

INTERNATIONAL INTERESTS IN MOBILE EQUIPMENT

THE CONVENTION ON INTERNATIONAL INTERESTS IN MOBILE EQUIPMENT AND PROTOCOLS

DESCRIPTION

The purpose of the Convention is to provide for the constitution and effects of a new international interest in mobile equipment, defined so as to embrace not only classic security interests but the interests of conditional sellers and lessors. The international interest is protected by registration in an International Registry to be established under the Convention. The Convention is intended to be supplemented by separate Protocols for each of the different categories of equipment falling within it, namely railway rolling stock, aircraft objects and space assets.

The first of these to be concluded is the Aircraft Equipment Protocol. Protocols for rail and space equipment are in train. Each Protocol is intended to contain those equipment-specific rules necessary to adapt the rules of the Convention to fit the special pattern of financing in respect of the relevant category.



WHO BENEFITS?

Manufacturers, for whom export markets will be opened up

Financiers, who will have greater protection for their interests in mobile equipment and access to speedy interim relief in the event of default

Purchasers and lessees of mobile equipment in developing countries who will be able to obtain access to credit previously unavailable or obtain it on more favourable terms

States that need to renew mobile equipment in any of the sectors covered by the equipment-specific Protocols

OPINION

“The benefits will be truly global. Developing countries and their airlines will be able to upgrade their fleets at reduced financing costs. The world’s skies will be safer and cleaner as newer, state-of-the-art aircraft are acquired and brought into service. And for countries that manufacture aircraft there will be increased exports as the number of aircraft orders increases” (Jeffrey Rosen, General Counsel, US State Department of Transportation, submitting the Cape Town Convention and Aircraft Equipment Protocol to the US Senate for its advice and consent).

FUNDS NEEDED

€20,000 per annum to provide for the cost of regional and national seminars as well as industry-specific co-ordination meetings in connection with the Rail and Space Protocols and promotion of the Aircraft Equipment Convention.