

AIRCRAFT FINANCE ONLINE

SWEET & MAXWELL



THOMSON REUTERS

QUESTIONS

Below are listed the questions which are posed in each of the country chapters contained in this work. For illustrative purposes only, reference is only made to English law in the Questions.

REGISTRATION

REGISTRATION OF AIRCRAFT

	1
Is there a Register of Aircraft?	1.1
What aircraft may be registered?	1.2
What documentation and consents are required for registration?	1.3
What particulars are recorded in the Register?	1.4
What are the opening hours and registration fees?	1.5
Can the Register be amended?	1.6
What is the effect of registration?	1.7
How is deregistration effected?	1.8
Can a Deregistration Certificate be obtained on registration?	1.9

REGISTRATION OF AIRCRAFT MORTGAGES

	2
Is there a Register of mortgages or rights over aircraft?	2.1
What documentation and consents are required for registration?	2.2
What are the opening hours and registration fees?	2.3
Can the Register be amended?	2.4
Will registration secure priority for the mortgagee?	2.5
What is the effect of registration?	2.6
How is deregistration effected?	2.7

AIRCRAFT MORTGAGES

3 TYPES OF AIRCRAFT MORTGAGE

What types of aircraft mortgage are possible under the laws of England? What are their essential characteristics? What are their respective advantages and disadvantages?

4 LAW GOVERNING THE MORTGAGE

What law will govern the validity of the mortgage?

5 MORTGAGE GOVERNED BY FOREIGN LAW

If the parties to the mortgage stipulate that the mortgage will be governed by the laws of a foreign country, would an English court uphold such a clause?

6 MORTGAGE TERMS

What are the general terms of an aircraft mortgage under the laws of England? Are there any special terms that a mortgage should contain?

7 SPARE PARTS

Under the laws of England can spare parts, including future parts, be subject to the mortgage? Are any special formalities required? If such parts cannot be mortgaged what other forms of security are available to the mortgagee in relation to them?

8 PERFECTION OF MORTGAGES

What additional formalities are required to perfect the status of the mortgage?

9 STATUTORY FEES, CHARGES, TAXES

Are there any statutory fees, charges or taxes payable in respect of the creation of the mortgage?

10 RENEWAL OF REGISTRATION

Will the registrations in respect of the mortgage remain valid throughout the tenure of the mortgage or will they require renewing? If so, what will be the approximate cost of renewal?

CONVENTIONS 11

Has England ratified:

- (a) **The Chicago Convention of 1944 on International Civil Aviation (the “Chicago Convention”)?**
- (b) **The 1948 Convention on the International Recognition of Rights in Aircraft (the “Geneva Convention”)?**
- (c) **The 1933 Convention for the Unification of Certain Rules Relating to the Precautionary Arrest of Aircraft (the “1933 Rome Convention”)?**

POSSESSION BY THE MORTGAGEE 12

On the occurrence of an event of default under the mortgage, can the mortgagee take possession of the aircraft without judicial intervention?

JURISDICTION 13

In what circumstances would an English court have jurisdiction over an action brought by the mortgagee to obtain possession of the aircraft and secure payment of the mortgage debt?

JUDICIAL PROCEDURE FOR POSSESSION 14

Upon an event of default under the mortgage, what is the judicial procedure for the mortgagee to obtain possession of the aircraft both before and subsequent to judgment? What will be the cost of initiating proceedings? Will a bond or other security be required?

LENGTH OF TRIAL 15

How long will the trial of the action take?

DOCUMENTS FOR POSSESSION AND SALE 16

What documents will the court require for:

- 16.1 The taking of possession of the aircraft?**
- 16.2 The sale of the aircraft?**

SALE OF THE AIRCRAFT 17

May the mortgagee sell the aircraft prior to judgment being given, and if so, what is the procedure?

18 CLAIMS RANKING PRIOR TO MORTGAGE

What claims would rank prior to the mortgage?

19 JUDGMENT CURRENCY

In the event of a judicial sale of the aircraft will judgment be given in the currency of the debt if that currency differs from the legal tender in England?

20 REMITTAL OF PROCEEDS ABROAD

In the event of the mortgagor recovering the debt, whether through court process or by means of private sale, can the proceeds be freely remitted abroad? Is any foreign exchange control, central bank or other official consent required? If there is, under what circumstances would this be withheld? How long would such consent take to obtain?

Will there be any export restrictions on the export of the aircraft?

21 RECOGNITION OF FOREIGN JUDGMENT

Were the mortgage to be subject to the jurisdiction of a foreign court and were judgment to be given by that court, would the judgment be recognised and enforced by the courts of England? Are there any prerequisites to such enforcement? Would the English courts enforce such a judgment without a rehearing of the issues?

Would an English court enforce a foreign decree or other executive act confiscating the aircraft regardless of the mortgagee's security interest in it?

22 GOVERNMENT INTERFERENCE

In what circumstances would the Executive organs of government seize the aircraft or otherwise exercise a power of expropriation so as to defeat or substantially impede the mortgagee's entitlement?

In what circumstances would the Executive order or refuse to permit the deregistration of the aircraft from the U.K. Register of Civil Aircraft or refuse to permit the registration of the mortgage in the Aircraft Mortgage Register?

AIRCRAFT LEASING

23 LEASING OF AIRCRAFT

- 23.1** Is there a Register in which leases may be registered? May only certain types of lease be registered?

Questions

What documentation and consents are required for registration?	23.2
What are the opening hours and registration fees?	23.3
Can the register be amended?	23.4
What is the effect of registration?	23.5
How is deregistration effected?	23.6
TYPES OF AIRCRAFT LEASE	24
What types of aircraft lease are possible under the laws of England? What are their essential characteristics?	
LAW GOVERNING THE LEASE	25
What law will govern the validity of the lease? If the parties to the lease stipulate that the lease will be governed by the laws of a foreign country, would an English court uphold such a clause?	
LEASE TERMS	26
Are there any special terms that an aircraft lease governed by the laws of England should contain?	
SPARE PARTS	27
Under the laws of England can spare parts, including future parts, be subject to the lease? Are any special formalities required?	
PERFECTION OF LEASES	28
What additional formalities are required to perfect the status of the lease?	
CHARGES AND TAXES	29
Are there any fees, charges or taxes payable in respect of the creation of an aircraft lease or its registration? What is the tax effect of different types of lease?	
RENEWAL OF REGISTRATION	30
Will any registrations in respect of the lease remain valid throughout the lease term or will they require renewing? If so, what will be the approximate cost of renewal?	

31 POSSESSION BY THE LESSOR

On the occurrence of an event of default under the lease, can the lessor take possession of the aircraft without judicial intervention?

32 JURISDICTION

In what circumstance would an English court have jurisdiction over an action brought by the lessor to obtain possession of the aircraft?

33 JUDICIAL PROCEDURE FOR POSSESSION

Upon an event of default under the lease, what is the judicial procedure for the lessor to obtain possession of the aircraft both before and subsequent to judgment? What will be the cost of initiating proceedings? Will a bond or other security be required?

34 LENGTH OF TRIAL

How long will the trial of the action take?

35 DOCUMENTS FOR POSSESSION

What documents will the court require for the taking of possession of the aircraft?

36 CLAIMS RANKING PRIOR TO THE LESSOR

What claims would rank prior to the lease?

37 JUDGMENT CURRENCY

In the event of damages being sought by the lessor under the lease, will judgment be given in the currency of the lease if that currency differs from legal tender in England?

38 REMITTAL OF PROCEEDS ABROAD

In the event of the lessor recovering any debt under the lease, can the proceeds be freely remitted abroad? Is any foreign exchange control, central bank or other official consent required? If there is, under what circumstances would this be withheld? How long would such consent take to obtain? Will there be any export restrictions on the export of the aircraft?

RECOGNITION OF FOREIGN JUDGMENT

39

Were the lease to be subject to the jurisdiction of a foreign court and were judgment to be given by that court, would the judgment be recognised and enforced by the courts of England? Are there any prerequisites to such enforcement? Would the English courts enforce such a judgment without a rehearing of the issues?

Would an English court enforce a foreign decree or other Executive act confiscating the aircraft regardless of the lessor's ownership of it?

GOVERNMENT INTERFERENCE

40

In what circumstances would the executive organs of government seize the aircraft or otherwise exercise a power of expropriation so as to defeat or substantially impede the lessor's ownership of it? In what circumstances would the Executive order or refuse to permit the deregistration of the aircraft from the UK Register of Civil Aircraft?

