



AVIATION WORKING GROUP



AWG CTC Compliance Index

- Formula and application attached (under continuous review and development)**
- Release date: no later than Q4 2019**
- Public version: score only**
- Member and government version: details and explanations**

CTC compliance index [formula and definitions]

$$\text{Score} = [(A+B) \times 2] + C + D + E + F$$

Scoring: 40 (highest) to 8 (lowest)

Variable range: 5 (highest) to 1 (lowest)

40 - 35: very high probability level that the terms of CTC (with applicable declarations) will be substantially complied with

34 - 30: high probability level that the terms of CTC (with applicable declarations) will be substantially complied with

29 - 25: medium probability level that the terms of CTC (with applicable declarations) will be substantially complied with

24 and lower: low probability level that the terms of CTC (with applicable declarations) will be substantially complied with

Definitions-

A is legal implementation, meaning (i) steps to ensure that CTC, with declarations, prevails over conflicting national law (**primacy**), and (ii) that no regulatory gaps or inaccuracy exists which may adversely impact application (**completeness**). Primacy carries relatively more weight than completeness

B is (i) reported precedent, meaning (a) judicial decisions, and (b) RANJA, in each case with analysis by AWG's legal advisory panel, as posted on the CTC academic project website, and (ii) experience, advised by experts, in applying and enforcing CTC. Precedent carries relatively and often substantially more weight than advised experience

C is whether a country is eligible, or, if not, has made the 'qualifying declarations' which is one of the conditions to eligibility, for a 'CTC discount' under the OECD Aircraft Sector Understanding, with a score of (i) 5 if it is eligible, (ii) 3 if it is not eligible but has made the qualifying declarations, and (iii) 1 if it is not eligible and has not made the qualifying declarations

D is whether a country has designated a 'communication channel' with AWG to consult on compliance issues, as and when they arise, and the extent to which the results of such consultations are timely and effective

E is result of World Aircraft Repossession Index, produced by the Pillsbury law firm, and, absent coverage therein of a country or taking into account additional or more current information, the analysis of aircraft repossession by the AWG secretariat in that country. This is included as a proxy for, and indication of, likely 'gap filing' when CTC is silent and its general interpretation in the enforcement content

F is a weighing of select rule of law and political risk indices measuring, or materially relevant to, regulatory enforcement of existing law

Methodological note and disclaimer: Please read the linked*/ ['methodological note'](#) and ['disclaimer'](#). The former elaborates on the elements of, sources of information related to, and, where applicable, weighting within, each variable in the formula as described in their respective definitions. It also notes that the AWG secretariat (i) reserves the right to, and, as necessary, does, modify mechanical applicable when in its view the facts and circumstances so warrant, such being summarized in the 'explanatory comments' section of the detailed version of the country specific form, and (ii) makes the final decision on scoring. The latter states that no party, including, without restriction, AWG, its members and secretariat, or law firms or lawyers in its legal advisory panel, its national contact groups, or others who provide it with information, shall have any legal responsibility, liability, or duty whatsoever in connection with the Index or any part of it, including for errors and omissions. Without restriction, this index is a high level assessment with speculative and predictive features (including what courts or other authorities may or may not do, acting on correct or incorrect legal analysis or impacted by other factors) which are inherently uncertain, and, thus, should not be relied upon by any party.

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*/ These documents are under development, and will be linked to, and released concurrently with, the Index.

AWG CTC compliance index template for specific country

**APPLICATION OF GENERAL FORMULA FOR
[insert specific country]:**

$$X = [(x + x) \times 2] + x + x + x + x$$

MADE QUALIFYING DECLARATIONS

As defined in the OECD's Aircraft Sector Understanding:

YES/NO

CTC COMPLIANCE SCORING:

VERY HIGH/HIGH/MEDIUM/LOW

Select explanatory comments

Practical actions that would increase score:

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