

Promoting Agriculture Finance through Asia Pacific Economic Cooperation (APEC)

**Panel: From Farming to Finance: Technology
and Law for Agricultural Growth**

**William Brydie-Watson, Senior Legal
Officer
UNIDROIT**



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Joint Network Conference 2025

Coordinating & Supporting Secured Transactions Reforms

8th Conference on International Coordination of Secured Transactions Reform

27-28 November 2025

11/F Conference Room, Faculty of Law
The University of Hong Kong
Hong Kong SAR, China



UNCITRAL



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WORLD BANK GROUP

THE WORLD BANK IFC International Development Bank



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LAW**

AIIFL
Est. 1999

Asian Institute of International Financial Law
Faculty of Law, The University of Hong Kong

Cooperation with APEC



Secured Finance to Facilitate Sustainable Economic Growth and Improve Food Security

Economic Committee

Rikkyo University, Tokyo, Japan

Ikebukuro Campus

Tachikawa Memorial Hall

3-34-1 Nishi-Ikebukuro, Toshima-ku, Tokyo 171-8501, Japan

8-10 October 2025

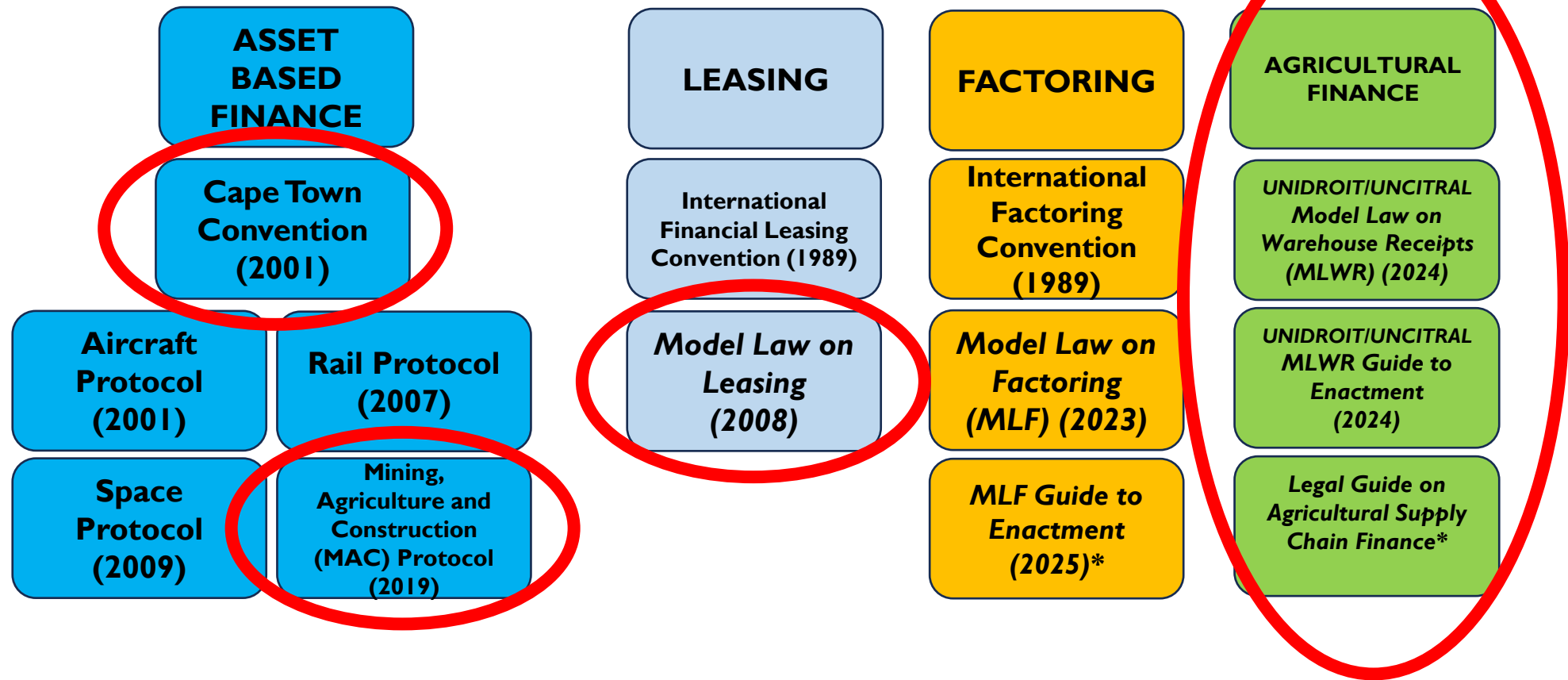
- **Background:** Longterm engagement for UNIDROIT, UNCITRAL and HCCH through APEC Economic Committee (beyond ST).
- Previous APEC workshops on access to credit and secured transactions (focused on UNCITRAL MLST).
- Over 60 participants (online and in-person), Governmental officials from Indonesia, Viet Nam, Thailand, Peru, Papua New Guinea, Malaysia, the Philippines, China (Hong Kong) and Chinese Taipei participated.
- Expert presentations from UNIDROIT, UNCITRAL, ILI, ADB, ABAC, AEM, Altra Group, various academic experts.



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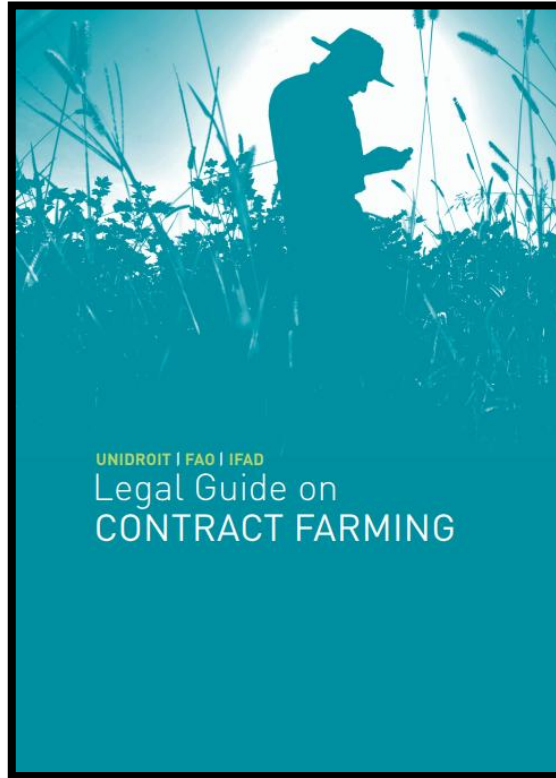
APEC Workshop – Instruments covered



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Other UNIDROIT Agriculture Instruments



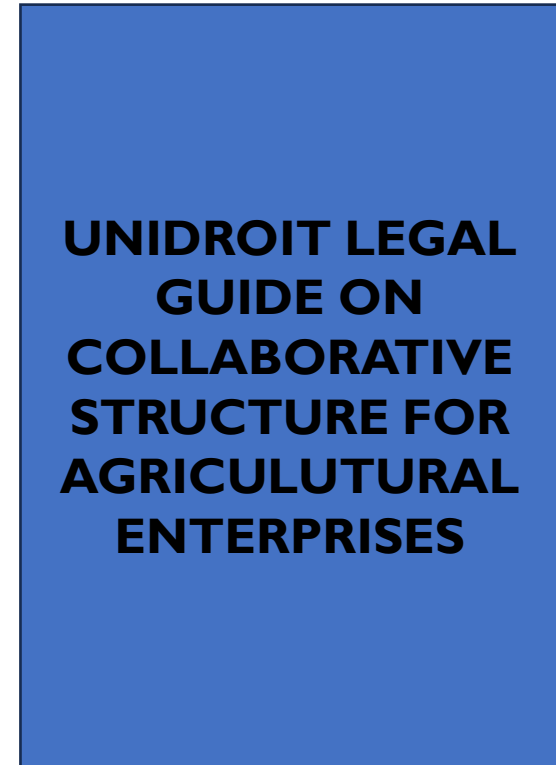
Published 2015

<https://www.unidroit.org/wp-content/uploads/2021/06/Contract-farming-legal-guide.pdf>



Published 2021

<https://www.unidroit.org/wp-content/uploads/2023/02/ALIC-Guide-links-pgs.pdf>



In progress (2026)*

<https://www.unidroit.org/work-in-progress/legal-structure-of-agri-enterprise/>



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The Mining, Agriculture and Construction (MAC) Protocol

Global challenges in supply chain financing of agricultural equipment

- The financing of mining, agricultural and construction (MAC) equipment remains challenging in many parts of the world.
- Financial institutions are unwilling to provide credit to companies in the MAC sectors to purchase or lease equipment, due to uncertainty created by domestic laws, the possible movement of assets across borders, or challenges in enforcing their rights upon default or insolvency.
- **Credit availability in the agricultural sectors remains constrained in many regions.** Credit may cover as little as 20% of product value in developing markets. In certain markets, borrowers have no choice but to self-finance entire sales. Companies also face challenges in securing credit using MAC equipment they already own as collateral.
- Consequently, many farmers cannot access credit on reasonable terms and thus lack the ability to acquire the equipment needed to improve productivity and performance.

The MAC Protocol was developed to address these issues.



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The Mining, Agriculture and Construction (MAC) Protocol

Operation of the MAC Protocol

- The MAC Protocol extends the CTC international legal framework for the creation, registration and enforcement of legal interests in MAC equipment.
- **Creation:** The treaty provides simplified rules for the creation of international interests in MAC equipment between creditors and debtors (security interests, leases and retention of title).
- **Registration:** Priority through registration in the international MAC Registry (online electronic registry \$20 - \$40 registration).
- **Enforcement:** Strong enforcement remedies on debtor default or insolvency: take possession, sell/lease, collect income,
- **International application:** As long as the debtor is in a Contracting State (creditor can be anywhere), the MAC Protocol will apply, even if the equipment moves.



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The Mining, Agriculture and Construction (MAC) Protocol



GLOBAL MACRO - ECONOMIC BENEFITS

- MAC Protocol predicted to increase the stock of MAC equipment by \$90 billion over 10 years
- Annually increase GDP \$23 billion (developing)
- Annually increase GDP \$7 billion (developed)
- **Total impact on global GDP equivalent to \$30 billion a year**



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Asia-Pacific Perspectives on the MAC Protocol

- **Viet Nam:** Viet Nam is considering ratifying the MAC Protocol “a quick win to accelerate mechanization while broader domestic reforms are underway”.
- **Indonesia:** Focus on economic benefits, Agriculture 12% of GDP, 29% of workforce, lack of mechanization, 12-18% finance costs, leasing rates less than 5%.
- **Link with MLST:** Contracting States will be able to designate a domestic registry through which all registrations (debtors located in Contracting State) will go through into the international MAC Registry. This will allow Contracting States to link domestic collateral registries created in accordance with the MLST to the MAC Protocol Registry (reinforcing both the MLST and the CTC/MAC Protocol).



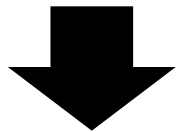
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Implementation of the MAC Protocol

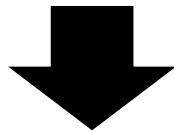
The MAC Preparatory Commission has four core objectives that are required to bring the MAC Protocol into force:

1. Designation of a Supervisory Authority for the International Registry



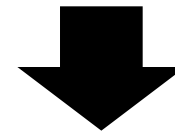
UNIDROIT designated as Supervisory Authority in April 2024

2. Appointment of Registrar and Establishment of the International Registry



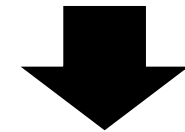
Appointment of the Registrar by the end of 2025

3. Preparation of Regulations for the International Registry



Baseline Regulations approved in April 2024

4. Five ratifications of the MAC Protocol



One ratification, Five signatures (4 States and the EU)



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Implementation of the MAC Protocol

The MAC Protocol will enter into force when it has been ratified by five countries.

Currently, the MAC Protocol has been ratified by one State and signed by four States and the EU.

RATIFICATIONS



1. Paraguay (2024)

SIGNATURES

1. Republic of Congo (2019)
2. Gambia (2019)
3. Nigeria (2019)
4. United States of America (2020)
5. European Union* (2022)



CURRENT FOCUS ON RATIFICATION AND DOMESTIC IMPLEMENTATION



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Future Cooperation with APEC



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- Report back to APEC Economic Committee at first meeting in 2026 (SOM1 2026).
- Should there be sufficient interest, further workshops with support from Economic Committee and Strengthening Economic Legal Infrastructure (SELI) subgroup (initial focus on MAC Protocol, continue study of MLWR, Model Law on Leasing).
- Expectation that there will be an increase in implementation/ratifications in 2 – 3 year period.



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THE MINING, AGRICULTURE AND CONSTRUCTION (MAC) PROTOCOL

FURTHER RESOURCES

- MAC Protocol text:
<https://www.unidroit.org/wp-content/uploads/2021/09/mac-protocol-e.pdf>
- MAC Protocol Economic Assessment:
<https://www.unidroit.org/english/documents/2018/study72k/1808-final-mac-protocol-ea.pdf>
- MAC Protocol overview:
<https://www.unidroit.org/instruments/security-interests/mac-protocol/history/>



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William Brydie-Watson
Senior Legal Officer
w.brydie-watson@unidroit.org



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