****

**Principles-Based Guide**

**to the Official Commentary**

on the Cape Town Convention

and the Aircraft Protocol

The Legal Advisory Panel of the

Aviation Working Group

Published August 2023

**Principles-Based Guide to the Official Commentary on the Cape Town Convention and the Aircraft Protocol**

This Guide has been prepared by the Legal Advisory Panel of Aviation Working Group as an aid to practitioners, administrative officials, and courts in identifying relevant authority in the 5th edition of Official Commentary (**Official Commentary**) relating to the most frequently encountered questions from a transactional perspective arising in the application and interpretation of the Convention on International Interests in Mobile Equipment (**Convention**) and Protocol thereto on Matters Specific to Aircraft Objects (**Protocol**, and together with the Convention, **CTC**).

It does so by setting out a topical index to the Official Commentary in the form of main principles found in or underlying the texts, which are also summarized, and links such principles to specific paragraphs in the Official Commentary.

This Guide is intended as a practical companion text to help efficiently navigate the Official Commentary. It does not seek to modify or interpret the Official Commentary, which is the sole authoritative text for interpreting the CTC. It is recommended that all who use this Guide do so with a written or electronic copy of the Official Commentary in close proximity.

While this Guide was produced with the approval of the author of the Official Commentary, Professor Sir Roy Goode, and its publishers, UNIDROIT, that does not imply endorsement of its content. Rather, the organization, determination of the principles, and summaries in this Guide are solely the work of the Legal Advisory Panel of Aviation Working Group. It is an open source, no cost document prepared for the benefit of the legal and aviation community.

Copyright © 2023

All rights reserved.

No part of this Guide may be transmitted or used in other documents or works without citation of this publication, attribution of this Guide to the Aviation Working Group, and express reference to this copyright and the disclaimer below. The foregoing shall not apply to, or limit or restrict, the transmission of the Guide as a whole including this copyright and disclaimer.

Although the Legal Advisory Panel, the Aviation Working Group and the various authors and contributors have made every effort to ensure the accuracy of content of this Guide, they cannot accept any legal responsibility whatsoever for consequences that may arise from errors or omissions or from its contents. All users of this Guide should consult the Official Commentary to reach legal conclusions or determine the accuracy of the principles or the summaries in this Guide. This Guide does not purport to be comprehensive or to render legal, tax or other advice. Parties should not rely on this Guide when engaging in any transaction or providing any advice in respect of the subject matter covered hereby. In no event shall the Legal Advisory Panel or the Aviation Working Group (or any member of either thereof) have any legal responsibility for, or duty or responsibility to provide any updates in respect of, the subject matter of or views expressed in this Guide.

This Guide, and the views set out herein, reflect a consensus of the Legal Advisory Panel to the Aviation Working Group. They do not, however, necessarily reflect the views of individual members or their firms, organisations, or associations on any particular point. This Guide has been produced in consultation with the Aviation Working Group, acting through its Secretary General, and is offered to assist those working on Cape Town Convention matters, but neither it nor the views expressed herein have any official status, are binding in any way, or should be relied upon as providing definitive guidance in actual transactions. Neither the Legal Advisory Panel nor the Aviation Working Group shall be deemed to have endorsed the views expressed in any other publication referred to herein, including the Official Commentary.

**Contents**

[Section 1 - Preliminary Concepts and Points 4](#_Toc142492974)

[Section 2 - Key Property Interests Established by the CTC 8](#_Toc142492975)

[Section 3 - Principles of Interpretation 11](#_Toc142492976)

[Section 4 - Default Remedies (General) 13](#_Toc142492977)

[Section 5 - Default Remedies (Specific) 20](#_Toc142492978)

[Section 6 - Priority of Competing Interests 27](#_Toc142492979)

[Section 7 - Effects of and Rights Upon Insolvency 35](#_Toc142492980)

[Section 8 - Other Key Provisions Impacting Rights and Obligations 44](#_Toc142492981)

[Section 9 - Dispute Resolution 51](#_Toc142492982)

[Section 10 - Obligations of Contracting States 52](#_Toc142492983)

User instructions:

* Holding down the CTRL key and clicking on a section of the index above will take the User to that section in this Guide.
* Holding down the CTRL key and clicking on a row reference in this Guide (e.g. “ref. 1.1.1.1”) will take the User to that row in this Guide.
* This document contains word search functionality.
* Holding down the CTRL key and clicking on a hyperlinked paragraph reference from the Official Commentary will open up the relevant part of that paragraph relating to the point being discussed. The User can then navigate back to this Guide and continue to use it in this way.
* Defined terms from the Convention or the Protocol are indicated (for such term’s first usage in each row) in red italics, such as *aircraft objects*. When hovering the cursor over such defined term, the definition will appear.
* To utilise all functionality of this Guide fully, it is recommended that the User downloads both the document labelled “Principles Based Reference Guide to the Official Commentary” and “Supporting Citations to the Principles Based Reference Guide” and saves these in the same location on the User’s computer. Failure to save the two documents together may result in hyperlinks being corrupted. The Guide can also be printed out and used in hard copy but the Supporting Citations is not in a printable format.

| **REF** | **SUMMARY OF KEY PRINCIPLE** | **REFERENCE FROM THE OFFICIAL COMMENTARY** | | **CTC REFERENCES** |
| --- | --- | --- | --- | --- |
|  | 1. Preliminary Concepts and Points | | | |
|  | **Scope 1: Objects covered** | | | |
|  | **Aircraft objects** | | | |
|  | **Airframes, aircraft engines, and helicopters.**Covered, and collectively defined as  *[aircraft objects](#aircraft_objects1" \o "\“aircraft objects\” means airframes, aircraft engines and helicopters [p art 1(c)]***)*. | [2.2](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1111_22) and [3.6](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1111_36) (*Main text*)  [3.8](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1111_38), [3.13](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1111_313), [5.4](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1111_54), [5.7](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1111_57a), and [5.13](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1111_513) (*Requirements to qualify*); [4.31](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1111_431), [5.6](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1111_56), and [5.7](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1111_57b) (*Definitions*) | | c art 1(u); p arts I(2)(a)-(c), 1(2)(e), and I(2)(l) |
|  | **Parts, components, and records**.  *[Aircraft objects](#aircraft_objects2" \o "\“aircraft objects\” means airframes, aircraft engines and helicopters [p art 1(c)]***)* (ref. 1.1.1.1) defined as including all parts and components and all data, manuals, and records. | [2.39](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1112_239) and [3.10](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1112_310) (*Main text*)  [3.12](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1112_312) (*Non coverage*); [5.4](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1112_54), [5.7](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1112_57), and [5.13](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1112_513) (*Inclusion of components and data / manuals*) | | p arts I(2)(a)-(b) and I(2)(h) |
|  | **Aircraft, airframes, aircraft engines, and helicopters** | | | |
|  | **Treated as separate objects**.    *[Airframes](#Airframes1" \o "\“airframes\” means airframes (other than those used in military, customs or police services) that, when appropriate aircraft engines are installed thereon, are type certified by the competent aviation authority to transport:(i)at least eight (8) persons including crew; or(ii)goods in excess of 2750 kilograms, together with all installed, incorporated or attached accessories, parts and equipment (other than aircraft engines), and all data, manuals and records relating thereto; [p art 2(e)]***)*,      *[aircraft engines](#aircraft_engines1" \o "\“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:(i)in the case of jet propulsion aircraft engines, have at least 1750 lb of thrust or its equivalent; and(ii)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; [p art 2(b)]***)*, and      *[helicopters](#helicopters1" \o "\“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:(i)at least five (5) persons including crew; or(ii)goods in excess of 450 kilograms, together with all installed, incorporated or attached accessories, parts and equipment (including rotors), and all data, manuals and records relating thereto; [p art 2(l)]***)* treated as separate  *[objects](#objects1" \o "\“object\” means an object of a category to which Article 2 applies; [c art 1(u)]***)* (ref. 1.1.1.1). | [2.38](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1121_238) and [3.6](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1121_36) (*Main text*)  [3.9](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1121_39), [3.11](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1121_311), [3.72](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1121_372), [4.55](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1121_455), [5.3](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1121_53), [5.5](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1121_55), and [5.7](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1121_57) (*Separate objects and international interests*); [4.31](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1121_431) (*Definition of object*) | | c art 1(u); p arts I(2)(a)-(c), 1(2)(e), and I(2)(l) |
|  | **Treatment of helicopter engines.**      *[Aircraft engines](#aircraft_engines2" \o "\“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:(i)in the case of jet propulsion aircraft engines, have at least 1750 lb of thrust or its equivalent; and(ii)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; [p art 2(b)]***)* installed on a      *[helicopter](#helicopter1" \o "\“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:(i)at least five (5) persons including crew; or(ii)goods in excess of 450 kilograms, together with all installed, incorporated or attached accessories, parts and equipment (including rotors), and all data, manuals and records relating thereto; [p art 2(l)]***)* are components of that helicopter and when uninstalled such aircraft engines are separate  *[aircraft objects](#aircraft_objects3" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)*. | [2.38](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1122_238) and [3.6](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1122_36) (*Main text*)  [3.9](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1122_39), [3.11](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1122_311), [3.72](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1122_372), [4.55](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1122_455), [5.5](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1122_55), and [5.7](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1122_57) (*Treatment of helicopter engines*); [4.31](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1122_431) (*Definition of object*) | | c art 1(u); p arts I(2)(b) and I(2)(l) |
|  | **Registrations pertaining to helicopter engines.**Common practice to register  *[international interests](#international_interests1" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1) on      *[aircraft engines](#aircraft_engines3" \o "\“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:(i)in the case of jet propulsion aircraft engines, have at least 1750 lb of thrust or its equivalent; and(ii)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; [p art 2(b)]***)* that are intended for use on a      *[helicopter](#helicopter2" \o "\“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:(i)at least five (5) persons including crew; or(ii)goods in excess of 450 kilograms, together with all installed, incorporated or attached accessories, parts and equipment (including rotors), and all data, manuals and records relating thereto; [p art 2(l)]***)* (ref. 1.1.2.2) regardless of whether they were installed on the helicopter at the time of the  *[agreement](#agreement1" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* (ref. 1.2.2); a  *[prospective international interest](#prospective_international_interest1" \o "\“prospective international interest\“ means an interest that is intended to be created or provided for in an 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 object), whether or not the occurrence of the event is certain; [c art 1(y)]***)* (ref. 2.2.3) may be  *[registered](#registered1" \o "\“registered\“ means registered in the International Registry pursuant to Chapter V; [c art 1(bb)]***)*, and becomes an international interest (with effect as of the date of registration, ref. 6.1.5.1) once the aircraft engine is removed. | [2.38](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1123_238) (*Main text*)  [2.61](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1123_261), [3.11](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1123_311), and [5.5](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1123_55) (*Prospective international interest*) | | p arts I(2)(b) and I(2)(l) |
|  | **Scope 2: Application and connecting factors** | | | |
|  | **Sphere of application** | | | |
|  | **Conditions of applicability.**The five conditions to applicability of the CTC: (1) the parties have entered into an  *[agreement](#agreement2" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* (ref. 1.2.2); (2) the agreement relates to an  *[aircraft object](#aircraft_object1" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1); (3) the aircraft object is uniquely identifiable; (4) the agreement complies with the relevant formalities required under the CTC (ref. 1.2.3); and (5) there is a connecting factor (ref. 1.2.4). | [2.31](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1211_231) (*Main text*) | | c arts 2, 3, 4, and 7; p art I VII |
|  | **Definition of ‘agreement’** | | | |
|  | **Types of agreement.**A  *[security agreement](#security_agreement1" \o "\“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 object to secure the performance of any existing or future obligation of the chargor or a third person; [c art 1(ii)]***)*, a  *[title reservation agreement](#title_reservation_agreement1" \o "\“title reservation agreement\“ means an agreement for the sale of an object on terms that ownership does not pass until fulfilment of the condition or conditions stated in the agreement; [c art 1(ll)]***)* or a  *[leasing agreement](#leasing_agreement1" \o "\“leasing agreement\“ means an agreement by which one person (the lessor) grants a right to possession or control of an object (with or without an option to purchase) to another person (the lessee) in return for a rental or other payment; [c art 1(q)]***)*, as defined by the Convention, is required to constitute an  *[international interest](#international_interest1" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2). | [2.44](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1221_244) (*Main text*)  [2.48](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1221_248) (*Forms of international interests*); [4.7](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1221_47) (*Definition of agreement*); [4.27](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1221_427) (*Definition of leasing agreement*); [4.45](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1221_445) (*Definition of security agreement*); [4.48](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1221_448) (*Definition of title reservation agreement*) | | c arts 1(q), 1(ii), and 1(ll) |
|  | **Characterization and re-characterization of agreement.**Whether a particular agreement is within the scope of the CTC is determined by the CTC’s autonomous definitions (refs. 1.1, 1.2.2.1, and 3); if it is, then an agreement’s characterization under applicable national law governs how the CTC applies to certain matters, such as the available default remedies (refs. 4.9 and 5). | [2.63](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1222_263) (*Main text*)  [2.44](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1222_244) and [4.27](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1222_427a) (*Out of scope examples*); [2.24](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1222_224), [2.64](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1222_264), [4.27](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1222_427b), [4.48](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1222_448), and [4.56](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1222_456) (*Re-characterization under applicable law*) | | c arts 2(2) and 2(4) |
|  | **Formalities required for the constitution of an agreement** | | | |
|  | **Formalities.**The four formalities for an  *[agreement](#agreement3" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* to fall within the CTC: (1) the agreement must be in  *[writing](#writing1" \o "\“writing\“ means a record of information (including information communicated by teletrans-mission) 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. [c art 1(nn)]***)*; (2) the relevant chargor / lessor /  *[conditional seller](#conditional_seller1" \o "\“conditional seller\“ means a seller under a title reservation agreement; [c art 1(f)]***)* must have the power to dispose of the  *[aircraft object](#aircraft_object2" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.2.3.2); (3) the aircraft object (ref. 1.1.1) must be identifiable; and (4) in respect of a  *[security agreement](#security_agreement2" \o "\“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 object to secure the performance of any existing or future obligation of the chargor or a third person; [c art 1(ii)]***)*, the obligations secured must be ascertainable. | [2.79](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1231_279) and [2.80](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1231_280) (*Main text*)  [2.48](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1231_248) and [4.73](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1231_473) (*Requirement to meet formalities*); [2.65](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1231_265), [2.68](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1231_268), [2.88](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1231_288), [3.13](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1231_313), [3.23](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1231_323), and [5.36](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1231_536) (*Identifiability*); [2.81](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1231_281), [4.50](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1231_450), and [4.76](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1231_476) (*Writing*); [2.82](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1231_282) (*Power to dispose*); [2.89](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1231_289) and [4.79](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1231_479) (*Obligations secured*) | | c art 7; p art VII |
|  | **Power to dispose.**A party holds a power to dispose for the purposes of the CTC if that power is conferred on it by applicable law or the CTC. A power to dispose is wider than a right to dispose and includes the ability of a transferor to transfer better title than it itself possesses. | [2.82](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1232_282) (*Main text*)  [2.83](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1232_283) and [4.78](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1232_478a) (*Right to dispose*); [4.78](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1232_478b) (*Power to dispose*); [2.84](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1232_284) and [4.77](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1232_477) (*Power to dispose wider than right to dispose*) | | c arts 7, 16, and 29(2) |
|  | **Existence of a connecting factor** | | | |
|  | * + - 1. **Connecting factors.**Two alternative ‘connecting factors’ trigger the application of the CTC: (1) the situation of the       2. *[debtor](#debtor1" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* (connecting factor for        5. *[aircraft engines](#aircraft_engines4" \o "\“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:(i)in the case of jet propulsion aircraft engines, have at least 1750 lb of thrust or its equivalent; and(ii)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; [p art 2(b)]***)*,        8. *[airframes](#airframes2" \o "\“airframes\“ means airframes (other than those used in military, customs or police services) that, when appropriate aircraft engines are installed thereon, are type certified by the competent aviation authority to transport:(i)at least eight (8) persons including crew; or(ii)goods in excess of 2750 kilograms, together with all installed, incorporated or attached accessories, parts and equipment (other than aircraft engines), and all data, manuals and records relating thereto; [p art 2(e)]***)*, and        11. *[helicopters](#helicopters2" \o "\“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:(i)at least five (5) persons including crew; or(ii)goods in excess of 450 kilograms, together with all installed, incorporated or attached accessories, parts and equipment (including rotors), and all data, manuals and records relating thereto; [p art 2(l)]***)*); and (2) the   *[State of registry](#state_of_registry1" \o "\“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. [p art 2(p)]***)* of the airframe or helicopter (connecting factor for airframes and helicopters but not aircraft engines). | [2.33](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1241_233) and [3.17](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1241_317) (*Main text*)  [4.62](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1241_462) (*Alternative connecting factors*) | | c art 3; p arts I(2)(o) and IV(1) |
|  | **Situation of debtor.**The  *[debtor](#debtor2" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* must be situated in a Contracting State at the time of the conclusion of the  *[agreement](#agreement4" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* (ref. 1.2.2) that creates or provides for the  *[international interest](#international_interest2" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1). | [2.31](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1242_231) and [2.33](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1242_233) (*Main text*)  [2.34](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1242_234), [4.61](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1242_461), and [4.63](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1242_463) (*Meeting the criteria*); [2.36](OC%20Guide%20-%20Master%20Citations%20Annex.docx" \l "S1242_236) (*Re-location of debtor*) | | c arts 3 and 4 |
|  | **Registration of airframe.**The      *[airframe](#airframe1" \o "\“airframes\“ means airframes (other than those used in military, customs or police services) that, when appropriate aircraft engines are installed thereon, are type certified by the competent aviation authority to transport:(i)at least eight (8) persons including crew; or(ii)goods in excess of 2750 kilograms, together with all installed, incorporated or attached accessories, parts and equipment (other than aircraft engines), and all data, manuals and records relating thereto; [p art 2(e)]***)* or the      *[helicopter](#helicopter3" \o "\“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:(i)at least five (5) persons including crew; or(ii)goods in excess of 450 kilograms, together with all installed, incorporated or attached accessories, parts and equipment (including rotors), and all data, manuals and records relating thereto; [p art 2(l)]***)* (ref. 1.1.1.1) must be registered (or registration effected pursuant to an agreement to register) in an  *[aircraft register](#aircraft_register1" \o "\“aircraft register\“ means a register maintained by a State or a common mark registering authority for the purposes of the Chicago Convention; [p art 2(d)]***)* of a Contracting State which is the  *[State of registry](#State_of_registry1" \o "\“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. [p art 2(p)]***)* at the time the agreement (ref. 1.2.2) that creates or provides for the  *[international interest](#international_interest3" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* is concluded. | [3.17](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1243_317) (*Main text*)  [3.7](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1243_37) (*Effect of re-registration*); [5.26](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1243_526) (*Further detail*) | | p arts I(2)(o)-((p) and IV(1) |
|  | **Prospective international interests.**The presence of a connecting factor is determined at the time when the event occurs that ripens the  *[prospective international interest](#prospective_international_interest2" \o "\“prospective international interest\“ means an interest that is intended to be created or provided for in an 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 object), whether or not the occurrence of the event is certain; [c art 1(y)]***)* (ref. 2.2.3) into an  *[international interest](#international_interest4" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1). | [2.33](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1244_233) (*Main text*)  [4.34](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1244_434), [4.35](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1244_435), and [4.36](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1244_436) (*Prospective international interest defined*) | | c art 1(x), (v), and (z) |
|  | **System of declarations** | | | |
|  | **Declarations**.Permit a Contracting State the discretion to vary the effect of the CTC (ref. 4.10.1). | [2.326](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S131_2326) and [3.165](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S131_3165) (*Main text*)  [2.73](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S131_273), [4.350](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S131_4350), and [4.351](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S131_4351a) (*Declarations – general information*); [2.328](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S131_2328), [2.329](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S131_2329), and [4.351](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S131_4351b) (*Declarations by the EU*); [4.168](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S131_4168), [4.354](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S131_4354), [4.381](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S131_4381), and [4.382](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S131_4382) (*Maintenance of list of declarations*); Appendices XI and XII | | c arts 23, 39, 40, 48, 50, 52-55, and 62; p art VIII, X-XII, XIII, XIX, XXIV, XXXVII, XXIX, and XXX |
|  | **Types of declarations.**Five types: (1) opt-in declarations; (2) opt-out declarations; (3) declarations relating to a Contracting State’s own laws; (4) mandatory declarations; and (5) other declarations. | [2.327](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S132_2327), [2.330](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S132_2330) and [3.167](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S132_3167) (*Main text*)  [2.331](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S132_2331) and [3.168](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S132_3168) (*Opt-in declarations*); [2.332](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S132_2332) and [3.169](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S132_3169) (*Opt-out declarations*); [2.333](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S132_2333) and [3.170](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S132_3170) (*Contracting State’s own laws*); [2.334](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S132_2334), [2.335](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S132_2335), and [3.171](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S132_3171) (*Mandatory declarations*); [2.336](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S132_2336) (*Other declarations*); [2.337](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S132_2337) and [3.172](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S132_3172) (*Effects of the declaration system*); Appendices XI and XII | | c arts 23, 39, 40, 48, 50, 52-55, and 62; p art VIII, X-XII, XIII, XIX, XXIV, XXXVII, XXIX, and XXX |
|  | **Relevant declarations.**Determining which Contracting State’s declaration is the ‘relevant declaration’ in respect of any particular issue depends upon the time at which, and the forum in which, the issue arises (refs 4.10.1, 4.10.4, 6.2.3.2, 7.1.4, and 7.2.4). | [2.327](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S133_2327) and [3.166](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S133_3166) (*Main text*) | | c arts 23, 39, 40, 48, 50, 52-55, and 62; p art VIII, X-XII, XIII, XIX, XXIV, XXXVII, XXIX, and XXX |
|  | **Binding on other Contracting States.**A relevant declaration (ref. 1.3.3) must be respected by all other Contracting States and will also be respected by a non-Contracting State whose conflict of laws rules leads to the application of the law of a Contracting State (refs. 4.10.1, 7.2.4, 10.1.1, and 10.5.1). | [2.327](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S134_2327) and [3.166](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S134_3166) (*Main text*)  [2.339](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S134_2339), [2.340](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S134_2340), and [3.174](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S134_3174) (*Binding on other Contracting States*) | | c arts 23, 39, 40, 48, 50, 52-55, and 62; p art VIII, X-XII, XIII, XIX, XXIV, XXXVII, XXIX, and XXX |
|  | **Timing for declarations.**Declarations may be replaced, modified, or withdrawn as permitted by the CTC with any such changes having a retrospective, and not a retroactive, effect. | [2.338](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S135_2338) and [3.173](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S135_3173) (*Main text*)  [2.339](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S135_2339), [2.340](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S135_2340), [2.341](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S135_2341), [3.174](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S135_3174), [4.355](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S135_4355), [4.356](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S135_4356), [4.357](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S135_4357), [4.358](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S135_4358), and [4.359](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S135_4359) (*Subsequent declarations and withdrawals*) | | c arts 56, 57, 58, and 60; p arts XXXII, XXXIII, and XXXIV |
|  | **Importance of commercial predictability** | | | |
|  | **Unified international regime.**The CTC sets out a unified legal regime for the purposes of governing financing transactions for  *[aircraft objects](#aircraft_objects4" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1), with the objective of facilitating asset-based financing and leasing by providing creditors with certainty as to their proprietary rights and predictability in the application of remedies (refs. 3.1 and 3.2). | [2.4](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S141_24) and [2.6](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S141_26) (*Main text*)  [2.23](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S141_223), [4.2](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S141_42), and [4.3](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S141_43) (*Principle of predictability*) | | c Preamble and art 5(1); p Preamble |
|  | **International Registry system** | | | |
|  | **Registration.**The  *[International Registry](#international_registry1" \o "\“International Registry\“ means the international registration facilities established for the purposes of this Convention or the Protocol; [c art 1(p)]***)* system enables a  *[creditor](#creditor1" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* to register with respect to an  *[aircraft object](#aircraft_object3" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1): (1) an  *[international interest](#international_interest5" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1) establishing priority over  *[unregistered interests](#unregistered_object1" \o "\“unregistered interest\“ means a consensual interest or non-consensual right or interest (other than an interest to which Article 39 applies) which has not been registered, whether or not it is registrable under this Convention; [c art 1(mm)]***)* and later  *[registered interests](#registered_interests1" \o "\“registered interest\“ means an international interest, a registrable non-consensual right or interest or a national interest specified in a notice of a national interest registered pursuant to Chapter V; [c art 1(cc)]***)* (refs. 2.2.3, 5.5.1.3, 5.5.3.6, 6.2.1, 6.2.2, 7.1.3.1, 7.1.5, and 7.3.8); and (2) a  *[sale](#sale1" \o "\“sale\“ means a transfer of ownership of an object pursuant to a contract of sale; [c art 1(gg)]***)* (ref. 2.4), establishing the latest buyer as the person with superior rights over a buyer under an unregistered sale or an earlier registered sale (ref. 6.2.2.6). | [2.8](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S151_28), [2.27](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S151_227), and [4.129](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S151_4129) (*Main text*)  [2.48](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S151_248) (*Definition of registered*); [2.49](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S151_249), [3.57](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S151_357), [4.130](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S151_4130a), [4.131](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S151_4131), and [4.143](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S151_4143a) (*Not a title register*); [4.26](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S151_426) (*Definition of International Registry*); [4.130](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S151_4130b) and [4.143](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S151_4143b) (*Registration made against aircraft object*) | | c arts 1(bb), 1(cc), 1(mm), and 16(1) |
|  | **Access to International Registry.**The  *[International Registry](#international_registry2" \o "\“International Registry\“ means the international registration facilities established for the purposes of this Convention or the Protocol; [c art 1(p)]***)* system is accessible at all times. Searches are open to the public, and searching parties need only comply with registry requirements for establishing an account. Parties registering interests in  *[aircraft objects](#aircraft_objects5" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) must comply with rigorous account creation and identification requirements to gain access. | [3.59](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S152_359) and [4.177](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S152_4177) (*Main text*)  [2.192](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S152_2192) (*Principle of open access*) | | c arts 17, 18, 22, and 26; c art XX(4) |
|  | **Entry points.**A Contracting State may make a declaration under Article XIX of the Protocol establishing either an ‘authorized entry point’ or a ‘direct entry point’ through which registration information with respect to      *[airframes](#airframes3" \o "\“airframes\“ means airframes (other than those used in military, customs or police services) that, when appropriate aircraft engines are installed thereon, are type certified by the competent aviation authority to transport:(i)at least eight (8) persons including crew; or(ii)goods in excess of 2750 kilograms, together with all installed, incorporated or attached accessories, parts and equipment (other than aircraft engines), and all data, manuals and records relating thereto; [p art 2(e)]***)* or      *[helicopters](#helicopters3" \o "\“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:(i)at least five (5) persons including crew; or(ii)goods in excess of 450 kilograms, together with all installed, incorporated or attached accessories, parts and equipment (including rotors), and all data, manuals and records relating thereto; [p art 2(l)]***)* for which it is the  *[State of registry](#State_of_registry2" \o "\“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. [p art 2(p)]***)* must be transmitted to the  *[International Registry](#international_registry3" \o "\“International Registry\“ means the international registration facilities established for the purposes of this Convention or the Protocol; [c art 1(p)]***)*. An entry point may not be made compulsory in respect of      *[aircraft engines](#aircraft_engines5" \o "\“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:(i)in the case of jet propulsion aircraft engines, have at least 1750 lb of thrust or its equivalent; and(ii)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; [p art 2(b)]***)*. | [3.65](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S153_365) (*Main text*)  [2.192](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S153_2192) (*Regulations invalidate registrations not discharges*); [3.66](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S153_366a) (*Types of designated entry points*); [2.193](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S153_2193), [2.194](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S153_2194), and [3.70](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S153_370) (*Registrations*); [3.166](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S153_3166) (*Relevant declaring Contracting State*); [3.66](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S153_366b) and [3.69](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S153_369) (*Aircraft engines*) | | c art 18(5); p art XIX |
|  | 1. Key Property Interests Established by the CTC | | | |
|  | **General** | | | |
|  | **Distinct interests.** One person may hold two or more distinct registrable interests in the same  *[aircraft object](#aircraft_object4" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1), each of which would require its own registration in order to obtain protection as a  *[registered interest](#registered_interest1" \o "\“registered interest\“ means an international interest, a registrable non-consensual right or interest or a national interest specified in a notice of a national interest registered pursuant to Chapter V; [c art 1(cc)]***)* (refs. 2.3.3, 5.5.1.3, 5.5.3.6, 6.2.1, 6.2.2, 7.1.3.1, 7.1.5, and 7.3.8). | [2.40](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S211_240) and [3.104](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S211_3104) (*Main text*)  [3.107](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S211_3107) and [5.25](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S211_525) (*Separate interests require separate registration*) | | c arts 1(cc), 16, 29, 30, 35, and 41; p arts III and V |
|  | **International interests** | | | |
|  | **International interest.**A *sui generis* interest in property (not derived from or dependent upon national law) that arises under or results from an  *[agreement](#agreement6" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* (refs. 1.2.2 and 1.2.3). An  *[international interest](#international_interest6" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* may be a sub-interest of another international interest, such as an interest under a sub-lease agreement, and may be held by multiple  *[creditors](#creditors1" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* as fractional interests. | [2.40](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S221_240) and [2.48](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S221_248) (*Main text*)  [2.49](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S221_249) (*sui generis right*); [4.24](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S221_424) (*Definition of international interest*; *Fractional interests*) | | c art 2 |
|  | **National interest / internal transaction.**An interest registered under a national registration system which would be registrable as an  *[international interest](#international_interest7" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* but for the fact that it was created by an  *[internal transaction](#internal_transaction1" \o "\“internal transaction\“ means a transaction of a type listed in Article 2(2)(a) to (c) where the centre of the main interests of all parties to such transaction is situated, and the relevant object located (as specified in the Protocol), in the same Contracting State at the time of the conclusion of the contract and where the interest created by the transaction has been registered in a national registry in that Contracting State which has made a declaration under Article 50(1); [c art 1(n)]***)* constitutes a  *[national interest](#national_interest1" \o "\“national interest\“ means an interest held by a creditor in an object and created by an internal transaction covered by a declaration under Article 50(1); [c art 1(r)]***)* rather than an international interest if all parties to the  *[agreement](#agreement7" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* (ref. 1.2.2.1) are situated, and the  *[aircraft object](#aircraft_object5" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) is located, in the same Contracting State and that Contracting State has made a declaration under Convention Article 50 excluding the CTC’s application. A  *[notice of a national interest](#notice_of_a_national_interest1" \o "\“notice of a national interest\“ means notice registered or to be registered in the International Registry that a national interest has been created; [c art 1(t)]***)* can be  *[registered](#registered2" \o "\“registered\“ means registered in the International Registry pursuant to Chapter V; [c art 1(bb)]***)* in the  *[International Registry](#international_registry4" \o "\“International Registry\“ means the international registration facilities established for the purposes of this Convention or the Protocol; [c art 1(p)]***)* in order to secure its priority in the same way as an international interest (ref. 6.1.4.3.2). | [2.40(3)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S222_240_3_) and [2.48](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S222_248) (*Main text*)  [2.304](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S222_2304a) and [4.330](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S222_4330) (*Declarations in respect of internal transactions*); [4.23](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S222_423) and [2.304](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S222_2304b) (*Definition of internal transaction*); [4.24](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S222_424) and [4.30](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S222_430) (*Notice of a national interest*); [4.28](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S222_428) and [2.304](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S222_2304c) (*Definition of national interest*) | | c arts 1 and 50(1) |
|  | **Prospective international interests.**An interest that, upon the occurrence of a stated event or the satisfaction of a formal condition to creation (ref. 1.2.3.1), will be constituted as an  *[international interest](#international_interest8" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* in an identifiable  *[aircraft object](#aircraft_object6" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (refs. 1.1.1, 6.1.5.1, and 6.2.2.3). | [2.40(2)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S223_240_2_) and [2.61](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S223_261) (*Main text*)  [2.159](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S223_2159), [2.195](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S223_2195), and [2.256](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S223_2256) (*No fresh registration required*); [4.35](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S223_435) (*Definition of prospective international interest*) | | c arts 1, 18(3), 19(4), and 22(3) |
|  | **Proceeds**. The priorities established by the CTC for an  *[international interest](#international_interest9" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 6) extend to  *[proceeds](#proceeds1" \o "\“proceeds\“ means money or non-money proceeds of an object arising from the total or partial loss or physical destruction of the object or its total or partial confiscation, condemnation or requisition; [c art 1(w)]***)*, which are limited to the money or non-money proceeds from the total or partial loss, confiscation, condemnation, or requisition of an  *[aircraft object](#aircraft_object7" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1). | [2.51](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S224_251) (*Main text*)  [2.62](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S224_262) and [4.59](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S224_459) (*Extension to proceeds*); [4.33](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S224_433) (*Definition of proceeds*) | | c arts 1(o), 1(w), 2(5), and 29(6) |
|  | **Non-consensual rights or interests** | | | |
|  | **General.**Rights or interests that are created by applicable non-CTC law, not by agreement, are given effect under the CTC if the Contracting State in which the right or interest arises has made a declaration electing to either preserve (but not expand) its national law priority for such rights or interests without registration (ref. 2.3.2), or to replace its national law priority for such rights or interests with the CTC’s registration and priority scheme (ref. 2.3.3) (refs. 6.2.1, 6.2.2.4, and 6.2.3.2). The default remedies under the CTC do not apply to these interests, and the effect of the declaration is limited to the declaring Contracting State and any other State whose non-CTC conflict of law rules make the law of the declaring Contracting State applicable (refs. 4.2 and 7.3.9). | [2.40(4)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S231_240_4_) and [(5)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S231_240_5_) (*Main text*)  [2.234](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S231_2234), [2.265](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S231_2265), [2.267](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S231_2267), [4.278](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S231_4278), [4.279](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S231_4279a), [4.283](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S231_4283a), and [4.293](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S231_4293) (*Priority matters*); [2.264](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S231_2264), [4.279](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S231_4279b), and [4.283](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S231_4283b) (*No expansion of preferred rights*); [2.271](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S231_2271) (*Types of declarations made*); [2.274](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S231_2274) and [4.24](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S231_424) (*Non-application of default remedies*) | | c arts 1(s), 39(1), and 40; p art XI(12) |
|  | **Interests given priority without registration.**A Contracting State may make a declaration under Convention Article 39(1) identifying (generally or specifically) the categories of  *[non-consensual rights or interests](#non_consensual_rights_or_interests1" \o "\“non-consensual right or interest\“ means a right or interest conferred under the law of a Contracting State which has made a declaration under Article 39 to secure the performance of an obligation, including an obligation to a State, State entity or an intergovernmental or private organisation; [c art 1(s)]***)* which, under its national law, would be given priority without registration over interests that would be equivalent to  *[international interests](#international_interests2" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)*, and preserving such national law priority in that Contracting State. | [2.40(4)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S232_240_4_) (*Main text*)  [4.29](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S232_429) (*Definition*); [4.278](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S232_4278) (*Relevant declaration*); [4.280](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S232_4280), [4.281](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S232_4281), [4.282](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S232_4282), [4.284](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S232_4284), [4.288](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S232_4288), [4.289](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S232_4289), [4.290](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S232_4290), [4.291](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S232_4291), and [4.292](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S232_4292) (*Examples of art. 39(1) rights*) | | c arts 1(o), 1(s), and 39(1) |
|  | **Interests given priority through registration.** A Contracting State may make a declaration under Convention Article 40 specifying the categories of  *[non-consensual rights or interests](#non_consensual_rights_or_interests2" \o "\“non-consensual right or interest\“ means a right or interest conferred under the law of a Contracting State which has made a declaration under Article 39 to secure the performance of an obligation, including an obligation to a State, State entity or an intergovernmental or private organisation; [c art 1(s)]***)* arising under its national law which are registrable under the CTC (  *[registrable non-consensual rights or interests](#registrable_non_consensual_rights_or_in1" \o "\“registrable non-consensual right or interest\“ means a non-consensual right or interest registrable pursuant to a declaration deposited under Article 40; [c art 1(dd)]***)*), thereby making the CTC’s scheme of registration priority for  *[registered interests](#registered_interests2" \o "\“registered interest\“ means an international interest, a registrable non-consensual right or interest or a national interest specified in a notice of a national interest registered pursuant to Chapter V; [c art 1(cc)]***)* and  *[unregistered interests](#unregistered_interests1" \o "\“unregistered interest\“ means a consensual interest or non-consensual right or interest (other than an interest to which Article 39 applies) which has not been registered, whether or not it is registrable under this Convention; [c art 1(mm)]***)* applicable to such interests in that Contracting State. | [2.40(5)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S233_240_5_) (*Main text*)  [4.293](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S233_4293) (*Relevant declaration;* *examples of art. 40 rights*) | | c arts 1(s), 1(cc), 1(dd), 1(mm), and 40 |
|  | **Sales** | | | |
|  | **Sales.**The Protocol extends the registration provisions of the CTC to outright  *[sales](#sales1" \o "\“sale\“ means a transfer of ownership of an object pursuant to a contract of sale; [c art 1(gg)]***)* (ref. 6.1.4.2) and  *[prospective sales](#prospective_sales1" \o "\“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; [c art 1(z)]***)* (ref. 6.1.5) of  *[aircraft objects](#aircraft_objects6" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1). Priority rules apply only if the sales are in competition with one another (ref. 6.2.2.6). Excluded are: (1) the default provisions of the CTC; and (2) the special priority rule contained in Convention Article 29(3) (protecting unregistered buyers) because the sale is registrable (refs 6.1.1.1, 6.1.4.2, 6.2.2.6, and 6.2.3.1). | [2.43](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S241_243), [2.49](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S241_249), and [4.295](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S241_4295a) (*Main text*)  [3.1](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S241_31) (*Means of giving public notice*); [3.15](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S241_315), [3.16](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S241_316), [4.24](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S241_424), [4.295](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S241_4295b), [5.20](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S241_520), and [5.24](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S241_524) (*Relevant articles*) | | c arts 1, 29(3), and 41; p art III and V |
|  | **Sale is a *sui generis* interest.**A  *[sale](#sale2" \o "\“sale\“ means a transfer of ownership of an object pursuant to a contract of sale; [c art 1(gg)]***)* is a *sui generis* interest; whether an interest constitutes a sale for the purposes of the CTC is a matter for the CTC, not national law (ref. 3.1). | [3.20](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S242_320) (*Main text*)  [5.31](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S242_531) (*No requirement for reference to lex situs*) | | c arts 1(g), 1(gg), and 5 |
|  | **Meaning of ‘sale’.**A transfer of ownership of an  *[aircraft object](#aircraft_object8" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) pursuant to a  *[contract of sale](#contract_of_sale1" \o "\“contract of sale\“ means a contract for the sale of an object by a seller to a buyer which is not an agreement as defined in (a) above; [c art 1(g)]***)*, defined as excluding a  *[security agreement](#security_agreement3" \o "\“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 object to secure the performance of any existing or future obligation of the chargor or a third person; [c art 1(ii)]***)*, a  *[title reservation agreement](#title_reservation_agreement2" \o "\“title reservation agreement\“ means an agreement for the sale of an object on terms that ownership does not pass until fulfilment of the condition or conditions stated in the agreement; [c art 1(ll)]***)* or a  *[leasing agreement](#leasing_agreement2" \o "\“leasing agreement\“ means an agreement by which one person (the lessor) grants a right to possession or control of an object (with or without an option to purchase) to another person (the lessee) in return for a rental or other payment; [c art 1(q)]***)* as defined by the CTC (ref. 1.2.2) and meeting certain formalities (ref. 2.4.5). The  *[sale](#sale3" \o "\“sale\“ means a transfer of ownership of an object pursuant to a contract of sale; [c art 1(gg)]***)* (not the contract of sale) is the interest recognized and capable of being  *[registered](#registered3" \o "\“registered\“ means registered in the International Registry pursuant to Chapter V; [c art 1(bb)]***)* under the CTC. | [2.276](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S243_2276a) (*Main text*)  [2.52](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S243_252), [2.276](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S243_2276b), [3.16](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S243_316), [3.20](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S243_320), [3.21](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S243_321), [4.16](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S243_416), [4.43](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S243_443), and [5.23](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S243_523) (*Meaning of sale and contract of sale*); [5.21](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S243_521) (*Distinction between sale and contract of sale*) | | c arts 1(g), 1(gg), and 41; p art III and V |
|  | **Debtor, creditor and connecting factor for a sale.**With respect to a  *[sale](#sale4" \o "\“sale\“ means a transfer of ownership of an object pursuant to a contract of sale; [c art 1(gg)]***)*, the  *[debtor](#debtor3" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* is the seller and the  *[creditor](#creditor2" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* is the buyer, and the alternative connecting factors are the situation of the debtor (the seller) or the  *[State of registry](#State_of_registry8" \o "\“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. [p art 2(p)]***)* for the      *[airframe](#airframe2" \o "\“airframes\“ means airframes (other than those used in military, customs or police services) that, when appropriate aircraft engines are installed thereon, are type certified by the competent aviation authority to transport:(i)at least eight (8) persons including crew; or(ii)goods in excess of 2750 kilograms, together with all installed, incorporated or attached accessories, parts and equipment (other than aircraft engines), and all data, manuals and records relating thereto; [p art 2(e)]***)* or      *[helicopter](#helicopter4" \o "\“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:(i)at least five (5) persons including crew; or(ii)goods in excess of 450 kilograms, together with all installed, incorporated or attached accessories, parts and equipment (including rotors), and all data, manuals and records relating thereto; [p art 2(l)]***)* being a Contracting State (ref. 1.2.4). | [5.22](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S244_522) (*Main text*) | | c arts 1(i), 1(j), 1(gg), and 41; p art III and V |
|  | **Formalities for a contract of sale.**The formalities for a  *[contract of sale](#contract_of_sale2" \o "\“contract of sale\“ means a contract for the sale of an object by a seller to a buyer which is not an agreement as defined in (a) above; [c art 1(g)]***)* are the same as those for an  *[international interest](#international_interest10" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (excluding the  *[secured obligations](#secured_obligations1" \o "\“secured obligation\“ means an obligation secured by a security interest; [c art 1(hh)]***)* requirement) (ref. 1.2.3). | [3.20](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S245_320) (*Main text*)  [4.16](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S245_416) and [5.31](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S245_531) (*Parallel formalities*); [5.30](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S245_530) (*Registration of sale, not contract of sale*) | | c arts 1(g) and 41; p art III and V |
|  | **Prospective sales.**A  *[sale](#sale5" \o "\“sale\“ means a transfer of ownership of an object pursuant to a contract of sale; [c art 1(gg)]***)* which is intended to be made in the future upon the occurrence of a stated event, including exercise of a purchase option in a  *[leasing agreement](#leasing_agreement3" \o "\“leasing agreement\“ means an agreement by which one person (the lessor) grants a right to possession or control of an object (with or without an option to purchase) to another person (the lessee) in return for a rental or other payment; [c art 1(q)]***)* (refs 1.1.2.3, 1.2.4.4, 6.1.1.1, 6.1.5, and 6.2.2.3). | [2.276](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S246_2276) (*Main text*)  [3.21](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S246_321) and [3.108](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S246_3108) (*Registration of a prospective sale*); [3.52](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S246_352), [4.36](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S246_436a), and [5.23](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S246_523) (*Lessee option to purchase registrable as prospective sale*); [4.36](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S246_436b) (*Definition of prospective sale*) | | c arts 1(gg) 1(z), and 41; p art III and V |
|  | **Associated rights** | | | |
|  | **Meaning of associated rights.**Rights to payment or other performance by a  *[debtor](#debtor4" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* under an  *[agreement](#agreement8" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)*, which under a  *[security agreement](#security_agreement4" \o "\“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 object to secure the performance of any existing or future obligation of the chargor or a third person; [c art 1(ii)]***)* are secured by, or under a  *[title reservation agreement](#title_reservation_agreement3" \o "\“title reservation agreement\“ means an agreement for the sale of an object on terms that ownership does not pass until fulfilment of the condition or conditions stated in the agreement; [c art 1(ll)]***)* or a  *[leasing agreement](#leasing_agreement4" \o "\“leasing agreement\“ means an agreement by which one person (the lessor) grants a right to possession or control of an object (with or without an option to purchase) to another person (the lessee) in return for a rental or other payment; [c art 1(q)]***)* are otherwise associated with, the  *[aircraft object](#aircraft_object9" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (refs. 1.1.1, 1.2.2, and 8.3.1). Examples include rights to the repayment of a loan or the payment of the price under a security agreement or a title reservation agreement, the payment of rentals under a leasing agreement, or the performance of insurance and repair obligations with respect to an aircraft object. | [2.40(6)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S251_240_6_) and [4.12](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S251_412) (*Main text*) | | c arts 1(c), 1(q), 1(ii), and 1(ll) |
|  | **Related agreements and further advances**.Obligations under an  *[agreement](#agreement9" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* that comprise  *[associated rights](#associated_rights1" \o "\“associated rights\“ means all rights to payment or other performance by a debtor under an agreement which are secured by or associated with the object; [c art 1(c)]***)* may include obligations that arise under a separate instrument or agreement, as where the  *[secured obligations](#secured_obligations2" \o "\“secured obligation\“ means an obligation secured by a security interest; [c art 1(hh)]***)* under a  *[security agreement](#security_agreement5" \o "\“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 object to secure the performance of any existing or future obligation of the chargor or a third person; [c art 1(ii)]***)* encompass future advances, payments under a promissory note, or obligations under subsequent agreements (ref. 8.3.1, 8.3.3, and 8.3.12). | [2.242](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S252_2242) (*Main text*)  [4.12](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S252_412) (*Obligations under other agreements*) | | c art (1(a), 1(c), 1(hh), and 1(ii) |
|  | **Assignments of associated rights**.Ref. 8.3. |  | |  |
|  | 1. Principles of Interpretation | | | |
|  | **Autonomous interpretation** | | | |
|  | **Autonomous meaning.**The provisions of the CTC must be accorded an autonomous meaning that is uniform in all Contracting States and not affected by the national law canons of interpretation in any Contracting State. Contracting State  *[courts](#Courts1" \o "\“court\“ means a court of law or an administrative or arbitral tribunal established by a Contracting State; [c art 1(h)]***)* are instructed to avoid national law concepts in interpreting the CTC. | [2.24](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S311_224) (*Main text*)  [2.71](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S311_271) and [4.68](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S311_468) (*Avoid national law*) | | c art 5(1) |
|  | **Importance of definitions.** The CTC includes a substantial number of defined terms with special meanings, deviating from and superseding the meanings that may be given to corresponding terms under national law, and having a material effect on the interpretation of the CTC’s terms (refs. 1.1.2, 2.2.4, 2.4.2, 4.6, 4.7.1, 4.9.2, 5.5.3, 5.6, 7.1.1, 7.2.6, and 8.3.2). | [2.30](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S312_230) (*Main text*) | | c art 1; p art 1 |
|  | **Hierarchy of interpretive rules and gap-filling principles** | | | |
|  | **Hierarchy**.The CTC’s rules of interpretation establish a hierarchy and protocol for filling gaps in its coverage of issues as set out in the following sub-sections. | [2.24](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S321_224) (*Main text*) | | c Preamble and arts 5(1)-(3) |
|  | **Express terms govern.**Matters addressed by the CTC are settled first by the express terms of the CTC, applying its definitions, the natural and ordinary meaning of its text, and considering its purposes. | [2.24](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S322_224) (*Main text*) | | c Preamble and arts 5(1)-(2) |
|  | **Gaps filled by general principles*.***Where the CTC does not expressly settle a matter or is silent, the first and primary source for gap-filling is the general principles on which the CTC is based as set out in the Preamble (predictability, party autonomy, and the protection and ready enforcement of the creditor rights and interests in equipment created by the CTC, all to promote asset-based financing and leasing) and supplementary means of interpretation (including the Official Commentary). | [2.24](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S323_224) and [2.71](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S323_271) (*Main text*)  [2.25](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S323_225), [2.26](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S323_226), [2.27](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S323_227), [4.67](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S323_467), and [4.69](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S323_469) (*CTC objectives and principles*); [2.29](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S323_229) (*Supplementary means of interpretation*) | | c Preamble and arts 5(1)-(2) |
|  | **Applicable law is last resort.**If a matter cannot be resolved based on the preceding rules, then as a last resort it must be resolved in conformity with applicable law (ref. 3.3.1). | [2.28](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S324_228) and [2.71](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S324_271) (*Main text*)  [2.5](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S324_25) and [4.70](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S324_470) (*Domestic law is last resort*) | | c Preamble and arts 5(1)-(3) |
|  | **Role of and relationship to, applicable law** | | | |
|  | **Primary functions.**‘Applicable law’ (being the domestic rules of law that apply using the conflict of laws rules of the forum State, avoiding any issues of *renvoi*) serves two functions under the CTC: first, to address and govern the several matters under the CTC where the CTC expressly directs, such as the procedure for the enforcement of rights and remedies created by the CTC and the characterization of the  *[agreement](#agreement10" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* for purposes of determining the applicable remedies (refs. 1.2.2.2 and 4.9); and second, but only as a last resort, to address and govern matters that are not expressly settled by the CTC or on which it is silent, if the matter cannot be resolved by reference to its general principles and supplementary means of interpretation. | [2.71](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S331_271) (*Main text*)  [2.28](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S331_228) and [4.70](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S331_470) (*Domestic law as a last resort*); [2.72](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S331_272) and [3.24](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S331_324) (*Matters expressly left to applicable law*); [2.73](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S331_273) (*Residual rule applying domestic law*) | | c arts 2(4), 5(2)-(3), and 14 |
|  | **CTC supersedes.**The CTC supersedes otherwise applicable law whenever the two are in conflict (refs. 4.4.3, 4.5.2, 4.6.1, 4.6.4, 7.3.1, 8.2.1, 8.7.1, 9.1.1, and 10.2.1), regardless of whether the law in question was in effect before the CTC came into force or enacted subsequently. | [2.10](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S332_210) and [2.293](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S332_2293) (*Main text*)  [3.24](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S332_324) (*CTC overrides applicable law on validity*) | | c arts 2, 5, 8-13, 29, 30, 34, 35, 54, and 55; p arts III, VI, IX, X, and XI |
|  | **Applicable law procedure must support CTC rights.**Where the CTC relies on applicable law to specify the procedure for the enforcement of a right or remedy created by the CTC, the applicable law procedure must be applied in a manner that will give substantive effect to that right or remedy (refs. 4.5.2 and 10.3.1). | [2.145](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S333_2145) (*Main text*)  [2.108](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S333_2108) (*Procedural law may not block non-judicial remedies*) | | c arts 5 and 14 |
|  | **Applicable law procedure must not block CTC rights.**A Contracting State may not impose conditions in its national law which are incompatible with the provisions of the CTC or are incompatible with the rights and remedies provided under the CTC (refs. 4.5.2 and 10.3.1). | [2.74](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S334_274) (*Main text*)  [2.108](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S334_2108) (*Procedural law may not block non-judicial remedies*) | | c arts 5 and 14 |
|  | **Relationship of the Convention to the Protocol** | | | |
|  | **Protocol prevails.** The Convention and the  *[Protocol](#Protocol1" \o "\“Protocol\“ means, in respect of any category of object and associated rights to which this Convention applies, the Protocol in respect of that category of object and associated rights; [c art 1(aa)]***)* are to be read together, and in the case of any conflict, the terms of the Protocol prevail. | [2.14](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S341_214)-[2.16](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S341_216) (*Main text*) | | c arts 6 and 49(1) |
|  | 1. Default Remedies (General) | | | |
|  | **What constitutes a default?** | | | |
|  | **Defined by agreement, if agreed, or if not, substantially deprives creditor.**The events that constitute a ‘default’, or otherwise give rise to remedies under the CTC, are defined by the  *[creditor](#creditor3" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* and  *[debtor](#debtor5" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* in the relevant  *[agreement](#agreement11" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* (ref. 1.2.2), and if not defined by agreement, default means the occurrence of an event which substantially deprives the creditor of what it is entitled to expect under the agreement. | [2.102](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S411_2102) (*Main text*)  [2.95](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S411_295), [4.85](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S411_485), and [4.114](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S411_4114) (S*tandard for default absent agreement*) | | c art 11 |
|  | **Defaults not limited to breach.**The events stipulated by the parties as triggering remedies may include matters, such as the insolvency of the  *[debtor](#debtor6" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* or a change in law, that do not constitute a breach of the  *[agreement](#agreement12" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)*, but instead reflect the parties’ allocation of transaction risks. | [2.102](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S412_2102), and [4.113](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S412_4113) (*Main text*)  [3.113](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S412_3113), [4.85](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S412_485), and [5.80](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S412_580) (*Party autonomy in defining default*) | | c art 11 |
|  | **Remedies available to a creditor** | | | |
|  | **CTC remedies**. The CTC confers certain specific remedies on the  *[creditor](#creditor4" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)*, applicability of which may be subject to satisfying conditions (refs. 5 and 7.2). | [2.103](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S421_2103), [2.106](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S421_2106), and [2.121](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S421_2121) (*Main text*) | | c arts 8, 9, 10, and 13; p arts IX, X, and XI |
|  | **Additional remedies (non-CTC remedies)**.The CTC preserves procedural and substantive remedies that are permitted to a creditor by applicable law (such as the right to payment of accrued sums, acceleration of liability for future sums, damages for breach of the  *[agreement](#agreement13" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)*, interest, and specific performance of non-monetary obligations), including interim remedies and any agreed upon by the parties (‘additional remedies’), subject to compliance with any mandatory requirements of the CTC (refs. 4.3.1, 4.4.1, 4.6, 4.7.2, 4.11.1, 5.7.2, 5.7.3, and 8.4.2). | [2.122](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S422_2122) and [4.115](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S422_4115) (*Main text*)  [2.106](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S422_2106) (*Parties free to agree additional remedies*); [2.123](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S422_2123) and [4.128](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S422_4128) (*Autonomy to cumulate and derogate*); [2.124](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S422_2124) and [2.125](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S422_2125) (*Additional remedies include substantive and procedural and interim relief*) | | c arts 9(3)-(4), 12, 13(4), 14, and 15; p arts IX and X(5) |
|  | **Manner for exercising remedies** | | | |
|  | **Commercially reasonable manner is required.** All remedies created by the CTC and additional remedies (ref. 4.2.2) must be exercised in a commercially reasonable manner, as defined by the CTC (ref. 4.6), which is a mandatory standard that cannot be derogated from. | [2.107](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S431_2107) *(Main text*)  [2.123](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S431_2123) (*Additional remedies*); [3.48(1)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S431_348_1_) (*Replacement of Article 8(3)*); [5.52](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S431_552) (*Standard is mandatory*) | | c arts 8, 9, 10, and 12; p art IX(3) |
|  | **Court authorization; mandatory Article 54(2) declaration** | | | |
|  | **Court authorization declaration required**.Contracting States are required to make a declaration under Convention Article 54(2) to specify whether or not court authorization is required for the  *[creditor](#creditor5" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* to exercise the CTC remedies which do not by their terms require court authorization. | [4.343](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S441_4343) (*Main text*)  [2.334](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S441_2334), [4.86](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S441_486), and [4.344](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S441_4344) (*Article 54(2) declaration is mandatory*) | | c arts 14 and 54(2) |
|  | **Court authorization for CTC remedies not required absent declaration**.Remedies created by the CTC which do not have terms requiring court authorization for their exercise, namely, terminate the  *[agreement](#agreement14" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* (ref. 5.1), take possession or control of the  *[aircraft object](#aircraft_object10" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (refs. 1.1.1 and 5.2), sell or grant a lease of the aircraft object (ref. 5.3), and collect or receive income or profits from use or management of the aircraft object (ref. 5.4), may be exercised without court authorization unless the Contracting State where such remedy is exercised has made a declaration under Convention Article 54(2) requiring court authorization in respect of such remedy or remedies. | [2.107](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S442_2107) (*Main text*)  [2.108](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S442_2108), [2.109](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S442_2109), and [4.343](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S442_4343a) (*Declaration may condition all non-judicial remedies or none*); [4.86](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S442_486), [4.109](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S442_4109), [4.111](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S442_4111), and [4.343](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S442_4343b) (*Declaration required to condition exercise of non-judicial remedies*) | | c arts 8(1), 9(1), 10(a), and 54(2); p art IX, X(6)-(7). XXI, and XXX(2) |
|  | **Declaration displaces conflicting national law.**A declaration permitting the exercise of CTC remedies without court authorization supersedes any conflicting applicable law that would require leave of court for exercise of a corresponding national law remedy (ref. 3.3.2 and 10.2.1). | [2.107](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S443_2107) (Main text)  [2.108](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S443_2108), [2.109](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S443_2109), and [4.343](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S443_4343) (*Effect of Article 54(2) declaration*); [2.144](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S443_2144), [4.124](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S443_4124), and [4.125](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S443_4125) (*Article* *14 procedure is subject to CTC procedure and Article 54(2) declaration*) | | c arts 14 and 54(2) |
|  | **Declaration has no effect on national law remedies.**A declaration under Convention Article 54(2) is limited in effect to CTC remedies; a declaration that requires leave of court would not have any effect on the exercise of a non-CTC remedy that, under applicable law, is exercisable without court authorization. | [2.108](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S444_2108) and [4.343](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S444_4343) (*Main text*) | | c arts 12, 13(4), 14, and 54(2) |
|  | **Article XI, Alternative A declaration supersedes Article 54(2).**In the case of  *[insolvency proceedings](#insolvency_proceedings1" \o "\“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; [c art 1(l)]***)* (ref. 7.1.1) in a Contracting State, a declaration under Article Convention 54(2) by that Contracting State requiring leave of the court for the exercise of remedies is superseded by a declaration to apply the remedies established by Protocol Article XI, Alternative A (ref. 7.3.1.2), and does not restrict exercise of the remedies pursuant to Alternative A of the Protocol. | [2.107](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S445_2107) (*Main text*)  [4.124](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S445_4124) (*Alternative A declaration overrides Article 54(2) declaration*) | | c art 54(2); p arts XI and XXX(3) |
|  | **Relationship with national procedural law** | | | |
|  | **Remedies exercised in conformity with procedural law at place of exercise.**Any remedy created by the CTC, as well as any additional remedy (ref. 4.2.2), must be exercised in conformity with the procedure prescribed by the law of the place where the remedy is exercised and any additional procedural requirements established by the CTC, subject to any declaration made under Convention Article 54(2) which will override any inconsistent applicable law procedural requirements (ref. 4.4.3). | [2.107](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S451_2107) (*Main text*)  [2.144](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S451_2144) (*Article* *14 is subject to CTC procedural rules*); [4.124](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S451_4124) (*Remedies exercised under procedure of place of exercise*) | | c arts 5 and 14 |
|  | **Applicable law procedure must support CTC.**Procedural law must be applied in a manner that is compatible with the substantive provisions of the CTC, and may not be applied to undermine rights and remedies they create or the time periods for court or administrative agency actions they establish (refs. 3.3.3, 3.3.4, and 10.3.1). | [2.145](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S452_2145) (*Main text*)  [2.108](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S452_2108) (*Procedural law may not block non-judicial remedies*) | | c arts 5 and 14 |
|  | **Adequate remedies under applicable law.**Contracting States are obligated to ensure that they establish appropriate procedures and substantive remedies to give effect to the rights established by the CTC (refs. 7.3.10 and 10.3.1). | [2.107](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S453_2107) (*Main text*)  [2.26](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S453_226) (*Contracting State obligation to provide adequate remedy for CTC rights*); [2.145](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S453_2145) (*procedural law must be compatible with the CTC*) | | c arts 5 and 14; p art XI |
|  | **Approach to commercial reasonableness** | | | |
|  | **Autonomous law standard displacing national law.**Commercial reasonableness is based on an autonomous CTC interpretation, not on the concept of commercial reasonableness in any particular national legal system. The exercise of a remedy which meets the CTC test of reasonableness cannot be struck down because of a more stringent test under national law. | [2.112](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S461_2112) (*Main text*) | | c arts 5 and 8(3); p art IX(3) |
|  | **Manner, not outcome, of exercise must be commercially reasonable.**The manner of exercise of the remedy, not the outcome, must be commercially reasonable applying an objective test: whether the manner of exercise would be considered reasonable by a neutral observer familiar with the usages of the market. | [2.112](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S462_2112) (*Main text*)  [4.93](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S462_493) (*Objective test*) | | c arts 5 and 8(3); p art IX(3) |
|  | **Deference to agreement; manifestly unreasonable exception.**Actions that conform to the agreement of the parties are regarded as commercially reasonable unless that contractual provision is found to be ‘manifestly unreasonable’.There is a strong presumption that a provision in an  *[agreement](#agreement15" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* which is in line with customary international practice is not manifestly unreasonable. | [5.53](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S463_553) (*Main text*)  [2.107](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S463_2107), [3.48(1)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S463_348_1_), and [3.48(2)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S463_348_2_) (*Reasonable if conforming to agreement*); [4.94](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S463_494) and [4.120](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S463_4120) (*Courts should be cautious before intervening*) | | c arts 5 and 8(3); p art IX(3) |
|  | **Specific rights granted by CTC override commercial reasonableness.**The general requirement of commercial reasonableness gives way to specific provisions restricting interference with the exercise of creditors’ remedies. Example:  *[debtor’s](#debtor7" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* duty to give possession as prescribed by paragraph 2 of Alternative A of Protocol Article XI is not qualified by commercial reasonableness, nor is the waiting period prescribed by a Contracting State’s declaration under Protocol Article XI(3) (ref. 7.3.3.3). | [3.48(1)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S464_348_1_) (*Main text*) | | c arts 5 and 8(3); p arts IX(3), X, and XI |
|  | **Rights and recourse for debtor and interested persons** | | | |
|  | **Quiet possession and use** | | | |
|  | **Scope of quiet possession rights**.A  *[debtor](#debtor8" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* who is a  *[conditional buyer](#conditional_buyer1" \o "\“conditional buyer\“ means a buyer under a title reservation agreement; [c art 1(e)]***)* or lessee (refs. 1.2.2.2 and 4.9.2) is entitled to quiet possession and use of an  *[aircraft object](#aircraft_object11" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref.1.1.1) on the terms of the  *[agreement](#agreement16" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* (ref. 1.2.2), as against: (1) its own  *[creditor](#creditor6" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)*; (2) the holder of any interest that was not  *[registered](#registered4" \o "\“registered\“ means registered in the International Registry pursuant to Chapter V; [c art 1(bb)]***)* when the agreement with debtor was concluded; and (3) the holder of any interest to which the debtor’s interest is otherwise subordinate, to the extent that such holder has agreed to such quiet enjoyment, in each case unless such debtor is in default (ref. 4.1). A buyer is entitled to quiet possession and use of an aircraft object on the terms of the  *[contract of sale](#contract_of_sale3" \o "\“contract of sale\“ means a contract for the sale of an object by a seller to a buyer which is not an agreement as defined in (a) above; [c art 1(g)]***)* (ref. 2.4.3) as against: (1) its own seller; and (2) the holder of any interest that was not registered when the  *[sale](#sale6" \o "\“sale\“ means a transfer of ownership of an object pursuant to a contract of sale; [c art 1(gg)]***)* was concluded (ref. 6.1.4.2). | [3.109](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4711_3109) and [3.110](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4711_3110) (*Main text*)  [2.215](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4711_2215), [2.216](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4711_2216), [4.198](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4711_4198), [4.212](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4711_4212), [4.213](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4711_4213), [5.80](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4711_580a), [5.81](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4711_581), and [5.85](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4711_585) (*Quiet enjoyment rights follow registration priorities*); [3.113](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4711_3113), and [5.80](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4711_580b) (*Quiet enjoyment right extinguished upon debtor default*); [3.115](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4711_3115) and [4.201](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4711_4201) (*discharge of registration extinguishes related quiet enjoyment right*) | | c arts 11, 29(4), and 29(5); p arts III, XIV, and XVI |
|  | **Quiet possession through subordination agreement.**Ref. 8.5.2. |  | |  |
|  | **Breach of quiet possession**. While not specified in the CTC, the  *[creditor’s](#creditor7" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* seizure or attempted seizure of the  *[aircraft object](#aircraft_object12" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) in the absence of a default (ref. 4.1) by the  *[debtor](#debtor9" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* would constitute a breach of quiet possession (ref. 3.2.2), and the parties are free to agree upon the actions constituting such a breach. | [3.112](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4713_3112) (*Main text*)  [3.116](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4713_3116) (*Creditor compliance with agreement required*); [5.82](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4713_582) (*Acts constituting breach*) | | c art 5; p art XVI |
|  | **Tort claims for breach.**Tort claims under applicable law for breach of a  *[debtor’s](#debtor10" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* quiet possession are not displaced by the CTC. | [5.83](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4714_583) (*Main text*)  [3.116](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4714_3116) (*Creditor compliance with agreement required*); [4.86](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4714_486) (*No displacement of applicable criminal or tort law*) | | p art XVI(2) |
|  | **Redemption right** | | | |
|  | **Redemption right of debtor**. Prior to the sale of an  *[aircraft object](#aircraft_object13" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) pursuant to Convention Article 8(1)(b) (ref. 5.3) or issuance of a court order vesting ownership of the aircraft object in the chargor pursuant to Convention Article 9(2) (ref. 5.7.3) the  *[debtor](#debtor11" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* may discharge the  *[security interest](#security_interest1" \o "\“security interest\“ means an interest created by a security agreement; [c art 1(jj)]***)* by paying the full amount secured. | [2.119](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4721_2119) (*Main text*)  [4.101](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4721_4101) (*full payment includes damages*) | | c arts 8(1)(b), 9(2), and 9(4) |
|  | **Subrogation right** | | | |
|  | **Subrogation right of interested person**. Prior to the sale of an  *[aircraft object](#aircraft_object14" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* pursuant to Convention Article 8(1)(b) (ref. 5.3) or issuance of a court order vesting ownership of the aircraft object in the chargor pursuant to Convention Article 9(2) (ref. 5.7.3) an        *[interested person](#interested_person1" \o "\“interested persons\“ means:(i)the debtor;(ii)any person who, for the purpose of assuring performance of any of the obligations in favour of the creditor, gives or issues a suretyship or demand guarantee or a standby letter of credit or any other form of credit insurance;(iii)any other person having rights in or over the object; [c art 1(m]***)* may be subrogated to the rights of the chargee by paying the full amount secured. | [2.119](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4731_2119) (*Main text*)  [4.102](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4731_4102) and [4.107](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4731_4107) (*effect of subrogation*) | | c arts 8(1)(b), 9(2), 9(4), and 38(1) |
|  | **Effect of registration on remedies; priorities** | | | |
|  | **Registration not required for enforcement.**An  *[international interest](#international_interest12" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1) must be validly constituted (ref. 1.2.3) in order for the CTC’s remedies to apply; registration of the interest is not required. | [2.100](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S481_2100) (*Main text*) | | c arts 2, 7, 8-15, and 29 |
|  | **Registration affects scope of enforcement rights.**Registration and the order of registration establishes a  *[creditor’s](#creditor8" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* priority (ref. 6.2.1.2), and in turn determines who is subject to the creditor’s exercise of remedies under the CTC. A creditor’s exercise of CTC remedies has effect with respect to, and may displace the interest of, its own  *[debtor](#debtor13" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* and any other person, including another creditor (and its debtor under the related  *[international interest](#international_interest13" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1)), that has a lower priority; the enforcing creditor’s interest remains subject to any higher-ranking international interests. | [2.111](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S482_2111) and [2.117](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S482_2117) (*Main text*)  [4.88](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S482_488) (*Remedies of creditor/chargee may be asserted against its debtor or any other person with lower priority interest*) | | c arts 8-10, 12, 13, 29, 34, 35; p arts IX, X, XIV, and XV |
|  | **Characterization of the agreement under applicable law** | | | |
|  | **Applicability of CTC turns on its autonomous definitions.**The autonomous definitions of the CTC (ref. 3.1) determine whether or not an  *[agreement](#agreement17" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* (ref. 1.2.2) falls within its scope and is therefore one to which CTC remedies apply. | [2.63](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S491_263) (*Main text*)  [4.56](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S491_456) (*CTC definitions determine applicability*) | | c arts 1(q), 1(ii), 1(ll), 2(4), 5(3), 8-10, 12, 13, and 34; p art IX and X |
|  | **Applicability of CTC remedies turns on applicable law characterization of agreement.**The CTC differentiates between the remedies exercisable by a  *[creditor](#creditor9" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* under a  *[security agreement](#security_agreement6" \o "\“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 object to secure the performance of any existing or future obligation of the chargor or a third person; [c art 1(ii)]***)* and a creditor under a  *[title reservation agreement](#title_reservation_agreement4" \o "\“title reservation agreement\“ means an agreement for the sale of an object on terms that ownership does not pass until fulfilment of the condition or conditions stated in the agreement; [c art 1(ll)]***)* or a  *[leasing agreement](#leasing_agreement5" \o "\“leasing agreement\“ means an agreement by which one person (the lessor) grants a right to possession or control of an object (with or without an option to purchase) to another person (the lessee) in return for a rental or other payment; [c art 1(q)]***)*, with characterization of the  *[agreement](#agreement18" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* being based on applicable law.An agreement that falls within the scope of the definition of leasing agreement under the CTC would, if re-characterized as a security agreement under applicable law, be entitled to exercise the remedies set out in Convention Articles 8 and 9 for a chargee, rather than the remedies set out in Convention Article 10 for a  *[conditional seller](#conditional_seller2" \o "\“conditional seller\“ means a seller under a title reservation agreement; [c art 1(f)]***)* or lessor.A consignment agreement characterized under applicable law as a security agreement would fall outside the CTC unless its terms fit within the CTC definitions because applicable law characterization cannot expand the scope of the CTC. | [2.63](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S492_263) and [2.64](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S492_264) (*Main text*)  [2.100](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S492_2100), [4.56](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S492_456), [4.58](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S492_458), [4.60](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S492_460), and [4.87](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S492_487) (*Applicable law characterization governs remedies*) | | c arts 1(q), 1(ii), 1(ll), 2(4), 5(3), 8-10, 12, 13, and 34; p arts IX and X |
|  | **Variation of available remedies by relevant declaration** | | | |
|  | **System of declarations.** The CTC’s system of opt-in, opt-out and mandatory declarations substantially affects the availability of remedies to a  *[creditor](#creditor10" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* in any particular case, making it necessary to determine which Contracting State’s declarations comprise the relevant declarations (refs. 1.3.3 and 4.10.4) with respect to the remedy at issue as well as the substance of the declarations made by that Contracting State (ref. 1.3). | [2.327](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4101_2327) (*Main text*) | | c arts 52, 53, 54, 55, 56, 57, and 58; p arts XXIX, XXX, XXXI, XXXII, XXXIII, and XXXIV |
|  | **Exercise of remedies without court authorization.**Ref. 4.4.2. |  | |  |
|  | **Availability of advance judicial relief**.Contracting States may, by declaration: (1) opt-out of advance judicial relief (ref. 5.6), in whole or in part; or (2) opt-in to supplement advance judicial relief authority by: (a) establishing a specific time period for granting speedy relief (ref. 5.6.6); (b) establishing a time period of five working days for compliance with a request for  *[de-registration of the aircraft](#de_registration_of_the_aircraft1" \o "\“de-registration of the aircraft\“ means deletion or removal of the registration of the aircraft from its aircraft register in accordance with the Chicago Convention; [p art 2(i)]***)* and export (refs. 5.5.2.2 and 10.6.3); (c) adding a sale remedy (ref. 5.6.1); and (d) granting the parties and other        *[interested persons](#interested_person2" \o "\“interested persons\“ means:(i)the debtor;(ii)any person who, for the purpose of assuring performance of any of the obligations in favour of the creditor, gives or issues a suretyship or demand guarantee or a standby letter of credit or any other form of credit insurance;(iii)any other person having rights in or over the object; [c art 1(m]***)* the authority to remove (in relation to one another) the court’s discretion to condition an order of advance relief on protective terms (ref. 5.6.5). | [2.129](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4103_2129) (*Main text*)  [5.58](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4103_558) (*Article XXX(2) opt in to Article X*) | | c arts 13, 42, 43, and 55; p art VIII, IX, X, XXI, and XXX(2) |
|  | **Determining the relevant declaration with respect to remedies**.The relevant declaration (ref. 1.3.3) with respect to: (1) any judicial remedy, including advance judicial relief (ref. 5.6), is the declaration made by the Contracting State of the forum where the remedy is exercised; (2) any non-judicial remedy, is the declaration of the Contracting State where the  *[aircraft object](#aircraft_object15" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) is located at the time of exercise; and (3) a prohibition on a grant of a lease by a chargee is the declaration made by the Contracting State whose law is applicable to the issue in question under the conflict of laws rules of the forum. | [2.327](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4104_2327) (*Main text*)  [4.343](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4104_4343) (*Relevant declaration for non-judicial remedies*) | | c arts 8, 9, 10, 14, 42, 43, 54, and 55; p art IV(3), VIII, IX, X, XXI, and XXX(1)-(2) |
|  | **Allocation of sums collected by a chargee** | | | |
|  | **Allocation of sums.** Sums collected or received by a chargee on enforcement of a CTC remedy must be applied in discharge of the relevant  *[secured obligations](#secured_obligations3" \o "\“secured obligation\“ means an obligation secured by a security interest; [c art 1(hh)]***)* and in accordance with the priorities established by the CTC, with any surplus being paid over to the  *[debtor](#debtor14" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* (refs. 5.3.4 and 6.2). | [2.117](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4111_2117) (*Main text*)  [4.96](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4111_496), [4.97](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4111_497), and [4.98](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4111_498) (*Sums collected on enforcement allocated by CTC priorities*) | | c arts 1(hh), 8(5)-(6), 29, and 39 |
|  | **How remedies are affected by the agreement of the parties** | | | |
|  | Ref. 8.1. |  | |  |
|  | **Commercial reasonableness standard**. A remedy exercised in conformity with a provision of the  *[agreement](#agreement19" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* is deemed to be exercised in a commercially reasonable manner unless the provision is manifestly unreasonable (ref. 4.6.3). | [5.53](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4121_553) (*Main text*)  [3.48(1)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4121_348_1_) (*Reasonable if conforming to agreement*); [4.94](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4121_494) and [4.120](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4121_4120) (*Courts should be cautious before intervening*) | | c art 8(3); p art IX(3) |
|  | **Applicability of additional remedies under applicable law.**The agreement of the parties determines whether additional remedies are applicable (ref. 4.2.2). | [2.122](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4122_2122) and [4.115](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4122_4115) (*Main text*)  [2.124](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4122_2124) (*Additional remedies include substantive and procedural remedies*) | | c art 12 |
|  | **Applicability of CTC remedies for a security agreement.**The following CTC remedies with respect to a  *[security agreement](#security_agreement7" \o "\“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 object to secure the performance of any existing or future obligation of the chargor or a third person; [c art 1(ii)]***)* are available to the  *[creditor](#creditor11" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* without prior court approval only if agreed to at any time by the  *[debtor](#debtor15" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)*: (1) taking possession or control (ref. 5.2); (2) selling or granting a lease (ref. 5.3); (3) collecting or receiving income or profits (ref. 5.4); and (4) vesting ownership and other relevant interests in the creditor toward satisfaction of  *[secured obligations](#secured_obligations4" \o "\“secured obligation\“ means an obligation secured by a security interest; [c art 1(hh)]***)* (ref. 5.7). | [2.103](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4123_2103) and [2.105](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4123_2105) (*Main text*)  [4.88](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4123_488) (*Agreement of debtor required*) | | c art 1(ii) and 8(1); p art X(3) |
|  | **Vesting of ownership.**Ownership and other interests may be vested in the  *[creditor](#creditor12" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* under a  *[security agreement](#security_agreement8" \o "\“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 object to secure the performance of any existing or future obligation of the chargor or a third person; [c art 1(ii)]***)*, in or toward satisfaction of  *[secured obligations](#secured_obligations5" \o "\“secured obligation\“ means an obligation secured by a security interest; [c art 1(hh)]***)*, without prior court approval only if agreed to by all        *[interested persons](#interested_persons1" \o "\“interested persons\“ means:(i)the debtor;(ii)any person who, for the purpose of assuring performance of any of the obligations in favour of the creditor, gives or issues a suretyship or demand guarantee or a standby letter of credit or any other form of credit insurance;(iii)any other person having rights in or over the object; [c art 1(m]***)* after a default (ref. 4.1) has occurred (ref. 5.7). | [2.105](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4124_2105) (*Main text*)  [4.99](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4124_499) (*Court approval or agreement of debtor after default required*) | | c arts 1(hh), 1(ii), and 9(1) |
|  | **Advance judicial relief remedies.**Provided that the relevant Contracting State has not opted out of advance judicial relief remedies in whole or in part (ref. 4.10.3), such remedies may be exercised by a  *[creditor](#creditor13" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* under any  *[agreement](#agreement20" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* only if agreed to at any time by the  *[debtor](#debtor16" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)*, and the creditor, debtor and other        *[interested persons](#interested_persons2" \o "\“interested persons\“ means:(i)the debtor;(ii)any person who, for the purpose of assuring performance of any of the obligations in favour of the creditor, gives or issues a suretyship or demand guarantee or a standby letter of credit or any other form of credit insurance;(iii)any other person having rights in or over the object; [c art 1(m]***)* may agree to remove court discretion to condition the grant of relief on protective terms (unless required under a Contracting State’s declaration under Protocol Article XXX(2)) (ref. 5.6). | [2.126](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4125_2126) (*Main text*)  [2.127](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4125_2127) (*Advance relief without court approval*); [4.119](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4125_4119) and [5.58](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4125_558) (*Advance remedy of sale without court approval*) | | c arts 13 and 55; p arts X(3) and XXX(2) |
|  | **De-registration of the aircraft and export remedies.**The CTC remedies of  *[de-registration of the aircraft](#de_registration_of_the_aircraft2" \o "\“de-registration of the aircraft\“ means deletion or removal of the registration of the aircraft from its aircraft register in accordance with the Chicago Convention; [p art 2(i)]***)* and export of the  *[aircraft object](#aircraft_object16" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) from the Contracting State in which it is situated are available to the  *[creditor](#creditor14" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* only if agreed to at any time by the  *[debtor](#debtor17" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* (ref. 5.5). | [5.46](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4126_546) (*Main text*) | | p art IX(1) |
|  | **Termination and repossession remedies under title reservation or leasing agreement.**The CTC remedies of termination and repossession for default under a  *[title reservation agreement](#title_reservation_agreement5" \o "\“title reservation agreement\“ means an agreement for the sale of an object on terms that ownership does not pass until fulfilment of the condition or conditions stated in the agreement; [c art 1(ll)]***)* or  *[leasing agreement](#leasing_agreement6" \o "\“leasing agreement\“ means an agreement by which one person (the lessor) grants a right to possession or control of an object (with or without an option to purchase) to another person (the lessee) in return for a rental or other payment; [c art 1(q)]***)* (ref. 4.9) are available to a  *[creditor](#creditor15" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* without agreement by the  *[debtor](#debtor18" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)*, but may require court approval if so declared by the relevant Contracting State under Convention Article 54(2); an Article 54(2) declaration requiring court approval would not impose such an approval requirement on a termination or repossession remedy arising under applicable law (refs. 4.4, 4.10, and 5.1). | [2.95](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4127_295) and [2.105](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4127_2105) (*Main text*)  [2.110](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S4127_2110) (*Article 54(2) declaration does not apply to additional remedies*) | | c arts 1(q), 1(ll), and 10(a) |
|  | 1. Default Remedies (Specific) | | | |
|  | **Terminate agreement** | | | |
|  | **CTC right for leasing agreement or title reservation agreement.**The CTC grants the  *[creditor](#creditor16" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* under a  *[leasing agreement](#leasing_agreement7" \o "\“leasing agreement\“ means an agreement by which one person (the lessor) grants a right to possession or control of an object (with or without an option to purchase) to another person (the lessee) in return for a rental or other payment; [c art 1(q)]***)* or  *[title reservation agreement](#title_reservation_agreement6" \o "\“title reservation agreement\“ means an agreement for the sale of an object on terms that ownership does not pass until fulfilment of the condition or conditions stated in the agreement; [c art 1(ll)]***)* (ref. 4.9) the right, following a default (ref. 4.1), to terminate the  *[agreement](#agreement21" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* without any requirement that the  *[debtor](#debtor19" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* has agreed to the remedy. The creditor may elect to exercise such remedy by seeking a court order authorizing it to do so, or proceed without such an authorization unless the Contracting State in which the remedy is being exercised has made a declaration under Convention Article 54(2) requiring court authorization (refs. 4.4 and 4.10). | [2.95](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S511_295) *(Main text)*  [2.121](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S511_2121a) and [4.112](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S511_4112) (*Termination upon default*); [2.105](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S511_2105) and [4.109](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S511_4109a) (*Debtor agreement*); [2.121](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S511_2121b), [2.144](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S511_2144), and [4.109](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S511_4109b) (*Applicability of court approval requirement*) | | c arts 1(q), 1(ll), 10, and 54(2) |
|  | **Non-CTC Termination.**With or without a default an  *[agreement](#agreement22" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* (ref. 1.2.2) may terminate pursuant to its terms or under applicable law. | [2.95](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S512_295) *(Main text)*  [2.101](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S512_2101), [2.121](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S512_2121), and [4.112](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S512_4112) *(Role of applicable law*) | | c arts 10 and 54(2) |
|  | **Effect on international interest.**Termination of an  *[agreement](#agreement23" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* (ref. 1.2.2) does not extinguish the related  *[international interest](#international_interest14" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1) or the  *[creditor’s](#creditor17" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* right to maintain its registration. That occurs only when: (1) the agreement creating or providing for the international interest comes to an end (whether under the CTC or under applicable law); and (2) the creditor has been paid in full or has recovered possession or control of the  *[aircraft object](#aircraft_object17" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) and/or any  *[proceeds](#proceeds2" \o "\“proceeds\“ means money or non-money proceeds of an object arising from the total or partial loss or physical destruction of the object or its total or partial confiscation, condemnation or requisition; [c art 1(w)]***)* (ref. 2.2.4) and has exhausted all other default remedies conferred on it by the CTC in relation to the aircraft object and/or any proceeds (ref. 6.2.4.3). | [2.95](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S513_295) *(Main text)*  [2.96](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S513_296), [2.97](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S513_297), and [4.112](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S513_4112) (*Termination does not extinguish international interest*) | | c arts 8 – 12 and 25 |
|  | **Take possession or control** | | | |
|  | **CTC right for any agreement**.The CTC grants the  *[creditor](#creditor18" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* under a  *[security agreement](#security_agreement9" \o "\“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 object to secure the performance of any existing or future obligation of the chargor or a third person; [c art 1(ii)]***)*, a  *[leasing agreement](#leasing_agreement8" \o "\“leasing agreement\“ means an agreement by which one person (the lessor) grants a right to possession or control of an object (with or without an option to purchase) to another person (the lessee) in return for a rental or other payment; [c art 1(q)]***)* or a  *[title reservation agreement](#title_reservation_agreement7" \o "\“title reservation agreement\“ means an agreement for the sale of an object on terms that ownership does not pass until fulfilment of the condition or conditions stated in the agreement; [c art 1(ll)]***)* (ref. 4.9) the right, following a default (ref. 4.1), to take possession or control of the  *[aircraft object](#aircraft_object18" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) provided, in the case of a security agreement (ref. 4.9), that the  *[debtor](#debtor20" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* has agreed to the remedy (ref. 4.12.3) and without requiring any such agreement in the case of a leasing agreement or title reservation agreement. The creditor may elect to exercise the remedy of taking possession or control by seeking a court order authorizing it to do so (which does not require agreement of the debtor) or proceed without such an authorization unless the Contracting State in which the remedy is being exercised has made a declaration under Convention Article 54(2) requiring court authorization (refs 4.4 and 4.10.4). | [2.95](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S521_295) and [2.103](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S521_2103) *(Main text)*  [2.107](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S521_2107) and [4.86](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S521_486) (*Applicability of court approval requirement*); [2.114](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S521_2114) (*Scope of remedy*); [2.121](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S521_2121) and [4.109](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S521_4109a) (*Leasing and title reservation agreement remedy*); [4.88](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S521_488a) (*Security agreement remedy*); [4.88](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S521_488b), [4.92](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S521_492) and [4.109](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S521_4109b) (*Debtor agreement*) | | c arts 1((q), 1(ll), 8(1)(a), 8(2), 10, and 54(2) |
|  | **Sell or grant a lease** | | | |
|  | **CTC right for security agreement**.The CTC grants the  *[creditor](#creditor19" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* under a  *[security agreement](#security_agreement10" \o "\“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 object to secure the performance of any existing or future obligation of the chargor or a third person; [c art 1(ii)]***)* (ref. 4.9) the right, following a default (ref. 4.1), to sell or grant a lease of the  *[aircraft object](#aircraft_object19" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) provided that the  *[debtor](#debtor21" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* has agreed to the remedy (ref. 4.12.3). The creditor may elect to exercise the remedy of selling or granting a lease by seeking a court order authorizing it to do so (which does not require agreement of the debtor) or proceed without such an authorization unless the Contracting State in which the remedy is being exercised has made a declaration under Convention Article 54(2) requiring court authorization (refs. 4.4 and 4.10.4). | [2.103](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S531_2103) *(Main text)*  [2.107](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S531_2107) and [4.86](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S531_486) (*Applicability of court approval requirement*); [4.88](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S531_488a) (*Security agreement remedy*); [4.88](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S531_488b) and [4.92](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S531_492) (*Debtor agreement*) | | c arts 8(1)(b) and 54(2) |
|  | **Article 54(1) lease declaration.**The  *[creditor’s](#creditor20" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* right to grant a lease of the  *[aircraft object](#aircraft_object20" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) is subject to the absence of a relevant declaration (refs. 1.3.3 and 4.10.4) under Convention Article 54(1) excluding that remedy and thereby preserving mandatory provisions of applicable law as to the ability to grant a lease in the relevant Contracting State. | [2.103](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S532_2103) *(Main text)*  [4.91](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S532_491) and [4.342](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S532_4342) (*Article 54(1) declaration scope*) | | c arts 8(1)(b) and 54(1) |
|  | **Advance notice obligation.**Prior to selling or granting a lease of an  *[aircraft object](#aircraft_object21" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1), the  *[creditor](#creditor21" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* is obligated to give reasonable advance notice of the proposed sale or lease to        *[interested persons](#interested_persons3" \o "\“interested persons\“ means:(i)the debtor;(ii)any person who, for the purpose of assuring performance of any of the obligations in favour of the creditor, gives or issues a suretyship or demand guarantee or a standby letter of credit or any other form of credit insurance;(iii)any other person having rights in or over the object; [c art 1(m]***)*, including any person holding an unregistered  *[international interest](#international_interest15" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* who has given the creditor notice of its interest within a reasonable time prior to the proposed sale or lease. Written notice of ten or more working days prior to a sale or lease is sufficient to qualify for the ‘reasonable prior notice’ safe-haven established by Protocol Article IX(4); the parties are permitted to agree upon a longer notice period. | [2.115](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S533_2115) *(Main text)*  [2.40(5)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S533_240_5_), [3.48(2)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S533_348_2_) and [5.54](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S533_554) (*Notice*); [2.291](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S533_2291) (*Remedy for failure to give notice*); [4.22](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S533_422) (*Definition of interested persons*) | | c arts 1(m) and 8(1)(b), and 8(4); p arts IX(3)-(4) |
|  | **Effect of sale.**A  *[sale](#sale7" \o "\“sale\“ means a transfer of ownership of an object pursuant to a contract of sale; [c art 1(gg)]***)* by a chargee passes ownership of (or the chargor’s other interest in) the  *[aircraft object](#aircraft_object22" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) free of any other interest in the aircraft object that ranks below that of the chargee, applying the priorities determined under Convention Article 29 (ref. 6.2). | [4.103](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S534_4103) (*Main text*)  [4.108](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S534_4108) (*Sale remedy displaces lower ranking interests*) | | c arts 9(5) and 29 |
|  | **Collect or receive income** | | | |
|  | **CTC right for security agreement**.The CTC grants the  *[creditor](#creditor22" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* under a  *[security agreement](#security_agreement11" \o "\“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 object to secure the performance of any existing or future obligation of the chargor or a third person; [c art 1(ii)]***)* (ref. 4.9) the right, following a default (ref. 4.1), to collect or receive income or profits from the management or use of the  *[aircraft object](#aircraft_object23" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) provided that the  *[debtor](#debtor22" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* has agreed to the remedy (ref. 4.12.3). The creditor may elect to exercise the remedy of selling or granting a lease by seeking a court order authorizing it to do so (which does not require agreement of the debtor) or proceed without such an authorization unless the Contracting State in which the remedy is being exercised has made a declaration under Convention Article 54(2) requiring court authorization (refs. 4.4 and 4.10.4). | [2.103](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S541_2103) *(Main text)*  [2.107](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S541_2107), [4.86](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S541_486) (*Applicability of court approval requirement*); [4.88](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S541_488a) (*Security agreement remedy*); [4.88](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S541_488b) and [4.92](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S541_492) (*Debtor agreement*) | | c art 8(1)(c), 8(2), and 54(2) |
|  | **De-registration of the aircraft and export and physical transfer** | | | |
|  | **General** | | | |
|  | **Established by Protocol**.The  *[Protocol](#Protocol3" \o "\“Protocol\“ means, in respect of any category of object and associated rights to which this Convention applies, the Protocol in respect of that category of object and associated rights; [c art 1(aa)]***)* establishes two additional remedies that may be exercised by all  *[creditors](#creditor23" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* following a  *[debtor’s](#debtor23" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* default (ref. 4.1): (1)  *[de-registration of the aircraft](#de_registration_of_the_aircraft3" \o "\“de-registration of the aircraft\“ means deletion or removal of the registration of the aircraft from its aircraft register in accordance with the Chicago Convention; [p art 2(i)]***)*, which applies only to an  *[aircraft](#aircraft1" \o "\“aircraft\“ means aircraft as defined for the purposes of the Chicago Convention which are either air-frames with aircraft engines installed thereon or helicopters; [p art 2(a)]***)* because      *[aircraft engines](#aircraft_engines6" \o "\“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:(i)in the case of jet propulsion aircraft engines, have at least 1750 lb of thrust or its equivalent; and(ii)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; [p art 2(b)]***)* (ref. 1.1.2) have no nationality registration; and (2) export and physical transfer of the  *[aircraft object](#aircraft_object24" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) from the territory in which it is situated, which extends to both installed and uninstalled aircraft engines in which a creditor has an  *[international interest](#international_interest16" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1). | [3.30](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5511_330), [3.31](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5511_331), and [3.32](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5511_332) *(Main text)*  [2.106](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5511_2106) (*Remedies added by Protocol*); [3.36](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5511_336), [5.46](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5511_546), and [5.47](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5511_547) (*Aircraft and aircraft objects*); [3.37](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5511_337) (*Purpose of export remedy*) | | p arts I(2)(a), I(2)(c), I(2)(i), IX((1)-(2), and IX(6) |
|  | **Where available**. The de-registration and export remedies are available in every Contracting State by satisfying the conditions in the  *[Protocol](#Protocol4" \o "\“Protocol\“ means, in respect of any category of object and associated rights to which this Convention applies, the Protocol in respect of that category of object and associated rights; [c art 1(aa)]***)* (ref. 5.5.1.3) and using applicable law procedures (ref. 4.5). The benefits of the mechanisms established by the CTC to support enforcement, judicially through Convention Article 13 and non-judicially through an IDERA (refs 5.5.2 and 5.5.3), are only available in those Contracting States that have made a relevant declaration (refs. 1.3.3 and 4.10.4) adopting those mechanisms (refs. 5.5.2.2 and 5.5.3.2). | [3.38](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5512_338) and [5.47](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5512_547) *(Main text)* | | c 14; p arts IX((1)-(2), IX(5)-(6), X, XIII, and XXX(1)-(2) |
|  | **Conditions to exercise**.The de-registration of the  *[aircraft](#aircraft2" \o "\“aircraft\“ means aircraft as defined for the purposes of the Chicago Convention which are either air-frames with aircraft engines installed thereon or helicopters; [p art 2(a)]***)* and export and physical transfer of the  *[aircraft object](#aircraft_object25" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* remedies are conditioned upon: (1) the agreement of the  *[debtor](#debtor24" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* (which may be in the  *[agreement](#agreement24" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* itself and in the case of an IDERA (ref. 5.5.3.1) is constituted by the debtor’s signature on the instrument); (2) the existence of a default (ref. 4.1.1), evidence of which must be adduced by the  *[creditor](#creditor24" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* in the case of the court route (ref. 5.5.2), but not the IDERA route (ref. 5.5.3); (3) the prior written consent by the holders of any higher ranking  *[registered interests](#registered_interests3" \o "\“registered interest\“ means an international interest, a registrable non-consensual right or interest or a national interest specified in a notice of a national interest registered pursuant to Chapter V; [c art 1(cc)]***)* (ref. 6.2); and (4) in the case of an IDERA compliance with certain formalities (ref. 5.5.3.6). | [3.39](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5513_339) *(Main text)*  [3.39(3)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5513_339_3_) and [5.50](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5513_550) (*Evidence of default not required for IDERA*); [5.46](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5513_546) and [5.48](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5513_548) (*Conditions*); [3.38](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5513_338) and [5.47](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5513_547) (*Requirement for declaration*) | | c arts 1(cc) and 1(mm); p arts I(2)(a), I(2)(c), I(2)(i), IX((1)-(2), IX(5)-(6), X, XIII, and XXX(1)-(2) |
|  | **Concurrent or independent exercise.**The de-registration of the  *[aircraft](#aircraft3" \o "\“aircraft\“ means aircraft as defined for the purposes of the Chicago Convention which are either air-frames with aircraft engines installed thereon or helicopters; [p art 2(a)]***)* and export and physical transfer of the  *[aircraft object](#aircraft_object26" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* remedies may be exercised concurrently or independently from one another and may be exercised in different Contracting States as regards de-registration on the one hand and export on the other. | [5.46](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5514_546) (*Main text*)  [3.34](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5514_334a) and [5.55](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5514_555) (*Export without de-registration*); [3.34](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5514_334b) (*Exercise of remedies in separate Contracting States*) | | p arts I(2)(a), I(2)(c), I(2)(i), IX((1)-(2), IX(5)-(6), X, XIII, and XXX(1)-(2) |
|  | **Duties imposed on administrative authorities.**Ref. 10.6. |  | |  |
|  | **Effect of insolvency.**Ref. 7.3.6. |  | |  |
|  | **De-registration and export via the court route** | | | |
|  | **Order for advance judicial relief**.The court route provided by the  *[Protocol](#protocol5" \o "\“Protocol\“ means, in respect of any category of object and associated rights to which this Convention applies, the Protocol in respect of that category of object and associated rights; [c art 1(aa)]***)* requires the  *[creditor](#creditor25" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* to obtain an order for advance judicial relief (ref. 5.6) granting possession and control of the  *[aircraft object](#aircraft_object27" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1), with such order being issued in either an advance judicial relief proceeding (the mistaken reference in Protocol Article X(6)(a) to Article IX(1) being intended instead as reference to an order of advance judicial relief under Convention Article 13(1)) before a  *[court](#court1" \o "\“court\“ means a court of law or an administrative or arbitral tribunal established by a Contracting State; [c art 1(h)]***)* in the Contracting State which is the  *[State of registry](#State_of_registry3" \o "\“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. [p art 2(p)]***)* (refs. 1.2.4.3 and 9.2), or in a proceeding for equivalent relief before a foreign court (which need not be a Contracting State) whose jurisdiction is recognised by a court of the State of registry. | [3.40](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5521_340) *(Main text)*  [5.47](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5521_547) and [5.49](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5521_549) (*Order for advance relief required*); [3.34](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5521_334) (*Recognition of advance relief order*) | | c art 13; p arts I(2)(p), IX(1), IX(2), X(6)-(7), and XXX(2) |
|  | **Required declaration**.The court route provided by the  *[Protocol](#protocol6" \o "\“Protocol\“ means, in respect of any category of object and associated rights to which this Convention applies, the Protocol in respect of that category of object and associated rights; [c art 1(aa)]***)* requires the relevant Contracting State (refs. 1.3.3 and 4.10.4) to have made a declaration under Protocol Article XXX(2) (refs. 4.10.3 and 4.12.5). | [3.39(1)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5522_339_1_) and [3.48(3)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5522_348_3_) *(Main text)*  [5.47](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5522_547) and [5.49](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5522_549) (*Remedies available within 5 working days*) | | c art 13; p arts IX(1), IX(2), X(6)-(7), and XXX(2) |
|  | **Administrative compliance is documentary**.After a  *[creditor](#creditor26" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* gives notice that the relevant court order has been issued and the creditor is entitled to exercise the remedies of de-registration and export and physical transfer, the compliance process for the relevant administrative authorities is purely documentary (ref. 10.6). | [3.40](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5523_340) *(Main text)* | | c art 13; p arts IX(1), IX(2), X(6)-(7), and XXX(2) |
|  | **De-registration and export via the IDERA route** | | | |
|  | **General terms.**The  *[Protocol](#protocol7" \o "\“Protocol\“ means, in respect of any category of object and associated rights to which this Convention applies, the Protocol in respect of that category of object and associated rights; [c art 1(aa)]***)* provides for an irrevocable de-registration and export request authorization (‘IDERA’) as a purely documentary means (without need for any judicial action, evidence of default or fact finding (ref. 5.5.3.6)) by which the  *[debtor](#debtor25" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* may issue an irrevocable instrument that: (1) delegates to an authorized party (ref. 5.5.3.4) the sole authority following a default (ref. 4.1) to de-register an  *[aircraft](#aircraft4" \o "\“aircraft\“ means aircraft as defined for the purposes of the Chicago Convention which are either air-frames with aircraft engines installed thereon or helicopters; [p art 2(a)]***)* and export and physically transfer an  *[aircraft object](#aircraft_object28" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) from the  *[State of registry](#State_of_registry4" \o "\“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. [p art 2(p)]***)* (ref. 1.2.4.3); (2) authorizes all relevant authorities in the Contracting State (being the  *[registry authority](#registry_authority1" \o "\“registry authority\“ means the national authority or the common mark registering authority, maintaining an aircraft register in a Contracting State and responsible for the registration and de-registration of an aircraft in accordance with the Chicago Convention; [p art 2(o)]***)* and all other authorities whose approval is required to export and physically transport the aircraft object from its territory) to recognize the authorized party as having such authority, in all cases on written demand and without requiring any further consent or cooperation of the debtor; and (3) is recorded in the register of the registry authority. | [3.41](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5531_341) *(Main text)* | | p arts I(2)(f), I(2)(i), I(2)(o), I(2)(p), IX(1)-(2), IX(5)-(6), XIII, XXX(1), and Annex |
|  | **State of registry declaration required.**An IDERA (ref. 5.5.3.1) may be constituted only if the  *[State of registry](#State_of_registry5" \o "\“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. [p art 2(p)]***)* (ref. 1.2.4.3) for an  *[aircraft](#aircraft5" \o "\“aircraft\“ means aircraft as defined for the purposes of the Chicago Convention which are either air-frames with aircraft engines installed thereon or helicopters; [p art 2(a)]***)* is a Contracting State that has made a declaration under Protocol Article XXX(1) applying Protocol Article XIII (ref. 1.3). | [3.41](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5532_341) and [5.73](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5532_573) *(Main text)* | | p arts I(2)(a), I(2)(p), and XIII(1) |
|  | **Requirements to constitute.**To constitute an IDERA (ref. 5.5.3.1): (1) the  *[debtor](#debtor26" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* must execute an IDERA document in substantially the form of the Annex to the  *[Protocol](#protocol8" \o "\“Protocol\“ means, in respect of any category of object and associated rights to which this Convention applies, the Protocol in respect of that category of object and associated rights; [c art 1(aa)]***)* both identifying the      *[airframe](#airframe3" \o "\“airframes\“ means airframes (other than those used in military, customs or police services) that, when appropriate aircraft engines are installed thereon, are type certified by the competent aviation authority to transport:(i)at least eight (8) persons including crew; or(ii)goods in excess of 2750 kilograms, together with all installed, incorporated or attached accessories, parts and equipment (other than aircraft engines), and all data, manuals and records relating thereto; [p art 2(e)]***)* or      *[helicopter](#helicopter5" \o "\“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:(i)at least five (5) persons including crew; or(ii)goods in excess of 450 kilograms, together with all installed, incorporated or attached accessories, parts and equipment (including rotors), and all data, manuals and records relating thereto; [p art 2(l)]***)* (by manufacturer’s name, model number and serial number) and designating the authorized party (ref. 5.5.3.4); and (2) the IDERA must be submitted to the  *[registry authority](#registry_authority2" \o "\“registry authority\“ means the national authority or the common mark registering authority, maintaining an aircraft register in a Contracting State and responsible for the registration and de-registration of an aircraft in accordance with the Chicago Convention; [p art 2(o)]***)* in the  *[State of registry](#State_of_registry9" \o "\“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. [p art 2(p)]***)* for recordation. | [3.42](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5533_342) *(Main text)*  [5.50](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5533_550) (*Actions required to constitute*) | | p arts I(2)(f), I(2)(o), I(2)(p), XIII, and Annex |
|  | **Authorized party**.Only the  *[creditor](#creditor27" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* constituted by the IDERA (ref. 5.5.3.1) as the ‘authorized party’, or a person it certifies as its ‘designee’, may exercise the rights conferred by the IDERA; there may be only one IDERA relating to an  *[aircraft](#aircraft6" \o "\“aircraft\“ means aircraft as defined for the purposes of the Chicago Convention which are either air-frames with aircraft engines installed thereon or helicopters; [p art 2(a)]***)* at any time. The authorized party’s rights are not assignable, but may be established in favor of the creditor’s assignee through designation as its designee or by constituting a replacement IDERA. | [3.41(a)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5534_341_a_) *(Main text)*  [3.44](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5534_344) and [5.8](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5534_58) (*Designation required)* | | p arts I(2)(f) and XIII |
|  | **Irrevocable nature.**An IDERA (ref. 5.5.3.1) may be terminated only by the action of the authorized party (ref. 5.5.3.4), may not be revoked by the  *[debtor](#debtor27" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* (notwithstanding that otherwise applicable law grants the debtor the right to revoke instruments that are similar in nature and legal effect to an IDERA), and, following a default (ref. 4.1) confers on the authorized party (or its certified designee (ref. 5.5.3.4)), to the exclusion of the debtor, the sole authority to de-register the  *[aircraft](#aircraft7" \o "\“aircraft\“ means aircraft as defined for the purposes of the Chicago Convention which are either air-frames with aircraft engines installed thereon or helicopters; [p art 2(a)]***)* and export and physically transfer the  *[aircraft object](#aircraft_object29" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) from the territory of the relevant Contracting State. | [3.45](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5535_345) *(Main text)*  [3.39(3)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5535_339_3_) and [3.44](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5535_344) (*Exclusive right to exercise remedy*); [3.42](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5535_342) (*Irrevocable*) | | p arts I(2)(f) and XIII |
|  | **Formalities for exercise**.To exercise an IDERA (ref. 5.5.3.1) the authorized party (ref. 5.5.3.4) or its certified designee (ref. 5.5.3.4) must: (1) submit its request for de-registration to the  *[registry authority](#registry_authority3" \o "\“registry authority\“ means the national authority or the common mark registering authority, maintaining an aircraft register in a Contracting State and responsible for the registration and de-registration of an aircraft in accordance with the Chicago Convention; [p art 2(o)]***)* and its request for export and physical transfer to any other applicable authorities; (2) if required by the registry authority, certify that all  *[registered interests](#registered_interest2" \o "\“registered interest\“ means an international interest, a registrable non-consensual right or interest or a national interest specified in a notice of a national interest registered pursuant to Chapter V; [c art 1(cc)]***)* with a higher CTC priority than that of the  *[creditor](#creditor28" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* (ref. 6.2) have been discharged or have consented to de-registration and export; and (3) in the case of an  *[international interest](#international_interest17" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* held by a chargee, give reasonable prior written notice to all        *[interested persons](#interested_person3" \o "\“interested persons\“ means:(i)the debtor;(ii)any person who, for the purpose of assuring performance of any of the obligations in favour of the creditor, gives or issues a suretyship or demand guarantee or a standby letter of credit or any other form of credit insurance;(iii)any other person having rights in or over the object; [c art 1(m]***)*. The relevant authorities may not impose additional requirements, such as  *[debtor](#debtor28" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* consent or evidence of default (ref. 10.6). | [3.42](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5536_342) *(Main text)*  [3.38](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5536_338) (*No need for court order*), [3.39(3)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5536_339_3_) (*No evidence of default*); [3.41](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5536_341) and [5.50](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5536_550) (*No additional requirements*) | | c art 1(m)(iii); p arts I(2)(f), I(2)(o), IX(5)-(6), and XIII |
|  | **Pre-existing right or interest.**Registration of an IDERA (ref. 5.5.3.1) in respect of a  *[pre-existing right or interest](#pre_existing_right_or_interest1" \o "\“pre-existing right or interest\“ means a right or interest of any kind in or over an object created or arising before the effective date of this Convention as defined by Article 60(2)(a); [c art 1(v)]***)* (ref. 6.1.4.3.3) has no effect under the CTC but may have an effect under national law. | [3.35](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S5537_335) *(Main text)* | | c arts 1(v) and 60(1) |
|  | **Relief pending final determination: advance judicial relief** | | | |
|  | **Remedies covered.**The CTC establishes the following remedies (‘advance judicial relief’) for the  *[creditor](#creditor29" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)*, any or all of which, if agreed to by the  *[debtor](#debtor29" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)*, may be exercised on an expedited basis following a default (ref. 4.1) and prior to a final determination as to the merits of the creditor’s claim or consideration of the potential defenses: (1) preservation of the  *[aircraft object](#aircraft_object30" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* and its value; (2) possession, control or custody of the aircraft object; (3) immobilization of the aircraft object; (4) lease or management of the aircraft object and its income; and (5) sale of the aircraft object and application of  *[proceeds](#proceeds3" \o "\“proceeds\“ means money or non-money proceeds of an object arising from the total or partial loss or physical destruction of the object or its total or partial confiscation, condemnation or requisition; [c art 1(w)]***)* (where a declaration has been made by the relevant Contracting State permitting this). The remedies referred to in items (2), (4), and (5) overlap with remedies that a creditor may exercise without court authorization (refs. 5.2-5.4). The parties may agree to exclude all or any of the forms of advance judicial relief established by the CTC and may agree to additional forms of advance judicial relief (ref. 4.12.5). The creditor remains entitled to invoke any other form of interim relief available to it under applicable law (ref. 4.2.2). | [2.126](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S561_2126) and [4.117](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S561_4117) *(Main text)*  [2.127](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S561_2127) (*Overlap of remedies*); [2.132](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S561_2132) (*Agreement of debtor required*); [2.138](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S561_2138) (*Parties may exclude or agree to additional forms of relief*); [4.119](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S561_4119), [3.48(3)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S561_348_3_), and [5.58](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S561_558) (*Inclusion of sale as a remedy*); [4.121](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S561_4121) (*Applicable law relief remains available*) | | c arts 13, 42, 43, and 55; p arts X and XXX(2) |
|  | **Constitutes autonomous law.** The advance judicial relief remedies established by the CTC are *sui generis* CTC remedies, constituting autonomous law which is not affected by the availability of any supporting or corresponding interim law remedies under applicable law (ref. 3). | [2.132](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S562_2132) *(Main text)*  [4.117](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S562_4117) (*CTC remedy not affected by municipal law*) | | c arts 5, 13, and 55; p arts X and XXX(2) |
|  | **Requirements for grant.**To obtain advance judicial relief the  *[creditor](#creditor30" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* must show evidence of a default (ref. 4.1), but is not required to adjudicate its claim on the merits or address any purported defenses of the  *[debtor](#debtor30" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)*. | [2.126](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S563_2126) *(Main text)*  [2.135](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S563_2135), [2.136](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S563_2136), [2.137](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S563_2137), [4.117](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S563_4117), and [5.58](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S563_558) (*Standard of proof*) | | c arts 13 and 55; p arts X and XXX(2) |
|  | **Court jurisdiction.**Advance judicial relief is available by the  *[creditor’s](#creditor31" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* application to a relevant court (ref. 9.2), and is subject to exclusion (in whole or in part) by a relevant declaration (ref. 4.10). | [2.126](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S564_2126) *(Main text)*  [2.129](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S564_2129), [2.277](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S564_2277a), [4.116](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S564_4116), [4.117](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S564_4117a), and [4.347](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S564_4347) (*Subject to exclusion by declaration*); [2.130](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S564_2130), [2.277](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S564_2277b), [4.117](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S564_4117b), [4.123](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S564_4123), and [4.303](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S564_4303) (*Court jurisdiction*) | | c arts 13, 42, 43 and 55; p arts X and XXX(2) |
|  | **Court discretion.**Before making the order for advance judicial relief, the  *[court](#court2" \o "\“court\“ means a court of law or an administrative or arbitral tribunal established by a Contracting State; [c art 1(h)]***)* may require notice of the request for relief pending final determination to be given to        *[interested persons](#interested_person4" \o "\“interested persons\“ means:(i)the debtor;(ii)any person who, for the purpose of assuring performance of any of the obligations in favour of the creditor, gives or issues a suretyship or demand guarantee or a standby letter of credit or any other form of credit insurance;(iii)any other person having rights in or over the object; [c art 1(m]***)*. The court has discretion to impose conditions on its order for advance judicial relief, such as a creditor bond or undertaking, to protect the  *[debtor](#debtor31" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* and other interested persons against the risk that the  *[creditor](#creditor32" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* may breach its obligations to them or ultimately fail to prove its claim. Such court discretion may be excluded by the agreement of the parties (where a declaration has been made by the relevant Contracting State (refs. 4.10.3, 4.10.4 and 4.12.5) permitting this). The court has no discretion to withhold grant of the remedy to a creditor who meets the standard of proof or to suspend an order to allow a debtor time to comply (ref. 10.6). | [2.128](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S565_2128a) *(Main text)*  [2.126](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S565_2126a) and [4.118](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S565_4118a) (*Notice prior to order*); [2.126](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S565_2126b), [2.129](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S565_2129), [2.139](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S565_2139), [4.122](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S565_4122) and [5.59](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S565_559) (*Parties may exclude court discretion*); [2.128](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S565_2128b), [2.137](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S565_2137), [4.117](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S565_4117), and [4.118](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S565_4118b) (*No discretion to withhold grant of remedy*); [2.141](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S565_2141), [4.118](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S565_4118c), and [4.123](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S565_4123) (*Scope of discretion under 13(2)*) | | c arts 13, 42, 43, and 55; p arts X and XXX(2) |
|  | **Time period for grant.**A ruling by the  *[court](#court3" \o "\“court\“ means a court of law or an administrative or arbitral tribunal established by a Contracting State; [c art 1(h)]***)* on a  *[creditor’s](#creditor33" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* application for advance judicial relief must be provided within the time period specified in the relevant declaration (refs. 1.3.3, 4.10.4 and 10.6), or in absence of a declaration, within a time period that is consistent with the plain meaning of the term ‘speedy relief’, and that supports the purposes of the CTC (ref. 3). | [2.133](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S566_2133) (*Main text*)  [3.48(3)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S566_348_3_), [4.117](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S566_4117), and [5.58](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S566_558) (*Meaning of speedy*); [2.135](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S566_2135) and [2.137](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S566_2137) (*Standard of proof must fit time limits*) | | c arts 5, 13, 42, 43, and 55; p arts X and XXX(2) |
|  | **Vesting of aircraft object in satisfaction** | | | |
|  | **CTC right for security agreement.**The CTC grants the  *[creditor](#creditor34" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* under a  *[security agreement](#security_agreement12" \o "\“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 object to secure the performance of any existing or future obligation of the chargor or a third person; [c art 1(ii)]***)* the right, following a default (ref. 4.1), to have ownership of (or any other interest of the chargor in) the  *[aircraft object](#aircraft_object31" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) covered by its security agreement (ref. 4.9) vest in the creditor in full or partial satisfaction of the  *[secured obligations](#secured_obligations6" \o "\“secured obligation\“ means an obligation secured by a security interest; [c art 1(hh)]***)*, either by obtaining the agreement following such default of all        *[interested persons](#interested_person5" \o "\“interested persons\“ means:(i)the debtor;(ii)any person who, for the purpose of assuring performance of any of the obligations in favour of the creditor, gives or issues a suretyship or demand guarantee or a standby letter of credit or any other form of credit insurance;(iii)any other person having rights in or over the object; [c art 1(m]***)* or an order of an applicable  *[court](#court4" \o "\“court\“ means a court of law or an administrative or arbitral tribunal established by a Contracting State; [c art 1(h)]***)* (ref. 9.2). | [2.118](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S571_2118) and [4.99](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S571_499) *(Main text)* | | c art 9(1)-(2) |
|  | **Agreement of interested persons.**A  *[creditor](#creditor35" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* exercising the vesting remedy by agreement of        *[interested persons](#interested_person6" \o "\“interested persons\“ means:(i)the debtor;(ii)any person who, for the purpose of assuring performance of any of the obligations in favour of the creditor, gives or issues a suretyship or demand guarantee or a standby letter of credit or any other form of credit insurance;(iii)any other person having rights in or over the object; [c art 1(m]***)* must obtain agreement from the  *[debtor](#debtor32" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)*, any person providing a suretyship or similar agreement supporting performance by the debtor and any person having rights in the  *[aircraft object](#aircraft_object32" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (including an unregistered  *[international interest](#international_interest18" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)*), whether or not the creditor has notice of such person’s interest. | [2.118](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S572_2118) *(Main text)*  [4.22](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S572_422) (*Definition of interested persons*) | | c art 9(1) |
|  | **Court order requirements.**A court order vesting the ownership (or other interest of the chargor) in the chargee requires a finding that the sum of the debt secured is commensurate with the value of the  *[aircraft object](#aircraft_object33" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* after taking into account payments to be made by the chargee to        *[interested persons](#interested_person7" \o "\“interested persons\“ means:(i)the debtor;(ii)any person who, for the purpose of assuring performance of any of the obligations in favour of the creditor, gives or issues a suretyship or demand guarantee or a standby letter of credit or any other form of credit insurance;(iii)any other person having rights in or over the object; [c art 1(m]***)* who hold interests that rank above that of the chargee applying the priorities determined under Convention Article 29 (ref. 6.2). | [4.100](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S573_4100) *(Main text)*  [4.104](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S573_4104) and [4.105](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S573_4105) (*Sum of debt vs value plus payments*) | | c art 9(3) |
|  | **Effect of vesting – deficiency / surplus*.***The chargor remains liable for the deficiency if the value of the  *[aircraft object](#aircraft_object34" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* is less than the debt securing the charge, and conversely the creditor is accountable for any surplus. | [2.119](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S574_2119) *(Main text)*  [4.100](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S574_4100) and [4.106](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S574_4106) (*Right to deficiency*) | | c art 9(1)-(2) |
|  | **Effect of vesting – lower ranking interests.**Vesting ownership (or other interest of the chargor) in the chargee passes such interest free of any other interest in the  *[aircraft object](#aircraft_object35" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* that ranks below that of the chargee applying the priorities determined under Convention Article 29 (ref. 6.2). | [4.103](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S575_4103) (Main text) | | c arts 9(5) and 29 |
|  | 1. Priority of Competing Interests | | | |
|  | **Effect of Registration** | | | |
|  | **General effect** | | | |
|  | **Registrable interests.**All interests created by the CTC (including an  *[international interest](#international_interest19" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)*, a  *[prospective international interest](#prospective_international_interest3" \o "\“prospective international interest\“ means an interest that is intended to be created or provided for in an 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 object), whether or not the occurrence of the event is certain; [c art 1(y)]***)*, a  *[sale](#sale8" \o "\“sale\“ means a transfer of ownership of an object pursuant to a contract of sale; [c art 1(gg)]***),* and a  *[prospective sale](#prospective_sale1" \o "\“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; [c art 1(z)]***)*) (refs. 2.2 and 2.4), and, where a relevant declaration (ref. 1.3.3) has been made, certain non-CTC interests (a  *[pre-existing right or interest](#pre_existing_right_or_interest2" \o "\“pre-existing right or interest\“ means a right or interest of any kind in or over an object created or arising before the effective date of this Convention as defined by Article 60(2)(a); [c art 1(v)]***)*, a  *[registrable non-consensual right or interest](#registrable_non_consensual_rights_or_in2" \o "\“registrable non-consensual right or interest\“ means a non-consensual right or interest registrable pursuant to a declaration deposited under Article 40; [c art 1(dd)]***)* and a  *[notice of a national interest](#notice_of_a_national_interest2" \o "\“notice of a national interest\“ means notice registered or to be registered in the International Registry that a national interest has been created; [c art 1(t)]***)*) (refs. 2.3, 6.2.3.2, and 6.2.3.3), are registrable and when  *[registered](#registered5" \o "\“registered\“ means registered in the International Registry pursuant to Chapter V; [c art 1(bb)]***)* have legal effect under the CTC as  *[registered interests](#registered_interest3" \o "\“registered interest\“ means an international interest, a registrable non-consensual right or interest or a national interest specified in a notice of a national interest registered pursuant to Chapter V; [c art 1(cc)]***)*. | [2.157](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6111_2157) (*Main text*)  [2.40(1)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6111_240_1_) (*International interest*); [2.40(2)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6111_240_2_) (*Prospective international interest*); [2.40(3)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6111_240_3_) and [4.159](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6111_4159) (*National interest*); [2.40(5)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6111_240_5_) and [2.273](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6111_2273) (*Registrable non-consensual right or interest*); [4.132](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6111_4132) (*Registrable interests*); [4.133](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6111_4133) (*Assignments*); [5.20](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6111_520) and [5.74](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6111_574) (*Sale*); [5.24](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6111_524) (*Prospective sales*) | | c arts 1(n), (o), (r), (s), (t), (y), (z), (bb), (cc), (dd), (gg), 16(1), 20, 40, 50(2), and 60(3) |
|  | **Priority for registrable interests.**Registration of a registrable interest establishes its priority under the CTC (ref. 6.2), or in the case of a  *[pre-existing right or interest](#pre_existing_right_or_interest3" \o "\“pre-existing right or interest\“ means a right or interest of any kind in or over an object created or arising before the effective date of this Convention as defined by Article 60(2)(a); [c art 1(v)]***)* (ref. 6.2.3.3) preserves its priority under applicable law, as of the moment it becomes searchable in the  *[International Registry](#international_registry5" \o "\“International Registry\“ means the international registration facilities established for the purposes of this Convention or the Protocol; [c art 1(p)]***)*. | [2.149](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6112_2149) and [2.202](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6112_2202) (*Main text*)  [2.40(3)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6112_240_3_) and [4.159](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6112_4159) (*National interest*); [2.40(5)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6112_240_5_) and [2.273](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6112_2273) (*Registrable non-consensual right or interest*); [2.325](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6112_2325) (*Pre-existing right or interest*); [4.192](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6112_4192) (*Article* *29 priority rules*); [4.146](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6112_4146) (*Registration priority based on time it becomes searchable*); [5.20](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6112_520) and [5.74](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6112_574) (*Sale*) | | c arts 16(1), 20 29(1), 40, 50(2), and 60(3); p arts III and XIV |
|  | **No CTC effect for non-registrable interests.**Except as specified at ref. 6.1.1.1 in respect of registrable non-CTC interests, registration of a non-CTC interest has no legal effect under the CTC. | [2.168](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6113_2168) (*Main text*)  [2.74](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6113_274) and [2.197](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6113_2197) *(Registration may have legal effect under applicable law*); [2.163](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6113_2163) and [4.136](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6113_4136) (*No legal effect under CTC*) | | c arts 16(1) and 20 |
|  | **Improper registration or refusal to discharge.**The registration of a non-registrable interest, or failure to discharge the registration of an expired  *[international interest](#international_interest20" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1) or a  *[prospective international interest](#prospective_international_interest4" \o "\“prospective international interest\“ means an interest that is intended to be created or provided for in an 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 object), whether or not the occurrence of the event is certain; [c art 1(y)]***)* (ref. 2.2.3) after the  *[debtor’s](#debtor33" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* demand to do so, is improper where the registration adversely affects a non-consenting party (including the debtor in the case of an expired international interest or prospective international interest) and may result in liability under applicable law for clouding the title of another party (ref. 6.2.4.4). | [2.74](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6114_274) *(Main text)*  [2.167](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6114_2167), [2.169](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6114_2169), [2.170](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6114_2170), and [2.184](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6114_2184) (*Improper registration*); [4.136](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6114_4136) (*Potential liability*) | | c arts 16(1) and 25 |
|  | **Subordination.**A  *[registered](#registered6" \o "\“registered\“ means registered in the International Registry pursuant to Chapter V; [c art 1(bb)]***)* subordination is binding on a transferee of the subordinating  *[creditor](#creditor36" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)*; an unregistered subordination is binding only as between the parties and not on an assignee (ref. 8.5.1). | [2.220](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6115_2220) (*Main text*) | | c arts 16(1)(e) and 29(5) |
|  | **Assignment of international interest.**As between more than one competing  *[assignments](#assignments1" \o "\“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; [c art 1(b)]***)* (or  *[prospective assignments](#prosepective_assignment1" \o "\“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; [c art 1(x)]***)*) of an  *[international interest](#international_interest21" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 4.1), the priority rules of the CTC (ref. 6.2) apply only if one of the assignments (or prospective assignments) is  *[registered](#registered7" \o "\“registered\“ means registered in the International Registry pursuant to Chapter V; [c art 1(bb)]***)* (ref. 8.3). | [2.255](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6116_2255) (*Main text*) | | c arts 1(b) and (x), 29(1), and 35(1) |
|  | **Effect on validity of interest** | | | |
|  | **Effect on validity**. The existence of a registration does not ensure that a valid interest was created or continues to exist, and the absence of a registration (or the discharge of a registration) does not affect the validity or continued existence of the interest. | [2.149](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6121_2149) and [2.163](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6121_2163) (*Main text*)  [4.136](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6121_4136) (*Effect of discharge*) | | c arts 2, 7 and 20 |
|  | **Effect in insolvency** | | | |
|  | **Effect.** Registration protects the effectiveness of an  *[international interest](#international_interest22" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1), a  *[sale](#sale9" \o "\“sale\“ means a transfer of ownership of an object pursuant to a contract of sale; [c art 1(gg)]***)* (ref. 2.4), a  *[registrable non-consensual right or interest](#registrable_non_consensual_rights_or_in3" \o "\“registrable non-consensual right or interest\“ means a non-consensual right or interest registrable pursuant to a declaration deposited under Article 40; [c art 1(dd)]***)* (ref. 2.3.3), and a  *[notice of a national interest](#notice_of_a_national_interest3" \o "\“notice of a national interest\“ means notice registered or to be registered in the International Registry that a national interest has been created; [c art 1(t)]***)* (ref. 2.2.2) in  *[insolvency proceedings](#insolvency_proceedings2" \o "\“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; [c art 1(l)]***)* as a  *[registered interest](#registered_interest4" \o "\“registered interest\“ means an international interest, a registrable non-consensual right or interest or a national interest specified in a notice of a national interest registered pursuant to Chapter V; [c art 1(cc)]***)* (ref. 7.1.3.1), but has no effect in insolvency proceedings with respect to a  *[pre-existing right or interest](#pre_existing_right_or_interest4" \o "\“pre-existing right or interest\“ means a right or interest of any kind in or over an object created or arising before the effective date of this Convention as defined by Article 60(2)(a); [c art 1(v)]***)* whether or not it is registered. | [2.232](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6131_2232), [4.217](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6131_4217), and [4.218](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6131_4218) (*Main text*)  [2.273](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6131_2273) (*Registrable non-consensual right or interest*); [2.309](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6131_2309) and [2.324](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6131_2324) (*Pre-existing right or interest*); [5.20](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6131_520) and [5.24](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6131_524) (*Sale*) | | c arts 30, 40, and 50(2); p art III |
|  | **Effect for particular interests** | | | |
|  | **International interests** | | | |
|  | **Registration of international interests.**Registration establishes priority under Convention Article 29 for an  *[international interest](#international_interest23" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1) in all Contracting States, provided that the underlying interest was validly constituted under the CTC (ref. 1.2) and continues to exist (ref. 6.2.4.1). | [2.202](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61411_2202) (*Main text*)  [2.8](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61411_28), [2.48](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61411_248), and [4.192](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61411_4192) (*Registration establishes CTC priority*); [2.205](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61411_2205) (*Priority rules apply in all Contracting States*) | | c arts 1(o), 16(1), 20(1), and 29 |
|  | **Sales** | | | |
|  | **Registration of sales**. Articles III and XIV of the  *[Protocol](#protocol9" \o "\“Protocol\“ means, in respect of any category of object and associated rights to which this Convention applies, the Protocol in respect of that category of object and associated rights; [c art 1(aa)]***)* extend the legal effect of registration under the CTC to the  *[sale](#sale10" \o "\“sale\“ means a transfer of ownership of an object pursuant to a contract of sale; [c art 1(gg)]***)* (ref. 2.4) of an  *[aircraft object](#aircraft_object36" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1). | [2.43](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61421_243) and [2.276](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61421_2276) (*Main text*)  [5.20](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61421_520) (*Extension and inapplicable provisions*); [5.21](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61421_521) (*Equivalent terms*); [5.24](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61421_524) (*Applicable provisions*) | | c arts 1(g) and (gg); p arts III and XIV |
|  | **Registrable non-CTC interests** | | | |
|  | **Registrable non-consensual right or interest.**If the Contracting State in which the interest arises has made the relevant declaration (ref. 1.3.3), registration of a  *[registrable non-consensual right or interest](#registrable_non_consensual_rights_or_in4" \o "\“registrable non-consensual right or interest\“ means a non-consensual right or interest registrable pursuant to a declaration deposited under Article 40; [c art 1(dd)]***)* establishes its priority under Convention Article 29 within that Contracting State provided that under applicable law the underlying interest was validly constituted and continues to exist; it does not trigger application of other aspects of the CTC, such as Convention Chapter III ‘Default Remedies’ or have effect under the CTC in other Contracting States. | [2.273](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61431_2273) (*Main text*)  [2.40(5)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61431_240_5_) (*Effect of registration*); [4.40](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61431_440) (*Definition of registrable non-consensual right or interest*) | | c arts 1(dd), 16(1) 20(5), 20(6), and 40, |
|  | **Notice of a national interest.**If the Contracting State in which the interest arises has made the relevant declaration (refs. 1.3.3 and 2.2.2), registration of a  *[notice of a national interest](#notice_of_a_national_interest4" \o "\“notice of a national interest\“ means notice registered or to be registered in the International Registry that a national interest has been created; [c art 1(t)]***)* establishes its priority under Convention Article 29 in all Contracting States provided that under applicable law the underlying interest was validly constituted and continues to exist; it does not trigger application of other aspects of the CTC, such as Convention Chapter III ‘Default Remedies’, other than Convention Article 9(1), permitting a chargee and all        *[interested persons](#interested_person8" \o "\“interested persons\“ means:(i)the debtor;(ii)any person who, for the purpose of assuring performance of any of the obligations in favour of the creditor, gives or issues a suretyship or demand guarantee or a standby letter of credit or any other form of credit insurance;(iii)any other person having rights in or over the object; [c art 1(m]***)* to agree upon vesting ownership in the chargee (ref. 5.7) applies. | [2.305](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61432_2305) *(Main text)*  [2.40(3)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61432_240_3_), [4.30](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61432_430), and [4.159](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61432_4159) (*Effect of registration*); [2.304](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61432_2304) (*Where interest arises*); [2.306](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61432_2306) (*National interest priority effective in all Contracting States*); [4.28](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61432_428) (*Failure to effect national law registration*); [4.331](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61432_4331) (*Reference to Article 8(4) misleading*); [4.334](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61432_4334) (*Registration effect for successive and mixed transactions*) | | c arts 1(r), 1(t), 16(1), 20(5), 20(6), and 50 |
|  | **Pre-existing right or interest.**Any right or interest in an  *[aircraft object](#aircraft_object37" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) that arises or is created in a non-Contracting State or prior to the CTC taking effect in a Contracting State is a  *[pre-existing right or interest](#pre_existing_right_or_interest5" \o "\“pre-existing right or interest\“ means a right or interest of any kind in or over an object created or arising before the effective date of this Convention as defined by Article 60(2)(a); [c art 1(v)]***)* that retains its pre-CTC priority in all Contracting States without registration unless the Contracting State in which it arises or is created has made a relevant declaration (ref. 1.3.3) requiring registration as condition to that interest retaining its national law priority *vis-à-vis* a  *[registered interest](#registered_interest5" \o "\“registered interest\“ means an international interest, a registrable non-consensual right or interest or a national interest specified in a notice of a national interest registered pursuant to Chapter V; [c art 1(cc)]***)* (refs. 6.1.1.2 and 6.1.1.3). | [2.309](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61433_2309) and [2.310](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61433_2310) (Main text)  [2.218](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61433_2218) (*Contracting and non-Contracting States*); [2.311](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61433_2311) (*Preserves all national law interests*), [2.312](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61433_2312) (*Forum rules determine applicable law*); [2.313](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61433_2313) (*When CTC takes effect*); [2.314](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61433_2314) (*Where debtor is situated)*; [2.315](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61433_2315) and [2.224](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61433_2224) (*Declaration*); [2.325](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61433_2325) (*Preserves applicable law priority*); [4.32](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S61433_432) (*Definition of pre-existing right or interest*) | | c arts 1(v), 60(1), and (3) |
|  | **Prospective interests** | | | |
|  | **Registration of prospective interests**. Registration of a  *[prospective international interest](#prospective_international_interest5" \o "\“prospective international interest\“ means an interest that is intended to be created or provided for in an 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 object), whether or not the occurrence of the event is certain; [c art 1(y)]***)*, a  *[prospective sale](#prospective_sale2" \o "\“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; [c art 1(z)]***)* and  *[prospective assignment](#prospective_assignment1" \o "\“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; [c art 1(x)]***)* of an  *[international interest](#international_interest24" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* establishes the priority of the actual interest retroactively as of the date of registration, with such priority becoming activated when the event or circumstance that triggers the creation of the actual interest occurs (ref. 2.2.3), and without any need for any further registration. Prior to the creation of the actual interest, the registration of the prospective interest has no effect under the CTC. | [2.40(2)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6151_240_2_), [2.256](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6151_2256), and [3.21](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6151_321) (*Main text*)  [2.41(1)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6151_241_1_) and [4.34](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6151_434) (*Prospective assignment*); [2.238](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6151_2238) (*Search certificates to include prospective assignments*); [2.61](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6151_261), [2.159](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6151_2159), [2.223](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6151_2223), [4.35](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6151_435), [4.154](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6151_4154), [4.155](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6151_4155), [4.156](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6151_4156), and [4.193](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6151_4193) (*Prospective international interest*); [3.108](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6151_3108) and [4.36](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6151_436) (*Prospective sale*) | | c art 1(a), (b), (c), (o), (q), (ii), 16(1)(b), 20(1), 29(1), 31(1), 31(5), 32, 35, and 36 |
|  | **Assignment and subrogation** | | | |
|  | **Scope of term.**In respect of  *[assignments](#assignments2" \o "\“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; [c art 1(b)]***)*, ref. 8.3.1. In respect of subrogation, ref. 8.4. |  | |  |
|  | **Registration**.Where there are successive  *[assignments](#assignments3" \o "\“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; [c art 1(b)]***)*/subrogations in respect of the same  *[international interest](#international_interest25" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1), the assignments/subrogations are competing and the order of registration determines the priority between the competing assignees/subrogees. Where there are assignments/subrogations in respect of different international interests over the same  *[aircraft object](#aircraft_object38" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1), the assignments/subrogations are not competing (instead they are assignments/subrogations of competing international interests) and each non-competing assignee/subrogee enjoys the same priority as its assignor/subrogor, regardless of whether or when the assignment/subrogation has been  *[registered](#registered8" \o "\“registered\“ means registered in the International Registry pursuant to Chapter V; [c art 1(bb)]***)*. | [2.209](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6162_2209) (*Main text*)  [2.253](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6162_2253) and [4.229](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6162_4229) (*Competing assignments v competing international interests*); [2.255](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6162_2255) (*Competing assignments)*; [4.233](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6162_4233) (*Unregistered international interest*); [2.254](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6162_2254), [4.234](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6162_4234), and [4.241](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6162_4241) (*Competing international interests*); [2.261](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6162_2261) (*Competing subrogations*) | | c arts 29(1), 31(1), 35(1), and 36 |
|  | **Priority rules** | | | |
|  | **General rules** | | | |
|  | **Registered interest has priority over unregistered interests.**A  *[registered interest](#registered_interest6" \o "\“registered interest\“ means an international interest, a registrable non-consensual right or interest or a national interest specified in a notice of a national interest registered pursuant to Chapter V; [c art 1(cc)]***)* (ref. 6.1.1.1) has priority over an  *[unregistered interest](#unregistered_interests2" \o "\“unregistered interest\“ means a consensual interest or non-consensual right or interest (other than an interest to which Article 39 applies) which has not been registered, whether or not it is registrable under this Convention; [c art 1(mm)]***)*, whether or not the latter is capable of registration (ref. 6.1.4). | [2.202](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6211_2202) (*Main text*)  [2.205](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6211_2205) (*Registered interest priority*); [2.208](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6211_2208) (*Registered non-consensual right or interest*); [3.99](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6211_399) (*Buyer priority*); [4.209](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6211_4209) (*Priority over non-consensual right or interest*) | | c arts 1(cc) and 29(1), (2), and (4); p art XIV |
|  | **Order of registration determines priority of registered interests.**Priority between competing  *[registered interests](#registered_interest7" \o "\“registered interest\“ means an international interest, a registrable non-consensual right or interest or a national interest specified in a notice of a national interest registered pursuant to Chapter V; [c art 1(cc)]***)* (ref. 6.1.1.1) is based on the order of registration (ref. 1.5.1), with the interest that is registered first having the highest priority (ref. 6.1.4). | [2.202](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6212_2202) (*Main text*)  [2.205](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6212_2205) (*Registered interest priority*); [2.208](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6212_2208) (*Registered non-consensual right or interest*); [3.99](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6212_399) (*Buyer priority*); [4.193](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6212_4193) and [4.208](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6212_4208) (*First to register successive charges*); [4.213](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6212_4213) (*Order of registration*) | | c arts 1(cc) 1(mm), and 29(1), (2), and (4); p art XIV |
|  | **Knowledge of unregistered interest and national law registration irrelevant.**Priority for a  *[registered interest](#registered_interest8" \o "\“registered interest\“ means an international interest, a registrable non-consensual right or interest or a national interest specified in a notice of a national interest registered pursuant to Chapter V; [c art 1(cc)]***)* (ref. 6.1.1.1) is not affected by the holder’s actual knowledge of competing interests or by the registration of such interests in a national law registry. | [2.210](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6213_2210) (*Main text*)  [4.194](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6213_4194) and [4.210](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6213_4210) (*Knowledge and national law registration not relevant*) | | c arts 1(cc) and 29(1), (2), and (4); p art XIV |
|  | **CTC priority overrides conflicting applicable law.**The CTC priority rules override applicable law to the extent that applicable law imposes additional requirements for perfection or limitations on priority, including any national law doctrines that invalidate priority based on the holder’s actual or constructive knowledge of unregistered adverse claims. | [2.205](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6214_2205) (*Main text*)  [4.194](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6214_4194) (*National law registration irrelevant*); [4.208](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6214_4208) (*First to register successive charges*) | | c arts 29(1), (2), and (4); p art XIV |
|  | **Application to specific competing interests** | | | |
|  | **Debtor v its own creditor.**A  *[creditor](#creditor37" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* has priority over its own  *[debtor](#debtor34" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* without registration, and a debtor may not gain priority over its own creditor by granting and registering an interest. | [2.221](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6221_2221) (*Main text*)  [4.195](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6221_4195) (*Priority of creditor over its own debtor*) | |  |
|  | **Lessee/conditional buyer v different creditor.**A lessee/  *[conditional buyer](#conditional_buyer2" \o "\“conditional buyer\“ means a buyer under a title reservation agreement; [c art 1(e)]***)* under a  *[registered interest](#registered_interest9" \o "\“registered interest\“ means an international interest, a registrable non-consensual right or interest or a national interest specified in a notice of a national interest registered pursuant to Chapter V; [c art 1(cc)]***)* (ref. 6.1.1.1) is conferred the same priority as its  *[creditor](#creditor38" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* vis a vis a creditor under a different interest (registered or unregistered). | [2.215](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6222_2215) (*Main text*)  [2.216](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6222_2216) (*Sublessee*); [4.198](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6222_4198) (*Debtor priority derived from its creditor*) | | c art 29(1), (2), and (4); p art XIV |
|  | **Prospective interest v registered interest.**A prospective interest (ref. 6.1.5) that is  *[registered](#registered9" \o "\“registered\“ means registered in the International Registry pursuant to Chapter V; [c art 1(bb)]***)* prior to another  *[registered interest](#registered_interest10" \o "\“registered interest\“ means an international interest, a registrable non-consensual right or interest or a national interest specified in a notice of a national interest registered pursuant to Chapter V; [c art 1(cc)]***)* (ref. 6.1.1.1) will initially have no status or priority under the CTC, but when the event or circumstance that triggers its creation occurs will have priority over all interests that have a later date of registration. | [2.223](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6223_2223) (*Main text*)  [2.40(2)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6223_240_2_), [2.61](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6223_261), and [4.154](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6223_4154) (*Priority established by time of registration*); [4.155](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6223_4155) (*Prospective interest helicopter engine*) | | c art 16(1), 19(4), 29(1), (2), and (4); p art XIV |
|  | **Unregistered interests.**The CTC does not address priority as between two interests that are not  *[registered](#registered10" \o "\“registered\“ means registered in the International Registry pursuant to Chapter V; [c art 1(bb)]***)*, which is left to applicable law. | [4.205](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6224_4205) (*Main text*) | | c arts 1(bb), 29(1), (2), and (4); p art XIV |
|  | **Unregistered prior conveyance.**If a  *[debtor](#debtor35"\o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* with a power to dispose (ref. 1.2.3.2): (1) makes successive transfers of the same interest in an  *[aircraft object](#aircraft_object39" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) to different  *[creditors](#creditor39" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)*, the creditor who registers first (ref. 1.5.1) has priority whether or not that creditor was the initial transferee; and (2) holds its interest in the aircraft object from a creditor under an  *[unregistered interest](#unregistered_interests3" \o "\“unregistered interest\“ means a consensual interest or non-consensual right or interest (other than an interest to which Article 39 applies) which has not been registered, whether or not it is registrable under this Convention; [c art 1(mm)]***)*, and grants and registers an interest to a second creditor, the second creditor’s  *[registered interest](#registered_interest11" \o "\“registered interest\“ means an international interest, a registrable non-consensual right or interest or a national interest specified in a notice of a national interest registered pursuant to Chapter V; [c art 1(cc)]***)* (ref. 6.1.1.1) has priority over the initial creditor’s unregistered interest, and in the case of a  *[sale](#sale11" \o "\“sale\“ means a transfer of ownership of an object pursuant to a contract of sale; [c art 1(gg)]***)* (ref. 2.4), the initial creditor’s interest is extinguished. | [2.201](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6225_2201) (*Main text*)  [4.196](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6225_4196) and [4.211](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6225_4211) (*Registered* *sale extinguishes unregistered interest*); [2.205](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6225_2205) (*Registered interest priority*); [4.212](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6225_4212) (*Sub-lease registered* *before head lease*) | | c arts 1(mm), 29(1), (2) and (4); p art XIV |
|  | **Successive sales.** The order of registration (ref. 1.5.1) of successive  *[sales](#sale12" \o "\“sale\“ means a transfer of ownership of an object pursuant to a contract of sale; [c art 1(gg)]***)* (ref. 2.4) of an  *[aircraft object](#aircraft_object40" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1), from owner to buyer #1 and then from buyer #1 to buyer #2, has no bearing on priority because the interests acquired by the buyers are not in competition with one another (ref. 6.2.3.1); if owner were to sell to buyer #1 and then, while remaining in possession, wrongfully sell a second time to buyer #2, the interests of the two buyers would be in competition with one another and under the CTC priority rules the first of the two sales to be  *[registered](#registered11" \o "\“registered\“ means registered in the International Registry pursuant to Chapter V; [c art 1(bb)]***)* would have priority. | [3.102](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6226_3102) (*Main text*) | |  |
|  | **When the first to register rule is inapplicable or modified** | | | |
|  | **Competing interests.** The CTC priority rules are not relevant unless the interests in question are in competition with one another in relation to a particular  *[aircraft object](#aircraft_object41" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1). | [3.97](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6231_397) (*Main text*)  [2.208](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6231_2208) (*Competing interests*); [3.100](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6231_3100) (*Sale and international interest registration compared*) | |  |
|  | **Non-consensual rights or interests.**If the Contracting State in which the relevant interest arises so elects (by making the relevant Convention Article 39 declaration), it may preserve, but not expand, its national law priority for a  *[non-consensual right or interest](#non_consensual_rights_or_interests3" \o "\“non-consensual right or interest\“ means a right or interest conferred under the law of a Contracting State which has made a declaration under Article 39 to secure the performance of an obligation, including an obligation to a State, State entity or an intergovernmental or private organisation; [c art 1(s)]***)* (ref. 2.3.2) over a  *[registered](#registered22" \o "\“registered\“ means registered in the International Registry pursuant to Chapter V; [c art 1(bb)]***)*  *[international interest](#international_interest46" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* based on the priority its laws confer on a national law interest that is equivalent to an international interest. The priority preserved for a non-consensual right or interest is a national law priority, not a CTC priority, and applies outside the declaring Contracting State in another Contracting State only to the extent that such other Contracting State’s conflict of law rules apply the priority rules of the declaring Contracting State. | [2.264](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6232_2264) (*Main text*)  [2.222](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6232_2222) (*National law priority preserved by Article* *39 declaration*); [2.265](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6232_2265) (*Limited to declaring Contracting State*) | | c art 39(1)(a) |
|  | **Registrable pre-existing right or interest.**If a Contracting State so elects (by making the relevant Convention Article 60(3) declaration) it may condition preservation of the priority established by applicable law for a  *[pre-existing right or interest](#pre_existing_right_or_interest6" \o "\“pre-existing right or interest\“ means a right or interest of any kind in or over an object created or arising before the effective date of this Convention as defined by Article 60(2)(a); [c art 1(v)]***)* that arises under an agreement upon registration of that interest (ref. 6.1.4.3.3), then its original priority may either be preserved by making the registration, or completely lost (as if it were an  *[unregistered interest](#unregistered_interests4" \o "\“unregistered interest\“ means a consensual interest or non-consensual right or interest (other than an interest to which Article 39 applies) which has not been registered, whether or not it is registrable under this Convention; [c art 1(mm)]***)*) by failing to do so within the declared time period, but the date of the registration is otherwise irrelevant to priority. | [2.224](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6233_2224) (*Main text*)  [2.315](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6233_2315) and [4.193](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6233_4193) (*Preserves national law priority*); [2.316](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6233_2316) (*Registration limited to agreement interests*) | | c arts 60(1) and (3) |
|  | **Pre-existing right or interest.**Ref. 6.1.4.3.3. |  | |  |
|  | **Assignments and subrogations.** Ref. 6.1.6. |  | |  |
|  | **Variation by agreement: subordination.**Ref. 8.5. |  | |  |
|  | **Debtor granted interests.**Ref. 6.2.2.1. |  | |  |
|  | **Debtor priorities and rights.**Ref. 4.7. |  | |  |
|  | **Discharging registrations** | | | |
|  | **Duration of effect**. A registration (ref. 1.5.1) continues to have effect for CTC priority until it is discharged, the underlying interest comes to an end (ref. 6.1.2) or, if subject to a registered lapse date, such date occurs. | [2.176](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6241_2176) (*Main text*)  [2.177](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6241_2177) (*Underlying interest* *ends*); [2.98](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6241_298) (*Lapse*); [4.136](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6241_4136), [4.162](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6241_4162), and [4.163](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6241_4163) (*Effective until discharge, termination of interest or lapse*) | | c art 21 |
|  | **Person who may discharge**. A registration (ref. 1.5.1) may be discharged by, or with the consent of, the person designated in the  *[International Registry](#international_interest26" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* as the holder of the right to discharge the registration or by the  *[Registrar](#Registrar1" \o "\“Registrar\“ means, in respect of the Protocol, the person or body designated by that Protocol or appointed under Article 17(2)(b); [c art 1(ee)]***")*, if ordered to do so by the Irish High Court. | [3.91](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6242_391) (*Main text*)  [2.188](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6242_2188), [2.189](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6242_2189), [4.310](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6242_4310), [4.312](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6242_4312), and [4.313](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6242_4313) (*Discharge by the Registrar*); [4.158](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6242_4158) (*Consent of assignee required*) | | c arts 1(ee), 16(3), 17(2), 20(3), 25, and 44 |
|  | **When discharge is required**. A registration (ref. 1.5.1) should be discharged in each of the following cases: (1) the  *[debtor’s](#debtor36" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* obligations under a  *[security agreement](#security_agreement13" \o "\“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 object to secure the performance of any existing or future obligation of the chargor or a third person; [c art 1(ii)]***)* (ref. 1.2.2),  *[title reservation agreement](#title_reservation_agreement8" \o "\“title reservation agreement\“ means an agreement for the sale of an object on terms that ownership does not pass until fulfilment of the condition or conditions stated in the agreement; [c art 1(ll)]***)* (ref. 1.2.2) or  *[registrable non-consensual right or interest](#registrable_non_consensual_rights_or_in5" \o "\“registrable non-consensual right or interest\“ means a non-consensual right or interest registrable pursuant to a declaration deposited under Article 40; [c art 1(dd)]***)* (ref. 2.3.3) have been fully performed or otherwise discharged or the  *[creditor](#creditor40" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* has exhausted its remedies under the CTC in relation to the  *[aircraft object](#aircraft_object42" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) and its  *[proceeds](#proceeds4" \o "\“proceeds\“ means money or non-money proceeds of an object arising from the total or partial loss or physical destruction of the object or its total or partial confiscation, condemnation or requisition; [c art 1(w)]***)* (ref. 2.2.4); (2) in the case of a  *[leasing agreement](#leasing_agreement9" \o "\“leasing agreement\“ means an agreement by which one person (the lessor) grants a right to possession or control of an object (with or without an option to purchase) to another person (the lessee) in return for a rental or other payment; [c art 1(q)]***)* (1.2.2), the lease term has elapsed or has been terminated and the lease obligations have been fully performed or otherwise discharged or the creditor has exhausted its remedies under the CTC in relation to the aircraft object and its proceeds; (3) the parties have agreed to discharge the registration; or (4) the registration should not have been made or has become incorrect. A prospective registration (ref. 6.1.5) must be discharged within five days following demand, if such demand is made before the creditor gives or is obligated to give value. | [2.181](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6243_2181) and [2.182](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6243_2182) (*Main text*)  [2.97](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6243_297) (*Creditor entitled to retain registration*) | | c art 25; p art XX(2) |
|  | **Court order for discharge**. Whenever a registration should be discharged (ref. 6.2.4.3), and the person holding the right to effect the discharge fails to act following demand, the  *[debtor](#debtor37" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* or other person burdened by the registration may seek an order from the Irish High Court requiring the holder of the wrongful registration to discharge it, and if such holder fails to do so, an order against the  *[Registrar](#registrar2" \o "\“Registrar\“ means, in respect of the Protocol, the person or body designated by that Protocol or appointed under Article 17(2)(b); [c art 1(ee)]***)* to effect the discharge (ref. 6.1.1.4). | [2.182](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6244_2182) (*Main text*)  [2.183](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6244_2183) and [3.91](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6244_391) (*Extension to sale*); [2.184](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6244_2184) (*Rights of holder*); [2.185](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6244_2185), [2.188](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6244_2188), [2.189](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6244_2189), [4.136](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6244_4136), and [4.173](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6244_4173) (*Irish High Court*); [2.190](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6244_2190) (*Insolvency court*); [4.174](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S6244_4174) (*Article* *42 courts*) | | c arts 1(ee), 25, and 44; p art XX(2) |
|  | 1. Effects of and Rights Upon Insolvency | | | |
|  | **General Principles of Insolvency under the CTC** | | | |
|  | **Definition: insolvency proceedings** | | | |
|  | ***Defining criteria.***A proceeding (regardless of applicable law characterization, ref. 3.1) falls within the definition of  *[insolvency proceedings](#insolvency_proceedings3"\o "\“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; [c art 1(l)]***)* in the CTC if it is: (1) collective, in that it is concluded on behalf of creditors generally or such classes of creditors as collectively represent a significant part of the indebtedness; (2) judicial or administrative, including both proceedings before a judicial or administrative body and those initiated by application to a court or ultimately subject to the oversight of a court or administrative body; (3) subject to control or supervision by a court, including where the  *[debtor](#debtor38" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* retains possession of its assets and continues to conduct its business, while a court acts to facilitate a statutory process, or where the court’s approval is required in order to implement the terms of the debtor’s restructuring (or other financial relief) or liquidation; and (4) formulated in the context of a debtor’s financial distress for the purpose of giving the debtor financial relief or providing for the debtor’s liquidation. No other criteria apply to limit the scope of the definition of insolvency proceedings. | [3.125](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7111_3125) (*Main text*)  [4.21](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7111_421) (*Scope of term*) | | c arts 1(l) and 5 |
|  | ***Proceedings encompassed.***  *[Insolvency proceedings](#insolvency_proceedings4" \o "\“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; [c art 1(l)]***)* encompasses traditional bankruptcy and insolvency proceedings as well as more limited proceedings through which a distressed debtor may seek to modify or rearrange certain of its obligations, described varyingly as ‘schemes of arrangement’, ‘voluntary arrangements’, ‘restructuring plans’ or some similar term. | [3.125](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7112_3125) (*Main text*) | | c art 1(l) |
|  | ***Proceedings not encompassed.***  *[Insolvency proceedings](#insolvency_proceedings5" \o "\“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; [c art 1(l)]***)* do not encompass court or administrative proceedings to address bi-lateral disputes between a debtor and a creditor, nor do they encompass contractual modifications or workout agreements that are consensually adopted by the debtor and creditor without use of a court or administrative authority supervised process. | [3.125](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7113_3125) (*Main text*) | | c art 1(l) |
|  | **Relationship with national insolvency law** | | | |
|  | ***No displacement of applicable law.*** The CTC does not displace applicable law with respect to  *[insolvency proceedings](#insolvency_proceedings6" \o "\“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; [c art 1(l)]***)*; it prescribes, and in some respects limits, the effect that such proceedings may have on the interests created under the CTC (refs. 7.1.3 and 7.2). | [2.236](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7121_2236) and [2.237](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7121_2237) (*Main text*)  [2.259](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7121_2259) (*Assignor*); [4.220](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7121_4220), [4.221](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7121_4221) and [4.223](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7121_4223) (*Applicable law*) | | c arts 30(3) and 37 |
|  | **Effect of insolvency proceedings on an international interest** | | | |
|  | ***Validity rule for registered interests.***A  *[registered interest](#registered_interest12" \o "\“registered interest\“ means an international interest, a registrable non-consensual right or interest or a national interest specified in a notice of a national interest registered pursuant to Chapter V; [c art 1(cc)]***)* (ref. 6.1.1.1) and an  *[assignment](#assignments4" \o "\“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; [c art 1(b)]***)* (ref. 8.3.1) is effective if  *[registered](#registered12" \o "\“registered\“ means registered in the International Registry pursuant to Chapter V; [c art 1(bb)]***)* (ref. 1.5.1) prior to the  *[commencement of the insolvency proceedings](#commencement_of_the_ins1" \o "\“commencement of the insolvency proceedings\“ means the time at which the insolvency proceedings are deemed to commence under the applicable insolvency law; [c art 1(d)]***)* notwithstanding any failure to satisfy national law perfection requirements for the corresponding interest under national law (refs. 6.1.3 and 7.1.5). | [2.232](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7131_2232) (*Main text*)  [2.205](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7131_2205) and [4.217](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7131_4217) (*Registered interest*); [2.258](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7131_2258) (*Assignment*) | | c arts 30(1), 37, and 50(2) |
|  | ***Applicable law rule for unregistered interests.***An  *[international interest](#international_interest27" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1) or  *[assignment](#assignments5" \o "\“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; [c art 1(b)]***)* (ref. 8.3.1) that is not  *[registered](#registered13" \o "\“registered\“ means registered in the International Registry pursuant to Chapter V; [c art 1(bb)]***)* prior to the commencement of  *[insolvency proceedings](#insolvency_proceedings7" \o "\“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; [c art 1(l)]***)* is effective if, under applicable law (applying the law of the insolvency forum’s conflicts rules), the corresponding national law interest is effective in insolvency without perfection or, if perfection under applicable law is required for effectiveness, the relevant national law perfection requirements have been satisfied (ref. 7.1.5). | [2.232](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7132_2232) (*Main text*)  [2.205](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7132_2205) and [4.219](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7132_4219) (*Unregistered interest*); [2.258](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7132_2258) (*Assignment*) | | c arts 30(2) and 37 |
|  | ***Uniform effect for international interest and assignments.***An  *[international interest](#international_interest28" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1) or  *[assignment](#assignments6" \o "\“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; [c art 1(b)]***)* (ref. 8.3.1) constituted in any Contracting State and  *[registered](#registered14" \o "\“registered\“ means registered in the International Registry pursuant to Chapter V; [c art 1(bb)]***)* is ‘effective’ in the insolvency forum Contracting State, meaning that the international interest must be recognized by the  *[insolvency proceedings](#insolvency_proceedings8" \o "\“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; [c art 1(l)]***)* and accorded a priority for amounts owed *vis-à-vis* the  *[aircraft object](#aircraft_object43" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) that is higher than unsecured creditors (ref. 7.1.4). | [2.232](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7133_2232) (*Main text*)  [2.205](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7133_2205) and [4.219](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7133_4219) (*Contracting State* *priority rules*); [2.258](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7133_2258) (*Assignment*) | | c arts 30(1) and (2) and 37 |
|  | **Effect of the insolvency proceedings on priority of non-consensual right or interest** | | | |
|  | ***Effect***. The priority conferred on a  *[non-consensual right or interest](#non_consensual_rights_or_interests4" \o "\“non-consensual right or interest\“ means a right or interest conferred under the law of a Contracting State which has made a declaration under Article 39 to secure the performance of an obligation, including an obligation to a State, State entity or an intergovernmental or private organisation; [c art 1(s)]***)* (ref. 2.3) by the declaration of a Contracting State (whether under Article 39 or Article 40) vis a vis an  *[international interest](#international_interest29" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* is a national law priority that is not affected by  *[insolvency proceedings](#insolvency_proceedings9" \o "\“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; [c art 1(l)]***)* which are opened in a Contracting State, with such priority being limited to the jurisdiction of the declaring Contracting State (unless the forum’s conflict of law rules apply the priority rules of the declaring Contracting State) and being enforceable only if the  *[aircraft object](#aircraft_object44" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) is located in that Contracting State. | [2.232](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7141_2232) and [2.234](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7141_2234) (*Main text*)  [2.265](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7141_2265), [2.268](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7141_2268), [2.273](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7141_2273), [4.278](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7141_4278) and [4.293](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7141_4293) (*National law priority*) | | c arts 30(l)-(2), 39(1)(a)-(b), and 40 |
|  | **Effect of applicable doctrines of avoidance under insolvency law** | | | |
|  | ***Applicable law doctrines of avoidance partially preserved for registered interests; fully preserved for unregistered interests.***A  *[registered interest](#registered_interest13" \o "\“registered interest\“ means an international interest, a registrable non-consensual right or interest or a national interest specified in a notice of a national interest registered pursuant to Chapter V; [c art 1(cc)]***)* (ref. 6.1.1.1) is protected from applicable law doctrines aimed at avoiding interests except for doctrines that avoid preferences and transfers in fraud of creditors. An  *[unregistered interest](#unregistered_interests5" \o "\“unregistered interest\“ means a consensual interest or non-consensual right or interest (other than an interest to which Article 39 applies) which has not been registered, whether or not it is registrable under this Convention; [c art 1(mm)]***)* which is effective as a result of applying applicable law (ref. 7.1.3.2) remains susceptible to avoidance on any ground under the applicable insolvency law. | [2.233](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7151_2233) and [2.235](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7151_2235) (*Main text*)  [2.258](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7151_2258) (*Assignments*); [4.219](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7151_4219) (*Applicable law*); [4.221](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7151_4221) (*Preferences and fraud*); [4.223](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7151_4223) (*Avoidance examples*) | | c arts 30(2), 30(3)(a), and 37 |
|  | ***Applicable law defines preference and transfer in fraud.***Applicable insolvency law governs to determine what constitutes a preference or a transfer in fraud and whether any other relevant avoidance doctrine or creditor defense to the same applies. | [2.235](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7152_2235) (*Main text*)  [2.258](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7152_2258) (*Assignments*); [4.219](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7152_4219) (*Applicable law*); [4.221](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7152_4221) (*Preferences and fraud*); [4.223](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7152_4223) (*Avoidance examples*) | | c arts 30(3)(a) and 37 |
|  | **Effect of applicable doctrines suspending enforcement rights** | | | |
|  | ***Stay of enforcement rights.*** Unless Alternative A is applicable (refs. 7.2.1 and 7.3.1.1), the CTC preserves applicable law insolvency procedures that permit the stay or suspension of the enforcement rights of a creditor in respect of property under the control or supervision of an  *[insolvency administrator](#insolvency_administrator1" \o "\“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; [c art 1(k)]***)*. | [2.236](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7161_2236) (*Main text*)  [2.259](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7161_2259) (*Assignments*); [4.222](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7161_4222) and [4.224](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7161_4224) (*Stay of enforcement*) | | c arts 30(3)(b) and 37 |
|  | **Commencement of insolvency proceedings** | | | |
|  | ***Commencement.*** Applicable insolvency law determines when  *[insolvency proceedings](#insolvency_proceedings10" \o "\“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; [c art 1(l)]***)* are deemed to have commenced, including those having retrospective effect (refs. 7.1.3.1 and 7.1.3.2). | [2.235](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7171_2235) (*Main text*)  [3.126](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7171_3126), [4.13](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7171_413) and [4.221](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7171_4221) (*Applicable law*) | | c arts 1(d) and 30(3)(b) |
|  | **Special Insolvency Regime Established by an Article XI (Alternative A) Declaration** | | | |
|  | **General statement** | | | |
|  | ***Alternative A purpose.***The purpose of Article XI, Alternative A is to create hard rules for  *[debtor](#debtor39" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* compliance in an insolvency scenario, ensuring that within a specified and binding time-limit, the  *[creditor](#creditor41" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* either secures recovery of the  *[aircraft object](#aircraft_object45" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) or obtains the cure of all past defaults (ref. 4.1) and a commitment to perform future obligations. | [3.139](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7211_3139) (*Main text*)  [3.1](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7211_31) (*Facilitate financing*); [3.118](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7211_3118) (*Strengthen creditor remedies*); [5.61](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7211_561) (*Purpose*) | | p arts XI(1), Alternative A and XXX(3) |
|  | ***Alternative B not addressed in principles.***Alternative B establishes rules that are subject to applicable national insolvency law and the discretion of the insolvency court. These principles focus upon Alternative A because the consequences of its application are far more significant than those of Alternative B and, to date, Alternative B has been adopted in only one Contracting State. | [5.62](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7212_562) (*Main text*)  [5.68](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7212_568) and [5.69](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7212_569) (*Alternative B*); [3.19](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7212_319), [3.120](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7212_3120) and [3.138](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7212_3138) (*Prevalence of Alternative A*) | | p arts XI(1), Alternative B and XXX(3) |
|  | **Conditions for application** | | | |
|  | ***Application to debtors.*** Unless the  *[debtor](#debtor40" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* and  *[creditor](#creditor42" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* have agreed to exclude Article XI in its entirety, Alternative A applies to a debtor in every Contracting State where the debtor is subject to  *[insolvency proceedings](#insolvency_proceedings11" \o "\“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; [c art 1(l)]***)* if the following conditions are satisfied: (1) the Contracting State that constitutes the debtor’s  *[primary insolvency jurisdiction](#primary_insolvency_jurisdiction1" \o "\“primary insolvency jurisdiction\“ means the Contracting 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; [p art 2(n)]***)* has made the relevant declaration (refs. 1.3.3, 7.2.3 and 7.2.4) stating that it will apply Alternative A; (2) an      *[insolvency-related event](#insolvency_related_event1" \o "\“insolvency-related event\“ means:(i)the commencement of the insol¬vency proceedings; or (ii)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 the Convention is prevented or suspended by law or State action; [p art 2(m)]***)* has occurred (whether in a Contracting State or, in respect of the second limb of the definition of insolvency-related event, in a Contracting State or elsewhere (ref. 7.2.6)); and (3) the debtor is holding an  *[aircraft object](#aircraft_object46" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) in, or subject to the insolvency laws of, the forum (regardless of whether the  *[aircraft](#aircraft8" \o "\“aircraft\“ means aircraft as defined for the purposes of the Chicago Convention which are either air-frames with aircraft engines installed thereon or helicopters; [p art 2(a)]***)* is registered in another Contracting State which has not made such a declaration or a non-Contracting State). | [3.119](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7221_3119) (*Main text*)  [3.136](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7221_3136a) (*When applicable*); [3.19](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7221_319), [3.136](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7221_3136b) and [5.27](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7221_527) (*Agreement to exclude*); [3.137](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7221_3137) and [3.155](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7221_3155) (*PIJ declaration determines*); [3.156](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7221_3156) (*Obligations in respect of aircraft objects only*) | | p arts I(2)(m), XI(1), XXX(3), and XXX(4) |
|  | **Declared terms; domestic enactment when a declaration is precluded** | | | |
|  | ***Adoption by declaration of debtor’s primary insolvency jurisdiction.***A Contracting State may make Article XI applicable to  *[debtors](#debtor41" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* who have that Contracting State as their  *[primary insolvency jurisdiction](#primary_insolvency_jurisdiction2" \o "\“primary insolvency jurisdiction\“ means the Contracting 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; [p art 2(n)]***)* (ref. 7.2.4) by making a declaration under Article XXX(3). | [3.119](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7231_3119) (*Main text*)  [3.136](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7231_3136) and [5.62](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7231_562) (*Declaration in primary insolvency jurisdiction governs*) | | p arts XI(1), XI(A), and XXX(3) |
|  | ***Adoption by domestic law.***If a Contracting State is precluded from making an Article XXX(3) declaration directly, as is the case for the member States of the EU, it may establish the same rights under domestic law, with the same recognition and international law effect in other Contracting States, by following the formalities established by the CTC (ref. 10.7). | [3.151](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7232_3151) and [5.61](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7232_561) (*Main text*) | | p arts XI(1), XI(A), XXX(3), and XXXVII(2)(iii) |
|  | ***Required terms of declaration.***An Article XXX(3) declaration must adopt the Alternative selected in its entirety, without modification, and specify the following terms: (1) whether Alternative A or Alternative B is to apply; (2) whether the Alternative selected applies to only some or instead all the types of  *[insolvency proceedings](#insolvency_proceedings12" \o "\“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; [c art 1(l)]***)*; and (3) the time period within which the  *[debtor](#debtor42" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* must either give possession of the  *[aircraft object](#aircraft_object47" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) to the  *[creditor](#creditor43" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* or cure all defaults (ref. 4.1). | [3.120](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7233_3120) (*Main text*)  [3.136](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7233_3136a) and [5.62](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7233_562a) (*No declarations*); [3.136](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7233_3136b), [5.62](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7233_562b), [5.123](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7233_5123) (*Requirements for declaration*) | | p arts XI(1), XI(A), and XXX(3) |
|  | **Primary insolvency jurisdiction importance** | | | |
|  | ***Choice of law rule applying Alternative A***. Article XI’s reference to the  *[debtor’s](#debtor57" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)*  *[primary insolvency jurisdiction](#primary_insolvency_jurisdiction3" \o "\“primary insolvency jurisdiction\“ means the Contracting 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; [p art 2(n)]***)* operates as a choice of law rule that serves to preclude a debtor from forum shopping and to provide predictability as to its application. If a debtor becomes subject to  *[insolvency proceedings](#insolvency_proceedings13" \o "\“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; [c art 1(l)]***)* in a Contracting State other than its primary insolvency jurisdiction, that Contracting State is bound to apply the terms of Article XI as declared (or domestically enacted, ref. 7.2.3.2) by the primary insolvency jurisdiction, and must follow the terms of that declaration as to the Alternative elected, the type of insolvency proceedings covered and the waiting period (7.3.3) specified regardless of whether: (1) it has made such a declaration itself; (2) there are insolvency proceedings in the debtor’s primary insolvency jurisdiction; and/or (3) the  *[courts](#court5" \o "\“court\“ means a court of law or an administrative or arbitral tribunal established by a Contracting State; [c art 1(h)]***)* of the Contracting State constituting the debtor’s primary insolvency jurisdiction as a matter of practice or precedent follow such terms. If the debtor’s primary insolvency jurisdiction is not a Contracting State, or is a Contracting State that has not made an Alternative A declaration, Alternative A is not applicable to the debtor no matter where it is subject to insolvency proceedings. | [3.119](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7241_3119) and [3.130](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7241_3130) (*Main text*)  [3.129](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7241_3129) (*Choice of law rule*); [3.136](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7241_3136a), [5.61](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7241_561) (*Non-compliance by courts of primary insolvency jurisdiction*); [3.136](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7241_3136b) (*No declaration by primary insolvency jurisdiction*); [3.155](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7241_3155) (*Anti-forum shopping*) | | p arts I(2)(n), XI(1), XI(A), XXX(3), and XXX(4) |
|  | **Identifying the debtor’s primary insolvency jurisdiction** | | | |
|  | ***Presumptive location and standard for overriding the presumption.*** A  *[debtor’s](#debtor58" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)*  *[primary insolvency jurisdiction](#primary_insolvency_jurisdiction4" \o "\“primary insolvency jurisdiction\“ means the Contracting 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; [p art 2(n)]***)* is the Contracting State where its centre of main interests is situated, which is presumed to be its statutory seat, or if none, the place where it is incorporated or formed. That presumption may be rebutted, but is not lightly displaced and the party asserting a different location carries a substantial burden of proof applying the following test: whether a different Contracting State, as visible specifically to its  *[creditors](#creditor44" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* under the CTC (and not more generally), constitutes the main State in and from which the ordinary course activities and decision-making relating to the debtor’s overall business and operations with respect to  *[aircraft objects](#aircraft_object48" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) are conducted (i.e. the real seat rather than the statutory seat). | [3.123](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7251_3123) and [5.15](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7251_515) (*Main text*)  [3.133](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7251_3133) (*Relevant creditors*); [3.134](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7251_3134) (*Test*) | | p arts I(2)(n), XI(1), XXX(3), and XXX(4) |
|  | ***Factors relevant to establishing centre of main interests.***The primary factors relevant to establishing a  *[debtor’s](#debtor43" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* centre of main interests in a State that differs from the presumed State are the following: (1) the debtor management team with whom the  *[creditors](#creditor45" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* (with respect to interests created under the CTC) conduct business is situated in a State that is different from the presumed State; (2) the debtor’s primary base of operations for, and where decisions relating to, its  *[aircraft objects](#aircraft_object49" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) is located in a State that is different from the presumed State; and (3) the debtor derives its authority to operate its aircraft objects, and/or authority to operate its aircraft objects on particular routes, from a State that is different from the presumed State. | [3.131](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7252_3131) (*Main text*) | | p arts I(2)(n), XI(1), XXX(3), and XXX(4) |
|  | ***Factors not relevant to establishing centre of main interests.***The following factors are not relevant to establishing a  *[debtor’s](#debtor44" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* centre of main interests: (1) the State where the creditors of the debtor reside and from which they act; (2) the terms of the  *[agreement](#agreement25" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* creating or providing for the relevant  *[international interests](#international_interest30" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)*, such as terms providing for payments in the currency of or to a bank account in a particular State, submission to the jurisdiction of the courts of a particular state for the resolution of disputes, or application of the laws of a particular State as the governing law of the agreement; and (3) the State where the agreement creating or providing for the relevant international interests is prepared and/or concluded. | [3.131](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7253_3131) (*Main text*)  [3.129](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7253_3129) (*Irrelevant creditors*) | | p arts I(2)(n), XI(1), XXX(3), and XXX(4) |
|  | ***Timing for determining centre of main interests.***The  *[debtor’s](#debtor45" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* centre of main interests is determined for purposes of Article XI at the time an      *[insolvency-related event](#insolvency_related_event2" \o "\“insolvency-related event\“ means:(i)the commencement of the insol¬vency proceedings; or (ii)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 the Convention is prevented or suspended by law or State action; [p art 2(m)]***)* occurs (ref. 7.2.6) by looking back from that date and evaluating the relevant factors (ref. 7.2.5.2) over the period leading up to the insolvency-related event. | [3.133](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7254_3133) (*Main text*)  [3.123](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7254_3123), [3.134](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7254_3134) and [5.15](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7254_515) (*Timing*) | | p arts I(2)(n), XI(1), XXX(3), and XXX(4) |
|  | ***Change of centre of main interests.***While a  *[debtor](#debtor46" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* may change its centre of main interests for any *bona fide* business purpose, a change made in the period preceding the occurrence of an      *[insolvency-related event](#insolvency_related_event3" \o "\“insolvency-related event\“ means:(i)the commencement of the insol¬vency proceedings; or (ii)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 the Convention is prevented or suspended by law or State action; [p art 2(m)]***)* (ref. 7.2.6) for the purpose of obtaining an insolvency regime that is detrimental to the CTC  *[creditors](#creditor46" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* will be disregarded. | [3.134](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7255_3134) (*Main text*)  [3.123](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7255_3123) (*Change*) | | p arts I(2)(n), XI(1), XXX(3), and XXX(4) |
|  | ***Relevance of centre of main interests under non-CTC law.***A  *[debtor’s](#debtor47" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* centre of main interests for the purposes of the CTC may differ from its centre of main interests for other purposes, such as application of a Contracting State’s insolvency law, which will typically consider the debtor’s interactions with all of its creditors. | [3.129](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7256_3129) (*Main text*)  [3.132](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7256_3132) (*CTC COMI may differ from insolvency law COMI*) | | p arts I(2)(n), XI(1), XXX(3), and XXX(4) |
|  | **Insolvency-related event** | | | |
|  | ***Definition.***      *[Insolvency-related event](#insolvency_related_event4" \o "\“insolvency-related event\“ means:(i)the commencement of the insol¬vency proceedings; or (ii)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 the Convention is prevented or suspended by law or State action; [p art 2(m)]***)* is comprised of two limbs: (1) the commencement of  *[insolvency proceedings](#insolvency_proceedings14" \o "\“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; [c art 1(l)]***)* (ref. 7.1.1); and (2) when the following two conditions have been met: (a) the  *[debtor](#debtor48" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* has suspended payments to its creditors (generally, and not merely to a specific creditor or class of creditors) or declared its intention to do so; and (b) a law has been enacted or state action occurs that prevents or suspends the rights of such creditor to initiate insolvency proceedings against the debtor or exercise remedies under the CTC. A debtor’s application for court approval of a suspension of payments constitutes a declared intention. | [3.127](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7261_3127) (*Main text*)  [3.124](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7261_3124) and [5.14](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7261_514) (*Definition*) | | p arts I(2)(m) and XI(A) |
|  | **Party responsible for performing Alternative A obligations** | | | |
|  | ***Party responsible.*** The party responsible for performing Alternative A obligations is: (1) the  *[debtor](#debtor49" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)*, if the  *[aircraft object](#aircraft_object50" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) remains in the possession of the debtor, and under applicable law the debtor retains the authority to perform such obligations (temporarily or otherwise), or applicable law confers authority on the debtor to administer its own reorganization or liquidation (thereby constituting an  *[insolvency administrator](#insolvency_proceedings15" \o "\“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; [c art 1(k)]***)* within the meaning of the CTC); or (2) the person designated by applicable law as having authority to administer the debtor’s reorganization or liquidation, including authority to perform such obligations. Designation of a person with limited authority (such as accounting or other financial reporting) as an insolvency administrator under applicable law does not constitute such person as an insolvency administrator for purposes of Alternative A. | [3.140](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7271_3140) (*Main text*)  [2.236](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7271_2236) and [4.20](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7271_420) (*Insolvency administrator definition*) | | c arts 1(k), 5, and 30(3)(b); p art IX(A) |
|  | **Insolvency Assistance** | | | |
|  | ***Assistance.*** If a Contracting State has made a declaration under Article XXX(1), and an  *[aircraft object](#aircraft_object51" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) is situated in that Contracting State, then its  *[courts](#court6" \o "\“court\“ means a court of law or an administrative or arbitral tribunal established by a Contracting State; [c art 1(h)]***)* must, in accordance with its laws, co-operate to the maximum extent possible with the courts and  *[insolvency administrators](#insolvency_proceedings16" \o "\“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; [c art 1(k)]***)* of any other Contracting State in carrying out the provisions of Article XI. | [3.153](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7281_3153) (*Main text*)  [3.154](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7281_3154) (*Scope*) | | p art XII, XXX(1) |
|  | **Significant effects of Article XI, Alternative A (declaration)** | | | |
|  | **Relationship to applicable law** | | | |
|  | ***Inconsistent law is displaced.***National insolvency or other laws that may grant the court discretionary relief powers, institute a stay on enforcement, require leave of the court for enforcement of remedies or permit a non-consensual modification of the terms of the agreement are all overridden to the extent they conflict with a right granted to the  *[creditor](#creditor47" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* under Alternative A, overriding the preservation of the court’s powers under Article 30(3)(b) (ref. 7.1.2.1). | [3.145](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7311_3145) (*Main text*)  [5.66](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7311_566) (*Inconsistent law*) | | p art XI(A) |
|  | ***Exercise of remedies without court authorization.***A Contracting State’s declaration to apply Alternative A supersedes a declaration under Article 54(2) requiring leave of the court for the exercise of remedies (ref. 4.4.5). | [2.107](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7312_2107) (*Main text*)  [3.139](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7312_3139) (*Exclusion of Alternative A remedies from Article 54(2) declaration*) | | p art XI(A) |
|  | ***Applicable law termination right.*** Alternative A does not limit the exercise of the right of a  *[debtor](#debtor50" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* (or its  *[insolvency administrator](#insolvency_administrator2" \o "\“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; [c art 1(k)]***)*) to terminate an  *[agreement](#agreement26" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* if that right is available in insolvency under applicable law. | [3.145](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7313_3145) (*Main text*) | | p art XI(A)(11) |
|  | **Scope of protections** | | | |
|  | ***Scope.*** The reference to  *[agreement](#agreement27" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* in Alternative A is construed broadly, with the creditor rights protected under Alternative A encompassing all related agreements forming part of the overall transaction. | [3.139](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7321_3139) (*Main text*)  [2.242](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7321_2242) (*Scope of associated rights*); [3.145](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7321_3145) (*Non-consensual modification*); [5.64](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7321_564) (*Cure and perform*) | | p arts XI(A)(7), (9), and (10) |
|  | **Waiting period** | | | |
|  | ***Defined.***The  *[debtor](#debtor51" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* (or the  *[insolvency administrator](#insolvency_administrator3" \o "\“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; [c art 1(k)]***)*) is obligated to either cure all defaults (refs. 4.1 and 7.3.2) other than insolvency, and agree to perform future obligations under all relevant transaction documents in full, or give possession of the  *[aircraft object](#aircraft_object52" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) to the  *[creditor](#creditor48" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)*, in each case by the first to occur of the end of the waiting period specified in the relevant Contracting State’s declaration (which commences on the occurrence of an      *[insolvency-related event](#insolvency_related_event5" \o "\“insolvency-related event\“ means:(i)the commencement of the insol¬vency proceedings; or (ii)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 the Convention is prevented or suspended by law or State action; [p art 2(m)]***)* (ref. 7.2.6)) or the date that the creditor would otherwise be entitled to possession under applicable law in the absence of Alternative A. | [3.139](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7331_3139) (*Main text*)  [3.141](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7331_3141) (*Start of waiting period*); [3.142](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7331_3142) (*Duration of waiting period*); [5.64](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7331_564) (*Defined*) | | p arts XI(A)(2),(3), (7), and XXX(3) |
|  | ***Effect of lapse.***Once the waiting period elapses the  *[creditor](#creditor49" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* may exercise all remedies permitted by the CTC without further delay or limitation by applicable law that might otherwise restrict such enforcement actions (ref. 7.1.6). | [3.145](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7332_3145) (*Main text*)  [5.66](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7332_566) (*Delay of remedies barred*) | | p arts XI(A)(2), (3), (9), and XXX(3) |
|  | ***Hard deadline.***The waiting period specified in the Contracting State’s declaration is a ‘hard’ deadline, and is not subject to court discretion to extend or to any doctrines, such as commercial reasonableness (ref. 4.6.4), that might otherwise operate to allow a case-by-case modification of the waiting period. A default in the future performance obligation immediately triggers the  *[debtor’s](#debtor52" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* obligation to give the  *[creditor](#creditor50" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* possession of the  *[aircraft object](#aircraft_object53" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1), without the imposition of a second waiting period. | [3.139](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7333_3139) (*Main text*)  [3.136](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7333_3136), [5.61](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7333_561), [5.62](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7333_562) and [5.64](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7333_564) (*Obligation to adhere to PIJ waiting period*); [5.66](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7333_566) (*Delay of remedies barred*) | | p arts XI(A)(2), (3), (7), (9), and XXX(3) |
|  | ***Modification rights of parties.***The  *[debtor](#debtor53" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* and a  *[creditor](#creditor51" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* may consensually agree to opt out of Alternative A in its entirety (but not in part) as to the interests constituted or provided by an  *[agreement](#agreement28" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* (ref. 1.2.2), and once an      *[insolvency-related event](#insolvency_related_event6" \o "\“insolvency-related event\“ means:(i)the commencement of the insol¬vency proceedings; or (ii)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 the Convention is prevented or suspended by law or State action; [p art 2(m)]***)* (ref. 7.2.6) has occurred, the debtor and the creditor may consensually agree to extend the waiting period or otherwise modify the applicable terms of the cure or the agreement (i.e. which obligations must be performed or other conditions that must be satisfied as part of the cure). | [5.27](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7334_527) (*Main text*)  [3.136](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7334_3136), [3.139](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7334_3139) and [5.61](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7334_561) (*Party modification rights*) | | p arts IV(3), XI(A)(2), (3), and (7) |
|  | **Preservation and maintenance obligation; debtor use** | | | |
|  | ***Debtor possession and duty during waiting period***. A  *[debtor](#debtor54" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* may retain possession and continue to use an  *[aircraft object](#aircraft_object54" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) during the applicable waiting period (7.3.3), and is obligated to preserve it and maintain it and its value in accordance with the terms of the  *[agreement](#agreement29" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* (ref. 1.2.2) until the  *[creditor](#creditor52" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* has been given the opportunity to take possession of the aircraft object (ref. 1.1.1), whether or not it actually takes possession. Thereafter, the duty to take care of the aircraft object is governed by the applicable law. Remedies for breach of this and other duties under Article XI are determined by the agreement and applicable law (ref. 7.3.10). | [3.143](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7341_3143) (*Main text*)  [3.139](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7341_3139) (*Remedies for breach*); [5.64](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7341_564) (*Scope of duty*); [5.65](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7341_565) (*Termination of duty*) | | p arts XI(A)(5)(a) and 6 |
|  | **Advance judicial relief** | | | |
|  | ***Advance judicial relief during waiting period***. During the waiting period (ref. 7.3.3), notwithstanding otherwise applicable law staying enforcement, the  *[creditor](#creditor53" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* may apply for advance judicial relief (ref. 5.6) under Article 13 (as modified if the relevant Contracting State has made a declaration under Article XXX(2), electing to adopt the terms of  *[Protocol](#Protocol10" \o "\“Protocol\“ means, in respect of any category of object and associated rights to which this Convention applies, the Protocol in respect of that category of object and associated rights; [c art 1(aa)]***)* Article X) or other applicable law (ref. 5.6). | [3.143](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7351_3143) (*Main text*)  [3.144](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7351_3144) and [5.64](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7351_564) (*Jurisdiction*) | | c art 13; p arts X and XI(A)(5)(b) |
|  | **Exercise of de-registration and export remedies** | | | |
|  | ***De-registration and export.*** Once the  *[creditor](#creditor54" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* is entitled to possession of an  *[aircraft object](#aircraft_object55" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) under Alternative A, it may seek  *[de-registration of the aircraft](#de_registration_of_the_aircraft4" \o "\“de-registration of the aircraft\“ means deletion or removal of the registration of the aircraft from its aircraft register in accordance with the Chicago Convention; [p art 2(i)]***)* and export and physical delivery of the aircraft objects (ref. 5.5.1) by either the court route (ref. 5.5.2) or by exercise of an IDERA (ref. 5.5.3), and the  *[registry authority](#registry_authority4" \o "\“registry authority\“ means the national authority or the common mark registering authority, maintaining an aircraft register in a Contracting State and responsible for the registration and de-registration of an aircraft in accordance with the Chicago Convention; [p art 2(o)]***)* and other relevant administrative authorities (ref. 10.6) are obligated to make those remedies available no later than five working days following notice. The relevant administrative authorities are obligated to expeditiously co-operate and assist the creditor in the exercise of such remedies (ref. 10.6). | [3.47](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7361_347) (*Main text*)  [5.64](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7361_564) (*Make remedies available*); [5.66](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7361_566) (*Delay of remedies barred*) | | p arts I(2)(i), IX(1), (2), (5) and (6), XI(A)(8), and (9) |
|  | **Prohibition on non-consensual modifications** | | | |
|  | ***Prohibition.*** The obligations of the  *[debtor](#debtor55" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* under an  *[agreement](#agreement30" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* (refs. 1.2.2 and 7.3.2) may not be modified by the  *[court](#court7" \o "\“court\“ means a court of law or an administrative or arbitral tribunal established by a Contracting State; [c art 1(h)]***)* unless consent is given by the  *[creditor](#creditor55" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* (or relevant creditors) in accordance with the consent provisions as set out in the agreement, displacing otherwise applicable law doctrines that permit a non-consensual modification of the terms of a dissenting creditor’s agreement by a majority or supermajority creditor class vote. | [3.145](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7371_3145) (*Main text*)  [5.66](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7371_566) (*Consent required*) | | p art XI(A)(10) |
|  | **Prohibition on subordination of registered interests** | | | |
|  | ***Displacement.*** With the exception of a  *[non-consensual right or interest](#non_consensual_rights_or_interests5" \o "\“non-consensual right or interest\“ means a right or interest conferred under the law of a Contracting State which has made a declaration under Article 39 to secure the performance of an obligation, including an obligation to a State, State entity or an intergovernmental or private organisation; [c art 1(s)]***)* (ref. 2.3.2) that is identified in an Article 39(1) declaration, Alternative A displaces any otherwise applicable insolvency law doctrine that might permit the priority of a  *[registered interest](#registered_interest14" \o "\“registered interest\“ means an international interest, a registrable non-consensual right or interest or a national interest specified in a notice of a national interest registered pursuant to Chapter V; [c art 1(cc)]***)* (refs. 6.1.1.1 and 6.2.1) to be subordinated in insolvency to some other category of claim. | [3.146](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7381_3146) (*Main text*)  [3.150](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7381_3150) (*National law priority for non-consensual right or interest holder*) | | c arts 1(i) and 1(cc); p art XI(A)(12) |
|  | **Effect on non-consensual right or interest** | | | |
|  | ***Protections not applicable***. The protections afforded to  *[creditors](#creditor56" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* under Alternative A do not extend to the holder of a  *[non-consensual right or interest](#non_consensual_rights_or_interests6" \o "\“non-consensual right or interest\“ means a right or interest conferred under the law of a Contracting State which has made a declaration under Article 39 to secure the performance of an obligation, including an obligation to a State, State entity or an intergovernmental or private organisation; [c art 1(s)]***)* (ref. 2.3), whether  *[registered](#registered15" \o "\“registered\“ means registered in the International Registry pursuant to Chapter V; [c art 1(bb)]***)* (as permitted by Article 40) or unregistered but protected by a declaration under Article 39. The effect and priority of a non-consensual right or interest *vis a vis* an  *[international interest](#international_interest32" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1) are preserved under Alternative A as matters of national law; the CTC does not extend them beyond the jurisdiction of the Contracting State whose law gives rise to the relevant non-consensual right or interest (refs. 6.1.4.3 and 6.2.3.2). | [3.150](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7391_3150) (*Main text*)  [2.40(5)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7391_240_5_) (*Registrable non-consensual right or interest priority effect*); [3.146](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S7391_3146) (*Non-consensual right or interest priority effect*) | | c art 1(i) and 1(s); p art XI(A)(12); |
|  | **Remedies for breach** | | | |
|  | ***Remedies for breach not prescribed by the CTC.*** Remedies for breach of Article XI are not prescribed by the CTC and are left to the  *[agreement](#agreement31" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* and applicable law. If the  *[debtor](#debtor56" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* fails to give up possession of the  *[aircraft object](#aircraft_object56" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* or fails to fulfil its other obligations under the Alternative A, the  *[creditor](#creditor57" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* may seek, and is entitled to obtain, a suitable remedy for the breach under applicable law (refs. 3.3 and 10.3.1), which may include Article 13 remedies (ref. 5.6). | [3.143](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S73101_3143) (*Main text*)  [3.118](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S73101_3118) (*Agreement and applicable law remedies apply*); [2.26](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S73101_226), [2.101](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S73101_2101) and [3.139](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S73101_3139) (*Contacting State obligation to ensure adequate remedy*) | | p Art XI |
|  | 1. Other Key Provisions Impacting Rights and Obligations | | | |
|  | **Party autonomy on contract items** | | | |
|  | ***Party autonomy is an underlying principle.*** Party autonomy is an underlying principle of the CTC (ref. 3.2.3). In their relations with one another, the parties are free to derogate from, or vary, the provisions of the CTC and create their own rules and remedies, provided that they do not contravene any mandatory provisions of the CTC or mandatory rules of the forum (refs. 4.2, 4.5, and 4.12). | [2.25](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S811_225) (*Main text*)  [2.23](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S811_223) (*Key principle*); [2.66](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S811_266), [2.146](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S811_2146), [3.19](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S811_319), and [4.128](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S811_4128) (*Power to derogate*) | c Preamble, arts 12 and 15; p art IV(3) | |
|  | **Representative capacity, including agency and trustees** | | | |
|  | ***Representative capacity recognized.***Every Contracting State is obligated to recognize the authority of a person duly appointed under applicable law (ref. 8.2.3) as a trustee, agent, or other representative to validly take actions, assert rights, and hold and assign interests under the CTC (ref. 8.2.2), overriding any otherwise applicable national law (ref. 3.3.2). | [3.83](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S821_383) (*Main text*)  [2.46](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S821_246) and [4.19](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S821_419) (*Debtor variations among representative capacities*); [3.87](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S821_387) (*Considerations for trusts and other representatives similar*); [5.33](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S821_533) and [5.35](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S821_535) (*Recognition of representatives by Contracting States*) | p art VI | |
|  | ***Scope of CTC actions permitted.***The scope of actions that may be validly taken in a representative capacity under the CTC includes the power to conclude an agreement (ref. 1.2.2) or sale (ref. 2.4), effect registrations (ref. 1.5.1), and enforce remedies, and must be broadly construed to validate taking other analogous actions (ref. 3.1). | [3.83](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S822_383) (*Main text*)  [5.33](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S822_533) (*Broad interpretation*) | c art 5; p art VI | |
|  | ***Applicable law for validity of appointment.***The validity of an appointment of a person in a representative capacity is determined under the law chosen by the parties in the instrument of appointment unless that choice circumvents a public policy of a State having a closer connection to the parties. | [3.83](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S823_383) (*Main text*)  [3.84](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S823_384), and [5.33](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S823_533) (*Applicable law*) | p art VI | |
|  | ***Scope of representative’s authority.***The authority of a person acting in a representative capacity is determined by the terms of the appointment, applying the law chosen by the parties in the instrument of appointment; actions taken that exceed the authority of the representative may result in liability for the representative to the principal or beneficiary under applicable law, but have binding effect under the CTC. | [5.33](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S824_533) (*Main text*)  [3.86](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S824_386) (*Action in breach binding*); [3.87](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S824_387) (*Considerations for trusts and other representatives similar*) | p art VI | |
|  | **Matters specific to trusts** | | | |
|  | ***Trustee as debtor – general rule.***Where a duly appointed trustee (ref. 8.2.3), who is vested with an interest in an  *[aircraft object](#aircraft_object57" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1), enters into an  *[agreement](#agreement32" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* (ref. 1.2.2) as a  *[debtor](#debtor59" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)*: (1) only the trustee (and not the beneficiary) may make or consent to registrations with respect to the aircraft object; and (2) the situation of the trustee (and not the beneficiary) determines: (a) the relevant connecting factor (ref. 1.2.4); (b) the debtor’s  *[primary insolvency jurisdiction](#primary_insolvency_jurisdiction5" \o "\“primary insolvency jurisdiction\“ means the Contracting 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; [p art 2(n)]***)* (ref. 7.2.5); and (c) whether an      *[insolvency-related event](#insolvency_related_event7" \o "\“insolvency-related event\“ means:(i)the commencement of the insol¬vency proceedings; or (ii)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 the Convention is prevented or suspended by law or State action; [p art 2(m)]***)* (ref. 7.2.6) has occurred (ref. 8.2.1). | [3.83](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S8251_383) (*Main text*)  [2.46](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S8251_246) and [4.19](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S8251_419) (*Debtor*) | p art VI | |
|  | ***Trustee as debtor – insolvency exception.***Where relevant insolvency law looks through a trust to the party who established the trust, for purposes of Convention Article 30 and Protocol Article XI the situation of that party (and not the trust or trustee) determines: (1) the  *[debtor’s](#debtor60" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)*  *[primary insolvency jurisdiction](#primary_insolvency_jurisdiction6" \o "\“primary insolvency jurisdiction\“ means the Contracting 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; [p art 2(n)]***)* (ref. 7.2.5); and (2) whether an      *[insolvency-related event](#insolvency_related_event8" \o "\“insolvency-related event\“ means:(i)the commencement of the insol¬vency proceedings; or (ii)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 the Convention is prevented or suspended by law or State action; [p art 2(m)]***)* (ref. 7.2.6) has occurred. | [3.140](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S8252_3140) (*Main text*)  [2.46](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S8252_246) and [3.118](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S8252_3118) (*Debtor*); [3.83](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S8252_383) and [5.34](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S8252_534) (*Insolvency*) | c art 30; p arts VI and XI | |
|  | ***Insulation of trust assets.***The assets held by a trust or trustee are separate from the assets of the trustee and may not be reached by creditors of the trustee other than in respect of debts created in its trust capacity. | [3.83](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S8253_383) (*Main text*) | p art VI | |
|  | ***Trust entity as debtor or creditor.***Where the applicable law establishing a trust (ref. 8.2.3) recognizes the trust as an entity with a legal personality distinct from the trustee, the trust, rather than the trustee, may enter into an  *[agreement](#agreement33" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* (ref. 1.2.2) under the CTC with the trust being regarded as the  *[debtor](#debtor61" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* or  *[creditor](#creditor58" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)*, as applicable, and the trust being entitled to have all actions taken in its representative capacity (refs. 8.2.2 and 8.4) recognized in all Contracting States (ref. 8.2.1). | [3.84](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S8254_384) (*Main text*)  [2.46](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S8254_246) (*Debtor*) | p art VI | |
|  | ***Trust or trustee as creditor.***Where a duly appointed trustee (ref. 8.2.3) enters into an  *[agreement](#agreement34" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* (ref. 1.2.2) as a  *[creditor](#creditor59" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)*, the trustee is the holder of the interests constituted or provided for by the agreement and is entitled to make or consent to registrations of such interests (ref. 8.2.1). | [3.83](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S8255_383) (*Main text*) | p art VI | |
|  | ***Registration and enforcement rights of beneficiary.***A beneficiary of a trust has no right to make or consent to the registration of an interest held by the trust (ref. 8.2.5.1). Whether the beneficiary of a trust holds a concurrent right with the trust or trustee to assert rights under the CTC is determined by the terms of the instrument establishing the trust and the rules of the forum where the rights are asserted. | [5.33](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S8256_533) (*Main text*)  [3.83](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S8256_383) (*Concurrent enforcement rights*) | c art 14; p art VI | |
|  | ***Interest of trust beneficiary – transfer/priority.***The interest of a beneficiary in a trust falls outside the CTC, as does the transfer (outright or for security) of that interest, and is junior to an  *[international interest](#international_interest33" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* granted by its trustee to a  *[creditor](#creditor60" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)*. | [3.84](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S8257_384) (*Main text*)  [2.202](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S8257_2202) (*Priority*) | c art 29; p art VI | |
|  | ***Substitution of trustee.***If a trustee that is party to an  *[agreement](#agreement35" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* (ref. 1.2.2) which constitutes or provides for an  *[international interest](#international_interest34" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1) is replaced by a successor trustee, the succession of trustees does not constitute the creation of a new international interest. Where the transfer occurs by operation of law, it falls outside the CTC. Where the transfer occurs by the agreement of the parties, in the case of an international interest held by the trustee, it constitutes an  *[assignment](#assignments7" \o "\“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; [c art 1(b)]***)* (ref. 8.3.1) of an existing international interest. | [3.85](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S8258_385) (*Main text*)  [5.34](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S8258_534) (*Appointment of new trustee*) | p art VI | |
|  | **Assignments and novations** | | | |
|  | ***Scope of term.***  *[Assignment](#assignments8" \o "\“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; [c art 1(b)]***)* means a contract that passes to the assignee, for security or as a complete transfer without retention of a reversionary interest, some or all of the rights of the assignor to the payment or other performance obligations of a  *[debtor](#debtor62" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* under a  *[security agreement](#security_agreement14" \o "\“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 object to secure the performance of any existing or future obligation of the chargor or a third person; [c art 1(ii)]***)*,  *[title reservation agreement](#title_reservation_agreement9" \o "\“title reservation agreement\“ means an agreement for the sale of an object on terms that ownership does not pass until fulfilment of the condition or conditions stated in the agreement; [c art 1(ll)]***),* or a  *[leasing agreement](#leasing_agreement10" \o "\“leasing agreement\“ means an agreement by which one person (the lessor) grants a right to possession or control of an object (with or without an option to purchase) to another person (the lessee) in return for a rental or other payment; [c art 1(q)]***)* (all comprising an  *[agreement](#agreement36" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* (ref. 1.2.2) and encompassed in the term  *[associated rights](#associated_rights2" \o "\“associated rights\“ means all rights to payment or other performance by a debtor under an agreement which are secured by or associated with the object; [c art 1(c)]***)* (ref. 2.5)), whether or not the contract also conveys the related  *[international interest](#international_interest35" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1). An assignment that does not also convey the international interest falls outside the CTC and may not be  *[registered](#registered16" \o "\“registered\“ means registered in the International Registry pursuant to Chapter V; [c art 1(bb)]***)*. Assignment does not include a transaction in which the debtor (rather than the  *[creditor](#creditor61" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)*) passes its rights and interests under an agreement to a transferee, nor does it apply to any transaction that passes the rights and interests of a creditor by operation of law or any means other than by contract. | [4.225](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S831_4225a) (*Main text*)  [2.41](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S831_241) (*Validity*); [2.242](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S831_2242) (*Definition of assignment*); [2.243](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S831_2243) (*Transfers by operation of law*); [4.10](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S831_410) and [4.225](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S831_4225b) (*Scope of CTC*); [4.133](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S831_4133) (*Validity requires transfer of international interest*); [4.249](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S831_4249) (*Validity requires transfer of some associated interests*); [4.225](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S831_4225c) (*Debtor transfer is not an assignment*) | c art 1(a), (b), (c), (o), (q), (ii), 16(1)(b), 20(1), 29(1), 31(1), 31(5), 32, 35, and 36 | |
|  | ***Distinction between assignment and novation.***The terms of an  *[agreement](#agreement37" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* determine whether it constitutes an  *[assignment](#assignments9" \o "\“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; [c art 1(b)]***)*, as defined by the CTC, or a ‘novation’, which the CTC does not define, applying the autonomous meanings given by the CTC and irrespective of any national law characterization (ref. 3.1.1). The contractual terms of an assignment that falls within the scope of the CTC convey the interests held by the transferor  *[creditor](#creditor62" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* under the agreement (including the  *[international interest](#international_interest36" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)*) to the transferee creditor (leaving the international interest in effect), while a novation terminates the interests of the transferor creditor (including the international interest it holds) and re-establishes corresponding interests in the transferee creditor (thereby creating a new international interest). | [2.54](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S832_254) (*Main text*)  [2.53](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S832_253a), [2.242](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S832_2242), and [4.9](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S832_49) (*Importance of distinction*); [2.24](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S832_224), [2.53](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S832_253b), [4.52](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S832_452), [4.53](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S832_453) (*Applicable law characterization*) | c arts 1(a), 1(b), 1(c), 5, 32, and 33 | |
|  | ***Validity and Formalities.***The substantive validity of an  *[assignment](#assignments10" \o "\“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; [c art 1(b)]***)* of  *[associated rights](#associated_rights3" \o "\“associated rights\“ means all rights to payment or other performance by a debtor under an agreement which are secured by or associated with the object; [c art 1(c)]***)* is governed by applicable law. The formalities for creation of an assignment of associated rights that is within the scope of the CTC (ref. 8.3.1), transferring the  *[international interest](#international_interest37" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1) to the assignee, track those for the creation of an international interest (ref. 1.2.3), requiring being in  *[writing](#writing2" \o "\“writing\“ means a record of information (including information communicated by teletrans-mission) 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. [c art 1(nn)]***)*, identification of the associated rights (ref. 2.5) and, for a security assignment, enabling the  *[secured obligations](#secured_obligations7" \o "\“secured obligation\“ means an obligation secured by a security interest; [c art 1(hh)]***)* to be identified. | [2.245](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S833_2245) and [2.251](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S833_2251) (*Main text)*  [2.247](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S833_2247) (*No CTC effect for assignment of non-CTC interest*); [4.235](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S833_4235) (*Partial assignment*); [4.247](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S833_4247) (*Specific requirements*); [4.248](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S833_4248) (*Failure to comply*) | c art 32(1) | |
|  | ***Transfer of international interest.***Unless the parties have agreed otherwise, an  *[assignment](#assignments11" \o "\“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; [c art 1(b)]***)* of  *[associated rights](#associated_rights4" \o "\“associated rights\“ means all rights to payment or other performance by a debtor under an agreement which are secured by or associated with the object; [c art 1(c)]***)* that satisfies the CTC’s formalities (ref. 8.3.3) will transfer the related  *[international interest](#international_interest38" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1) and its rights and priorities to the assignee (refs. 6.1.1.6, 6.1.5, and 6.1.6). | [2.245](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S834_2245) (*Main text*)  [4.230](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S834_4230) and [4.231](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S834_4231) (*Transfer of international interest*); [4.234](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S834_4234) and [4.241](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S834_4241) (*Rights and* p*riorities*) | c arts 31(1) and 32(1) | |
|  | ***Unregistered international interest.***If the CTC’s formalities have been satisfied (ref. 8.3.3), an assignee is entitled to have the  *[assignment](#assignments12" \o "\“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; [c art 1(b)]***)* of an  *[international interest](#international_interest39" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1)  *[registered](#registered17" \o "\“registered\“ means registered in the International Registry pursuant to Chapter V; [c art 1(bb)]***)* (but not a  *[pre-existing right or interest](#pre_existing_right_or_interest7" \o "\“pre-existing right or interest\“ means a right or interest of any kind in or over an object created or arising before the effective date of this Convention as defined by Article 60(2)(a); [c art 1(v)]***)* (ref. 6.1.4.3) or other non-CTC interest (ref. 2.3)), whether or not the related international interest was registered. | [2.239](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S835_2239) (*Main text*)  [2.247](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S835_2247) (R*egistration of assignment of non-CTC interest*); [3.159](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S835_3159) and [4.233](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S835_4233) (*Assignment of unregistered international interest*) | c art 16(1)(b) | |
|  | ***Debtor obligations to assignee.***A  *[debtor](#debtor63" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* is bound by an  *[assignment](#assignments13" \o "\“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; [c art 1(b)]***)* and obligated to render its payment and other performance obligations in favor of the assignee if the CTC’s formalities have been satisfied (see ref. 8.3.3), the debtor has consented to the assignment (which consent may be given in advance and need not identify the assignee), and the debtor has been given written notice of the assignment by the assignor (or another party authorized by the assignor). | [2.248](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S836_2248) (*Main text*)  [3.157](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S836_3157) and [3.158](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S836_3158) (*Debtor consent*); [4.251](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S836_4251) (*Conditions to obligation*); [4.241](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S836_4241) (*Obligations to assignee*) | c arts 31(1), 32(1), and 33(1); p art XV | |
|  | ***Debtor defenses.***A  *[debtor](#debtor64" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* may assert against an assignee any defenses or rights of set-off it may have under applicable law against the assignor unless it has waived them. The CTC validates a contractual waiver of defenses or right of set-off other than defenses arising from the fraud of the assignee. | [2.248](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S837_2248) (*Main text*)  [4.237](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S837_4237) and [4.238](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S837_4238) (*defense waiver and* *fraud exception*) | c arts 31(3) and (4) | |
|  | ***Assignee rights against debtor.***If the CTC’s formalities for creating a valid  *[assignment](#assignments14" \o "\“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; [c art 1(b)]***)* (ref. 8.3.3) and binding the  *[debtor](#debtor65" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* to it (ref. 8.3.6) have been satisfied, whether or not the assignment is  *[registered](#registered18" \o "\“registered\“ means registered in the International Registry pursuant to Chapter V; [c art 1(bb)]***)*, the  *[creditor](#creditor63" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* is entitled exercise the rights and priorities of the assignor and enforce remedies against the debtor. | [2.239](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S838_2239) (*Main text*)  [2.240](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S838_2240) and [3.158](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S838_3158) (*Enforcement rights*) | c arts 31(1), 32, 33, and 34 | |
|  | ***Assignee rights against assignor.***An assignee under a security assignment (ref. 1.2.2) has the same CTC remedies against the assignor as those conferred on a  *[creditor](#creditor64" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* holding an  *[international interest](#international_interest40" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1) under a  *[security agreement](#security_agreement15" \o "\“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 object to secure the performance of any existing or future obligation of the chargor or a third person; [c art 1(ii)]***)*, with such rights being subject to rights held by the assignor’s  *[debtor](#debtor66" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* (refs. 4.7, 5, 6.2.2.1, and 6.2.2.2). | [4.255](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S839_4255) and [4.256](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S839_4256) (*Main text*)  [2.252](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S839_2252) (E*nforcement limitations on associated rights*); [2.259](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S839_2259) (*Applicable law governs procedure*); [4.257](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S839_4257) (*Rights of assignor’s debtor*) | c art 34 | |
|  | ***Prospective assignment.***Ref. 6.1.5. |  |  | |
|  | ***Insolvency of assignor.*** ConventionArticle 30 applies as if references to  *[debtor](#debtor67" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* were references to assignor (ref. 7.1). | [2.258](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S8311_2258) (*Main text*)  [4.273](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S8311_4273) (*Insolvency*) | c arts 30 and 37 | |
|  | ***Priorities****.* Refs. 6.1.1.6, 6.1.5, and 6.1.6. |  |  | |
|  | **Subrogation** | | | |
|  | ***Acquisition of international interests.***  *[International interests](#international_interest41" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1) may be acquired by legal or contractual subrogation (refs. 8.4.2 and 8.4.3), and the subrogee may register that acquisition in the  *[International Registry](#international_registry6" \o "\“International Registry\“ means the international registration facilities established for the purposes of this Convention or the Protocol; [c art 1(p)]***)* (ref. 1.5.1). | [2.260](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S841_2260) (*Main text*)  [2.41(3)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S841_241_3_) (*Legal or contractual subrogation*) | c arts 1(m)(ii), (iii), 9(4), 16(1)(c), and 38 | |
|  | ***CTC right of subrogation.***ConventionArticle 9(4) confers a right of subrogation on an        *[interested person](#interested_person9" \o "\“interested persons\“ means:(i)the debtor;(ii)any person who, for the purpose of assuring performance of any of the obligations in favour of the creditor, gives or issues a suretyship or demand guarantee or a standby letter of credit or any other form of credit insurance;(iii)any other person having rights in or over the object; [c art 1(m]***)*, other than the  *[debtor](#debtor68" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)*, who, after a default (ref. 4.1), discharges a  *[security interest](#security_interest2" \o "\“security interest\“ means an interest created by a security agreement; [c art 1(jj)]***)* by payment of the relevant secured debt in full. | [2.119](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S842_2119) (*Main text*)  [4.102](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S842_4102) and [4.107](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S842_4107) (*CTC rights*) | c arts 1(m)(ii), (iii), 9(4), 16(1)(c), and 38 | |
|  | ***Applicable law right of subrogation.***The right to acquire interests (including  *[international interests](#international_interest42" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1)) through subrogation under applicable law are unaffected by the CTC. | [2.260](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S843_2260) and [4.274](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S843_4274) (*Main text*)  [2.41(3)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S843_241_3_) (*Applicable law example*) | c art 38 | |
|  | ***Priority and rights of a subrogee.***Any subrogee will stand in the position of its subrogor (i.e. the original  *[creditor](#creditor65" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)*) and acquires the same priority as that creditor in respect of other creditors (ref. 6.1.6.2). | [2.261](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S844_2261) (*Main text*)  [4.274](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S844_4274) and [4.276](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S844_4276) (*Position of a subrogee*) | c arts 38 and 50(3) | |
|  | **Subordination** | | | |
|  | ***Subordination of interests.***The priorities established by the CTC (including a lessee’s right of quiet enjoyment (ref. 4.7.1)) may be varied by the parties through a subordination agreement, which is binding on the assignee of the subordinated interest only if the subordination is  *[registered](#registered19" \o "\“registered\“ means registered in the International Registry pursuant to Chapter V; [c art 1(bb)]***)* (ref. 6.1.1.5). | [2.219](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S851_2219) (*Main text*)  [4.200](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S851_4200) and [4.203](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S851_4203) (*Variation of priorities*); [4.201](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S851_4201) (*Quiet enjoyment*); [4.214](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S851_4214) (*Assignee only bound if registered*) | c art 16(1)(e), 20(2) and 29(5) | |
|  | ***Registration of subordination.***A subordination may be  *[registered](#registered20" \o "\“registered\“ means registered in the International Registry pursuant to Chapter V; [c art 1(bb)]***)* with respect to an interest, whether or not it is a  *[registered interest](#registered_interest15" \o "\“registered interest\“ means an international interest, a registrable non-consensual right or interest or a national interest specified in a notice of a national interest registered pursuant to Chapter V; [c art 1(cc)]***)* (ref. 6.1.1.1) or a non-CTC interest. Consent of the  *[debtor](#debtor69" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* under the interest is not required. | [2.220](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S852_2220) (*Main text*)  [4.200](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S852_4200) (*Consent of debtor not required*) | c arts 16(1)(e), 20(2) and 29(5) | |
|  | **Amendments and extensions** | | | |
|  | ***Amendments giving rise to a new international interest.***An amendment that enlarges, replaces or supplements the then-existing  *[international interest](#international_interest43" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1), or a  *[pre-existing right or interest](#pre_existing_right_or_interest8" \o "\“pre-existing right or interest\“ means a right or interest of any kind in or over an object created or arising before the effective date of this Convention as defined by Article 60(2)(a); [c art 1(v)]***)* (ref. 6.1.4.3.3) in the case of an amendment made after the CTC has entered into force in the relevant Contracting State, will give rise to a new international interest that will need to be separately  *[registered](#registered21" \o "\“registered\“ means registered in the International Registry pursuant to Chapter V; [c art 1(bb)]***)* in order to preserve the priority of the  *[creditor](#creditor66" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)*. Examples include amendments that: (1) change the characterization of the  *[agreement](#agreement38" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* (such as from a  *[leasing agreement](#leasing_agreement11" \o "\“leasing agreement\“ means an agreement by which one person (the lessor) grants a right to possession or control of an object (with or without an option to purchase) to another person (the lessee) in return for a rental or other payment; [c art 1(q)]***)* to a  *[security agreement](#security_agreement16" \o "\“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 object to secure the performance of any existing or future obligation of the chargor or a third person; [c art 1(ii)]***)* (refs. 1.2.2.2 and 4.9.2)); (2) add new  *[aircraft objects](#aircraft_object58" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) to the agreement, change the fractional interests in an aircraft object, add new parties as grantor or grantee, or increase the obligations secured by the aircraft object; (3) extend/renew the term of a lease; or (4) increase the rent in a lease that is characterized under applicable law as a security agreement. | [2.56](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S861_256) (*Main text*)  [2.57](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S861_257) (*Pre-existing right or interest*); [4.25](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S861_425) (*Effect of amendment*) | c arts 2 and 7 | |
|  | ***Amendments not giving rise to a new international interest.***An amendment that does not change the terms of an  *[agreement](#agreement39" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* (ref. 1.2.2) in a way that enlarges, replaces or supplements the existing  *[international interest](#international_interest44" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1) or a  *[pre-existing right or interest](#pre_existing_right_or_interest9" \o "\“pre-existing right or interest\“ means a right or interest of any kind in or over an object created or arising before the effective date of this Convention as defined by Article 60(2)(a); [c art 1(v)]***)* (ref. 6.1.4.3.3) in the case of an amendment made after the CTC has entered into force in the relevant Contracting State, does not constitute a new international interest. Examples include amendments that: (1) change the name (but not the identity) of a party; (2) change the amount, mode or time of payment without causing a change in the amount of the obligations secured; (3) change terms as to repair or insurance of an  *[aircraft object](#aircraft_object59" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1); (4) provide for further advances where the agreement already secures the same; and (5) change the interest rate on an existing advance. | [2.58](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S862_258) (*Main text*)  [2.57](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S862_257) (*Pre-existing right or interest*); [4.25](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S862_425) (*Effect of amendment*) | c arts 2 and 7 | |
|  | ***Effect on existing registration.***The registration made in respect of the original interest remains effective following an amendment if the original interest still exists (ref. 6.1.2). | [2.56](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S863_256) (*Main text*) | c arts 2, 7, and 16 | |
|  | **Effect of the CTC on the doctrine of accession or similar doctrines** | | | |
|  | ***Aircraft engines.***Ownership of, or another right or interest in, an      *[aircraft engine](#aircraft_engines7" \o "\“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:(i)in the case of jet propulsion aircraft engines, have at least 1750 lb of thrust or its equivalent; and(ii)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; [p art 2(b)]***)* (refs. 1.1.1 and 1.1.2), is not affected by the installation (ref. 8.7.3) of that aircraft engine on, or removal from, any  *[aircraft](#aircraft9" \o "\“aircraft\“ means aircraft as defined for the purposes of the Chicago Convention which are either air-frames with aircraft engines installed thereon or helicopters; [p art 2(a)]***)* (including a      *[helicopter](#helicopter6" \o "\“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:(i)at least five (5) persons including crew; or(ii)goods in excess of 450 kilograms, together with all installed, incorporated or attached accessories, parts and equipment (including rotors), and all data, manuals and records relating thereto; [p art 2(l)]***)* (ref. 1.1.2.2)), even if, under applicable law ownership of the aircraft engine would otherwise have passed to the owner of the      *[airframe](#airframe4" \o "\“airframes\“ means airframes (other than those used in military, customs or police services) that, when appropriate aircraft engines are installed thereon, are type certified by the competent aviation authority to transport:(i)at least eight (8) persons including crew; or(ii)goods in excess of 2750 kilograms, together with all installed, incorporated or attached accessories, parts and equipment (other than aircraft engines), and all data, manuals and records relating thereto; [p art 2(e)]***)* (or helicopter) on which the aircraft engine is installed. | [2.229](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S871_2229), [2.230](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S871_2230), and [2.231](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S871_2231) (*Main text*)  [2.70](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S871_270), [3.10](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S871_310), [4.207](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S871_4207), and [5.76](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S871_576) (*CTC overrides any doctrine of accession*) | p arts I(2)(a), (b), (e), and (l), XIV(3), and (4) | |
|  | ***Items other than aircraft objects.***The rights of a person (including the  *[debtor](#debtor70" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)*) in an item that does not constitute an  *[aircraft object](#aircraft_object60" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) is not affected by the installation (ref. 8.7.3) of such item on an aircraft object, and rights in such an item may be created notwithstanding its installation on an aircraft object, if (as the case may be), under the applicable law, those rights would continue to exist or may be created after the installation. | [2.227](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S872_2227) (*Main text*)  [2.228](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S872_2228), [3.10](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S872_310), [4.216](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S872_4216), [5.4](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S872_54), and [5.77](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S872_577) (*Effect of installation*) | c art 29(7); p arts I(2)(c), XIV(3), and (4) | |
|  | ***Meaning of installation.***‘Installation’ means placed on or in an  *[aircraft object](#aircraft_object61" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) in such a way that the item is readily removable without damage to the aircraft object or the item, as distinct from ‘incorporated’ or ‘attached’, which denote a greater level of absorption of the item into the aircraft object. The CTC does not displace applicable law with respect to items that are attached or incorporated into an aircraft object. | [2.231](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S873_2231) (*Main text*)  [4.206](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S873_4206) (*Installation vs attachment and incorporation*) | c arts 5 and 29(7); p arts XIV(3) and (4) | |
|  | **Effect of international interests that overlap with national interests** | | | |
|  | ***Overlap of interests.*** If an  *[aircraft object](#aircraft_object62" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) is made subject to a  *[national interest](#national_interest2" \o "\“national interest\“ means an interest held by a creditor in an object and created by an internal transaction covered by a declaration under Article 50(1); [c art 1(r)]***)* (ref. 2.2.2) and an  *[international interest](#international_interest45" \o "\“international interest\“ means an interest held by a creditor to which Article 2 applies; [c art 1(o)]***)* (ref. 2.2.1), the remedies of the CTC are not applicable to the national interest but remain fully applicable to the international interest (refs. 2.1, 5 and 5.5.3). | [3.43](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S881_343) (*Main text*) | c arts 1(n), 1(o), 1(r), 8-15, and 50; p arts IX, X, XIII, and XXX | |
|  | 1. Dispute Resolution | | | |
|  | **Forum selection generally** | | | |
|  | **Agreement of the parties.**The parties to a transaction (encompassing any contract that falls within the scope of the CTC) may select the  *[courts](#court8" \o "\“court\“ means a court of law or an administrative or arbitral tribunal established by a Contracting State; [c art 1(h)]***)* of a Contracting State for the resolution of any claims between such parties arising under the CTC (but not claims under applicable law, even where referred to in the CTC, such as claims under Convention Article 12), superseding any otherwise applicable rules of the forum that might otherwise limit jurisdiction, including *forum non conveniens* (ref. 10.4) and rules requiring that the parties or transaction have sufficient connections with the chosen jurisdiction. The parties’ choice of forum may apply solely to claims by the  *[debtor](#debtor71" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)*, or mutually to claims by either party, and confers exclusive jurisdiction for such claims unless the  *[agreement](#agreement40" \o "\“agreement\“ means a security agreement, a title reservation agreement or a leasing agreement; [c art 1(a)]***)* states it shall be non-exclusive. | [2.278](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S911_2278) and [4.296](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S911_4296) (*Main text*)  [2.277](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S911_2277) (*Forum non conveniens*); [2.279](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S911_2279) and [2.328](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S911_2328) (*Hague Convention*); [4.298](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S911_4298) (*Supersedes national law*) | | c arts 1(h), 42, and 43 |
|  | **Limitations on forum selection agreements.**A forum selection agreement has no effect under the CTC on the forum applicable to claims by or against third parties, on non-CTC claims (though the rules of forum may result in related non-CTC claims falling into the court’s jurisdiction when CTC claims are presented), or in a non-Contracting State, and is not effective to limit jurisdiction otherwise conferred by Convention Article 43 or Protocol Article XXI for claims relating to advance judicial relief (refs. 5.6.4 and 9.2). | [2.278](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S912_2278) (*Main text*)  [2.280](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S912_2280) (*Courts where debtor is located*); [2.281](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S912_2281) (*Courts where aircraft object is located*); [4.296](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S912_4296) (*Choice limited to CTC claims between parties*); [4.297](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S912_4297) (*No effect on advance relief*); [4.299](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S912_4299) *(No effect in non-Contracting States*); [5.103](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S912_5103) (*Courts in State of registry*) | | c arts 1(h), 42, and 43; p arts XXI and XXX(5) |
|  | **Absence of agreement of the parties.**In the absence of agreement as to jurisdiction by the parties, only claims under Convention Article 13 (ref. 9.2) and claims against the  *[Registrar](#registrar3" \o "\“Registrar\“ means, in respect of the Protocol, the person or body designated by that Protocol or appointed under Article 17(2)(b); [c art 1(ee)]***)* are provided for as to jurisdiction by the CTC. Jurisdiction over any other claim is determined under the rules of the forum where the proceedings are brought. | [2.277](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S913_2277) (*Main text*)  [4.301](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S913_4301) (*No choice of forum*) | |  |
|  | **Forum for relief pending final determination (advance judicial relief)** | | | |
|  | **Relevant courts.**The CTC confers jurisdiction to issue orders for advance judicial relief (ref. 5.6) on the  *[courts](#court9" \o "\“court\“ means a court of law or an administrative or arbitral tribunal established by a Contracting State; [c art 1(h)]***)* of any Contracting State: (1) chosen by the parties; (2) in whose territory the  *[aircraft object](#aircraft_object63" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) is located; (3) where the  *[debtor](#debtor72" \o "\“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 object is burdened by a registrable non-consensual right or interest; [c art 1(j)]***)* is situated (ref. 1.2.4.2); or (4) that is the  *[State of registry](#State_of_registry6" \o "\“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. [p art 2(p)]***)* (ref. 1.2.4.3), in each case, depending upon the type of relief being sought, unless excluded by a relevant declaration (refs. 1.3.3 and 4.10.4) under Protocol Article XXX(5). Such jurisdiction is valid whether or not such court has jurisdiction to make a final determination of the applicable claim. The jurisdiction is concurrent with that selected by the parties under Convention Article 42 (ref. 9.1), cannot be excluded by the parties and is for the  *[creditor](#creditor67" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* to decide whether to elect such jurisdiction. | [4.303](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S921_4303) and [4.304](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S921_4304) (*Main text*)  [2.277](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S921_2277) (*Forum non conveniens*); [2.279](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S921_2279) and [4.307](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S921_4307) (*Final determination*); [2.280](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S921_2280a), [2.281](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S921_2281a), and [4.305](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S921_4305) (*Concurrent jurisdiction*); [2.280](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S921_2280b) and [4.306](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S921_4306) (*Where debtor is situated*); [2.281](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S921_2281b) (*Where aircraft object is located*); [4.308](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S921_4308) (*Declaration excluding*) | | c arts 1(h) and 43; p arts I(2)(p), XXI, and XXX(5) |
|  | 1. Obligations of Contracting States | | | |
|  | **Implementation** | | | |
|  | **Bound by international law.** Each Contracting State is bound by international law to ensure that the terms of the CTC are given full effect within its jurisdiction, and any failure to do so constitutes a breach of its obligations under the CTC. | [2.12](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1011_212) (*Main text*)  [2.10(1)](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1011_210_1_) (*Vienna Convention*); [2.13](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1011_213) (*Implementation steps*); [2.292](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1011_2292) and [2.293](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1011_2293) (*Obligations and breach*); [2.294](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1011_2294) (*Courts*); [2.327](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1011_2327) (*Declarations of other Contracting States*); [3.139](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1011_3139) (*Article XI remedies*) | | c arts 5 and 49 |
|  | **Primacy of CTC provisions** | | | |
|  | **Primacy**. The rights, interests, and remedies created by the CTC apply uniformly in each Contracting State whether or not they would be recognized by otherwise applicable national law, and supersede any conflicting national law (refs. 3.3.2, 4.4.3, 4.5.2, 4.6.1, 4.6.4, 7.3.1.1, 8.2.1, 8.7.1, and 9.1.1). | [2.10](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1021_210) (*Main text*)  [2.12](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1021_212) (*Supersedes national law*); [2.71](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1021_271) (*Uniform rules*); [4.75](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1021_475) (*International* *interest*); [4.125](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1021_4125) (*Self-help*); [4.238](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1021_4238) (*Waiver of defenses*) | | c arts 2, 5, 8-13, 29, 30, 34, 35, 54, and 55; p arts III, VI, IX, X, and XI |
|  | **Supporting remedies and procedure** | | | |
|  | **Support required**. Where the CTC confers a right without prescribing a remedy, a Contracting State is bound to provide a remedy under national law that fulfils the purposes of the CTC. While the remedies created by the CTC are to be enforced pursuant to the procedures of the applicable Contracting State, each Contracting State is bound to ensure that its procedures support and do not impede the exercise of the rights and remedies conferred by the CTC, which includes an obligation to establish supporting procedures where required to give effect to a CTC right or remedy (refs 3.3.3, 3.3.4, and 4.5.2). | [2.26](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1031_226) (*Main text*)  [2.74](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1031_274), [2.145](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1031_2145), and [2.327](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1031_2327) (*May not impede exercise*) [2.101](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1031_2101), [2.107](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1031_2107), [3.38](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1031_338), and [5.50](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1031_550) (*Adequate remedies and supporting procedures*) | | c arts 5 and 14 |
|  | **Accept jurisdiction conferred by the CTC** | | | |
|  | **Must accept jurisdiction**. The  *[courts](#court10" \o "\“court\“ means a court of law or an administrative or arbitral tribunal established by a Contracting State; [c art 1(h)]***)* of a Contracting State upon which the CTC has conferred exclusive jurisdiction are obligated to accept such jurisdiction, notwithstanding a conflict with otherwise applicable jurisdiction limiting doctrines of the forum (ref. 9.1.1). | [2.277](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1041_2277) (*Main text*)  [2.142](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1041_2142) and [2.279](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1041_2279) (*Duty to recognize orders*); [2.294](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1041_2294) (*Court breach*); [4.298](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1041_4298) (*Supersedes national law*) | | c arts 42 and 43; p arts XXI and XXX(5) |
|  | **Recognize jurisdiction conferred by the CTC on other Contracting States** | | | |
|  | **Must recognize jurisdiction**. The jurisdiction conferred by the CTC on the  *[courts](#court11" \o "\“court\“ means a court of law or an administrative or arbitral tribunal established by a Contracting State; [c art 1(h)]***)* of a Contracting State must be recognized in all other Contracting States, and when the conferred jurisdiction is exclusive other Contracting States must decline jurisdiction. Any order of advance judicial relief (ref. 5.6) issued by a court having jurisdiction under the CTC (ref. 9.2) must be recognized by the courts of all other Contracting States. | [4.296](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1051_4296) (*Main text*)  [2.142](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1051_2142), [2.145](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1051_2145), and [2.279](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1051_2279) (*Duty to recognize orders*); [2.294](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1051_2294) (*Court breach*); [4.127](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1051_4127) (*Duty to recognize advance orders*); [4.298](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1051_4298) (*Supersedes national law*) | | c arts 42 and 43; p art XXI |
|  | **Obligations with respect to the remedies of de-registration and export** | | | |
|  | **Comply with request**.The  *[registry authority](#registry_authority5" \o "\“registry authority\“ means the national authority or the common mark registering authority, maintaining an aircraft register in a Contracting State and responsible for the registration and de-registration of an aircraft in accordance with the Chicago Convention; [p art 2(o)]***)* in the  *[State of registry](#State_of_registry7" \o "\“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. [p art 2(p)]***)* (ref. 1.2.4.3), and other administrative authorities in that Contracting State and any other Contracting State where an  *[aircraft object](#aircraft_object64" \o "\“aircraft objects\“ means airframes, aircraft engines and helicopters; [p art 2(c)]***)* (ref. 1.1.1) is situated (collectively, ‘relevant authorities’), have a duty to comply with a request for  *[de-registration of the aircraft](#de_registration_of_the_aircraft5" \o "\“de-registration of the aircraft\“ means deletion or removal of the registration of the aircraft from its aircraft register in accordance with the Chicago Convention; [p art 2(i)]***)* and export, which is elevated to a duty to expeditiously co-operate and assist with exercise of that remedy if exercised through an IDERA (ref. 5.5.3), or exercised through a court order (ref. 5.5.2) and the relevant declaration (ref. 1.3.3) makes Protocol Article X(6) applicable. | [3.38](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1061_338) (*Main text*)  [2.13](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1061_213) and [2.292](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1061_2292) (*Obligation to comply with request*); [3.37](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1061_337) (*Export duty imposed on authorities where aircraft object is situated*); [5.49](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1061_549) (*Duty of authorities is automatic*) | | c art 13(1); p arts I(2)(c), I(2)(i), I(2)(o), I(2)(p), IX, X(6), XI(8), XIII, and XXX(1)-(2) |
|  | **Export request limitations**.The obligations of the relevant authorities (ref. 10.6.1) with respect to export (but not  *[de-registration of the aircraft](#de_registration_of_the_aircraft6" \o "\“de-registration of the aircraft\“ means deletion or removal of the registration of the aircraft from its aircraft register in accordance with the Chicago Convention; [p art 2(i)]***)*) are subject to applicable safety laws and regulations, the priority of any lien for unpaid customs duties covered by a Convention Article 39(1)(a) declaration (ref. 2.3.2), rights of detention or arrest covered by a Convention Article 39(1)(b) declaration and any public policy restrictions on the export (such as an embargo) to the destination State. | [3.38](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1062_338) (*Main text*)  [3.37](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1062_337) (*Lien and detention rights may preclude export, not de-registration of the aircraft*) | | c art 39(1); p arts I(2)(i), IX, X(7), XI(8), XIII, and XXX(1)-(2) |
|  | **Time period for compliance with court order.**If a  *[creditor](#creditor68" \o "\“creditor\“ means a chargee under a security agreement, a conditional seller under a title reservation agreement or a lessor under a leasing agreement; [c art 1(i)]***)* obtains an order under Convention Article 13(1), or an equivalent order, the obligations of the relevant authorities (ref. 10.6.1) are triggered upon receipt of the creditor’s notice that such order has been granted to it by, or recognized by, a  *[court](#court12" \o "\“court\“ means a court of law or an administrative or arbitral tribunal established by a Contracting State; [c art 1(h)]***)* situated in the same Contracting State as such relevant authorities, and that it is entitled to exercise the  *[de-registration of the aircraft](#de_registration_of_the_aircraft7" \o "\“de-registration of the aircraft\“ means deletion or removal of the registration of the aircraft from its aircraft register in accordance with the Chicago Convention; [p art 2(i)]***)* and export remedy. The relevant authorities must comply with the creditor’s request within five working days after receipt of such notification provided that they are situated in a Contracting State that has made a declaration opting into Protocol Article X, including X(6) (ref. 5.5.2). | [3.40](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1063_340) (*Main text*)  [2.294](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1063_2294) (*Breach by court*); [3.34](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1063_334) (*Administrative authority duty to recognize order*); [3.38](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1063_338) (*Contracting State duty to ensure law facilitates remedy*); [5.49](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1063_549) (*Article X(6) reference to Article XI(1) should be to Article* *13*) | | c art 13(1); p arts I(2)(i), IX, X(6), XI(8), XIII, and XXX(1)-(2) |
|  | **Time period for compliance with IDERA.**If an authorized party (ref. 5.5.3.4) seeks  *[de-registration of the aircraft](#de_registration_of_the_aircraft8" \o "\“de-registration of the aircraft\“ means deletion or removal of the registration of the aircraft from its aircraft register in accordance with the Chicago Convention; [p art 2(i)]***)* and export pursuant to a recorded IDERA (ref. 5.5.3.1), the obligations of the relevant authorities (ref. 10.6.1) are triggered upon submission of its request to such authority and, if required by such authority, certification that it has fulfilled any applicable notice and consent obligations with respect to higher ranking creditors (refs. 5.5, 6.2, and 7.3.6). | [3.45](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1064_345) (*Main text*)  [5.50](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1064_550) (*Obligation to comply - IDERA*); [3.38](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1064_338) (*Contracting state duty to ensure law facilitates remedy*); [5.64](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1064_564) (*Duty to comply – Alternative A insolvency*) | | p arts I(2)(i), IX, X(6), XI(8), XIII, and XXX(1)-(2) |
|  | **Notification of domestic enactment of Protocol Article XI** | | | |
|  | **Must follow notification process**. Contracting States that enact a version of Protocol Article XI through domestic law (ref. 7.2.3) are expected to follow the notification process for declarations by notifying the Depositary of the relevant legislation. | [3.151](OC%20Guide%20-%20Master%20Citations%20Annex.docx#S1071_3151) (*Main text*) | | c art 62; p arts XI and XXXVII |