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Item No. 7 on the agenda: International Interests in Mobile Equipment

(a) Implementation and status of the Cape Town Convention and the Aircraft Protocol

(prepared by the Secretariat)

<i>Summary</i>	<i>Update on the implementation of the Aircraft Protocol to the Cape Town Convention.</i>
<i>Action to be taken</i>	<i>The Governing Council is invited to note the progress on implementation of the Aircraft Protocol to the Cape Town Convention.</i>
<i>Mandate</i>	<i>Work Programme 2023-2025 (Implementation of Instruments)</i>
<i>Priority level</i>	<i>High</i>

I. INTRODUCTION

1. The Protocol to the Cape Town Convention on International Interests in Mobile Equipment on Matters specific to Aircraft Equipment (Aircraft Protocol) was opened for signature in Cape Town, South Africa on 16 November 2001. UNIDROIT is designated as the Depositary for the instrument pursuant to Article [XXXVII\(1\)](#) of the Protocol. UNIDROIT's responsibilities as Depositary under the Aircraft Protocol include the operation of a system for the receipt and notification of all instruments of ratification, declarations, and other documents lodged with the Depositary. The International Civil Aviation Organization (ICAO) was designated by [Cape Town Convention Diplomatic Conference Resolution 2](#) as the Supervisory Authority for the International Registry for interests in aircraft objects.

II. STATUS

2. The Aircraft Protocol entered into force on 1 March 2006 and currently has 85 Contracting States.¹ Since the Governing Council's 103rd session, Benin² and Uganda³ have become Contracting

¹ As of 17 April 2025.

States. The Cape Town Convention itself has 88 Contracting States.⁴

III. IMPLEMENTATION UPDATE

3. In addition to its work as Depositary, in the last 12 months, the UNIDROIT Secretariat has undertaken the following promotional activity regarding the Aircraft Protocol:

- (a) Bilateral work with Benin, Italy, Japan, Papua New Guinea, Poland, Mauritius, Uganda on promotion/accession/ratification of the Cape Town Convention and Aircraft Protocol;
- (b) bilateral work with the Democratic Republic of Congo on implementation and compliance with the Cape Town Convention and Aircraft Protocol;
- (c) presentation of the Aircraft Protocol and its benefits for Italy at the 11th Air Law Conference (Rome, June 2024);
- (d) presentation of the Aircraft Protocol and its benefits for Africa at the 3rd session of the UNIDROIT International Programme for Law and Development (Rome, June 2024);
- (e) numerous presentations on the Aircraft Protocol at the 13th Cape Town Convention Conference (organised by the Cape Town Convention Academic Project), including a panel on recent insolvency cases (Cambridge, September 2024);⁵
- (f) consultation roundtable with Hong Kong finance companies to discuss how the application of the Aircraft Protocol to Hong Kong would improve Hong Kong's legal framework for equipment finance (Hong Kong, November 2024);⁶ and
- (g) delivery of a Training Course on the Legal Operation of the Cape Town Convention and Aircraft Protocol for staff of the international Registry established under the Aircraft Protocol (Aviareto) (remote delivery for staff in Dublin, March 2025).

4. In coordination with the implementation work undertaken by UNIDROIT and ICAO, the implementation of the Aircraft Protocol has been driven by the Aviation Working Group (AWG). AWG is a not-for-profit legal entity comprised of members of the different areas of the aviation industry, including the major aviation manufacturers, leasing companies and financial institutions that contribute to the development of policies, laws and regulations that facilitate advanced international aviation financing and leasing.⁷

5. The AWG independently undertakes a number of activities that maximise the benefits of the Aircraft Protocol for industry. These activities include (i) assistance to States with the process to become a Contracting State to the Convention and Aircraft Protocol (including assistance with the [qualifying declarations](#) under the [OECD Aircraft Sector Understanding](#) and [short-form model legislation relating to the ratification/accession of the Convention and Protocol](#)), (ii) monitoring

² Accession 20 March 2025, entry into force 1 July 2025.

³ Accession 11 October 2024, entry into force 1 February 2025.

⁴ Seychelles, Syria and Zimbabwe have ratified the Convention but none of its Protocols.

⁵ <https://www.unidroit.org/unidroit-and-the-university-of-cambridge-hold-the-13th-annual-cape-town-convention-academic-project-conference/>.

⁶ <https://www.unidroit.org/unidroit-co-hosts-consultation-event-on-the-implementation-of-the-cape-town-convention-and-its-protocols-in-hong-kong-china/>.

⁷ The AWG has 50 Members and a seven-person board comprised of Jeffrey Wool (Secretary-General), Francois Collet (Co-Chair, Airbus), Vasgen Edwards (Co-Chair, Boeing), Sohinder Singh (engine manufacturer representative, General Electric Aerospace), Carol Forsyte (lessor representative, Air Lease Corporation), Patrick Kaufer (bank representative, Deutsche Bank), and Jose Serrador (regional manufacturer representative, Embraer).

compliance with the Convention and Protocol by States that have already become party to the treaties (through the [CTC Compliance Index](#)), (iii) assistance to private parties to use the Cape Town Convention (through the preparation of [practitioner's guides](#) and [model documentation](#)) and (iv) general promotion of the Cape Town Convention (by supporting initiatives such as the [Cape Town Convention Academic Project](#), [Economic Assessments of the Cape Town Convention](#), the [Cape Town Convention Journal](#) and the [Cape Town Convention Moot Court Competition](#)).

6. In the last 12 months, the AWG has undertaken the following promotional activity regarding the Aircraft Protocol:

- (a) Bilateral work with Cambodia and Thailand on promotion/accession/ratification of the Cape Town Convention and Aircraft Protocol;
- (b) bilateral work the Democratic Republic of Congo, the United Arab Emirates and Vietnam on implementation and compliance with the Cape Town Convention and Aircraft Protocol;
- (c) the release of a white paper on the interpretation of the Protection of Interests in Aircraft Objects Act, 2025 (CTC Act) from India, in order to assist in the consistent and correct interpretation of the CTC Act;
- (d) the release of updated [short form model legislation](#) to implement and give effect to the Cape Town Convention and Aircraft Protocol, for use by countries and others involved in the ratification of, or accession to CTC;
- (e) the semi-annual release of an update of the [Cape Town Convention Compliance Index](#)(April 2025);
- (f) the organisation and delivery of Cape Town Convention a moot court competitions (Montreal, March 2024 and New York, April 2025); and
- (g) release of third edition of [Cross Border Transferability Handbook](#) (March 2025) and joint work with the International Civil Aviation Organization (ICAO) on [capacity building or States on the cross-border transferability of aircraft](#) in compliance with the Cape Town Convention and Aircraft Protocol with regional workshop in (June 2024 and April 2025).

7. In 2025, the Secretariat will continue to cooperate closely with the Aviation Working Group on promotion, implementation and compliance-related matters regarding the Cape Town Convention and its Aviation Protocol.

IV. ACTION TO BE TAKEN

8. *The Governing Council is invited to note the progress on implementation of the Aircraft Protocol to the Cape Town Convention.*