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**United Nations Commission
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Working Group VI (Security Interests)
Thirty-fourth session
Vienna, 17–21 December 2018

Annotated provisional agenda

I. Provisional agenda

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II. Composition of the Working Group

1. The Working Group is composed of all States members of the Commission, which are the following: Argentina (2022), Armenia (2019), Australia (2022), Austria (2022), Belarus (2022), Brazil (2022), Bulgaria (2019), Burundi (2022), Cameroon (2019), Canada (2019), Chile (2022), China (2019), Colombia (2022), Côte d'Ivoire (2019), Czechia (2022), Denmark (2019), Ecuador (2019), El Salvador (2019), France (2019), Germany (2019), Greece (2019), Honduras (2019), Hungary (2019), India (2022), Indonesia (2019), Iran (Islamic Republic of) (2022), Israel (2022), Italy (2022), Japan (2019), Kenya (2022), Kuwait (2019), Lebanon (2022), Lesotho (2022), Liberia (2019), Libya (2022), Malaysia (2019), Mauritania (2019), Mauritius (2022), Mexico (2019), Namibia (2019), Nigeria (2022), Pakistan (2022), Panama (2019), Philippines (2022), Poland (2022), Republic of Korea (2019), Romania (2022), Russian Federation (2019), Sierra Leone (2019), Singapore (2019), Spain (2022), Sri Lanka (2022), Switzerland (2019), Thailand (2022), Turkey (2022), Uganda (2022), United Kingdom of Great Britain and Northern Ireland (2019), United States of America (2022), Venezuela (Bolivarian Republic of) (2022) and Zambia (2019). The term of the membership expires on the last day prior to the beginning of the annual session of the Commission in the year indicated in parentheses.

2. Member States not members of the Commission, non-Member States having received a standing invitation to participate as observers in the sessions and the work of the General Assembly, and international governmental organizations may attend



the session as observers and participate in the deliberations. In addition, invited international non-governmental organizations may attend the session as observers and represent the views of their organizations on matters where the organization concerned has expertise or international experience so as to facilitate the deliberations at the session.

III. Annotations to agenda items

Item 1. Opening of the session and scheduling of meetings

3. The thirty-fourth session of the Working Group will be held at the Vienna International Centre in Vienna from 17 to 21 December 2018. Meeting hours will be from 9.30 a.m. to 12.30 p.m. and from 2 to 5 p.m., except on Monday, 17 December 2018, when the session will be opened at 10.00 a.m.

4. There will be five working days available for consideration of the agenda items. Consistent with decisions taken by the Commission at its thirty-fourth session,¹ the Working Group may wish to hold substantive deliberations during the first nine half-day meetings (that is, from Monday to Friday morning), with a draft report on the entire period being presented for adoption at the tenth and last meeting of the Working Group on Friday afternoon.

Item 2. Election of officers

5. In accordance with its practice at previous sessions, the Working Group may wish to elect a Chairman and a Rapporteur.

Item 4. Draft Practice Guide to the UNCITRAL Model Law on Secured Transactions

(a) Background information

6. At its fiftieth session (Vienna, 3–21 July 2017), the Commission considered a note by the Secretariat entitled “Possible future legislative work on security interests and related topics” ([A/CN.9/913](#)) and a proposal by the Governments of Australia, Canada, Japan and the United Kingdom “Possible future work on security interests: Proposal for a Practice Guide to Enactment of the UNCITRAL Model Law on Secured Transactions” ([A/CN.9/926](#)). The latter ([A/CN.9/926](#)) suggested that the Commission should prepare a practice guide to provide guidance to potential users of the UNCITRAL Model Law on Secured Transactions (the “Model Law”) with respect to contractual, transactional, and regulatory issues related to secured transactions, as well as financing of micro-businesses.

7. There was general support in the Commission for the preparation of such a practice guide to the Model Law. It was widely felt that, without guidance on a number of practical issues, users of secured transactions laws implementing the Model Law (such as parties to transactions, judges, arbitrators, regulators, insolvency administrators and academics) would not be able to use those laws to their maximum benefit. It was felt that the practice guide could address the following: (a) contractual issues (such as the types of secured transaction that were possible under the Model Law); (b) transactional issues (such as the valuation of collateral); (c) regulatory issues (such as the conditions under which movable assets were treated as eligible collateral for regulatory purposes); and (d) issues relating to finance to micro-businesses (such issues relating to the enforcement of security interests).²

8. After discussion, the Commission decided that a practice guide on secured transactions should be prepared and referred that task to Working Group VI (Security Interests). It was agreed that issues addressed in document [A/CN.9/926](#) and the

¹ *Official Records of the General Assembly, Fifty-sixth Session, Supplement No. 17* and corrigendum ([A/56/17](#) and Corr.3), para. 381.

² Ibid., *Seventy-Second Session, Supplement No. 17* ([A/72/17](#)), paras. 222 and 223.

relevant sections of document [A/CN.9/913](#) should form the basis of that work. The Commission further agreed that broad discretion should be left to the Working Group in determining the scope, structure and content of the practice guide.³

9. At its thirty-second session (Vienna, 11–15 December 2017), the Working Group began its preparation of a draft Practice Guide on the basis of a note by the Secretariat, which provided an annotated list of contents ([A/CN.9/WG.VI/WP.75](#)). At that session, it was generally observed that the purpose of the Practice Guide would be to provide practical guidance to users of secured transactions in States that have enacted, or were considering enacting, the Model Law. It was stressed that the main objective would be to illustrate how the Model Law operated and how potential users could benefit from such operation (particularly focusing on practical transactional opportunities that would be available under the Model Law). Furthermore, it was widely felt that another key purpose of the Practice Guide was to bridge the gap between law and business practice. At the end of the session, the Working Group requested the Secretariat to prepare a first draft of the Practice Guide based on its preliminary discussions on its scope, structure and contents.

10. At its thirty-third session (New York, 30 April – 4 May 2018), the Working Group completed its first reading of the draft Practice Guide on the basis of a note by the Secretariat ([A/CN.9/WG.VI/WP.77](#) and addendum). It was generally agreed that the draft Practice Guide should retain its structure consisting of an introductory chapter, a chapter on contractual and transactional issues, and a chapter dealing with regulatory aspects. It was widely felt that the primary target audience of the draft Practice Guide should be lenders and other providers of secured credit (including sellers on retention-of-title terms and financial lessors) based on the Model Law and that the draft Practice Guide should highlight the types of transactions that they could engage in. The Secretariat was therefore requested to prepare a second draft of the Practice Guide with such potential secured creditors in mind, while at the same time addressing points of practical importance to other readers in the relevant parts of the draft Practice Guide ([A/CN.9/938](#), paras. 12 and 17).

11. At its fifty-first session (New York, 25 June – 13 July 2018), the Commission expressed its satisfaction with the progress made by the Working Group and noted the Secretariat's efforts to coordinate with the Basel Committee on Banking Supervision with respect to the regulatory aspects. Considering the progress made, the Commission requested the Working Group to complete the work expeditiously, with a view to presenting a final draft to the Commission for consideration at its fifty-second session in 2019.⁴

12. Furthermore, at that session, broad support was expressed for developing new forms of electronic publication that could more effectively reach users and ultimately increase the relevance of UNCITRAL texts, especially non-legislative texts.⁵ It was noted that, since the structure and content of each non-legislative text varied, they might need to be presented online in different ways. The suggestion was made that the Working Group could consider how the draft Practice Guide might be presented. States and other entities were invited to share their experience, expertise and, when possible, resources in designing and deploying online tools relating to legal texts.⁶ After discussion, the Commission requested the Secretariat to prepare, within existing resources, a pilot online tool containing the draft notes on the main issues of cloud computing contracts, for consideration in 2019, which could form the basis of how the draft Practice Guide might be presented. The Commission also requested the Secretariat to prepare a note illustrating the considerations relating to the preparation of the pilot online tool, including budgetary and other implications, and departure from the existing UNCITRAL publication policy.⁷

³ Ibid., para. 227.

⁴ Ibid., *Seventy-Third Session, Supplement No. 17* (A/73/17), paras. 163 and 238.

⁵ Ibid., para. 152.

⁶ Ibid., para. 154.

⁷ Ibid., para. 155

13. At its thirty-fourth session, the Working Group is expected to continue its preparation of a draft Practice Guide on the basis of a note by the Secretariat (A/CN.9/WG.VI/WP.79 and Addenda).

(b) Documentation for the session

14. The Working Group will have before it, and may wish to use as a basis of its considerations, a note by the Secretariat entitled “Draft Practice Guide to the UNCITRAL Model Law on Secured Transactions” (A/CN.9/WG.VI/WP.79 and Addenda). The following documents may also provide background information:

- (a) UNCITRAL Model Law on Secured Transactions⁸ and the Guide to Enactment;
- (b) The United Nations Convention on the Assignment of Receivables in International Trade;⁹
- (c) UNCITRAL Legislative Guide on Secured Transactions;¹⁰
- (d) UNCITRAL Legislative Guide on Secured Transactions: Supplement on Security Rights in Intellectual Property;¹¹ and
- (e) UNCITRAL Guide on the Implementation of a Security Rights Registry.¹²

15. UNCITRAL documents are posted on the UNCITRAL website (www.uncitral.un.org) upon their issuance in all the official languages of the United Nations. Delegates may wish to check the availability of the documents by accessing the Working Group’s page in the “Working Group Documents” section of the UNCITRAL website.

Item 5. Future work

16. At its thirty-third session, the Working Group engaged in a discussion on possible future work, noting that it would likely be in a position to submit the draft Practice Guide for adoption by the Commission at its fifty-second session in 2019 (A/CN.9/938, para. 90). It was recalled that the Commission, at its fiftieth session, had retained in its future work agenda the topics of warehouse receipts, intellectual property licensing, and alternative dispute resolution for further discussion without assigning any priority to them. After discussion, the Working Group agreed to recommend to the Commission that (a) it be mandated to undertake work to prepare a substantive text on warehouse receipts and (b) work on digital architectures in respect of secured transactions be placed on its future work agenda (A/CN.9/938, paras. 93 and 95).

17. At the fifty-first session of the Commission, references were made to those recommendations when future legislative programme was considered.¹³ After discussion, the Commission agreed that priority, in the allocation of working group time, should be given to the topics of judicial sale of ships and issues relating to expedited arbitration; that judicial sale of ships should be allocated to the first available working group, possibly Working Group VI when it had completed its work on the draft Practice Guide.¹⁴ Regarding the two topics recommended by Working Group VI, the Commission decided that: (a) the Secretariat should conduct exploratory and preparatory work on warehouse receipts in order to refer that work to a working group and (b) that the Secretariat should compile information on legal

⁸ ISBN: 978-92-1-133856-0.

⁹ General Assembly resolution 56/81, annex (United Nations publication, Sales No. E.04.V.14).

¹⁰ United Nations publication, Sales No. E.09.V.12.

¹¹ United Nations publication, Sales No. E.11.V.6.

¹² United Nations publication, Sales No. E.14.V.6.

¹³ *Official Records of the General Assembly, Seventy-Third Session, Supplement No. 17* (A/73/17), paras. 248 and 249.

¹⁴ Ibid., para. 252.

issues related to the digital economy and report that information for consideration at a future session.¹⁵

18. The Working Group may wish to note that its thirty-sixth session is tentatively scheduled to be held in New York from 13 to 17 May 2019.

Item 6. Adoption of the report

19. The Working Group may wish to adopt, at the close of its session, on Friday, 21 December 2018, a report for submission to the fifty-second session of the Commission scheduled to take place in Vienna from 8 to 26 July 2019. The main conclusions reached by the Working Group at its ninth meeting (on Friday morning) will be summarily read out for the record at the tenth meeting (on Friday afternoon) and subsequently incorporated into the report.

¹⁵ Ibid., para. 253.