



UNIDROIT Committee of governmental Experts for the preparation of a draft Convention on International Interests in Mobile Equipment and a draft Protocol thereto on Matters specific to Aircraft Equipment



Sub-Committee of the ICAO Legal Committee on the study of international interests in mobile equipment (aircraft equipment)

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DRAFTING COMMITTEE / RESTRICTED GROUP

Monday 27 March, 5.30 / 8.30 p.m.

Members of the Drafting Committee are kindly requested to give the Chairman of the Restricted Drafting Group any written comment they wish to make on this document within 24 hours after its being circulated

[PRELIMINARY] DRAFT PROTOCOL TO THE [PRELIMINARY] DRAFT [UNIDROIT] CONVENTION ON INTERNATIONAL INTERESTS IN MOBILE EQUIPMENT ON MATTERS SPECIFIC TO AIRCRAFT EQUIPMENT

ARTICLES I(2)(i) AND IX

CHAPTER I

SPHERE OF APPLICATION AND GENERAL PROVISIONS

Article I * *Defined terms*

2. – (i) ~~“Geneva Convention” means the Convention on the International Recognition of Rights in Aircraft, opened for signature at Geneva on 19 June 1948; [(h)]~~

* The alphabetical order of the entries of the definitions will be adjusted during the finalisation of the text.

CHAPTER II

DEFAULT REMEDIES, PRIORITIES AND ASSIGNMENTS

Article IX

Modification of default remedies provisions

1. – In addition to the remedies specified in ~~the provisions of Articles 8(1), 10 and 14(1) Chapter III~~ of the Convention, 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; and
- (b) ~~procure the~~ export and physically transfer of the aircraft object from the territory in which it is situated.

2. – The creditor shall not exercise the remedies specified in the preceding paragraph without the prior consent in writing of the holder of any registered interest ranking in priority to that of the creditor .⁹

3. – (a) Article 8(2) of the Convention shall not apply to aircraft objects.

(b) In relation to aircraft objects the following provisions shall apply:

- (i) Any remedy given by the Convention shall be exercised in a commercially reasonable manner.
- (ii) An agreement between the debtor and the creditor as to what is a commercially reasonable manner shall be conclusive.

4. – A chargee giving ten or more calendar 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 Article 8(3) of the Convention. The foregoing shall not prevent a chargee and a chargor or a guarantor from agreeing to a longer period of prior notice.

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⁹ ~~Further consideration is to be given to the situation of holders of other interests that are protected under Article IX of the Geneva Convention.~~