



**DIPLOMATIC CONFERENCE TO ADOPT A MOBILE EQUIPMENT
CONVENTION AND AN AIRCRAFT PROTOCOL**

(Cape Town, 29 October to 16 November 2001)

COMMENTS ON THE DRAFT CONVENTION

(Presented by the United States)

Article 28
Priority of competing interests

We propose revision of Article 28(3) of the Convention as follows:

3. – The buyer or lessee of, or other purchaser of an interest in, an object acquires its interest in it:
- (a) subject to an interest registered at the time of its acquisition of that interest; and
 - (b) free from an unregistered interest even if it has actual knowledge of such an interest.

Note that Article 14 *bis* proposed by the AWG and IATA would ensure the quiet possession and use of an aircraft, absent a default. While we generally support this initiative, if this approach is adopted it must be made subject to Article 28(3). A debtor that takes its interest subject to a registered interest (e.g., a lessee from a debtor whose interest is subject to a registered interest) would not have a right of quiet possession and use that would prevail over the rights of the holder of the senior international interest.

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