions with officials of a number of other countries in Europe and Africa regarding their adoption of the Protocol.

Spain’s adoption of the Protocol, as the 4th ratification, satisfies the first condition for the Protocol’s entry into force. It marks the beginning of the treaty’s next phase: the opening of the International Rail Registry in Luxembourg. The Rail Working Group and its partners are now finalizing the technical aspects of the Registry’s operations so that by late 2023 the International Rail Registry can begin operations.

**The Luxembourg Rail Protocol entered into force on 8th March 2024.**