

**Act**

**on the Cape Town Convention on International Interests  
in Mobile Equipment and the Protocol on Matters Specific  
to Aircraft Equipment, No 74/2019**

(the Act entered into force on 1 October 2020)

**CHAPTER I**

**Scope and General Provisions.**

Article 1

The Convention on International Interests in Mobile Equipment concluded on 16 November 2001 in Cape Town, as well as the Protocol to that Convention, may be ratified on behalf of Iceland, in particular as regards aircraft equipment with the adaptations resulting from this Act.

The Cape Town Convention, the Protocol on Matters Specific to Aircraft Equipment and special declarations made by Iceland are printed as attachments to this Act.

Article 2

The Cape Town Convention and the Protocol on Matters Specific to Aircraft Equipment shall be effective in Iceland, with the following adaptations:

1. With reference to Article 53 of the Cape Town Convention, the District Court of Reykjavík has jurisdiction to address claims pursuant to Article 1 and Chapter XII of the Cape Town Convention.
2. With reference to Article 55 of the Cape Town Convention, the provisions of the Lugano Convention on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters, from 2007, *cf.* [Act No. 7/2011](#), will be applied as regards Articles 13 and 43 of the Cape Town Convention in relation to relief pending final determination.
3. With reference to Article XXX(1) of the Protocol on Matters Specific to Aircraft Equipment, the provisions of Articles VIII, XII and XIII of the said Protocol shall have the force of law in Iceland.
4. With reference to Article XXX(2) of the Protocol on Matters Specific to Aircraft Equipment, the provisions of Article X of the said Protocol shall have force of law in Iceland. As regards Article 13(1)(a) to (c), of the Cape Town Convention, the time limit is 10 calendar days, and as regards Article 13(1)(d) and (e), the time limit is 30 calendar days.

5. With reference to Article XXX(3) of the Protocol on Matters Specific to Aircraft Equipment, the provisions of Article XI of the said Protocol shall have force of law in Iceland as regards option A. The waiting period pursuant to the provision shall be 60 days.
6. With reference to Article XXX(5) of the Protocol on Matters Specific to Aircraft Equipment, the provisions of the Lugano Convention on Jurisdiction and the Recognition and Enforcement of Judgements in Civil and Commercial Matters, from 2007, *cf.* [Act No. 7/2011](#), apply in place of Article XXI of the said Protocol.

### Article 3

Any non-consensual rights or interests, *cf.* Article 1(s) and Article 39 of the Cape Town Convention, with the exception of rights and interests specified in Article 40 of the Convention, shall have priority over registered international interests in an object, whether in or outside insolvency proceedings, without registration in the international registry, provided these have been constituted pursuant to Icelandic law.

In case of more than one claim pursuant to paragraph 1, claims shall be met in the order in which the incidents leading to them occurred.

### Article 4

The Cape Town Convention and the Protocol on Matters Specific to Aircraft Equipment shall not affect the right of a State or State entity, intergovernmental organisation or other private provider of public services to arrest or detain an object under Icelandic laws, for the payment of fees for services provided by the aforementioned entities that directly concern an object, *cf.* Article 2 of the Cape Town Convention, or another such object.

### Article 5

Registrable non-consensual rights or interests pursuant to Article 1(dd) of the Cape Town Convention and the Protocol on Matters Specific to Aircraft Equipment constituted through debt enforcement action in Iceland, e.g. levy of execution, freezing or attachment, must be registered in an international registry in accordance with the rules of the Cape Town Convention so that they may have legal protection with respect to rights that are registered at a later date.

## CHAPTER II

### **Recognition and Enforcement of the Convention.**

### Article 6

International interests subject to the Cape Town Convention and the Protocol on Matters Specific to Aircraft Equipment are legally protected in Iceland in accordance with the provisions of the said Convention and Protocol.

The chargee and the chargor can agree in writing that the chargee may at any time redeem the insurance in whole or in part or dispose of it to satisfy a defaulted debt obligation, *cf.* Article 8 of the Cape Town Convention.

## Article 7

An obligation by the possessor of an object, according to a written agreement concluded pursuant to the Cape Town Convention and the Protocol on Matters Specific to Aircraft Equipment, to hand over the object is enforceable. [Article 72 of the Enforcement Act No. 90/1989](#) shall apply to the enforcement. The enforcement may be executed with no enforcement period and shall be directed to the District Commissioner of Greater Reykjavík.

Instead of taking possession pursuant to paragraph 1, the attaching party can dispose of the object by leasing it if an authorisation to do so is stated in an agreement pursuant to Article 8 of the Cape Town Convention.

If a delivery takes place on the basis of Article 13 of the Cape Town Convention, the attaching party shall provide adequate guarantee before the enforcement action is carried out. Article 8(3) and Article 16 of Act [No. 31/1990](#) relating to Attachment of Property, Restraining Orders, etc., shall apply in this respect.

Pursuant to the aforementioned, any dispute rising regarding the execution of enforcement shall be referred to the District Court of Reykjavík.

## Article 8

A request to remove an aircraft from the aircraft register pursuant to Article IX(5) of the Protocol on Matters Specific to Aircraft Equipment, *cf.* [Chapter III of Act No. 60/1998 on Civil Aviation](#), shall be directed to the Icelandic Transport Authority.

## Article 9

In bankruptcy or public liquidation proceedings, the insolvency administrator shall ensure that a communication thereon is registered in the international registry when it has been established that assets of the estate include aircraft objects, *cf.* Article I(2)(c) of the Protocol on Matters Specific to Aircraft Equipment. A corresponding notification obligation rests with the composition administrator at the onset of the composition, and the assistant in the moratorium, pursuant to the rules of [Act No. 21/1991](#) on Bankruptcy, etc.

## Article 10

If the chargor does not carry out his duty pursuant to a contract concluded in accordance with the provisions of the Cape Town Convention and the Protocol on Matters Specific to Aircraft Equipment, a forced sale may be required pursuant to legal provisions on forced sales, etc., [No. 90/1991](#), without prior warning or payment appeals. A request for forced sale shall be directed to the offices of the District Commissioner of Greater Reykjavík. Pursuant to the aforementioned, any dispute rising regarding the execution of a forced sale shall be referred to the District Court of Reykjavík.

## **CHAPTER III Entry into Force.**

## Article 11

The provisions of Article 1 and Article 12(1) and (2) of this Act shall enter into force forthwith.

Other legislative provisions shall enter into force as soon as the Cape Town Convention and the Protocol on Matters Specific to Aircraft Equipment enter into force for Iceland, and the Minister shall publish a notification in the Official Gazette on the entry into force.

## Article 12

### *Amendments to other Acts.*

When this Act enters into force, the following amendments are made to other Acts:

1. *Act No. 119/2012 on the Icelandic Transport Authority (ICETRA), the administrative body for transport affairs:* A new paragraph is added to Article 12 of the Act and reads as follows:

“Control fees for the control of registered aircraft owner or possessor, such as control of airworthiness, aircraft flight operation, aircraft registration and de-registration, are secured by statutory lien in an aircraft or aircraft objects registered in Iceland. The fees rank equally whereas older claims have priority over more recent claims. Nonetheless, claims to salvage pursuant to [Article 134 of Act No. 60/1998 on Civil Aviation](#) shall have priority over claims pursuant to this Article.”

2. [Act No. 60/1998 on Civil Aviation](#):

- a. A new paragraph shall replace Article 9(4) to (6) of the Act and reads as follows:

“The Minister may set out in a regulation provisions on the conditions for aircraft registration and de-registration, aircraft certificates of registration, nationality and registration mark, identification plate and export request.”

- b. A new article, Article 9b, is inserted after Article 9 and reads as follows:

“Separate laws apply to the registration of rights in aircraft or aircraft objects, on the one hand [Act No. 21/1966 on the Registration of Rights in Aircraft](#), and on the other hand Act on the Cape Town Convention on International Interests in Mobile Equipment and the Protocol on Matters Specific to Aircraft Equipment, that takes priority over the provisions of the Act on the Registration of Rights in Aircraft, upon entry into force of the Cape Town Convention and the Protocol on Matters Specific to Aircraft Equipment as regards Iceland, for registered interests that come within the scope of the Cape Town Convention and the mutual significance of such registered interests. The District Commissioner of Greater Reykjavík shall carry out the registration of rights in aircraft pursuant to [Act No. 21/1966](#). The Icelandic Transport Authority shall notify the District Commissioner of any changes in the aircraft registry as soon as possible.”

- c. A new article, Article 16a, is inserted after Article 16 and reads as follows:

“The Icelandic Transport Authority may grant a request for the de-registration of an aircraft and export, provided this is in keeping with existing legislation in the area of flight safety, if:

1. the request is submitted by a competent body on the basis of an irrevocable authorisation to request the de-registration and export registered by the Icelandic Transport Authority, and
2. a competent body certifies that a written consent by the holder of the registered interests is in place, which has priority over the interests of the creditor for the de-registration of the aircraft, or that such interests have been abolished.

d. A new paragraph is added to Article 71 of the Act and reads as follows:

“Fees pursuant to paragraph 1 shall be secured by statutory lien in an aircraft or in aircraft objects of the owner or possessor of an aircraft registered in Iceland. Fees pursuant to paragraph 2 shall be secured by statutory lien in the aircraft concerned which is registered in Iceland or in aircraft objects. The fees rank equally whereas older claims take priority over more recent claims. Although salvage claims, *cf.* Article 134 of this Act and pursuant to Article 12 of the Act No. 119/2012 on the Icelandic Transport Authority (ICETRA), the administrative body for transport affairs, have priority over other claims in the order in which they are listed.”

e. The second sentence of Article 134(2) is deleted.

f. A new sentence is added to Article 136(1) of the Act and reads as follows: “An airport operator shall carry out a request by the Icelandic Transport Authority to prevent the departure of an aircraft from an airport until unpaid control fees related to the operation of the aircraft’s owner or holder have been paid or their payment has been secured.”

3. *Act No. 21/1991* on Bankruptcy, etc.: A new article, Article 9a, is inserted after Article 9 and reads as follows:

“The provisions of the Act on the Cape Town Convention on International Interests in Mobile Equipment and the Protocol on Matters Specific to Aircraft Equipment take priority over the provisions of this Act for registered interests included in the Cape Town Convention and the Protocol on Matters Specific to Aircraft Equipment, and the significance of registered interests in relation with each other, and the remedies of the creditor to enforce the claim.”

4. *Act No. 21/1966 on the Registration of Rights in Aircraft*:

a. A new article, Article 1a, is inserted after Article 1 and reads as follows:

“The provisions of the Act on the Cape Town Convention on International Interests in Mobile Equipment and the Protocol on Matters Specific to Aircraft

Equipment take priority over the provisions of this Act for registered interests included in the Cape Town Convention and the Protocol on Matters Specific to Aircraft Equipment, and the mutual significance of registered interests, and the remedies of the creditor to enforce the claim from that point in time.”

- b. The second sentence of Article 5(2) is deleted.

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[Convention on International Interest in Mobile Equipment](#)

[Protocol on Matters Specific to Aircraft Equipment](#)