



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

**Convention on International Interests in  
Mobile Equipment  
Protocol to the Convention on International  
Interests in Mobile Equipment on Matters  
Specific to Aircraft Equipment**

UNIDROIT 2012  
DC9/DEP – Doc. 10  
Original: English / French  
July 2012

## **DEPOSITARY REPORT**

1 January 2010 – 31 December 2011

## Introduction

1. The Convention on International Interests in Mobile Equipment (the Convention) and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment (the Aircraft Protocol) were both opened for signature on 16 November 2001 at the conclusion of a Diplomatic Conference held under the joint auspices of the International Institute for the Unification of Private Law (UNIDROIT) and the International Civil Aviation Organization (ICAO). Both the Convention as applied to aircraft objects, and the Aircraft Protocol, entered into force on 1 March 2006.

2. In asset-based financing, a creditor's ability to have prompt recourse to the underlying assets in the event of a default is a principal factor in determining how the transaction's risks, and overall costs, are calculated. Where national legal rules for the recognition and enforcement of security interests present impediments to such prompt recourse, or are materially different from rules in other jurisdictions, the risks (or perceived risks) for the creditor can increase, particularly if, as in the case of aircraft objects, the asset will be moving through different jurisdictions and possibly become subject to such national legal rules at the time of default. The costs of finance tend to be higher as a result of the increased risks. The Convention addresses this issue by establishing an international legal framework for the creation, recognition, registration and enforcement of "international interests" in high-value mobile equipment.<sup>1</sup> The Aircraft Protocol provides for the application of the Convention in relation to aircraft objects (airframes, aircraft engines and helicopters), and modifies the operation of the Convention to the particular requirements of transactions involving those objects.

## Basis of the report

3. This report has been prepared by UNIDROIT, in its capacity as Depositary of the Convention and Aircraft Protocol, pursuant to Article 61(1) of the Convention<sup>2</sup> and Article XXXVI(1) of the Aircraft Protocol.<sup>3</sup>

## The Reporting Period

4. This report covers both the Convention and Aircraft Protocol for the period 1 January 2010 to 31 December 2011 (the Reporting Period).

---

<sup>1</sup> Three categories of high-value are specified in Article 2(3) of the Convention: (a) airframes, aircraft engines and helicopters; (b) railway rolling stock; and (iii) space assets. Article 51 of the Convention provides that the Depositary may create working groups to assess the feasibility of extending the application of the Convention, through one or more Protocols, to objects of any other category of high-value mobile equipment.

<sup>2</sup> Article 61(1) of the Convention provides: "The Depositary shall prepare reports yearly or at such other times as the circumstances may require for the States Parties as to the manner in which the international regimen established in this Convention has operated in practice. In preparing such reports, the Depositary shall take into account the reports of the Supervisory Authority concerning the functioning of the international registration system."

<sup>3</sup> Article XXXVI(1) of the Aircraft Protocol provides: "The Depositary, in consultation with the Supervisory Authority, shall prepare reports yearly, or at such other times as the circumstances may require, for the States Parties as to the manner in which the international regimen established in this Convention as amended by this Protocol has operated in practice. In preparing such reports, the Depositary shall take into account the reports of the Supervisory Authority concerning the functioning of the international registration system."

### **Depositary Activity during the Reporting Period**

5. At the commencement of the Reporting Period, the Convention had 32 Contracting States (including one Regional Economic Integration Organisation) and the Aircraft Protocol had 29 Contracting States. Although Article XXVI(5) of the Aircraft Protocol provides that a State may not become a Party to the Protocol unless it is or becomes also a Party to the Convention, a State is able to become a Party to the Convention without also being a Party to the Protocol. However, the Convention is a framework Convention and its provisions, to the extent that they relate to objects, cannot operate independently of a Protocol, and accordingly a Contracting State to the Convention that is not also a Party to the Protocol will benefit from only the few provisions of the Convention that are not object-related (for example, Article 47 dealing with signature and ratification, Article 62 dealing with Depositary and its functions).

6. Eighteen (18) States became Contracting States to the Convention during the Reporting Period, bringing the total number of Contracting States as at the end of the Reporting Period to fifty (50). Fourteen (14) States became Contracting States to the Aircraft Protocol during the Reporting Period, bringing the total number of Contracting States as at the end of the Reporting Period to forty-three (43).

7. Appendix 1 shows the status of the Convention and Aircraft Protocol as at the end of the Reporting Period, including details of all signatures, ratifications, accessions, declarations, and dates of entry into force.

### **Operation of the Convention and Aircraft Protocol in practice during the Reporting Period**

8. In December 2011 the Depositary advised Contracting States to the Convention and the Aircraft Protocol that it would be grateful to receive from them information and comments as to the manner in which the international regime established by the Convention and Aircraft Protocol had operated in practice. The Government of the Republic of Latvia, the Government of the Russian Federation, and the Government of the Republic of Singapore provided information and comments, which are set out in Appendix 2.

9. The Depositary is not aware of any national court or tribunal decisions during the Reporting Period involving the application of the Convention or Aircraft Protocol.

### **Review Conferences**

10. Article 61(2) of the Convention and Article XXXVI(2) of the Aircraft Protocol provide for the convening of Review Conferences at the request of not less than twenty-five percent of the States Parties. During the Reporting Period the Depositary received no requests for the convening of a Review Conference pursuant to Article 61(2) of the Convention and Article XXXVI(2) of the Aircraft Protocol.

## APPENDIX 1

**CONVENTION ON INTERNATIONAL INTERESTS IN MOBILE EQUIPMENT**  
**CONVENTION RELATIVE AUX GARANTIES INTERNATIONALES**  
**PORTANT SUR DES MATERIELS D'EQUIPEMENT MOBILES**

<b>Adoption:</b>		Place: Cape Town / <i>Lieu</i> : Le Cap Date: 16.11.2001		
<b>Entry into force / <i>Entrée en vigueur</i>:</b>		Date: 01.03.2006 (ex Art. 49(1))		
<b>STATE / ETAT</b>	<b>SIGNATURE</b>	<b>RATIFICATION (RT) ACCEPTANCE / ACCEPTATION (AC) APPROVAL / APPROBATION (AP) ACCESSION / ADHESION (AS)</b>	<b>DECLARATIONS</b>	<b>ENTRY INTO FORCE / ENTREE EN VIGUEUR</b>
Afghanistan		25.07.2006 (AS)	Arts. 39(1)(a), 39(1)(b), 40, 52, 53, 54(2)	01.11.2006
Albania / Albanie		30.10.2007 (AS)	Arts. 39(1)(a), 39(1)(b), 54(2)	01.02.2008
Angola		30.04.2006 (AS)	Arts. 39(1)(a), 40, 54(2)	01.08.2006
Bangladesh		15.12.2008 (AS)	Arts 39(1)(a), 39(1)(b), 40, 52, 53, 54(2)	01.04.2009
Burundi	16.11.2001			
Cameroon / <i>Cameroun</i>		19.04.2011 (as)	Arts 39(1)(a), 40, 52, 53, 54(2)	01.08.2011
Canada	31.03.2004			
Cape Verde / <i>Cap-Vert</i>		26.09.2007 (AS)	Arts. 39(1)(a), 40, 53, 54(2)	01.01.2008
Chile / <i>Chili</i>	16.11.2001			
China / <i>Chine</i>	16.11.2001	03.02.2009 (RT)	Arts. 39(1)(a), 39(1)(b), 40, 50, 53, 54(1), 54(2), 55	01.06.2009
Colombia / <i>Colombie</i>		19.02.2007 (AS)	Arts. 39(1)(a), 54(2)	01.06.2007
Congo	16.11.2001			
Cuba	16.11.2001	28.01.2009 (RT)	Art. 54(2)	01.05.2009
Ethiopia / <i>Ethiopie</i>	16.11.2001	21.11.2003 (RT)	Arts. 39(1)(a), 40, 54(2)	01.03.2006
European Community / <i>Communauté européenne</i> ††		28.04.2009 (AS)	Arts. 48(2), 55	01.08.2009
France	16.11.2001			
Germany / <i>Allemagne</i> (with declaration at signature / <i>avec déclaration à la signature</i> )	17.09.2002			
Ghana	16.11.2001			
India / <i>Inde</i>		31.03.2008 (AS)	Arts. 39(1)(a), 39(1)(b), 40, 52, 53, 54(2)	01.07.2008
Indonesia / <i>Indonésie</i>		16.03.2007 (AS)	Arts. 39(1)(a), 39(1)(b), 40, 53, 54(2)	01.07.2007
Ireland / <i>Irlande</i>		29.07.2005 (AS)	Arts. 39(1)(a), 39(1)(b), 54(2)	01.03.2006

Italy / <i>Italie</i>	06.12.2001			
Jamaica / <i>Jamaïque</i>	16.11.2001			
Jordan / <i>Jordanie</i>	16.11.2001			
Kazakhstan		21.01.2009 (AS)		01.05.2009†
Kenya	16.11.2001	13.10.2006 (RT)	Arts. 39(1)(a),* 39(1)(b), 40, 53, 54(2)	01.02.2007
Lesotho	16.11.2001			
Luxembourg		27.06.2008 (AS)	Arts. 53, 54(2)	01.10.2008
Malaysia / <i>Malaisie</i>		02.11.2005 (AS)	Arts. 39(1)(a), 39(1)(b), 40, 53, 54(2)	01.03.2006
Mexico / <i>Mexique</i>		31.07.2007 (AS)	Arts. 39(1)(a), 39(1)(b), 50, 53, 54(2), 60	01.11.2007
Mongolia / <i>Mongolie</i>		19.10.2006 (AS)	Arts. 39(1)(a), 39(1)(b), 53, 54(2)	01.02.2007
Nigeria	16.11.2001	16.12.2003 (RT)	Arts. 39(1)(a),* 40,* 53,* 54(2)*	01.03.2006
Oman		21.03.2005 (AS)	Arts. 39(1)(a), 39(1)(b), 40, 52, 53, 54(2)	01.03.2006
Pakistan		22.01.2004 (AS)	Arts. 39(1)(a), 39(1)(b), 39(4), 40, 52, 53, 54(2)	01.03.2006
Panama	11.09.2002	28.07.2003 (RT)	Arts. 39(1)(a), 39(1)(b), 39(4), 50, 53, 54(2)	01.03.2006
Saudi Arabia / <i>Arabie saoudite</i>	12.03.2003	27.06.2008	Art. 54(2)	01.10.2008
Senegal / <i>Sénégal</i>	02.04.2002	09.01.2006 (RT)	Arts. 39(1)(a), 39(1)(b), 40, 52, 53, 54(2)	01.05.2006
Singapore / <i>Singapour</i>		28.01.2009 (AS)	Arts. 39(1)(a), 39(1)(b), 39(4), 53, 54(2)	01.05.2009
South Africa / <i>Afrique du sud</i>	16.11.2001	18.01.2007 (RT)	Arts. 39(1)(a), 39(1)(b), 40, 54(2)	01.05.2007
Sudan / <i>Soudan</i>	16.11.2001			
Switzerland / <i>Suisse</i>	16.11.2001 <i>ad referendum</i>			
Syrian Arab Republic / <i>République arabe syrienne</i>		07.08.2007 (AS)		01.12.2007†
Tonga	16.11.2001			
Turkey / <i>Turquie</i>	16.11.2001			
Ukraine	09.03.2004			
United Arab Emirates / <i>Émirats arabes unis</i>		29.04.2008 (AS)	Arts. 39(1)(a), 39(1)(b), 40, 52, 53, 54(2)	01.08.2008
United Kingdom / <i>Royaume-Uni</i> (with declaration at signature / <i>avec déclaration à la signature</i> )	16.11.2001			

United Republic of Tanzania / <i>République-Unie de Tanzanie</i>	16.11.2001	30.01.2009 (RT)	Art. 54(2)	01.05.2009
United States of America / <i>Etats- Unis d'Amérique</i>	09.05.2003	28.10.2004 (RT)	Arts. 39(1)(a), 39(1)(b), 54(2)	01.03.2006
Zimbabwe		13.05.2008 (AS)		01.09.2008†

\* Affected by withdrawal and/or subsequent declaration. / *Fait l'objet d'un retrait et/ou d'une déclaration subséquente*

† Subject to / sous réserve du: Convention Article 49(1)

†† Regional Economic Integration Organisation / Organisation régionale d'intégration économique: Convention Article 48

**PROTOCOL TO THE CONVENTION ON INTERNATIONAL INTERESTS IN MOBILE EQUIPMENT  
ON MATTERS SPECIFIC TO AIRCRAFT EQUIPMENT**  
**PROTOCOLE PORTANT SUR LES QUESTIONS SPECIFIQUES AUX MATERIELS D'EQUIPEMENT  
AERONAUTIQUES A LA CONVENTION RELATIVE AUX GARANTIES INTERNATIONALES  
PORTANT SUR DES MATERIELS D'EQUIPEMENT MOBILES**

<b>Adoption:</b>		Place: Cape Town / <i>Lieu</i> : Le Cap Date: 16-11-2001		
<b>Entry into force: Entrée en vigueur:</b>		Date: 01.03.2006 (ex Art. XXVIII(1))		
<b>STATE / ETAT</b>	<b>SIGNATURE</b>	<b>RATIFICATION (RT) ACCEPTANCE / ACCEPTATION (AC) APPROVAL / APPROBATION (AP) ACCESSION / ADHESION (AS)</b>	<b>DECLARATIONS</b>	<b>ENTRY INTO FORCE / ENTREE EN VIGUEUR</b>
Afghanistan		25.07.2006 (AS)	Arts. XXIX, XXX(1), (2), (3)	01.11.2006
Albania / <i>Albanie</i>		30.10.2007 (AS)	Arts. XIX, XXX(1)	01.02.2008
Angola		30.04.2006 (AS)	Arts. XXX(1), (2), (3)	01.08.2006
Bangladesh		15.12.2008 (AS)	Arts. XXIX, XXX(1), XXX(2), XXX(3)	01.04.2009
Belarus / <i>Bélarus</i>		27.09.2011 (AS)		01.01.2012
Brazil / <i>Brésil</i>		30.11.2011 (AS)	Arts. XIX, XXX(1), XXX(2), XXX(3)	01.03.2012
Burundi	16.11.2001			
Cameroon / <i>Cameroun</i>		19.04.2011 (AS)		01.08.2011
Canada	31.03.2004			
Cape Verde / <i>Cap-Vert</i>		26.09.2007 (AS)	Arts. XXX(1), (2), (3)	01.01.2008
Chile / <i>Chili</i>	16.11.2001			
China / <i>Chine</i>	16.11.2001	03.02.2009 (RT)	Arts. XIX, XXIX, XXX(1), XXX(2), XXX(3)	01.06.2009
Colombia / <i>Colombie</i>		19.02.2007 (AS)	Art. XXX(1), (2), (3)	01.06.2007
Congo	16.11.2001			
Cuba	16.11.2001	28.01.2009 (RT)		01.05.2009
Ethiopia / <i>Ethiopie</i>	16.11.2001	21.11.2003 (RT)	Arts. XXX(1), (2), (3)	01.03.2006
European Union / <i>Union européenne</i> ††		28.04.2009 (AS)	Arts. XXVII(2), XXX(5)	01.08.2009
France	16.11.2001			
Germany / <i>Allemagne</i> (with declaration at signature / <i>avec déclaration à la signature</i> )	17.09.2002			
Ghana	16.11.2001			
India		31.03.2008 (AS)	Arts. XXX(1), (2), (3)	01.07.2008

Indonesia / Indonésie		16.03.2007 (AS)	Arts. XXX(1), (2), (3)	01.07.2007
Ireland / Irlande		23.08.2005 (AS)	Arts. XXX(1), (2)	01.03.2006
Italy / Italie	06.12.2001			
Jamaica / Jamaïque	16.11.2001			
Jordan / Jordanie	16.11.2001	31.08.2010 (RT)	Arts. XXX(1), (2), (3)	01.12.2010
Kazakhstan		01.06.2011 (AS)	Arts. XXX(1), (2), (3)	01.10.2011
Kenya	16.11.2001	13.10.2006 (RT)	Arts. XXX(1), (2), (3)	01.02.2007
Latvia / Lettonie		08.02.2011 (AS)		01.06.2011
Lesotho	16.11.2001			
Luxembourg		27.06.2008 (AS)	Arts. XXX(1), (2), (3)	01.10.2008
Malaysia / Malaisie		02.11.2005 (AS)	Arts. XXX(1), (2), (3)*	01.03.2006
Malta **/ Malte **		01.10.2010 (AS)	Art. XXX(1)	01.02.2011
Mexico / Mexique		31.07.2007 (AS)	Arts. XIX, XXX(1), (3)	01.11.2007
Mongolia / Mongolie		19.10.2006 (AS)	Arts. XXX(1), (2), (3)	01.02.2007
Netherlands, Kingdom of the 1 **/ Le Royaume des Pays-Bas 1 **		17.05.2010 (AS)	Arts. XXIX, XXX(1), (2)	01.09.2010
New Zealand / Nouvelle-Zélande		20.07.2010 (AS)	Arts. XXIX, XXX(1), (3), (5)	01.11.2010
Nigeria	16.11.2001	16.12.2003 (RT)	Arts. XXX(1),* (2),* (3)*	01.03.2006
Norway / Norvège		20.12.2010 (AS)	Arts. XXX(1), (3), (5)	01.04.2011
Oman		21.03.2005 (AS)	Arts. XXIX, XXX(1), (2), (3)	01.03.2006
Pakistan		22.01.2004 (AS)	Arts. XXIX, XXX(1), (2), (3)	01.03.2006
Panama	11.09.2002	28.07.2003 (RT)	Arts. XXX(1), (2), (3)	01.03.2006
Russian Federation / Fédération de Russie		25.05.2011 (AS)	Art. XXX(3)	01.09.2011
Rwanda		28.01.2010 (AS)	Arts. XXIX, XXX(1), (2), (3)	01.05.2010
Saudi Arabia / Arabie saoudite	12.03.2003	27.06.2008 (RT)		01.10.2008
Senegal / Sénégal	02.04.2002	09.01.2006 (RT)	Arts. XXIX, XXX(1), (2), (3)	01.05.2006
Singapore / Singapour		28.01.2009 (AS)	Arts. XXX(1),* (3)	01.05.2009
South Africa / Afrique du sud	16.11.2001	18.01.2007 (RT)	Arts. XXX(1), (2), (3)	01.05.2007
Sudan / Soudan	16.11.2001			



Switzerland / <i>Suisse</i>	16.11.2001 <i>ad referendum</i>			
Tajikistan / <i>Tadjikistan</i>		31.05.2011 (AS)	Arts. XXX(1), (2), (3)	01.09.2011
Tonga	16.11.2001			
Turkey / <i>Turquie</i>	16.11.2001	23.08.2011 (RT)	Arts. XXX(1), (2), (3)	01.12.2011
Ukraine	03.03.2004			
United Arab Emirates / <i>Émirats arabes unis</i>		29.04.08 (AS)	Arts. XIX, XXIX, XXX(1), XXX(2), XXX(3)	01.08.2008
United Kingdom / <i>Royaume-Uni</i> (with declaration at signature / <i>avec déclaration à la signature</i> )	16.11.2001			
United Republic of Tanzania / <i>République-Unie de Tanzanie</i>	16.11.2001	30.01.2009 (RT)	Arts. XXX(1),* (2),* (3)*	01.05.2009
United States of America / <i>Etats-Unis d'Amérique</i>	09.05.2003	28.10.2004 (RT)	Arts. XIX, XXX(1)	01.03.2006

\* Affected by withdrawal and/or subsequent declaration. / *Fait l'objet d'un retrait et/ou d'une déclaration subséquente*

\*\* This State has provided UNIDROIT with information about its laws and policies in relation to the Aircraft Protocol: see [www.unidroit.org/english/conventions/mobile-equipment/information-contractingstates.htm](http://www.unidroit.org/english/conventions/mobile-equipment/information-contractingstates.htm) // *Cet Etat a fourni à Unidroit des informations concernant la situation au regard de la législation et des politiques applicables aux matières couvertes par le Protocole aéronautique: voir [www.unidroit.org/french/conventions/mobile-equipment/information-contractingstates.htm](http://www.unidroit.org/french/conventions/mobile-equipment/information-contractingstates.htm)*

†† Regional Economic Integration Organisation / *Organisation régionale d'intégration économique*: Protocol / *Protocole* Article XXVII

1. Accession for the Netherlands Antilles and Aruba / *Adhésion pour les Antilles néerlandaises et Aruba.*

**APPENDIX 2****Information and Comments Provided by Contracting States****Republic of Latvia**

With this AS Air Baltic Corporation (Air Baltic) reports that during the period of 1 January, 2010 until 31 December, 2011, the international regime established by the Convention on International Interests in Mobile Equipment (Convention) and the Protocol to the Convention on International Interests in Mobile Equipment in Matters specific to Aircraft Equipment (Aircraft Protocol) has been beneficial to Air Baltic.

Air Baltic has received positive feedback from the aircraft Lessors regarding the fact that the Republic of Latvia has ratified the Convention and the Aircraft Protocol, and according to which Air Baltic has registered the vast majority of its fleet in the International Registry.

**Russian Federation**

1. The Russian Federation has joined the Convention on International Interest in Mobile Equipment (the Convention) and the Protocol to the Convention on International Interest in Mobile Equipment on Matters specific to Aircraft Equipment (the Aircraft Protocol) in accordance with the Federal Law on "On the accession of the Russian Federation to the Convention on International Interest in Mobile Equipment and to the Protocol to the Convention on International Interest in Mobile Equipment on Matters Specific to Aircraft Equipment", 23 December 2010 No. 361-FZ. While joining the Russian Federation has made declarations in regarding with the Articles 39, 53 and 54 of the Cape Town Convention and also the Article XI of the Aircraft Protocol.

The Convention and the Aircraft Protocol came into force for the Russian Federation on the 1st of September 2011.

In view of the fact that the duration of the Convention and the Aircraft Protocol for the Russian Federation is effective for the short period of time, the practice of applying the mechanisms provided by these documents has not yet received the wide circulation I Russia yet.

Nowadays there is no data proving that the Russian companies have received so called "Cape Town discounts", and there is no data of using the system protecting the rights of the creditors provided by the Convention and the Aircraft Protocol.

Besides the number of Russian large companies, including JSC Aeroflot uses the international register to register transactions with aircraft equipment.

2. The Russian Federation has planed its further participation expansion in the Convention and the Protocol. Nowadays the draft of Federal law providing the additional declarations applying Articles VIII and XIII of the Aircraft Protocol by the Russian Federation is on the discussion in the State Duma of the Russian Federation Federal Assembly. The adoption estimated date of this draft is summer 2012.

**Republic of Singapore**

The operation of the Convention and Aircraft Protocol has continued smoothly during this period and there is no additional development that we wish to highlight for the report.

We would like to share that the Civil Aviation Authority of Singapore (CAAS) published an Advisory Circular to provide guidance on the procedure relating to irrevocable de-registration and export request authorisations (IDERAs) and certified designee confirmation letters (CDCL). It can be found on the CAAS website (<http://www.caas.gov.sg>).