

**Cape Town Convention
(Implementation) Rules, 2004**

GAZETTE OF PAKISTAN

PART II

Statutory Notifications containing Rules and Orders issued by all Ministries and Divisions of the Government of Pakistan and their Attached and Subordinate Offices and the Supreme Court of Pakistan

Government of Pakistan

MINISTRY OF DEFENCE

(Defence Division)

NOTIFICATION

Rawalpindi, the 27th January, 2004

S.R.O. 26 (KE)/2004:

In exercise of the powers conferred by Section 4 of the Civil Aviation Ordinance, 1960 (XXXII of 1960), the Federal Government is pleased to make the following rules, the same having been previously published as required by Sub-section (2) of Section 15 of the Civil Aviation Ordinance 1960 (XXXII of 1960)

Part I- Sphere of application and general provisions

Rule 1 - Short title and Commencement

- (1) These Rules may be called the Cape Town Convention and Aircraft Protocol (Implementation) Rules, 2004.
- (2) They shall come into force on the effective date.

Rule 2 - Definitions

In these Rules, unless there is anything repugnant in the subject or context:-

- (i) "**agreement**" means a security agreement, a title reservation agreement or a leasing agreement;
- (ii) "**aircraft**" means aircraft as defined for the purposes of the Chicago Convention which are either airframes with aircraft engines installed thereon or helicopters;
- (iii) "**aircraft engines**" means aircraft engines (other than those used in military, customs or police services) powered by jet propulsion or turbine or piston technology, and;
 - (a) in the case of jet propulsion aircraft engines, have at least 1750 lb of thrust or its equivalent; and
 - (b) in the case of turbine-powered or piston-powered aircraft engines, have at least 550 rated take-off shaft horsepower or its equivalent,together with all modules and other installed, incorporated or attached accessories, parts and equipment and all data, manuals and records relating thereto;
- (iv) "**aircraft objects**" means airframes, aircraft engines and helicopters;
- (v) "**aircraft register**" means the register maintained by a State or common mark registering authority for purposes of the Chicago Convention and includes the Pakistan Aircraft Register;
- (vi) "**airframes**" means airframes (other than those used in military, customs and police services) that, when appropriate aircraft engines are installed thereon, are type certified by the competent aviation authority to transport:
 - (a) at least eight persons including crew; or
 - (b) goods in excess of two thousand seven hundred fifty kilograms,together with all installed, incorporated or attached accessories, parts and equipment (other than aircraft engines), and all data, manuals and records relating thereto;

- (vii) "**assignment**" means a contract which, whether by way of security or otherwise, confers on the assignee associated rights with or without a transfer of the related international interest;
- (viii) "**associated rights**" means all rights to payment or other performance by a debtor under an agreement which are secured by or associated with the aircraft object;
- (ix) "**authorised party**" means the party referred to in Sub-rule (3) of Rule 26;
- (x) "**Cape Town Convention**" means the Convention on International Interests in Mobile Equipment as modified by the Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Aircraft Equipment, each concluded at Cape Town, South Africa on 16 November 2001;
- (xi) "**Cape Town Convention State**" means any State that is party to the Cape Town Convention;
- (xii) "**Chicago Convention**" means the Convention on International Civil Aviation, signed at Chicago on 7 December 1944, as amended, and its Annexes;
- (xiii) "**Civil Aviation Authority**" means the Authority constituted under section 3 of the Pakistan Civil Aviation Authority Ordinance, 1982 (XXX of 1982);
- (xiv) "**commencement of the insolvency proceedings**" means the time at which the insolvency proceedings are deemed to commence under the applicable insolvency law;
- (xv) "**common mark registering authority**" means the authority maintaining a register in accordance with Article 77 of the Chicago Convention as implemented by the Resolution adopted on 14 December 1967 by the Council of the International Civil Aviation Organization on nationality and registration of aircraft operated by international operating agencies;
- (xvi) "**conditional buyer**" means a buyer under a title reservation agreement;
- (xvii) "**conditional seller**" means a seller under a title reservation agreement;
- (xviii) "**contract of sale**" means a contract for the sale of an aircraft object by a seller to a buyer which is not an agreement as defined in Clause (i);
- (xix) "**court**" means a court of law or an administrative or arbitral tribunal established by a Cape Town Convention State and includes the Pakistan Court;
- (xx) "**creditor**" means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement;
- (xxi) "**debtor**" means a chargor under a security agreement, a conditional buyer under a title reservation agreement, a lessee under a leasing agreement or a person whose interest in an aircraft object is burdened by a registrable non-consensual right or interest;
- (xxii) "**depository**" means the person so designated under Article 62 of the Cape Town Convention;
- (xxiii) "**de-registration of the aircraft**" means deletion or removal of the registration of the aircraft from an aircraft register in which it is registered in accordance with the Chicago Convention;

- (xxiv) **“effective date”** means the effective date as specified in Rule 57;
- (xxv) **"guarantee contract"** means a contract entered into by a person as guarantor;
- (xxvi) **"guarantor"** means a person who, for the purpose of assuring performance of any obligations in favour of a creditor secured by a security agreement or under an agreement, gives or issues a suretyship or demand guarantee or a standby letter of credit or any other form of credit insurance;
- (xxvii) **"helicopters"** means heavier-than-air machines (other than those used in military, customs or police services) supported in flight chiefly by the reactions of the air on one or more power-driven rotors on substantially vertical axes and which are type certified by the competent aviation authority to transport:
- (a) at least five persons including crew; or
 - (b) goods in excess of four hundred fifty kilograms,
- together with all installed, incorporated or attached accessories, parts and equipment (including rotors), and all data, manuals and records relating thereto;
- (xxviii) **"insolvency administrator"** means a person authorised to administer the reorganisation or liquidation, including one authorised on an interim basis, and includes a debtor in possession if permitted by the applicable insolvency law;
- (xxix) **"insolvency proceedings"** means bankruptcy, liquidation or other collective judicial or administrative proceedings, including interim proceedings, in which the assets and affairs of the debtor are subject to control or supervision by a court for the purposes of reorganisation or liquidation;
- (xxx) **"insolvency-related event"** means:
- (a) the commencement of the insolvency proceedings; or
 - (b) the declared intention to suspend or actual suspension of payments by the debtor where the creditor's right to institute insolvency proceedings against the debtor or to exercise remedies under these Rules is prevented or suspended by law or State action;
- (xxxi) **"interested persons"** means:
- (a) the debtor;
 - (b) any guarantor;
 - (c) any other person having rights in or over the aircraft object;
- (xxxii) **"international interest"** means an interest held by a creditor to which Rule 3 applies;
- (xxxiii) **"International Registry"** means the international registration facilities established by the Cape Town Convention;
- (xxxiv) **"leasing agreement"** means an agreement by which one person (the lessor) grants a right to possession or control of an aircraft object (with or without an option to purchase) to another person (the lessee) in return for a rental or other payment;

(xxxv) "**non-consensual right or interest**" means a right or interest conferred under the law of a Cape Town Convention State to secure the performance of an obligation, including an obligation to a State, State entity or an intergovernmental or private organisation;

(xxxvi) "**Pakistan Aircraft Register**" means the register so called and required to be maintained pursuant to Rule 6 of the Civil Aviation Rules, 1994;

(xxxvii) "**Pakistan Court**" means the High Court within whose territorial jurisdiction the debtor is situated, as determined in accordance with Rule 5 or the aircraft object is located at the relevant time;

(xxxviii) "**pre-existing right or interest**" means a right or interest of any kind in or over an aircraft object created or arising before the effective date;

(xxxix) "**primary insolvency jurisdiction**" means the Cape Town Convention State in which the centre of the debtor's main interests is situated, which for this purpose shall be deemed to be the place of the debtor's statutory seat or, if there is none, the place where the debtor is incorporated or formed, unless proved otherwise;

(xl) "**priority non-consensual right or interest**" means a non-consensual right or interest relating to an aircraft object conferred under the law of Pakistan without any requirement for registration of the following types:

- (a) a right or interest in respect of an aircraft which, if the aircraft had been a vessel, would have resulted in a maritime lien on the aircraft and its equipment for (A) salvage and (B) damage done by that Aircraft;
- (b) liens in favour of any state entity relating to unpaid taxes or other charges directly related to the use of that aircraft and owed by the owner of the aircraft;

(xli) "**proceeds**" means money or non-money proceeds of an aircraft object arising from the total or partial loss or physical destruction of the aircraft object or its total or partial confiscation, condemnation or requisition;

(xlii) "**prospective assignment**" means an assignment that is intended to be made in the future, upon the occurrence of a stated event, whether or not the occurrence of the event is certain;

(xliii) "**prospective international interest**" means an interest that is intended to be created or provided for in an aircraft object as an international interest in the future, upon the occurrence of a stated event (which may include the debtor's acquisition of an interest in the aircraft object), whether or not the occurrence of the event is certain;

(xliv) "**prospective sale**" means a sale which is intended to be made in the future, upon the occurrence of a stated event, whether or not the occurrence of the event is certain;

(xlv) "**registered**" means registered in the International Registry under the Cape Town Convention;

(xlvi) "**registered interest**" means an interest registered with the International Registry pursuant to the Cape Town Convention;

(xlvii) "**registrable non-consensual right or interest**" means a non-consensual right or interest relating to an aircraft object conferred under the law of Pakistan of the following types:

(a) rights of a person obtaining a court order permitting attachment of an aircraft object in partial or full satisfaction of a legal judgment; and

(b) liens or other rights of a state entity relating to taxes owed by the owner of an aircraft object or other unpaid charges relating to that aircraft object of any type whatsoever (which is not a priority non-consensual right or interest);

(xlviii) "**Registrar**" means the person or body serving as Registrar under the Cape Town Convention;

(xlix) "**registry authority**" means the national authority or the common mark registering authority maintaining an aircraft register and which is responsible for the registration and de-registration of an aircraft in accordance with the Chicago Convention and includes the Civil Aviation Authority in relation to the Pakistan Aircraft Register;

(l) "**regulations**" means regulations made or approved by the Supervisory Authority pursuant to the Cape Town Convention;

(li) "**sale**" means a transfer of ownership of an aircraft object pursuant to a contract of sale;

(lii) "**secured obligation**" means an obligation secured by a security interest;

(liii) "**security agreement**" means an agreement by which a chargor grants or agrees to grant to a chargee an interest (including an ownership interest) in or over an aircraft object to secure the performance of any existing or future obligation of the chargor or a third person;

(liv) "**security interest**" means an interest created by a security agreement;

(lv) "**state entity**" means the Federal Government, a Provincial Government, any subdivision of either, courts or tribunals in Pakistan and any department, authority, instrumentality, agency or judicial body of the Federal Government or the Provincial Government;

(lvi) "**State of registry**" means, in respect of an aircraft, the State on the national register of which an aircraft is entered or the State of location of the common mark registering authority maintaining the aircraft register;

(lvii) "**Supervisory Authority**" means the body acting as Supervisory Authority under the Cape Town Convention;

(lviii) "**title reservation agreement**" means an agreement for the sale of an aircraft object on terms that ownership does not pass until fulfilment of the condition or conditions stated in the agreement;

(lix) "**unregistered interest**" means a consensual interest or non-consensual right or interest (other than a priority non-consensual right or interest to the extent specified in Rule 46(1)) which has not been registered, whether or not it is registrable under the Cape Town Convention or these Rules; and

(lx) "writing" means a record of information (including information communicated by teletransmission) which is in tangible or other form and is capable of being reproduced in tangible form on a subsequent occasion and which indicates by reasonable means a person's approval of the record.

Rule 3 - The international interest

- (1) These Rules provide for the constitution and effects of an international interest in aircraft objects and associated rights.
- (2) For the purposes of these Rules, an international interest in aircraft objects is an interest, constituted under Rule 11, in airframes, aircraft engines or helicopters:
 - (a) granted by the chargor under a security agreement;
 - (b) vested in a person who is the conditional seller under a title reservation agreement; or
 - (c) vested in a person who is the lessor under a leasing agreement.

Explanation-- An interest falling within clause (a) does not also fall within clause (b) or (c).

- (3) The applicable law as defined in Rule 6 determines whether an interest to which the preceding sub-rule applies falls within clause (a), (b) or (c) of that sub-rule.
- (4) An international interest in an aircraft object shall extend to proceeds of that aircraft object.
- (5) A transaction of a type listed in Sub-rule (2) shall be an international interest capable of being registered as such under these Rules even where the centre of the main interests of all parties to such transaction is situated and the relevant object located in Pakistan at the time of the conclusion of the contract or the transaction is not capable of being registered in a national registry in Pakistan and the provisions of these Rules relating to an international interest and registration thereof in the international registry shall apply to such a transaction.
- (6) Nothing contained in these Rules shall excuse compliance with all requirements pertaining to the registration of an international interest in a national registry in Pakistan where so required by any other law for the time being in force.

Rule 4 - Sphere of application

- (1) These Rules apply when, at the time of the conclusion of the agreement creating or providing for the international interest or a contract of sale, the debtor or seller, as applicable, is situated in a Cape Town Convention State within the meaning of Rule 5.
- (2) The fact that the creditor or buyer is situated in a non-Cape Town Convention State does not affect the applicability of these Rules.
- (3) Without prejudice to Sub-rule (1), these Rules shall also apply in relation to a helicopter, or to an airframe pertaining to an aircraft, registered in an aircraft register of a Cape Town Convention State which is the State of registry, and where such registration is made pursuant to an agreement for registration of the aircraft it is deemed to have been effected at the time of the agreement.

Rule 5 - Where debtor or seller is situated

(1) For the purposes of Sub-rule (1) of Rule 4, the debtor or seller is situated in any Cape Town Convention State:

- (a) under the laws of which it is incorporated or formed;
- (b) where it has its registered office or statutory seat;
- (c) where it has its centre of administration; or
- (d) where it has its place of business.

(2) A reference in Clause (d) of Sub-rule (1) to the debtor's place of business shall, if it has more than one place of business, mean its principal place of business or, if it has no place of business, its habitual residence.

Rule 6 - Interpretation and applicable law

(1) In the interpretation of these Rules, regard is to be had to its purposes as set forth in the preamble to the Cape Town Convention, to its international character and to the need to promote uniformity and predictability in its application.

(2) Questions concerning matters governed by these Rules which are not expressly settled in these Rules are to be settled in conformity with the general principles the relevant Rule is based on or, in the absence of such principles, in conformity with the applicable law.

(3) References in these Rules to the applicable law are to the domestic rules of the law applicable by virtue of rules of private international law of the forum state.

Rule 7 - Application to sale and prospective sale

In addition to the specific provisions in these Rules referring to sales and prospective sales, the general provisions of Rule 2, Rule 6, Parts IV to VII, Rule 36, Part X, Part XI (other than Rule 49), Part XII and Part XIII shall apply to contracts of sale and prospective sales.

Rule 8 - Representative capacities

A person may enter into an agreement or a contract of sale, and register an international interest in, or a sale of, an aircraft object or take any other action under these Rules, in an agency, trust or other representative capacity. In such case, that person is entitled to assert rights and interests under these Rules.

Rule 9 - Description of aircraft objects

A description of an aircraft object that contains its manufacturer's serial number, the name of the manufacturer and its model designation is necessary and sufficient to identify the aircraft object for the purposes of clause (c) of Rule 11 and clause (c) of sub-rule (1) of Rule 12.

Rule 10 - Choice of law

(1) The parties to an agreement, or a contract of sale, or a related assignment, guarantee contract or subordination agreement may agree on the law which is to govern their contractual rights and obligations, wholly or in part.

(2) Unless otherwise agreed, the reference sub-rule (1) to the law chosen by the parties is to the¹ domestic Rules of law of the designated State or, where that State comprises several territorial units, to the domestic law of the designated territorial unit.

Part II- Constitution of an international interest; contracts of sale

Rule 11 - Formal requirements

An interest is constituted as an international interest under these Rules where the agreement creating or providing for the interest:

- (a) is in writing;
- (b) relates to an aircraft object of which the chargor, conditional seller or lessor has power to dispose;
- (c) enables the aircraft object to be identified; and
- (d) in the case of a security agreement, enables the secured obligations to be determined, but without the need to state a sum or maximum sum secured.

Rule 12- Formalities and effects of contracts of sale

(1) For the purposes of these Rules, a contract of sale is one which:

- (a) is in writing;
- (b) relates to an aircraft object of which the seller has power to dispose; and
- (c) enables the aircraft object to be identified in conformity with these Rules.

(2) A contract of sale transfers the interest of the seller in the aircraft object to the buyer according to its terms.

Part III- Default remedies

Rule 13 - Remedies of chargee

(1) In the event of default as provided in Rule 18, the chargee may, to the extent that the chargor has at any time so agreed, exercise any one or more of the following remedies without the necessity of applying to a court for an order:

- (a) take possession or control of any aircraft object charged to it and the chargor shall be under a legal duty to give such possession or control in the manner and within the time the chargor has so agreed;
- (b) sell or grant a lease of any such aircraft object;
- (c) collect or receive any income or profits arising from the management or use of any such aircraft object.

¹ Inserted by S.R.O 55(KE)/2004

(2) The chargee may alternatively apply for a court order authorising or directing any of the acts referred to in sub-rule (1).

(3) A chargee proposing to sell or grant a lease of an aircraft object under sub-rule (1) shall give reasonable prior notice in writing of the proposed sale or lease to:

- (a) interested persons specified in sub-clauses (a) and (b) of clause (xxxi) of Rule 2; and
- (b) interested persons specified sub-clause (c) of clause (xxxi) of Rule 2 who have given notice of their rights to the chargee within a reasonable time prior to the sale or lease.

(4) A chargee giving ten or more working days' prior written notice of a proposed sale or lease to interested persons shall be deemed to satisfy the requirement of providing "reasonable prior notice" specified in the sub-rule (1). The foregoing shall not prevent a chargee and a chargor or a guarantor from agreeing to a longer period of prior notice.

(5) Any sum collected or received by the chargee as a result of exercise of any of the remedies set out in sub-rule (1) or (2) shall be applied towards discharge of the amount of the secured obligations.

(6) Where the sums collected or received by the chargee as a result of the exercise of any remedy set out in sub-rule (1) or (2) exceed the amount secured by the security interest and any reasonable costs incurred in the exercise of any such remedy, then unless otherwise ordered by the court the chargee shall distribute the surplus among holders of subsequently ranking interests which have been registered or of which the chargee has been given notice, in order of priority, as set out in Rule 36 and pay any remaining balance to the chargor.

(7) Alternatively, the chargee may, without having to file a separate suit of interpleader, apply to the court to determine such priority and the court shall decide such application in accordance with the provisions of Order XXXV of the Code of Civil Procedure, 1908 (Act V of 1908).

(8) In either of the cases specified in sub-rules (7) and (8), the chargee shall upon distribution of the surplus in accordance with Rule 36 under sub-rule (6) or payment into court under sub-rule (7) be fully and finally discharged of all liability in respect of such surplus.

Rule 14 - Vesting of aircraft object in satisfaction; redemption

(1) At any time after default as provided in Rule 18, the chargee and all the interested persons may agree that ownership of (or any other interest of the chargor in) any aircraft object covered by the security interest shall vest in the chargee in or towards satisfaction of the secured obligations.

(2) The court may on the application of the chargee order that ownership of (or any other interest of the chargor in) any aircraft object covered by the security interest shall vest in the chargee in or towards full and complete satisfaction of the secured obligations.

(3) The court shall grant an application under sub-rule (2) only if the amount of the secured obligations to be satisfied by such vesting is commensurate with the value of the aircraft object after taking account of any payment to be made by the chargee to any of the interested persons.

(4) At any time after default as provided in Rule 18 and before sale of the charged aircraft object or the making of an order under sub-rule (2), the chargor or any interested person may discharge the security interest by paying in full the amount secured, subject to any lease granted by the chargee under clause (b) of sub-rule (1) of Rule 13 or ordered under sub-rule (2) of Rule 13. Where, after such default, the payment of the amount secured is made in full by an interested person other than the debtor, that person is subrogated to the rights of the chargee.

(5) Ownership or any other interest of the chargor passing on a sale under clause (b) of sub-rule (1) of Rule 13 or passing under sub-rule (1) or (2) shall be free from any other interest over which the chargee's security interest has priority under the provisions of Rule 36.

Rule 15 - Remedies of conditional seller or lessor

In the event of default under a title reservation agreement or under a leasing agreement as provided in Rule 18, the conditional seller or the lessor, as the case may be, may:

- (a) terminate the agreement and take possession or control of any aircraft object to which the agreement relates; or
- (b) apply for a court order authorising or directing either of these acts.

Rule 16 - Additional remedies of creditor

(1) In addition to the remedies specified in Rules 13, 15, 17 and 21, the creditor may, to the extent that the debtor has at any time so agreed and in the circumstances specified in such provisions:

- (a) procure the de-registration of the aircraft from the aircraft register; and
- (b) if the aircraft object is situated in Pakistan, procure the export and physical transfer of the aircraft object from Pakistan.

(2) The creditor shall not exercise the remedies specified in sub-rule (1) without the prior consent in writing of the holder of any registered interest ranking in priority to that of the creditor.

(3) The registry authority shall, subject to any applicable safety laws and regulations, grant a request for de-registration and export if:

- (a) the request is properly submitted by the authorised party under a recorded irrevocable de-registration and export request authorisation; and
- (b) the authorised party certifies to the registry authority, if required by that authority, that all registered interests ranking in priority to that of the creditor in whose favour the authorisation has been issued have been discharged or that the holders of such interests have consented to the de-registration and export.

(4) A chargee proposing to procure the de-registration and export of an aircraft under sub-rule 1 otherwise than pursuant to a court order shall give reasonable prior notice in writing of the proposed deregistration and export to:

- (a) interested persons specified in sub-clauses (a) and (b) of clause (xxxi) of Rule 2; and
- (b) interested persons specified in sub-clauses (c) of clause (xxxi) of Rule 2 who have given notice of their rights to the chargee within a reasonable time prior to the deregistration and export.

Rule 17 - Additional remedies under applicable law

Any additional remedies permitted by the applicable law, including any remedies agreed upon by the parties, may be exercised to the extent that they are not inconsistent with the mandatory provisions of this Part as set out in Rule 23.

Rule 18 - Meaning of default

(1) The debtor and the creditor may at any time agree in writing as to the events that constitute a default or otherwise give rise to the rights and remedies specified in Rules 13 to 16 and 21.

(2) Where the debtor and the creditor have not so agreed, "default" for the purposes of Rules 13 to 16 and 21 means a default which substantially deprives the creditor of what it is entitled to expect under the agreement.

Rule 19 - Debtor provisions

(1) In the absence of a default within the meaning of Rule 18, the debtor shall be entitled to the quiet possession and use of the aircraft object in accordance with the agreement as against:

- (a) its creditor and the holder of any interest from which the debtor takes free pursuant to sub-rule (5) of Rule 36 or, in the capacity of buyer, sub-rule (3) of Rule 36, unless and to the extent that the debtor has otherwise agreed; and
- (b) the holder of any interest to which the debtor's right or interest is subject pursuant to sub-rule (5) of Rule 36 or, in the capacity of buyer, sub-rule (4) of Rule 36, but only to the extent, if any, that such holder has agreed.

(2) Nothing in these Rules affects the liability of a creditor for any breach of the agreement under the applicable law in so far as that agreement relates to an aircraft object.

Rule 20 - Standard for exercising remedies

Any remedy given by these Rules in relation to an aircraft object shall be exercised in a commercially reasonable manner. A remedy shall be deemed to be exercised in a commercially reasonable manner where it is exercised in conformity with a provision of the agreement except where such a provision is manifestly unreasonable.

Rule 21 - Relief pending final determination

(1) A creditor who adduces evidence of default by the debtor shall, pending final determination of its claim and to the extent that the debtor has at any time so agreed, be entitled to obtain from a court speedy relief in the form of such one or more of the following orders as the creditor requests:

- (a) preservation of the aircraft object and its value;
- (b) possession, control or custody of the aircraft object;
- (c) immobilisation of the aircraft object;
- (d) lease or, except where covered by clauses (a) to (c), management of the aircraft object and the income therefrom; and
- (e) if at any time the debtor and the creditor specifically agree, sale and application of proceeds therefrom and where so agreed, the mere existence of such an agreement shall be just and sufficient cause for the court to make such an order and for the purpose of satisfying the requirements of any legal provision in this behalf.

(2) For the purposes of the preceding sub-rule, "speedy" in the context of obtaining relief means, in respect of the relief specified in clause (a) to (c) of sub-rule (1) of Rule 21, ten calendar days, and in

respect of the relief specified in clause (d) and (e)² of sub-rule (1) of Rule 21, thirty calendar³ days, in each case from the date the application for relief is filed.

(3) Ownership or any other interest of the debtor passing on a sale under clause (e) of sub-rule 1 shall be free from any other interest over which the creditor's international interest has priority under the provisions of Rule 36.

(4) In making any order under sub-rule (1), the court may impose such terms as it considers necessary to protect the interested persons in the event that the creditor:

(a) in implementing any order granting such relief, fails to perform any of its obligations to the debtor under these Rules; or

(b) fails to establish its claim, wholly or in part, on the final determination of that claim.

(5) The creditor and the debtor or any other interested person may agree in writing to exclude the application of sub-rule (4).

(6) Before making any order under sub-rule (1), the court may require notice of the request to be given to any of the interested persons.

(7) With regard to the remedies in sub-rule (1) of Rule 16:

(a) they shall be made available by the registry authority and other administrative authorities, as applicable, no later than five working days after the creditor notifies such authorities that the relief specified in sub-rule (1) of Rule 16 is granted and that the creditor is entitled to procure those remedies in accordance with these Rules; and

(b) all state entities and applicable authorities in Pakistan shall expeditiously co-operate with and assist the creditor in the exercise of such remedies in conformity with the applicable aviation safety laws and regulations.

(8) Nothing in the preceding sub-rules affects the application of Rule 20 or limits the availability of forms of interim relief other than those set out in sub-rule (1).

(9) Sub-rules (2) and (7) shall not affect any applicable aviation safety laws and regulations.

(10) Where a foreign court grants the creditor the relief specified in sub-rule (1) of Rule 16, the order of the foreign court shall not constitute a "foreign judgment" for the purposes of any other law for the time being in force and the Pakistan court shall, on the application of the creditor, pass orders requiring the Civil Aviation Authority and all other relevant state entities to assist the creditor in the manner and to the extent specified in clause (b) of sub-rule (7).

Rule 22 - Procedural requirements; Non-Judicial Remedies

(1) Subject to sub-rule (2), any remedy provided by this Part shall be exercised in conformity with the procedure prescribed by the laws of Pakistan.

(2) Any remedy available to the creditor under any provision of these Rules which is not there expressed to require application to the court may be exercised without court action and without leave

² Amended by S.R.O 55(KE)/2004

³ Amended by S.R.O 55(KE)/2004

of the court and the debtor shall not be entitled to apply for and no court in Pakistan shall grant the debtor any relief restraining the exercise by the creditor of any remedies which under the provisions of these Rules a creditor is entitled to exercise without court action or without leave of the court.

(3) The provisions of sub-clause (b) of sub-rule (7) of Rule 21 shall apply *mutatis mutandis* in circumstances where the creditor is entitled under the provisions of these Rules to exercise remedies without court action or without leave of the court.

Rule 23 - Derogation

Any two or more of the parties referred to in this Part may at any time, by agreement in writing, exclude the application of Rule 24 and, in their relations with each other, derogate from or vary the effect of any of the preceding provisions of this Part, except as stated in sub-rule (3) to (6) of Rules 13, sub-rules (3) and (4) of Rule 14, sub-rule (2) of Rule 16, Rules 20 and 22.

Rule 24 - Remedies on insolvency

(1) This Rule shall apply where Pakistan is the primary insolvency jurisdiction.

(2) Upon the occurrence of an insolvency-related event, the insolvency administrator or the debtor, as applicable, shall, subject to sub-rule (7), give possession of the aircraft object to the creditor no later than the earlier of:

- (a) the end of the waiting period; and
- (b) the date on which the creditor would be entitled to possession of the aircraft object if this Rule did not apply.

(3) For the purposes of this Rule, the "waiting period" shall be the period of sixty calendar days commencing on the date of the insolvency-related event.

(4) References in this Rule to the "insolvency administrator" shall be to that person in its official, not in its personal, capacity.

(5) Unless and until the creditor is given the opportunity to take possession under sub-rule (2):

- (a) the insolvency administrator or the debtor, as applicable, shall preserve the aircraft object and maintain it and its value in accordance with the agreement; and
- (b) the creditor shall be entitled to apply for any other forms of interim relief available under the applicable law.

(6) Clause (a) of sub-rule (5) shall not preclude the use of the aircraft object under arrangements designed to preserve the aircraft object and maintain it and its value.

(7) The insolvency administrator or the debtor, as applicable, may retain possession of the aircraft object where, by the time specified in sub-rule (2), it has cured all defaults other than a default constituted by the opening of insolvency proceedings and has agreed to perform all future obligations under the agreement. A second waiting period shall not apply in respect of a default in the performance of such future obligations.

(8) With regard to the remedies in sub-rule (1) of Rule 16:

- (a) they shall be made available by the registry authority and the administrative authorities, as applicable, no later than five working days after the date on which the

creditor notifies such authorities that it is entitled to procure those remedies in accordance with these Rules; and

- (b) the applicable authorities shall expeditiously co-operate with and assist the creditor in the exercise of such remedies in conformity with the applicable aviation safety laws and regulations.

(9) No exercise of remedies permitted by these Rules may be prevented or delayed after the date specified in sub-rule (2).

(10) No obligations of the debtor under the agreement may be modified without the consent of the creditor.

(11) Nothing in sub-rule (10) shall be construed to affect the authority, if any, of the insolvency administrator under the applicable law to terminate the agreement.

(12) No rights or interests, except for a priority non-consensual right or interest to the extent specified in sub-rule (1) of Rule 46, shall have priority in insolvency proceedings over registered interests.

(13) The provisions of these Rules shall apply to the exercise of any remedies under this Rule.

Rule 25 - Insolvency assistance

(1) This Rule shall apply where Pakistan is not the primary insolvency jurisdiction.

(2) Where an aircraft object is situated in Pakistan, the court having jurisdiction in the matter (which may include the Pakistan court) shall, in accordance with the laws of Pakistan, co-operate to the maximum extent possible with foreign courts and foreign insolvency administrators in carrying out the provisions of Rule 24.

Rule 26 - De-registration and export request authorisation

(1) This Rule shall apply where an airframe pertaining to an aircraft, or a helicopter, is registered in the Pakistan Aircraft Register.

(2) Where the debtor has issued an irrevocable de-registration and export request authorisation substantially in the form contained in the Schedule to these Rules and has submitted such authorisation for recordation to the registry authority, that authorisation shall be so recorded.

(3) The person in whose favour the authorisation has been issued (the "authorised party") or its certified designee shall be the sole person entitled to exercise the remedies specified in sub-rule (1) of Rule 16 and may do so only in accordance with the authorisation and applicable aviation safety laws and regulations. Such authorisation may not be revoked by the debtor without the consent in writing of the authorised party. The registry authority shall remove an authorisation from the registry at the request of the authorised party.

(4) The registry authority and other administrative authorities shall expeditiously co-operate with and assist the authorised party in the exercise of the remedies specified in Rule 16.

Part IV- Registrations in the international registration system

Rule 27 - Means and Effect of Registration

(1) Registration in the International Registry under the Cape Town Convention is the only means of establishing the priority of a right or interest in an aircraft object, such priority being determined in accordance with Rule 35, except only in respect of a priority non-consensual right or interest, whose priority is determined in accordance with sub-rule (1) of Rule 46.

(2) Only those registrations with the International Registry permitted by the Cape Town Convention and complying with the regulations and these Rules shall, when made, be valid for purposes of determining priority. Such permitted registrations include:

- (a) international interests, prospective international interests and registrable non-consensual rights and interests;
- (b) assignments and prospective assignments of international interests;
- (c) acquisitions of international interests by legal or contractual subrogations under the applicable law;
- (d)⁴ subordinations of interests referred to in any of the preceding clauses; and
- (e)⁵ sales and prospective sales.

(3) All information required for the registrations referred to in the previous sub-rule in relation to a helicopter, or to an airframe pertaining to an aircraft, registered for nationality purposes in the Pakistan Aircraft Register may only be transmitted directly to the International Registry, not through any designated entry point.

Part V- Modalities of registration

Rule 28 - Validity and time of registration

(1) A registration shall be valid only if made in conformity with Rule 29.

(2) A registration, if valid, shall be complete upon entry of the required information into the International Registry database so as to be searchable.

(3) A registration shall be searchable for the purposes of the preceding sub-rule at the time when:

- (a) the International Registry has assigned to it a sequentially ordered file number; and
- (b) the registration information, including the file number, is stored in durable form and may be accessed at the International Registry.

(4) If an interest first registered as a prospective international interest or prospective sale becomes an international interest or a sale, respectively, that international interest or sale shall be treated as registered from the time of registration of the prospective international interest or prospective sale

⁴ Amended by S.R.O 55(KE)/2004

⁵ Amended by S.R.O 55(KE)/2004

provided that the registration was still current immediately before the international interest or contract of sale was constituted as provided by Rule 11 or 12.

(5) The preceding sub-rule applies with necessary modifications to the registration of a prospective assignment of an international interest.

(6) A registration pertaining to an aircraft object shall be searchable in the International Registry data base according to the name of its manufacturer, its manufacturer's serial number and its model designation, as further specified in the regulations.

Rule 29 - Consent to registration

(1) An international interest, a prospective international interest, an assignment or prospective assignment of an international interest, or a contract of sale or a prospective sale may be registered, and any such registration extended prior to its expiry (except in respect of a contract of sale) or amended, by either party with the consent in writing of the other.

(2) The subordination of an international interest to another international interest may be registered by or with the consent in writing at any time of the person whose interest has been subordinated.

(3) A registration may be discharged by or with the consent in writing of the party in whose favour it was made.

(4) The acquisition of an international interest by legal or contractual subrogation may be registered by the subrogee.

(5) A registrable non-consensual right or interest may be registered by the holder thereof.

Rule 30 - Duration of registration

(1) Registration of an international interest remains effective until discharged or until expiry of the period specified in the registration.

(2) Registration of a contract of sale remains effective indefinitely. Registration of a prospective sale remains effective unless discharged or until expiry of the period, if any, specified in the registration.

Rule 31 - Searches

(1) Any person may, in the manner prescribed by these Rules and the regulations, make or request a search of the International Registry by electronic means concerning interests or prospective international interests registered therein.

(2) Any person may request and receive from the Registrar, in the manner prescribed by the regulations, a registry search certificate by electronic means with respect to any aircraft object:

(a) stating all registered information relating thereto, together with a statement indicating the date and time of registration of such information; or

(b) stating that there is no information in the International Registry relating thereto.

(3) A search certificate issued under sub-rule (2) shall indicate that the creditor named in the registration information has acquired or intends to acquire an international interest in the object but

shall not indicate whether what is registered is an international interest or a prospective international interest, even if this is ascertainable from the relevant registration information.

Rule 32 - Evidentiary value of certificates

(1) A document in the form prescribed by the regulations which purports to be a certificate issued by the International Registry is prima facie proof

- (a) that it has been so issued; and
- (b) of the facts recited in it, including the date and time of a registration

and the Pakistan court may presume such facts to be proved unless and until they are disproved or may for good reasons to be recorded by it call for proof of it.

Rule 33 - Discharge of registration

(1) Where the obligations secured by a registered security interest or the obligations giving rise to a registered non-consensual right or interest have been discharged, or where the conditions of transfer of title under a registered title reservation agreement have been fulfilled, the holder of such interest shall, without undue delay, procure the discharge of the registration after written demand by the debtor delivered to or received at its address stated in the registration.

(2) Where a prospective international interest, a prospective assignment of an international interest, or a prospective sale has been registered, the intending creditor, intending assignee, or intending buyer shall, without undue delay, procure the discharge of the registration after written demand by the intending debtor, assignor or seller which is delivered to or received at its address stated in the registration before the intending creditor, assignee or buyer has given value or incurred a commitment to give value.

(3) For the purpose of the preceding sub-rule and in the circumstances there described, the holder of a registered prospective international interest or a registered prospective assignment of an international interest or the person in whose favour a prospective sale has been registered shall take such steps as are within its power to procure the discharge of the registration no later than five working days after the receipt of the demand described in such sub-rule.

(4) Where a registration ought not to have been made or is incorrect, the person in whose favour the registration was made shall, without undue delay, procure its discharge or amendment after written demand by the debtor or seller to or received at its address stated in the registration.

Part VI- Recognition of certain privileges and immunities of the Supervisory Authority and the Registrar

Rule 34 - Legal personality; immunity

In Pakistan:

- (a) the Supervisory Authority shall have international legal personality;
- (b) the Supervisory Authority and its officers and employees shall enjoy immunity from legal and administrative process in Pakistan as provided under the rules applicable to them as an international entity or as the officers and employees thereof or otherwise;

- (c) the assets, documents, databases and archives of the International Registry shall be inviolable and immune from seizure or other legal or administrative process.
- (d) for the purposes of any claim against the Registrar under sub-rule (1) of Rule 35 or Rule 50, the claimant shall be entitled to access to such information and documents as are necessary to enable the claimant to pursue its claim; and
- (e) the Supervisory Authority may waive the inviolability and immunity conferred by clause (c).

Part VII- Recognition of Liability of the Registrar

Rule 35 - Standard and extent of liability

(1) Subject to Rule_50, the Registrar shall be liable for compensatory damages for loss suffered by a person directly resulting from an error or omission of the Registrar and its officers and employees or from a malfunction of the international registration system except where the malfunction is caused by an event of an inevitable and irresistible nature, which could not be prevented by using the best practices in current use in the field of electronic registry design and operation, including those related to back-up and systems security and networking.

(2) The Registrar shall not be liable as stated in sub-rule (1) for factual inaccuracy of registration information received by the Registrar or transmitted by the Registrar in the form in which it received that information nor for acts or circumstances for which the Registrar and its officers and employees are not responsible and arising prior to receipt of registration information at the International Registry.

(3) Compensation under sub-rule (1) may be reduced to the extent that the person who suffered the damage caused or contributed to that damage.

Part VIII- Effects of an international interest as against third parties

Rule 36 - Priority of competing interests

(1) A registered interest has priority over any other interest subsequently registered and over an unregistered interest.

(2) The priority of the first-mentioned interest under sub-rule (1) shall apply:

- (a) even if the first-mentioned interest was acquired or registered with actual knowledge of the other interest; and
- (b) even as regards value given by the holder of the first-mentioned interest with such knowledge.

(3) A buyer of an aircraft object under a registered sale acquires its interest in that object free from an interest subsequently registered and from an unregistered interest, even if the buyer has actual knowledge of the unregistered interest.

(4) A buyer of an aircraft object under a registered sale acquires its interest in that object subject to an interest previously registered.

(5) A conditional buyer or lessee acquires its interest in or right over that object:

- (a) subject to an interest registered prior to the registration of the international interest held by its conditional seller or lessor; and

- (b) free from an interest not so registered at that time even if it has actual knowledge of that interest.
- (6) The priority of competing interests or rights under this Rule may be varied by agreement between the holders of those interests, but an assignee of a subordinated interest is not bound by an agreement to subordinate that interest unless at the time of the assignment a subordination had been registered relating to that agreement.
- (7) Any priority given by this Rule to an interest in an aircraft object extends to proceeds.
- (8) These Rules:
- (a) do not affect the rights of a person in an item, other than an aircraft object, held prior to its installation on an aircraft object if under the applicable law those rights continue to exist after the installation; and
 - (b) do not prevent the creation of rights in an item, other than an aircraft object, which has previously been installed on an aircraft object where under the applicable law those rights are created.
- (9) Ownership of or another right or interest in an aircraft engine shall not be affected by its installation on or removal from an aircraft.
- (10) Sub-rule (8) shall apply to an item, other than an aircraft object, installed on an airframe, aircraft engine or helicopter.

Rule 37 - Effects of insolvency

- (1) In insolvency proceedings against the debtor or seller an international interest or sale, as applicable, is effective if prior to the commencement of the insolvency proceedings that interest or sale was registered in the international registry in conformity with these Rules.
- (2) Nothing in this Rule impairs the effectiveness of an international interest or sale in the insolvency proceedings where that interest is effective under the applicable law.
- (3) Nothing in this Rule affects any rules of law applicable in insolvency proceedings relating to the avoidance of a transaction as a preference or a transfer in fraud of creditors or, except as provided in Rule 24, any rules of procedure relating to the enforcement of rights to property which is under the control or supervision of the insolvency administrator.

Part IX- Assignments of associated rights and international interests; rights of subrogation

Rule 38 - Effects of assignment

- (1) Except as otherwise agreed by the parties, an assignment of associated rights made in conformity with Rule 39 also transfers to the assignee:
- (a) the related international interest; and
 - (b) all the interests and priorities of the assignor under these Rules.
- (2) Nothing in these Rules prevents a partial assignment of the assignor's associated rights. In the case of such a partial assignment the assignor and assignee may agree as to their respective rights

concerning the related international interest assigned under the preceding sub-rule but not so as adversely to affect the debtor without its consent.

(3) Subject to sub-rule (4), the applicable law shall determine the defences and rights of set-off available to the debtor against the assignee.

(4) The debtor may at any time by agreement in writing waive all or any of the defences and rights of set-off referred to in the preceding sub-rule other than defences arising from fraudulent acts on the part of the assignee.

(5) In the case of an assignment by way of security, the assigned associated rights revert in the assignor, to the extent that they are still subsisting, when the obligations secured by the assignment have been discharged.

Rule 39 - Formal requirements of assignment

(1) An assignment of associated rights transfers the related international interest only if it:

- (a) is in writing;
- (b) enables the associated rights to be identified under the contract from which they arise; and
- (c) in the case of an assignment by way of security, enables the obligations secured by the assignment to be determined in accordance with these Rules but without the need to state a sum or maximum sum secured.

(2) An assignment of an international interest created or provided for by a security agreement is not valid unless some or all related associated rights are also assigned.

(3) These Rules do not apply to an assignment of associated rights which is not effective to transfer the related international interest.

Rule 40 - Debtor's duty to assignee

(1) To the extent that associated rights and the related international interest have been transferred in accordance with Rules 38 and 39, the debtor in relation to those rights and that interest is bound by the assignment and has a duty to make payment or give other performance to the assignee, if but only if:

- (a) the debtor has been given notice of the assignment in writing by or with the authority of the assignor;
- (b) the notice identifies the associated rights; and
- (c) the debtor has consented in writing, whether or not the consent is given in advance of the assignment or identifies the assignee.

(2) Irrespective of any other ground on which payment or performance by the debtor discharges the latter from liability, payment or performance shall be effective for this purpose if made in accordance with the preceding sub-rule.

(3) Nothing in this Rule shall affect the priority of competing assignments.

Rule 41 - Default remedies in respect of assignment by way of security

In the event of default by the assignor under the assignment of associated rights and the related international interest made by way of security, Rules 13, 14 and 16 to 22 apply in the relations between the assignor and the assignee (and, in relation to associated rights, apply in so far as those provisions are capable of application to intangible property) as if references:

- (a) to the secured obligation and the security interest were references to the obligation secured by the assignment of the associated rights and the related international interest and the security interest created by that assignment;
- (b) to the chargee or creditor and chargor or debtor were references to the assignee and assignor;
- (c) to the holder of the international interest were references to the assignee; and
- (d) to the aircraft object were references to the assigned associated rights and the related international interest.

Rule 42 - Priority of competing assignments

(1) Where there are competing assignments of associated rights and at least one of the assignments includes the related international interest and is registered, the provisions of Rule 36 apply as if the references to a registered interest were references to an assignment of the associated rights and the related registered interest and as if references to a registered or unregistered interest were references to a registered or unregistered assignment.

(2) Rule 37 shall apply to an assignment of associated rights as if the references to an international interest were references to an assignment of the associated rights and the related international interest.

Rule 43 - Assignee's priority with respect to associated rights

(1) The assignee of associated rights and the related international interest whose assignment has been registered only has priority under sub-rule (1) of Rule 42 over another assignee of the associated rights:

- (a) if the contract under which the associated rights arise states that they are secured by or associated with the object; and
- (b) to the extent that the associated rights are related to an aircraft object.

(2) For the purpose of clause (b) of sub-rule (1), associated rights are related to an aircraft object only to the extent that they consist of rights to payment or performance that relate to:

- (a) a sum advanced and utilised for the purchase of the aircraft object;
- (b) a sum advanced and utilised for the purchase of another aircraft object in which the assignor held another international interest if the assignor transferred that interest to the assignee and the assignment has been registered;
- (c) the price payable for the aircraft object;
- (d) the rentals payable in respect of the aircraft object; or

- (e) other obligations arising from a transaction referred to in any of the preceding clauses.

(3) In all other cases, the priority of the competing assignments of the associated rights shall be determined by the applicable law.

Rule 44 - Effects of assignor's insolvency

The provisions of Rule 37 apply to insolvency proceedings against the assignor as if references to the debtor were references to the assignor.

Rule 45 - Subrogation

(1) Subject to sub-rule (2), nothing in these Rules affects the acquisition of associated rights and the related international interest by legal or contractual subrogation under the applicable law.

(2) The priority between any interest the preceding sub-rule and a competing interest may be varied by agreement in writing between the holders of the respective interests but an assignee of a subordinated interest is not bound by an agreement to subordinate that interest unless at the time of the assignment a subordination had been registered relating to that agreement.

Part X- Non-consensual right or interest

Rule 46 - Priority non-consensual right or interest

(1) A priority non-consensual right or interest, to the extent it had priority over an interest in an aircraft object equivalent to that of the holder of a registered international interest prior to the effective date of these Rules, shall retain that priority over a registered international interest hereunder, whether in or outside of insolvency proceedings.

(2) Nothing in these Rules shall affect the exercise by any person including any state entity of powers conferred by any other law for the time being in force, to arrest or detain an aircraft object for violation of law, including safety-related or criminal law or for payment of any amounts owed to any such person and directly relating to the services provided by it in respect of that aircraft object but no such arrest or detention shall adversely affect the priority of an international interest held by a party not violating such law.

Rule 47 - Registrable non-consensual right or interest

A registrable non-consensual right or interest relating to any aircraft object may be registered under these Rules as if the right or interest were an international interest and shall be regulated accordingly.

Part XI- Jurisdiction

Rule 48 - Choice of forum

(1) Subject to Rules 49 or 50, the courts of a Cape Town Convention State chosen by the parties to a transaction have jurisdiction in respect of any claim brought under these Rules, whether or not the chosen forum has a connection with the parties or the transaction. Such jurisdiction shall be exclusive unless otherwise agreed between the parties.

(2) Any such agreement shall be in writing or otherwise concluded in accordance with the formal requirements of the law of the chosen forum.

Rule 49 - Jurisdiction under Rule 21

(1) The courts of a Cape Town Convention State chosen by the parties in conformity with Rule 48 and, when the aircraft object is situated in Pakistan or when the aircraft is registered in the Pakistan Aircraft Register, the Pakistan courts have jurisdiction to grant relief under clause (a), (b) and (c) of sub-rule (1) of Rule 21, and sub-rule (8) of Rule 21 in respect of that aircraft object or aircraft.

(2) Jurisdiction to grant relief under clause (d) and (e) of sub-rule (1) of Rule 21 or other interim relief by virtue of sub-rule (8) of Rule 21 may be exercised either:

- (a) by the courts chosen by the parties; or
- (b) by the Pakistan courts, if the debtor is situated in Pakistan, being relief which, by the terms of the order granting it, is enforceable only in Pakistan.

(3) A court has jurisdiction under the preceding sub-rules even if the final determination of the claim referred to in sub-rule (1) of Rule 21 will or may take place in a court of another Cape Town Convention State or by arbitration.

Rule 50 - Jurisdiction to make orders against the Registrar

(1) The courts of the place in which the Registrar has its centre of administration shall have exclusive jurisdiction to award damages or make orders against the Registrar.

(2) Where a person fails to respond to a demand made under Rule 33 and that person has ceased to exist or cannot be found for the purpose of enabling an order to be made against it requiring it to procure discharge of the registration, the courts referred to in the preceding sub-rule shall have exclusive jurisdiction, on the application of the debtor or intending debtor, to make an order directed to the Registrar requiring the Registrar to discharge the registration.

(3) Where a person fails to comply with an order of a court having jurisdiction under these Rules, the courts referred to in sub-rule (1) may direct the Registrar to take such steps as will give effect to that order.

(4) Except as otherwise provided by the preceding sub-rules, no court may make orders or give judgments or rulings against or purporting to bind the Registrar.

Rule 51 - Waivers of sovereign immunity

(1) Subject to sub-rule (2), a waiver of sovereign immunity from jurisdiction of the courts specified in Rule 48 or 49 or relating to enforcement of rights and interests relating to an aircraft object under these Rules shall be binding and, if the other conditions to such jurisdiction or enforcement have been satisfied, shall be effective to confer jurisdiction and permit enforcement, as the case maybe.

(2) A waiver under the preceding sub-rule must be in writing and contain a description of the aircraft object.

Rule 52 - Jurisdiction in respect of insolvency proceedings

The provisions of this Part are not applicable to insolvency proceedings.

Part XII- Relationship with other Conventions

Rule 53 - Relationship with the United Nations Convention on the Assignment of Receivables in International Trade

In the event Pakistan becomes party to the *United Nations Convention on the Assignment of Receivables in International Trade*, opened for signature in New York on 12 December 2001, these Rules shall prevail over that Convention, as relates to the assignment of receivables which are associated rights related to international interests in aircraft objects.

Rule 54 - Relationship with the Convention on the International Recognition of Rights in Aircraft

In the event Pakistan implements into national law the *Convention on the International Recognition of Rights in Aircraft*, signed at Geneva on 19 June 1948, these Rules supersede that Convention as it relates to aircraft, as defined in these Rules, and to aircraft objects but, with respect to rights or interests not covered or affected by these Rules, the Geneva Convention shall not be superseded.

Rule 55 - Relationship with the Convention for the Unification of Certain Rules relating to the Precautionary Attachment of Aircraft

In the event Pakistan becomes party to the *Convention for the Unification of Certain Rules Relating to the Precautionary Attachment of Aircraft*, signed at Rome on 29 May 1933, these Rules supersede that Convention, as it relates to aircraft, as defined in these Rules.

Rule 56 - Relationship with the UNIDROIT Convention on International Financial Leasing

In the event Pakistan becomes party to the *UNIDROIT Convention on International Financial Leasing*, signed at Ottawa on 28 May 1988, these Rules supercede that Convention, as so implemented, as it relates to aircraft objects.

Part XIII- Final Provisions

Rule 57 - Effective Date of these Rules

These Rules shall take effect on the effective date. The "**effective date**" is the later of:

- (a) the date that the Cape Town Convention enters into force in accordance with its own terms as a matter of international law; and
- (b) the first day of the month following the expiration of three months after the date on which Pakistan deposits its instrument of accession to the Cape Town Convention with the depositary. .

Rule 58 - Transitional provisions

(1) These Rules do not apply to a pre-existing right or interest, which retains the priority it enjoyed under the applicable law before the effective date of these Rules.

(2) Nothing in sub-rule (1) or otherwise in these Rules shall prevent parties to an agreement and related documents, by affirmative act, from re-constituting a pre-existing right or interest as an international interest and otherwise bringing it within the scope of these Rules.

(3) A priority non-consensual right or interest, to the extent specified in sub-rule (1) of Rule 46, shall retain its priority over an international interest which is registered prior to the effective date.

The Schedule

**[FORM OF IRREVOCABLE DE-REGISTRATION
AND EXPORT REQUEST AUTHORISATION]**

[See Rule 26(2)]

[Date]

To: ***The Civil Aviation Authority***

Re: **Irrevocable De-Registration and Export Request Authorisation**

The undersigned is the registered [operator] [owner]* of the [insert the airframe/helicopter manufacturer name and model number] bearing manufacturer's serial number [insert manufacturer's serial number] and registration [number] [mark] [insert registration number/mark] (together with all installed, incorporated or attached accessories, parts and equipment, the "**aircraft**").

This⁶ instrument is an irrevocable de-registration and export request authorisation issued by the undersigned in favour of [insert name of creditor] (the "**authorised party**") under the authority of Rule 25 of the Cape Town Convention (Implementation) Rules being rules for the implementation in the Islamic Republic of Pakistan to the Convention on International Interests in Mobile Equipment and the Protocol thereto on Matters Specific to Aircraft Equipment (the latter instrument, the "**Protocol**"), and Rule XIII of the Protocol. In accordance with these Rules, the undersigned hereby requests:

- (i) recognition that the authorised party or the person it certifies as its designee is the sole person entitled to:
 - (a) procure the de-registration of the aircraft from the Pakistan Aircraft Register maintained by the Pakistan Civil Aviation Authority for the purposes of Part III of the *Convention on International Civil Aviation*, signed at Chicago, on 7 December 1944; and
 - (b) procure the export and physical transfer of the aircraft from Pakistan; and
- (ii) confirmation that the authorised party or the person it certifies as its designee may take the action specified in clause (i) above on written demand without the consent of the undersigned and that, upon such demand, the authorities in Pakistan shall co-operate with the authorised party with a view to the speedy completion of such action.

The rights in favour of the authorised party established by this instrument may not be revoked by the undersigned without the written consent of the authorised party.

Please acknowledge your agreement to this request and its terms by appropriate notation in the space provided below and lodging this instrument in Pakistan Aircraft Register.

* Select the term that reflects the relevant nationality registration criterion.

⁶ Amended by S.R.O 55(KE)/2004

[insert name of operator/owner]

Agreed to and lodged this
[insert date]

By: [insert name of signatory]
Its: [insert title of signatory]

[insert relevant notational details]

[No. A-7/6(II)/98]

Shahid Anwar Khan

Deputy Secretary