

ANNEX 1: QUALIFYING DECLARATIONS

1. The term “qualifying declarations” for the purpose of Section 2 of Appendix III, and all other references thereto in this Sector Understanding, means that a Contracting party to the Cape Town Convention (Contracting Party):

- a) has made the declarations in Article 2 of this Annex, and
- b) has not made the declarations in Article 3 of this Annex.

2. The declarations referred to in Article 1 a) of this Annex are the following, provided that, while both of the declarations specified in Article 2 d) and e) of this Annex shall be encouraged, the making of either one of them (together with the making of the declarations in Article 2 a) to c) of this Annex and the non-declarations under Article 3 of this Annex) may permit application of the Cape Town Convention discount:

- a) Insolvency: State Party declares that it will apply the entirety of Alternative A under Article XI of the Aircraft Protocol to all types of insolvency proceeding and that the waiting period for the purposes of Article XI (3) of that Alternative shall be no more than 60 calendar days.
- b) Deregistration: State Party declares that it will apply Article XIII of the Aircraft Protocol.
- c) Choice of Law: State Party declares that it will apply Article VIII of the Aircraft Protocol.
- d) Method for Exercising Remedies: State Party declares under Convention Article 54 (2) that any remedies available to the creditor under any provision of the Convention which are not expressed under the relevant provisions thereof to require application to a court may be exercised without leave of the court (the insertion “without court action and” to be recommended (but not required) before the words “leave of the court”).
- e) Timely Remedies: State Party declares that it will apply Article X of the Aircraft Protocol in its entirety and that the number of working days to be used for the purposes of the time-limit laid down in Article X (2) of the Aircraft Protocol shall be in respect of:
 - 1) the remedies specified in Articles 13 (1) (a), (b) and (c) of the Convention (preservation of the aircraft objects and their value; possession, control or custody of the aircraft objects; and immobilisation of the aircraft objects), not more than that equal to ten calendar days, and
 - 2) the remedies specified in Articles 13 (1) (d) and (e) of the Convention (lease or management of the aircraft objects and the income thereof and sale and application of proceeds from the aircraft equipment), not more than that equal to 30 calendar days.

**Extract from the Sector Understanding on Export Credits for Civil Aircraft
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3. The declarations referred to in Article 1 b) of this Annex are the following:
 - a) Relief Pending Final Determination: State Party shall not have made a declaration under Article 55 of the Convention opting out of Article 13 or Article 43 of the Convention; provided, however, that, if State Party made the declarations set out under Article 2 d) of this Annex, the making of a declaration under Article 55 of the Convention shall not prevent application of the Cape Town Convention discount.
 - b) Rome Convention: State Party shall not have made a declaration under Article XXXII of the Aircraft Protocol opting out of Article XXIV of the Aircraft Protocol.
 - c) Lease Remedy: State Party shall not have made a declaration under Article 54 (1) of the Convention preventing lease as a remedy.

4. Regarding Article XI of the Aircraft Protocol, for Member States of the European Community, the qualifying declaration set out in Article 2 a) of this Annex shall be deemed made by a Member State, for purposes hereof, if the national law of such Member State was amended to reflect the terms of Alternative A under Article XI of the Aircraft Protocol (with a maximum 60 calendar days waiting period). As regards the qualifying declarations set out in Article 2 c) and d) of this Annex, these shall be deemed satisfied, for the purpose of this Sector Understanding, if the laws of the European Community or the relevant Member States are substantially similar to that set out in such Articles of this Annex.