



The URL Convention: A Strategic Imperative for International Rail Freight

Why railway undertakings and CIT members should actively champion ratification within their national ministries

EXECUTIVE SUMMARY

International rail freight between Europe and Asia operates across two incompatible legal worlds. The **URL Convention** (Convention on the Contract for International Carriage of Goods by Rail, adopted by UNECE on 17 November 2023) finally bridges them - delivering **one legal regime, one contract, one consignment note, and one liability regime** across the CIM and SMGS systems. It is an opt-in instrument: it adds a powerful commercial option without dismantling existing frameworks. The Convention needs just **five Contracting Parties to enter into force**; four states have signed (Togo, the Netherlands, China, Germany) and one (Kyrgyzstan) has acceded. CIT members are uniquely positioned to support it - and stand to gain the most from doing so.

THE COST OF TWO REGIMES TODAY

Wherever a shipment crosses the CIM–SMGS interface, it must be **reconsigned**: a new consignment note is drawn up under a different legal system. This “invisible border” imposes real, recurring costs on operators and their customers:

- **Direct expense and delay**: reconsignment adds roughly €40 per consignment note plus dwell time at handover points — administrative cost with zero value added to the customer.
- **Error and dispute risk**: manual transcription between regimes introduces data errors, and customers face serious hurdles identifying and enforcing claims when goods are lost or damaged under split liability.
- **Competitive disadvantage**: legal fragmentation puts rail at a competitive disadvantage versus road and maritime, which offer customers single, predictable contractual frameworks end to end.

THE URL ADVANTAGE — STRATEGIC, OPERATIONAL, LEGAL & COMMERCIAL

- **Strategic**: a single Eurasian legal corridor positions rail as a credible, scalable alternative on the New Silk Road and reinforces rail’s role in resilient, diversified supply chains.
- **Operational**: eliminating reconsignment removes a process step, cuts dwell time at borders, and accelerates transit — directly improving asset utilisation and schedule reliability.
- **Legal**: one liability system and one consignment note as agreed proof of contract deliver legal certainty; URL provisions take precedence over conflicting contractual terms and dispositive national law for each contract to which the Convention validly applies.
- **Commercial**: the single URL consignment note can serve as a negotiable and bankable document, simplifying trade finance and opening cleaner multimodal offers to shippers.

THE BUSINESS CASE FOR RAILWAY UNDERTAKINGS

Support for URL is not regulatory housekeeping — it is **commercial self-interest**. Lower processing cost per shipment improves margins on every Eurasian movement. Faster, more reliable transit and simpler liability make rail an easier “yes” for shippers currently defaulting to sea or road. A harmonised regime lets undertakings market a **seamless, single contract for Europe–Asia carriage** – turning a legal pain point into a customer-value proposition and a source of volume growth.

WHY NOW — AND THE RISK OF INACTION

The Convention is **close to entering into force** (six months after the fifth instrument of accession is deposited). With China, Germany and the Netherlands already signed, momentum is real but fragile. Each year of delay is another year of avoidable reconsignment cost, lost competitiveness to other modes, and forgone Europe–Asia volumes. Inaction is not neutral: it cedes corridor growth to road and maritime, leaves customers exposed to fragmented liability, and risks the window of political momentum closing. First-mover member states and undertakings will be able to capture early commercial advantage.

CALL TO ACTION

CIT members are urged to act on three fronts: **(1) Engage** your national transport ministry now to advocate for ratification or accession; **(2) Mobilise** your political and industry networks to secure the remaining ratifications or additional accessions; and **(3) Prepare** your commercial and operational teams to offer URL-based single-contract services as soon as the Convention takes effect. Accession stands between today’s fragmented market and a unified Eurasian rail freight regime.