Mobile and aircraft equipments: international interests, 2001 Cape Town Convention and Protocol

2002/0312(CNS) - 03/03/2003 - Legislative proposal

PURPOSE : to propose the signature and the conclusion by the European Community of the Convention on International Interests in Mobile Equipment and its Protocol on matters specific to aircraft equipment, adopted jointly in Cape Town on 16 November 2001. CONTENT : the Commission is proposing that the Community should sign and conclude the Convention on International Interests in Mobile Equipment ("the Cape Town Convention") as well as its Protocol on matters specific to aircraft equipment adopted, at a Diplomatic Conference held in Cape Town from 29 October to 16 November 2001, under the combined auspices of the International Institute for the Unification of Private Law (UNIDROIT) and the International Civil Aviation Organisation (ICAO). The Cape Town Convention lays down uniform rules for the constitution and effects of an international interest (security agreement, title reservation agreement or leasing agreement) in certain categories of mobile equipment designated in the Protocols relating to the following categories : aircraft (airframes, aircraft engines and helicopters), railway rolling stock and space assets. These instruments are intended to facilitate the financing of high-value aircraft equipment by creating a particularly strong international guarantee for creditors (sellers on credit and institutions supplying craft for such sales) which gives them "absolute" priority over these assets in an international register. Such instrument, to which many of the Community's main trading parties are party, are likely to be of great benefit to the European aerospace industry by encouraging the provisions of financing for the purchase of assets. Before the Community can benefit from them, however, it must ratify them.