



INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW  
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE

**OTIF**



**ORGANISATION INTERGOUVERNEMENTALE POUR LES  
TRANSPORTS INTERNATIONAUX FERROVIAIRES**

**ZWISCHENSTAATLICHE ORGANISATION FÜR DEN  
INTERNATIONALEN EISENBAHNVERKEHR**

**INTERGOVERNMENTAL ORGANISATION FOR  
INTERNATIONAL CARRIAGE BY RAIL**

## **PRESS RELEASE**

### **Major business opportunity in the IT services sector**

The Intergovernmental Organisation for International Carriage by Rail (OTIF) ([www.otif.org](http://www.otif.org)) and the International Institute for the Unification of Private Law (UNIDROIT) ([www.unidroit.org](http://www.unidroit.org)) invite interested companies for an information session on a major new business opportunity for information technology services providers to be held in Rome, on 25 February 2010.

The two organisations are looking for an operator for a new, innovative international registration system for financial security instruments affecting railway rolling stock. The international Registry is expected to be the subject of a competitive bidding process to be conducted during the first half of 2010.

In announcing the information session, the Secretary-General of the UNIDROIT, Mr José Angelo Estrella-Faria, said: "I expect this project will give the successful bidder an high-profile opportunity to apply cutting-edge technology in the creation of an innovative international electronic registration system". According to the Secretary General of OTIF, Mr Stefan Schimming this project "will be particularly attractive to visionary, high-calibre enterprises, and will give them the opportunity to develop and apply information-technology solutions in a unique, international setting."

The information session, which will be conducted in English, will provide general and technical information about the project and the selection process. There will also be an opportunity for questions and answers.

Further information is contained in the attached information paper Additional information is also available from the UNIDROIT and OTIF Secretariats.

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Attch: Information paper



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## **Information Session for Potential Bidders to be the Registrar of the International Rail Registry**

Rome 25 February 2010

On February 25, 2010, at the UNIDROIT headquarters in Rome, Italy, there will be a one-day information session on the Luxembourg Protocol to the Cape Town Convention on International Interests in Mobile Equipment and the International Rail Registry (IRR) to be created under that Protocol. The purpose of the information session will be to provide information to entities that may wish to be selected as the Registrar of the IRR. The session is in anticipation of a Request for Proposals that may issue in the first half of 2010. There will be a discussion on how the Protocol functions, the selection process for a Registrar, and the duties and responsibilities of the Registrar. There will also be an opportunity for questions and answers. The information session will be conducted in English.

### **Registry functions**

The principal functions of the Registrar will be

- 1) to establish an electronic Registry to register security interests in railway rolling stock, and
- 2) to operate the Registry on an on-going basis via a dedicated website.

The Registry will be overseen by a Supervisory Authority, consisting mainly of States that have ratified the Convention and Protocol. Proposals to be the Registrar may be made by public or private entities. It is envisaged that the Registrar may make arrangements with sub-contractors and service providers for the delivery of services necessary for the Registrar to fulfil its obligations, such as the software to run the registry. The entity selected will have the right to operate the Registry for a 10-year, renewable term.

## **The treaty background**

The IRR is a critical component of the Cape Town Convention system. The Convention, in conjunction with the Protocol, establishes an overall legal framework designed to facilitate the efficient financing of railway rolling stock. The Protocol gives a creditor with priority the ability to repossess or sell or lease the railway rolling stock, in case of a default or insolvency of the debtor. This priority will be established when a creditor files, on a first-in-time basis, a notice of its security interest in the IRR. Once an interest has been filed by a creditor and becomes searchable in the IRR, that creditor's interest will, in almost all cases, have priority over all subsequently registered interests and all unregistered interests. The Protocol is designed to bring significant economic benefits to countries that ratify it, especially developing countries, by making the acquisition costs of rail equipment less expensive and in some cases making commercial finance available where it had previously not been available at all.

The text of the Convention and Protocol can be found at: [www.unidroit.org](http://www.unidroit.org). The Official Commentary to the Luxembourg Protocol, which can be purchased from UNIDROIT, may also be helpful. The website of the Rail Working Group, a not-for-profit group established to represent the views of the Rail Industry in relation to the adoption of the Protocol, also contains useful information about the Protocol: [www.railworkinggroup.org](http://www.railworkinggroup.org).

The IRR will be internet based and will need to be searchable on a 24 hour, 7 days a week basis. Thus, unlike traditional registries, it will not receive and review any written documents. The Registrar will charge fees, set by the Supervisory Authority in close consultation with the Registrar, for the filing of the security interest, for searches of the Registry and for other services that may be provided by the IRR.

## **A unique business opportunity**

The role of Registrar may provide the successful bidder with a unique platform to showcase the application of cutting-edge technology in relation to the international registration and recognition of financial instruments. The Registrar will also be able to develop an attractive business model around the operation of the International Registry, which is expected to become a key focal point for the rail industry. Through the International Registry website, the Registrar will have the potential to offer additional services to generate fees, such as vehicle tracking. Such fees would be used to aid in the recovery of Registry establishment and operating costs, and be realized as profit once such costs were met. While any such additional services could only be provided with the prior consent of the Supervisory Authority, it is expected that the Supervisory Authority would favourably consider, and work with the Registrar to facilitate, the provision of any such services that are compatible with the International Registry's functions. Bidders are invited to include in their bids details of such services.

In relation to the registration and search services provided under the Luxembourg Protocol, the Supervisory Authority, in close consultation with the Registrar, will establish (and periodically review, as appropriate) the fees having regard to all relevant factors including assumptions as to Registry operating costs and transaction volumes. The fees will be established so as to recover the reasonable establishment, implementation and operating costs of the International Registry over the period of the contract. The Supervisory Authority will work closely with the Registrar in establishing a Registry implementation schedule linked to the progress being made on securing state ratifications; this approach should serve to keep down the Registrar's expenditures during the early stages of implementation. Also, the Supervisory Authority will partner with the Registrar to promote the Luxembourg Protocol to potential Contracting States with a view to maximising the pool of potential revenue-generating Registry transactions.

### **Practical information**

The UNIDROIT headquarters is located at Via Panisperna, Rome, 00184.

The information session will commence at 10am on 25 February 2010. It is expected to conclude no later than 4pm.

**All persons wishing to attend the information session must register their interest no later than Wednesday 17 February 2010.**

For further information about the information session, or to register your interest in attending the session, please contact:

- UNIDROIT Secretariat: [info@unidroit.org](mailto:info@unidroit.org)
- OTIF Secretariat: [info@otif.org](mailto:info@otif.org)

*Additional information, including the text of the provisional draft Request for Proposals, will be made available to registered participants in advance of the information session.*

The Agenda for the information session is set out on the following page.



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### Agenda

1. Welcome and Introduction
2. Overview of the Cape Town Convention system
3. The Rail Protocol
4. Case study: The International Aircraft Registry
5. Introducing the draft *Request for Proposals*
6. How the registry regulations will work
7. The Host State: Luxembourg
8. Industry perspectives
9. Questions and Answers
10. Close