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ORGANISATION INTERGOUVERNEMENTALE POUR LES  
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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

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**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***

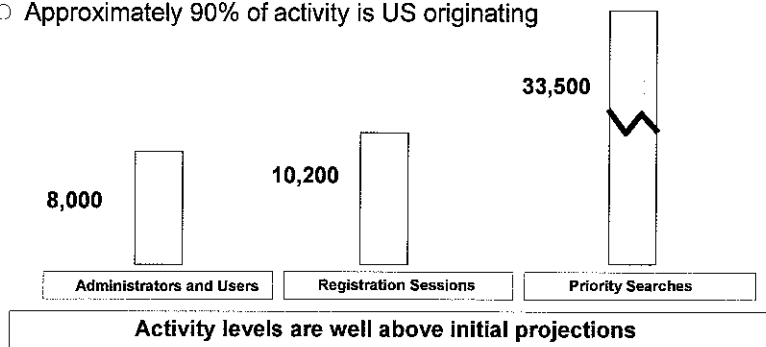


**Presentation by Niall Greene  
Managing Director  
Aviareto Limited**

INTERNATIONAL REGISTRY  
OF MOBILE ASSETS

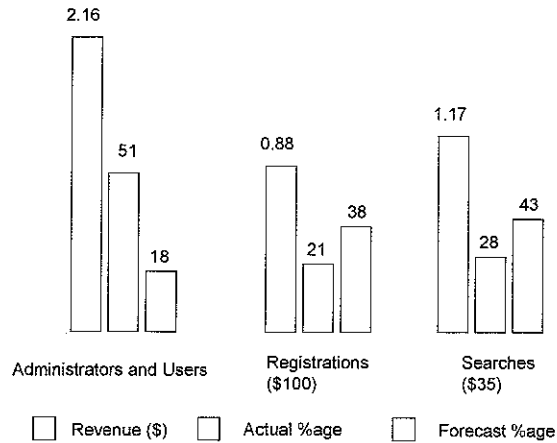
**The first ten months**

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



INTERNATIONAL REGISTRY  
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## Sources of revenue (\$m)



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## 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**

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## 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**

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## 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**

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## 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