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**GOVERNING COUNCIL
103rd session
Rome, 8-10 May 2024**

UNIDROIT 2024
C.D. (103) Misc. 2
Original: English
June 2024

SUMMARY CONCLUSIONS

Note of the Secretariat: This summary of conclusions follows the order of items as included in the original agenda. It does not follow the order of the oral discussion, which was altered to adapt to the time schedule.

Item 1 on the agenda: Adoption of the annotated draft agenda ([C.D. \(103\) 1 rev.](#))

1. The Governing Council adopted the agenda as proposed but agreed to discuss item 6 (c) instead of item 5 (c) at the end of the first day of the Council, moving the latter to the first item of the second day.

Item 2 on the agenda: Appointments

(a) Appointment of first and second Vice-Presidents of the Governing Council ([C.D. \(103\) 1 rev.](#))

2. The Governing Council gratefully acknowledged former Vice President and Doyen of the Council, Mr Arthur Hartkamp, for his 41 years of service. The Governing Council then appointed Mr Jorge Sánchez Cordero Dávila as standing Doyen of the Council and First Vice President, and Mr Antti Leinonen as the Second Vice President, both of whom will serve in these positions at least until the 104th session of the Governing Council.

(b) Members *ad honorem* of the Governing Council ([C.D. \(103\) 1 rev.](#))

3. The Governing Council appointed the following as Members *ad honorem*: Mr Hans-Georg Bollweg, Ms Baiba Broka, Ms Bénédicte Fauvarque-Cosson, Mr Henry D. Gabriel, Mr Arthur S. Hartkamp, Mr Patrick Kilgarriff, Mr Alexander S. Komarov, Mr Ricardo L. Lorenzetti, Mr Luc Schuermans, Ms Shi Jingxia, and Ms Carmen Tamara Ungureanu.

(c) Members of the Permanent Committee ([C.D. \(103\) 1 rev.](#))

4. The Governing Council renewed the appointments of Mr Jorge Sánchez Cordero Dávila and Ms Kathryn Sabo. To replace former members Mr Hans-Georg Bollweg, Mr Henry D. Gabriel and Mr Arthur S. Hartkamp, the Governing Council appointed the following three new Members of the Permanent Committee: Mr Hideki Kanda, Mr José Antonio Moreno Rodríguez and Ms Monika Pauknerová.

Item 3 on the agenda: Reports**(a) Annual Report 2023** ([C.D. \(103\) 2](#))

5. The Council took note of the Secretary-General's report on the activities of the Institute during 2023. The Council expressed its appreciation to all members of the Secretariat for their extraordinary dedication and hard work in the implementation of the Institute's mandate, as reflected in the numerous activities, undertaken with excellence.

(b) Report on the UNIDROIT Foundation ([C.D. \(103\) 3](#))

6. The Governing Council took note of the update on the activities of the UNIDROIT Foundation and commended its work.

Item 4 on the agenda: Ongoing legislative activities carried over from the 2020-2022 Work Programme**(a) Best Practices for Effective Enforcement** ([C.D. \(103\) 4](#))

7. The Governing Council took note of the significant progress of the project since the 102nd session and noted the Secretariat's intention to submit an advanced draft instrument to the Governing Council via remote procedures after the Working Group session in December 2024. The Governing Council further authorised the Secretariat to initiate public consultations with relevant stakeholders upon finalisation of the draft instrument.

(b) Bank Insolvency ([C.D. \(103\) 5](#))

8. The Governing Council noted the significant progress made by the Working Group on Bank Insolvency and the full draft Legislative Guide on Bank Liquidation. The Governing Council authorised the Secretariat to commence a targeted consultation on the draft Legislative Guide.

(c) Collaborative Legal Structures for Agricultural Enterprises ([C.D. \(103\) 6](#))

9. The Governing Council acknowledged the important progress made by the Working Group for the development of the joint UNIDROIT/FAO/IFAD Legal Guide on Collaborative Legal Structures for Agricultural Enterprises.

(d) Private Art Collections ([C.D. \(103\) 7](#))

10. The Governing Council appreciated the progress made since the project had been upgraded to medium priority with a focus on orphan objects, endorsed the Working Group's results thus far, and expressed a keen interest in following the next steps of the discussion.

(e) Principles of Reinsurance Contracts ([C.D. \(103\) 8](#))

11. The Governing Council took note of the latest developments of the project on Principles of Reinsurance Contracts and of the expected finalisation of the instrument by the end of 2024.

Item 5 on the agenda: Update on certain high-priority projects on the 2023-2025 Work Programme

(a) Model Laws and Guides to Enactment

i. UNIDROIT Model Law on Factoring and Guide to Enactment ([C.D. \(103\) 9.1](#))

12. The Governing Council noted the initial work undertaken by the Secretariat and the Working Group to prepare the Guide to Enactment for the UNIDROIT Model Law on Factoring.

ii. Proposed amendment to the Model Law on Factoring ([C.D. \(103\) 9.1 bis](#))

13. The Governing Council decided to amend Articles 11 and 52 of the UNIDROIT Model Law on Factoring to rectify an error in the transition rules. The Governing Council requested that the Secretariat expeditiously republish the amended English and French texts and notify relevant stakeholders of the amendment.

iii. UNCITRAL/UNIDROIT Model Law on Warehouse Receipts and Guide to Enactment ([C.D. \(103\) 9.2](#))

14. The Governing Council took note of the excellent progress made on the joint UNICTRAL/UNIDROIT Model Law on Warehouse Receipts Project and expressed its appreciation of the final text. Furthermore, the Council approved the draft text of the Guide to Enactment to the Model Law on Warehouse Receipts.

(b) UNIDROIT Principles of International Commercial Contracts and Investment Contracts ([C.D. \(103\) 10](#))

15. The Governing Council recognised that the project on the UPICC and International Investment Contracts had made significant progress since the Governing Council's 102nd session.

(c) Legal nature of Voluntary Carbon Credits ([C.D. \(103\) 11](#))

16. The Governing Council took note of the significant progress made by the Working Group on the Legal Nature of Voluntary Carbon Credits and expressed a positive view on the publication of the joint "UNCITRAL/UNIDROIT Study on the legal nature of verified carbon credits issued by independent carbon standard setters". The Governing Council also approved changing the project title to the "Legal Nature of Verified Carbon Credits", based on the experts' advice that the legal nature of carbon credits does not depend on the use ultimately given to the said credits.

Item 6 on the agenda: Update on other projects and exploratory work concerning the 2023-2025 Work Programme

(a) Development of a guidance document on Corporate Sustainability Due Diligence in Global Value Chains ([C.D. \(103\) 12](#))

17. The Governing Council took note of the progress in the project to develop a guidance document on Corporate Sustainability Due Diligence in Global Value Chains and underlined the topicality and relevance of the project. Governing Council Members asked to receive an invitation to the Exploratory Workshop to be held at the Institute on 27-28 May 2024.

(b) European Law Institute project proposal in the area of technology and global value chains ([C.D. \(103\) 12 bis](#))

18. The Governing Council took note of the proposal received from the ELI and expressed a positive opinion on the proposal presented by the Secretariat to conduct joint exploratory work with the ELI at the Secretariat level.

(c) Conclusion of the exploratory work conducted on the HCCH-UNIDROIT Project on Law Applicable to Cross-Border Holdings and Transfers of Digital Assets and Tokens ([C.D. \(103\) 13](#))

19. The Governing Council took note of the exploratory work conducted concerning the HCCH-UNIDROIT Joint Project on the Law Applicable to Cross-Border Holdings and Transfers of Digital Assets and Tokens, and of its conclusion following the HCCH's decision to discontinue the project.

Item 7 on the agenda: International Interests in Mobile Equipment

(a) Implementation and status of the Cape Town Convention and the Aircraft Protocol

20. The Governing Council took note of the activities undertaken regarding the Cape Town Convention and the Aircraft Protocol.

(b) Implementation and status of the Luxembourg Rail Protocol ([C.D. \(103\) 14](#))

21. The Governing Council noted with enormous satisfaction the entry into force of the Protocol on 8 March 2024 with the constitution of the Supervisory Authority and the entry into operation of the International Registry, commended the excellent and hard work conducted by the Secretariat and partner organisations, and supported the activities proposed by the Secretariat for the further promotion of the Luxembourg Rail Protocol.

(c) Implementation and status of the Space Protocol ([C.D. \(103\) 15](#))

22. The Governing Council acknowledged the updates provided by the Secretariat as to the recent activities undertaken to promote and implement the Space Protocol.

(d) Implementation and status of the Protocol on Matters specific to Mining, Agricultural and Construction Equipment (MAC Protocol) ([C.D. \(103\) 16](#))

23. The Governing Council took note, with appreciation, of the activities undertaken by the MAC Preparatory Commission, the Ratification Task Force and the Secretariat to implement the MAC Protocol.

(e) The designation of UNIDROIT as Supervisory Authority for the MAC Protocol Registry ([C.D. \(103\) 17](#))

24. The Governing Council noted the decision of the MAC Preparatory Commission to designate UNIDROIT as the Supervisory Authority of the Registry for interests in mining, agricultural and construction equipment to be established under the MAC Protocol. The Governing Council requested that the Secretariat prepare a report for consideration by the Council at its 104th session in 2025 regarding how to allocate the different functions of the Supervisory Authority among UNIDROIT's organs as well as to determine any auxiliary committee to be appointed.

Item 8 on the agenda: *International Protection of Cultural Property: Implementation and status of the 1995 Convention* ([C.D. \(103\) 18](#))

25. The Governing Council showed appreciation for the activities undertaken, the new publications, and the partnerships developed for the promotion of the 1995 Convention.

Item 9 on the agenda: *Promotion Strategy for other UNIDROIT Instruments* ([C.D. \(103\) 19](#))

26. The Council took note of the promotion strategy and future activities proposed by the Secretariat.

Item 10 on the agenda: *UNIDROIT Correspondents* ([C.D. \(103\) 20](#))

27. The Governing Council acknowledged the efficient implementation of the Plan for Correspondents and approved the proposal of the Permanent Committee for Correspondents to appoint Ms Meiling Huang (People's Republic of China) and Mr Paul Ng (Singapore) as two new Correspondents for the Asia-Pacific region.

Item 11 on the agenda: *UNIDROIT Academy* ([C.D. \(103\) 21](#))

28. The Governing Council took note of the developments in all the activities of the UNIDROIT Academy since the 102nd session, including: the progress and enhanced scope of the Academic Projects; the first steps of the Nordic Law Centre and the initiative of the Asian Transnational Law Centre; the success of the second - and preparation of the third - edition of the International Programme for Law and Development; the promotion of Chair Programmes and creation of academic fellowships; the improvements of the Library's catalogue and collections; the growth of the Scholarship, Internship and Research Programme; the continued cooperation with academic institutions; and the relevance of the Uniform Law Review and publications. The Governing Council complimented the staff on the considerable number and quality of the initiatives undertaken.

Item 12 on the agenda: *Communications strategy and social media outreach* ([C.D. \(103\) 22](#))

29. The Governing Council noted the Secretariat's activities and commended its achievements in this area. The Governing Council further advised the Secretariat of possible improvements to the Institute's social media outreach and website and agreed to continue doing so in the future.

Item 13 on the agenda: *Implementation strategy for newly adopted UNIDROIT Instruments*

(a) UNIDROIT Model Law on Factoring ([C.D. \(103\) 23](#))

30. The Governing Council recognised the work undertaken in execution of the implementation strategy for the UNIDROIT Model Law on Factoring since its adoption in May 2023. The Governing Council further noted and endorsed the proposed implementation activities for 2024 and 2025.

(b) UNIDROIT Principles on Digital Assets and Private Law ([C.D. \(103\) 24](#))

31. The Governing Council took note with appreciation of the activities undertaken by the Secretariat for the promotion and implementation of the Principles on Digital Assets and Private Law and expressed support for the proposed future promotion and implementation strategy. The Governing Council also approved the Secretariat's request to convene an expert committee with the purpose of advising the Secretariat on possible developments in the area of digital assets.

Item 14 on the agenda: Institutional and Administrative matters

(a) Report of the Special Committee to update the UNIDROIT Regulations ([C.D. \(103\) 25](#))

32. The Governing Council took note of the update on the activities of the Special Committee to update the UNIDROIT Regulations and approved the proposed timeline for amendments. Mr Antti Leinonen expressed his willingness to join the Committee. Furthermore, it was agreed that Mr Henry Gabriel would be invited to remain on the Special Committee in his capacity as Member *ad honorem* of the Governing Council.

(b) Preparation of the draft Budget for the 2025 financial year ([C.D. \(103\) 26](#))

33. The Governing Council considered the draft Budget for the 2025 financial year, agreed to deem it drawn up in accordance with Article 11.4 of the Statute, and authorised the Secretariat to transmit it to Member States for observations.

(c) Remote procedures for Governing Council ([C.D. \(103\) 27](#))

34. The Governing Council approved the proposed remote procedure for interim application until entry into force of the new UNIDROIT Regulations in principle, with the understanding that the Secretariat would apply some suggested changes in the text of the rules of procedure proposed in Document C.D. (103) 27.

(d) UNIDROIT future stable regional outreach strategy ([C.D. \(103\) 28](#))

35. The Governing Council agreed that the possible establishment of any future UNIDROIT stable regional presence must be considered in the context of broader strategic planning for the Institute, including potential financial implications over the longer term. The Governing Council expressed its gratitude to the Hong Kong Special Administrative Region (China) for its offer to consider establishing a UNIDROIT Asia-Pacific Liaison Office by 2026. The Governing Council took note of the Secretariat's initial report on the matter. The Governing Council requested that the Secretariat continue discussions and prepare a detailed report on the proposal for the Council's consideration at its 104th session in 2025.

Item 15 on the agenda: Preparation of the centenary of UNIDROIT ([C.D. \(103\) 29](#))

36. The Governing Council took note of the illustrated plan for the Institute and provided further suggestions for its implementation and funding.

Item 16 on the agenda: ***Date and venue of the 104th session of the Governing Council***
([C.D. \(103\) 1 rev.](#))

37. The Governing Council expressed no reservations for any of the dates proposed subject to a cost assessment in consideration of the Holy Jubilee that will take place in Rome in 2025.