



INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE

OTIF



ORGANISATION INTERGOUVERNEMENTALE POUR LES
TRANSPORTS INTERNATIONAUX FERROVIAIRES

ZWISCHENSTAATLICHE ORGANISATION FÜR DEN
INTERNATIONALEN EISENBahnVERKEHR

INTERGOVERNMENTAL ORGANISATION FOR INTERNATIONAL
CARRIAGE BY RAIL

**DIPLOMATIC CONFERENCE TO ADOPT A
RAIL PROTOCOL TO THE CONVENTION
ON INTERNATIONAL INTERESTS IN MOBILE
EQUIPMENT**

Luxembourg, 12 to 23 February 2007

UNIDROIT/OTIF 2007
DCME-RP - IP/5
Original: English only
14 February 2007

**THE OPERATION OF THE INTERNATIONAL REGISTRY
OF INTERNATIONAL INTERESTS IN AIRCRAFT EQUIPMENT**

(presented by Niall Greene, Managing Director, Aviareto Limited)

**Diplomatic Conference to adopt a Protocol
on International Interests in Railway Rolling Stock**

Luxembourg, 13 February 2007

***The Operation of the International Registry
of International Interests in Aircraft Equipment***

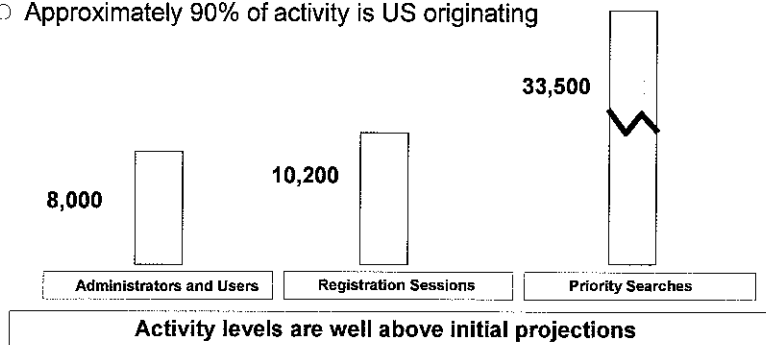


**Presentation by Niall Greene
Managing Director
Aviareto Limited**

INTERNATIONAL REGISTRY
OF MOBILE ASSETS

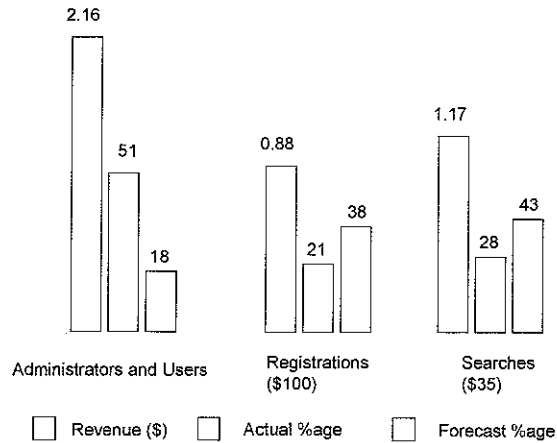
The first ten months

- 33,500 interests have been registered against 15,000 aircraft, helicopters and engines
- Approximately 90% of activity is US originating



INTERNATIONAL REGISTRY
OF MOBILE ASSETS

Sources of revenue (\$m)



INTERNATIONAL REGISTRY
OF MOBILE ASSETS

What is Aviareto?

- Joint venture between SITA and the Irish Government
- Stream-lined business:
 - Outsourced model
 - SITA is a key supplier
- Expenditure 2007 will be \$3.9m on operations and \$300,000 on system development
- Small staff: Managing Director, Head of Operations, four Registry Officials
- Located in Dublin
- 75% of Aviareto's costs are fixed

International Registry operates on a cost-recovery basis

INTERNATIONAL REGISTRY
OF MOBILE ASSETS

Governance of the IR

- Aviareto is an 80/20 JV between SITA and the Irish Government
- Limited liability company with its own Board of Directors
- Five year contract with the Supervisory Authority (ICAO) for the operation of the IR
- International Registry Advisory Board (IRAB) - broadly representative of the aircraft financing community



Governance of the IR cont...

- Supervisory Authority advised by Commission of Experts
- Aviareto has broad discretion to continue to develop and improve the IR but must get SA approval if Regulations and Procedures and/or fee structure are impacted
- Regular meetings with Supervisory Authority
- Annual Report to Supervisory Authority



What Aviareto does

- Acts as Registrar for the IR
- Operates, promotes and develops the IR
- Provides a Help Desk to answer questions relating to technical operations
- Authorises companies/individuals/entry points to create entries in the IR
- Issues digital certificates to approved users to enable internet registration
- Issues certificates to confirm registration or results of search

Aviareto's function is to operate an efficient and secure IR



What Aviareto does not do

- Provide legal advice or opinions on the Convention, Protocol or any other legal documentation
- Provide advice on the legal status of the Registry
- Provide advice on whether an interest should be registered
- Vet or verify registrations
- Mediate disputes between filing parties
- Provide assurances that a registered interest is accurate



Performance of the IR to date

- Large and relatively complex system that was built specially for the IR
- Has been available to users approximately 98% of the time since 1 March 2006 against a contractual target of 99.6%
- There have been teething problems that are being progressively reduced in frequency and intensity
- Problems have arisen under three main headings:
 - Bugs
 - System stability
 - Design deficiencies

The IR is very alert to the difficulties experienced by the user community



Typical problems

- Tamper protection initially too sensitive – caused system outages
- Initially slow system caused users to double apply and create duplicate events
- Very large size of some Manufacturer Serial Number lists was unanticipated, caused memory problems and resulted in very slow operation
- Not anticipated that a single administrator/user might be authorised to work on more than 1,000 objects
- Bug in system caused rejection of registrations during high volume periods

Fast capture of feedback from users and quick response essential



Major changes in the pipeline

- Fractional ownership
- Multiple asset, single transaction facility
- Amendment facilities, subject to legal/security issues
- Trustees acting for two parties
- More guidance, alerts, FAQs, etc on the site
- Four major batches of changes will be loaded during 2007

Ensure optimal use of development resources



Longer run improvements

- More user friendly front end
- Faster operation
- On-line training
- Continuous and rapid system improvement

A lot done - a great deal more to be done



Lessons to be learned from the Aircraft IR

- Get your operational team in place as early as possible – big advantage for Aviareto
- Ensure hands-on industry experience is involved in system development – go beyond government, lawyers and software developers
- Try to anticipate the dynamics of how practice will develop in the light of the IR
- Insist on a user friendly front end

Lessons to be learned from the Aircraft IR cont...

- REALLY stress test the system for volume
- Make sure that the fee structure is aligned with the economics of running the register
- Operator/Supervisory Authority relationship is critical
- Continuous, structured engagement with the user community is essential

Conclusion

- Aircraft IR is off to a good start
- Wide acceptance in the user community
- Financially stable
- Robust, highly secure electronic platform
- Continuous improvements being made