

Court rules, regulations, circular, or practice directive issued by the Supreme Court*

implementing key procedural items required by the Convention on International Interests in Mobile Equipment and the Protocol thereto on matters specific to Aircraft Equipment

(released by the Aviation Working Group with the endorsement
of the executive committee of its legal advisory panel)

The following is issued by the [Supreme Court] of [insert country] as rules in the form of a [regulation/circular/directive] (the *court rules*), binding on all courts in all judicial proceedings, as described below. It reflects and embodies treaty obligations undertaken by the [insert country], which have the force of law and have priority over conflicting law.

These court rules have authoritative effect in cases where the Convention on International Interests in Mobile Equipment, 2001 (the *Convention*), as modified by the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, 2001 (the *Protocol*), including the declarations lodged by [insert country] in connection with its accession to the Convention and Protocol (collectively, hereinafter, *CTC*) is applicable:

1. The provisions of CTC prevail over any conflicting laws and regulations pursuant to [insert basis of treaty primacy].
2. Courts and tribunals are directed to take judicial notice of the provisions of CTC. In interpreting CTC and resolving questions that are not expressly settled by its provisions, courts and tribunals shall comply with Article 5 of the Convention, which requires interpretation in conformity with the general principles and purposes of CTC, as set forth in the Convention preamble. Reference to the Official Commentary by Professor Sir Roy Goode (5th Ed., as revised) prepared in response to Resolution No. 5 of the Diplomatic Conference and such other texts relevant to interpretation of CTC, including the Judicial Guide issued by the Aviation Working Group, in assisting courts with such interpretation should be undertaken as a best practice.
3. Remedies under CTC are *sui generis* and shall not be interpreted as any non-CTC, national law remedies that may have similar characteristics. National law conditions to exercising non-CTC national law remedies may not be extended to CTC remedies, which are subject solely to requirements or conditions, if any, under CTC.
4. Courts and tribunals are directed to adhere strictly to the timetables prescribed by CTC: **
 - i. Article 13 of the Convention: the remedies in Article 13(1)(a) (preservation of the object and its value); (b) (possession, control or custody of the object (e.g., repossession)); and (c) (immobilisation of the object (e.g. grounding of an aircraft)) shall be granted to the requesting creditor within [10] calendar days of the request. The remedies in Article 13(1)(d) (lease or management of the object and the income therefrom) and (e) (sale and application of proceeds therefrom, if agreed between debtor and creditor at any time) shall be granted to the requesting creditor within [30] calendar days of the request.
 - ii. Article XI of the Protocol, Alternative A ('Alternative A'): in any insolvency proceeding, CTC creditors may not be prevented from enforcing remedies for a period longer than the waiting period declared by [insert country] (being [60] [30] calendar days). After the lapse of such

* Title to be adjusted based on title and issuer of such rules, regulations, circular, or directive.

** The following assumes that the country made declarations under Article XXX (2) and Article XXX (3) of the Protocol in respect of Article X and Article XI (Alternative A) of the Protocol, respectively, with the above-noted timetable.

[60] [30]-day waiting period, remedies must be made available to CTC creditors. No cure or work-out periods that extend beyond such timetables may be imposed.

5. Courts and tribunals are directed to give full effect to Alternative A in all insolvency proceedings with affected CTC creditors. In addition to the waiting period noted in paragraph 4(ii) above, Alternative A (i) imposes an obligation on the insolvent debtor to maintain aircraft objects in its possession in accordance with the underlying lease or financing agreement, and (ii) prohibits the modification of the terms of any debtor obligations without the consent of the affected CTC creditor, including the binding application of any work-out or restructuring plan to non-consenting CTC creditors.
6. Courts and tribunals are directed to recognize and give effect to the jurisdiction provisions under Chapter XII of the Convention. Courts may not assume jurisdiction, other than pursuant to Article 43 to grant Article 13 remedies, where the exclusive jurisdiction and forum choice provided for by the agreement are not the courts of [insert country].
7. Court and tribunals are directed to recognize and give effect to the rights and duties adjudicated by a foreign court where such foreign courts have jurisdiction under CTC and, in the case of recognition, such adjudicated rights have operative legal effect, and, in the case of giving effect, such adjudicated rights are enforceable, under the laws applicable to such foreign court. The time period for the foregoing shall be within [10] calendar days of the foreign court order setting out the adjudicated rights being lodged with the relevant court or tribunal. ^{i***}
8. Protective orders or procedural requirements that conflict with CTC may not be imposed. Procedural requirements that do not directly conflict with CTC are permitted but may not undermine or delay CTC remedies.

*** This time period is not specified in CTC, and, thus, may be modified. This suggested 10-day calendar period is aligned with CTC's objectives, in general, and the common period declared for direct judicial action on relief pending final determination (re possession), in particular. See point 4(i) above.