

INTERNATIONAL FINANCIAL LEASING

DESCRIPTION

The Unidroit Convention on International Financial Leasing, opened for signature in Ottawa on 28 May 1988, provides a balanced, basic legal framework for cross-border financial leasing transactions thereby to enhancing opportunities for cross-border leasing. It entered into force on 1 May 1995. To date nine States have become States Parties. The Convention is currently under consideration for implementation in another State. It provided the basis for the publication by the World Leasing Council, an umbrella grouping of all the regional federations of leasing companies in the world, of the Manual for Documentation of International Leasing Transactions under the Unidroit Convention on International Financial Leasing, designed to be used by parties in drafting their contractual documentation. The Convention has served as a model for the drafting of national leasing legislation, in countries such as the People's Republic of China, Ghana, Indonesia, Nigeria, Panama, the Russian Federation, Serbia and Montenegro, Sri Lanka, Turkey and the United States of America, and regional Conventions, such as the Convention on International Financial Leasing adopted under the auspices of the Commonwealth of Independent States.

WHO BENEFITS?

Economies seeking to increase the opportunities for direct cross-border leasing and emerging economies in need of a domestic legal framework.

Lessors, who will be largely immune from liability for non-performance by the supplier and whose interests in the leased equipment will be protected in the event of the lessees' insolvency

Lessees, who will have direct rights of action against the supplier as if they were buyers

OPINION

"In many ways the landscape of personal property leasing law has changed drastically with the codification occurring ... with the finalisation of the Unidroit Convention on International Financial Leasing. ... [This] codification recognise[s] leasing as a valid and acceptable mode of equipment acquisition that has come of age and is deserving of special treatment through the development of a body of rules uniquely suited to that type of transaction" (Amelia H. Boss, *Statutory Treatment of Leasing Transactions: The Legislative History of Article 2A and the Unidroit Convention on International Financial Leasing in Equipment Leasing* (General Editor: Jeffrey J. Wong), 1998, at 2.09 and 2.10).

"Historically, very few countries have a specific leasing law, although more and more countries are moving towards the enactment of such a law at a quickening pace. Where such laws have been enacted, they have generally been modelled on the Unidroit Convention on International Financial Leasing" (Sudhir Amembal,



UNIFORM LAW FOUNDATION

STICHTING VOOR EENMAKING VAN HET RECHT

Trust and development through law

INFORMATION SHEET

Emerging lease markets, in World Leasing Yearbook 1999, 16 at 18.)

FUNDS NEEDED

€10,000 to promote the Convention