



***White Paper No. 1***

***Limited version – interpretation only***

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**On the Interpretation of –**

**The Protection of Interests in Aircraft Objects Act, 2025**

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## **White Paper No. 1**

### **On the Interpretation of -**

### **The Protection of Interests in Aircraft Objects Act, 2025**

#### Introductory notes

Aviation Working Group (**AWG**) a not-for-profit entity co-chaired by Airbus and Boeing and comprised of the world's major aviation manufacturers, leasing companies, and financial institutions, was formed, at the request of governments, to contribute to the development of the Cape Town Convention (the **Convention**) and its Aircraft Protocol (the **Protocol**). See [www.awg.aero](http://www.awg.aero)

AWG is widely considered the leading expert on the Convention and the Protocol (collectively, the **CTC**). It chaired the group that drafted the original version of the Protocol, chairs the advisory board for the CTC International Registry, and works around the world on matters relating to CTC compliance, including country scorings on its respected and impactful CTC compliance index.

AWG has a global legal network with the world's legal aviation lawyers. That includes its India Contact Group, comprising the leading aviation law firms in India (the **India Contact Group**). The members of the India Contact Group are listed in the attachment 1 hereto. They support the content of this document.

AWG welcomes and applauds the recent passage of the Protection of Interests in Aircraft Objects Act, 2025 (the **CTC Act**), critically important primary legislation designed to give full force and effect to, and ensures the primacy over inconsistent law of, CTC. See CTC Act, s. 3 and 9(1), respectively. Attachment 2 hereto is the Protection of Interests in Aircraft Objects Act 2025, excepting the Schedules thereto setting out the voluminous and otherwise available Convention and Protocol.

#### Purpose and Structure of this White Paper

This White Paper No. 1 on the interpretation of the CTC Act (this '**White Paper**') seeks to add clarity by setting out an expert interpretation of the CTC Act, to ensure full and effective CTC compliance by India – and, in consequence, to maximize the benefit of CTC to the Indian air transport sector.

AWG has consulted with its India Contact Group. The White Paper reflects the consensus view of that grouping. In short, the industry and professional sector set out herein a consensus interpretation of the CTC Act for reference by courts and tribunals.

This White Paper has three parts, as follows:

- Part I. CTC Legislation – importance and effect in Indian Constitutional framework
- Part II. Chart on key interpretive points
- Part III. Inconsistent Indian national laws modified or superseded by the CTC Act

In summary, Parts II and III set out that consensus interpretation. Part I places these matters in perspective. Part III is an analytic summary of the effect of the primacy clause vis-à-vis

existing Indian laws which are modified or superseded by the CTC Act to the extent of any inconsistency therewith.

This document may be cited as *White Paper No. 1 on the Interpretation of the Protection of Interests in Aircraft Objects Act, 2025*.

Additional white papers may be issued by AWG based on further developments.

Any questions regarding this White Paper should be directed to Jeffrey Wool, secretary general, AWG: [Jeffrey.wool@awg.aero](mailto:Jeffrey.wool@awg.aero)

## **Part I. CTC Legislation – importance and effect in Indian Constitutional framework**

In India, the doctrine of monism, where treaties automatically become national law as a single system, is not applicable. Instead, the doctrine of legal dualism, requiring a treaty to be incorporated into national law, applies.

*Article 253 – Legislative Power for Treaties*

*‘Notwithstanding anything in the foregoing provisions of this Chapter, Parliament has power to make any law for the whole or any part of the territory of India for implementing any treaty, agreement or convention with any other country or countries or any decision made at any international conference, association or other body.’*

The above-quoted Article of the Constitution of India gives power to the Parliament to make laws for implementation of international treaties or conventions.

The Kerala High Court in *Xavier v. Canara Bank* (1969 KLT 927) held this to be essential and the Supreme Court has reiterated this in *State of West Bengal v. Kesoram Industries Ltd.* ((2004) 10 SCC 201).

Thus, CTC, as ratified by India along with India’s declarations, requires such an underpinning – and this is precisely what the CTC Act does.

For these reasons, the CTC Act has been sought for some time by aircraft owners, lessors and financiers, and, particularly, now when Indian operators placed large orders. In addition, the absence of legislation has recently been seen in practice to have severe adverse economic consequences.

Article 51(c) of the Constitution of India provides that respect be given to international treaty obligations as required and Courts must give a harmonious construction with India’s municipal law and minimise conflicts. Yet these doctrines inevitably produce legal uncertainties. The CTC Act removes these uncertainties by explicitly providing for the full force of law and primacy of the CTC Act. See s. 3 and 9(1) of the CTC Act.

In sum, the CTC Act replaces a framework of *vulnerable secondary legislation* and rules with a *fortified one based on primary legislation*. This will benefit the Indian air transport sector for years to come and strengthen India’s role as a centre of aviation finance.

**Part II.**

**Chart on key interpretive points**

SUBJECT	SECTION	SUMMARY		INTERPRETATIVE ITEMS	INTERPRETATION
<b>Effect of the Primacy Clause – generally</b>	9(1), 9(2)	Provisions in the CTC Act prevail over any inconsistent other law for the time being in force. Absent such inconsistency, current law is not derogated from.		<p><u>Item 1:</u></p> <p>Which ‘other law’ is inconsistent with the CTC Act.</p>	<p><u>Item 1:</u></p> <p>The annexure to Part III sets out an analytic summary of such inconsistencies.</p> <p>‘Other law’ means law from all sources, legislative, administrative, and judicial.</p>
<b>Effect of Primacy Clause – new laws</b>	9(1), 9(2)	Provisions in the CTC Act prevail over any other law for the time being in force. Absent such inconsistency, current law is not derogated from.		<p><u>Item 2:</u></p> <p>What is the priority of a provisions in a subsequent law vis-à-vis the CTC Act.</p>	<p><u>Item 2:</u></p> <p>The CTC does not necessarily prevail over inconsistencies in such subsequent law. That would depend on the intent and construction of the current provision.</p>

SUBJECT	SECTION	SUMMARY		INTERPRETATIVE ITEMS	INTERPRETATION
<b>amended current laws</b>	9(1), 9(2)	Provisions in the CTC Act prevail over any other law for the time being in force. Absent such inconsistency, amended current law is not derogated from.		<u>Item 3:</u> What is the priority of provisions in a subsequent amended current law vis-à-vis the CTC Act.	<u>Item 3:</u> The CTC does not necessarily prevail over inconsistencies in such amended current law. That would depend on the intent and construction of the current provision.
				<u>Item 4:</u> Would an amendment to a provision of current law (e.g., the IBC, 2016) which is not inconsistent with the CTC Act render the entire current law outside of the primacy clause.	<u>Item 4:</u> No.

SUBJECT	SECTION	SUMMARY		INTERPRETATIVE ITEMS	INTERPRETATION
<b>Effect of Primacy Clause – insolvency</b>	6, 9(1)	<p>S. 6 applies Article XI of the Protocol for remedies on insolvency under any law for the time being in force.</p> <p>S. 9(1) states that in case of any inconsistency between the CTC Act and any other Act ‘for the time being in force’, then the CTC Act shall prevail to the extent of such inconsistency.</p>		<p><u>Item 5:</u></p> <p>The CTC Act overrides provisions in the IBC, 2016 which are inconsistent with Alternative A of the Protocol. Which provisions are they.</p>	<p><u>Item 5:</u></p> <p>See annexure to Part III for the overridden IBC, 2016 provisions.</p>
				<p><u>Item 6:</u></p> <p>Is the s. 14 notification dated 3<sup>rd</sup> October 2023 (whereby the Government excluded CTC assets from the purview of the IBC, 2016 completely) inconsistent with the CTC Act, thus overridden.</p> <p>The interpretative issue results from Article XI(2) of the Protocol – which states that possession is to be given to the creditor</p>	<p><u>Item 6:</u></p> <p>The stronger argument is that the s. 14 notification is consistent with Alternative A, as Article XI(2)(b) of the Protocol retains current law. That current law status has been confirmed by the High Court of Delhi in its judgement dated 26 April 2024.</p> <p>In the event the s. 14 notification is deemed overridden, then the 2 calendar month waiting</p>



SUBJECT	SECTION	SUMMARY		INTERPRETATIVE ITEMS	INTERPRETATION
				on the <u>earlier</u> of (a) the end of declared waiting period, in the case of India - 60 days (Article XI(2)(a)), and (b) ‘the date on which the creditor would be entitled to possession of the aircraft object if this Article did not apply’ (Article XI(2)(b)). That would be 0 days if the above notice under s. 14 of the IBC, 2016 is not overridden.	period Article XI(2)(a) applies.
<b>Effect of Primacy Clause</b> – <b>arrest and detention</b>  <b>prevention of export</b>	5(1), 5(2), 7, 9(3)	<p>S. 7 applies Article XIII of the Protocol to export of an aircraft object ‘subject to the provisions of the Bharatiya Vayuyan Adhiniyam, 2024 (<b>BVA</b>) and the rules thereunder’.</p> <p>S. 9(1) overrides inconsistent customs law, as Article XIII of the Protocol, <i>inter alia</i>, facilitates the export of aircraft.</p> <p>S. 9(3) retains the basic terms of 30(7) of the Aircraft Rules – not to affect ‘rights’ under current laws of</p>		<u>Item 7:</u>  Is current law, including the 3-month rule, retained in respect of service providers.	<u>Item 7:</u>  Yes, as limitations on export are subject to the BVA (i.e., Rules 30(7) and 32A) and rules thereunder (i.e., CARs and AIC, 2018) and the ‘rights’ to arrest, detain, and prevent export, as referred to in s. 9(3), are defined and circumscribed by current law.  The only change to current law is to replace, via s. 5(2), the triggering mechanism

SUBJECT	SECTION	SUMMARY		INTERPRETATIVE ITEMS	INTERPRETATION
		<p>the government or providers of public services to arrest and detain, and, by extension, prevent the export of an aircraft object (1) for amounts due ‘directly relating to the services in respect of that aircraft object’, and (2) without an explicit time accumulation of fees period limitation.</p> <p>S. 5(1) requires a debtor to maintain and submit to the DGCA records of dues relating to the use or ownership of the aircraft object ‘in such form and more as may be prescribed’.</p> <hr/> <p>Background 1: Prior to the CTC Act, the government (via AIC 12 of 2018 and the AAI (Management of Airports Regulations, 2003)) instituted a ‘<b>3-month rule</b>’, whereby arrest, and detention, and, by extension, the resulting prevention of export, applied only (1) in respect of fees owing to specified creditors (those specified in 30(7) of the Aircraft Rules) for a period of 3-</p>		<hr/> <p><u>Item 8:</u></p> <p>Which service providers and services are subject to the 3-month rule in connection with arrest, detention and, by extension, prevention of export.</p> <hr/> <p><u>Item 9:</u></p>	<p>for commencement of the 3-month period from (under prior law) the date enforcement of an IDERA is request to (by implication under the CTC Act) the date that the DGCA receives notice from a creditor of a default by an operator.</p> <hr/> <p><u>Item 8:</u></p> <p>Airport landing, parking, and air navigation charges and fuel charges provided as a public service in respect of specific aircraft objects. No other charges.</p> <p>The foregoing applies unless and until further rules are promulgated under the BVA.</p> <hr/> <p><u>Item 9:</u></p>

SUBJECT	SECTION	SUMMARY		INTERPRETATIVE ITEMS	INTERPRETATION
		<p>months prior to (and following) a declared default (deemed given by initiating enforcement of an IDERA), and (2) for such fees ‘directly related to services in respect of a specific aircraft object’.</p> <p>A different practice applied to GST amounts owing – see background.3 below.</p> <p>In all cases, and line with current law (and as required by CTC), there is no ‘fleet-lien (that is, no fleet-based’ arrest, detention, or, by extension, prevent of export).</p> <p><u>Background.2:</u> Pre-CTC Act practice relating to the 3-month rule raised several legal questions and were subject to court proceedings.</p> <p><u>Background.3:</u> Prior to the CTC Act, the government took the position that all GST dues in respect of an aircraft object must be paid prior to</p> <p>the export of an aircraft object, without reference to the 3-month rule.</p>		<p>What are the rules on taxes in connection with arrest, detention, and, by extension, prevention of export.</p>	<p>A literal reading and of s. 9(3), as well as its corresponding provision in CTC (Article 39(1)(b) of the Convention), and India’s declaration thereunder would exclude all amounts owed for taxes from the right of arrest, detention, and, by extension, the prevention of export - as such are not amounts owed ‘directly related to the provision of public services in respect of an aircraft object’. See Official Commentary, revised 5<sup>th</sup> Ed. at paras. (4.285 (general rule), 4.268 (general rule and noting exclusion of taxes owed by the debtor), and 4.280 (tax amounts may be covered by a nonconsensual rights or interests declaration under Article 39(1)(a)).</p> <p>The above notwithstanding, we understand that the Government intends to continue the pre-CTC Act</p>

SUBJECT	SECTION	SUMMARY		INTERPRETATIVE ITEMS	INTERPRETATION
					<p>practice of requiring the payment of GST amounts owing in respect of a specific aircraft object (see Background 3 in the left-hand Summary column) under s. 9(3).</p> <p>We understand further that, in exchange for such continued practice, the information system provided for by s. 5(1) will be designed to permit, and operated with the objective of permitting, a creditor to effectively mitigate the risks imposed by such continued practice (as well as by the application of the 3-month rule and the terms of India's nonconsensual rights or interests declaration under Article 39(1)(a)).</p> <p>No other taxes, including income taxes, are covered by s. 9(3), as being far removed from the 'directly related' standard found in and derived from</p>

SUBJECT	SECTION	SUMMARY		INTERPRETATIVE ITEMS	INTERPRETATION
				<p><u>Item 10:</u></p> <p>What is the relationship between s. 5(1) and 7 and 9(3), and how will the former provide CTC creditors with a means to effectively prevent or limit the accumulation of fees giving rise to a right of arrest, detention, and, by extension, prevention of export by others.</p>	<p>Article 39(1)(b) of the Convention.</p> <hr/> <p><u>Item 10:</u></p> <p>These provisions are directly linked, and a system to permit CTC creditors to effectively self-protect against arrest, detention, and, by extension, the prevention of export by others (as well as the accumulation of fees resulting in nonconsensual rights or interests declaration under Article 39(1)(a)) is needed, as contemplated by s. 5(1).</p>
<b>Effect of Primacy Clause –</b>	7	S. 7 applies Article XIII of the Protocol to deregistration of an aircraft object ‘subject to the provisions of the Bharatiya Vayuyan		<p><u>Item 11:</u></p> <p>There are no interpretation issues.</p>	<p><u>Item 11:</u></p> <p>Not applicable.</p>

SUBJECT	SECTION	SUMMARY		INTERPRETATIVE ITEMS	INTERPRETATION
<b>deregistration of aircraft</b>		Adhiniyam, 2024 ( <b>BVA</b> ) and the rules thereunder’.		Deregistration is not limited under the CTC Act, as it was not limited prior to the CTC Act, on account of amounts owing to the government or to service providers.	
<b>Effect of Primacy Clause</b>  –  <b>non-consensual rights and interests</b>	5(1), (2), 9(1)	<p>India’s declarations under Article 39(1)(a) and 40 in respect of non-consensual rights and interests are given force and otherwise not effected by the CTC Act, except, in the case of the Article 39 declaration, for a notification mechanism, as noted below.</p> <p>That Article 39(1)(a) declaration gives priority for liens for (1) certain taxes and employee wages, in each case relating to the specific aircraft and arising since a ‘declared default’, and (2) repairers in possession of an aircraft object to the extent of services performed on and value added to that object.</p> <p>The only change to current law is to replace, via s. 5(2), the triggering</p>		<p><u>Item 12:</u></p> <p>There are no interpretative issues.</p>	<p><u>Item 12:</u></p> <p>Not applicable.</p>

SUBJECT	SECTION	SUMMARY		INTERPRETATIVE ITEMS	INTERPRETATION
		<p>mechanism for commencement of the 3-month period – where applicable (service providers priority) from (under prior law) the date enforcement of an IDERA is requested (by implication under the CTC Act) the date that the DGCA receives notice from a creditor of a default by an operator.</p> <p>The Article 40 declaration requires registration with the CTC International Registry for first-in-time priority of other non-consensual rights and interests.</p>			
<p><b>New procedure requiring declaration of default</b></p> <p>–</p>	5(2)	<p>A creditor must declare the occurrence of default, by notifying the DGCA, as a condition to exercising remedies under the CTC Act.</p> <p>The ‘form and manner’ of such notification may be prescribed.</p>		<p><u>Item 13:</u></p> <p>What is the ‘form and manner’ of such notification.</p>	<p><u>Item 13:</u></p> <p>As will be so prescribed.</p> <p>As this is beyond the terms of CTC, this could result in material non-compliance by India with CTC and have a material adverse impact on the aviation sector.</p>

SUBJECT	SECTION	SUMMARY		INTERPRETATIVE ITEMS	INTERPRETATION
notified to the DGCA					

**Part III. Inconsistent Indian national laws modified or superseded by the CTC Act**

A. Giving effect to the CTC primacy clause: interpretative and analytic principles

Section 9(1) of the CTC Act states as follows:

‘In the case of any inconsistency between a provision of this Act and any other law for the time being in force, the provisions of this Act shall prevail to the extent of such inconsistency.’

1. This Part III(A) sets out interpretive and analytic principles *to give effect* to Section 9(1) of the CTC Act (the **CTC primacy clause**). It does so in furtherance of the intent of the CTC primacy clause: to ensure the sacrosanct nature of the CTC Act. The unqualified application of the CTC Act is the absolute point of departure for interpretation of the CTC primacy clause. The effect of the CTC primacy clause is that inconsistent other laws (**impacted other law**) are modified or superseded by the CTC Act, not the reverse: impacted other laws do not affect the CTC Act.

2. As to scope, the CTC primacy clause is a ***categorical prevailing law provision***. It results in the primacy of the CTC Act over ‘any other law’ currently in force without exception or restriction.

2.a The phrase ‘any other law’ is similarly categorical. It means law (legally authoritative rules) from all sources, legislative, administrative, or judicial.



2.b To the extent a judicial precedent is based on a current law over which the CTC Act has primacy, such precedent is *ipso facto* superseded.

2.c The listing in this Part III, and any judicial precedent based on this listing, is non-exhaustive.

3. As to content, the CTC primacy clause is a **blue-penciling prevailing law provision**. It results in the primacy of the CTC Act ‘to the extent’ of any inconsistency with any other current law.

3.a In accordance with India canons of legislative construction, where possible, impacted other laws shall be applied *as modified to be consistent with the CTC Act*. In this Part III, the summary phrase ‘**modified law**’ shall be used to cover such instances. This canon of construction is fundamentally different from that of ‘harmonious construction’, which seeks to avoid inconsistencies. As the CTC primacy clause presupposes inconsistencies, and explicitly addresses them such that the terms of the CTC Act prevail, harmonious construction does not apply.

3.b To the extent impacted other laws cannot be applied as so modified, they are superseded. In this Part III, the summary phrase ‘**superseded law**’ shall be used to cover such instances.

3.c To the extent that parts of current law are consistent with, do not address the subject matter of, or apply to facts outside the scope of, the CTC Act, they are not ‘impacted other law’, and, thus, are neither modified or superseded.

4. As Section 9(1) of the CTC Act presupposes, is based on, yet extends beyond Section 3 of the CTC Act on force of law, in this Part III summary references will be made to ‘**Sections 3 and 9(1) of the CTC Act**’ as the basis of modified law or superseded law. Section 3 of the CTC Act states that: ‘[s]ubject to the provisions of Act, the Convention and Protocol shall have the force of law in India, in respect of the aircraft objects and in accordance with the declarations deposited by India.’

B. Giving effect to the CTC primacy clause: application of interpretative and analytic principles

SUBJECT MATTER OF MODIFIED LAW OR SUPERSEDED LAW		SECTIONS OF CTC ACT	GIVING EFFECT TO CTC PRIMACY CLAUSE
Insolvency and Bankruptcy Law			

SUBJECT MATTER OF MODIFIED LAW OR SUPERSEDED LAW		SECTIONS OF CTC ACT	GIVING EFFECT TO CTC PRIMACY CLAUSE
<p>There are four main areas of impacted other law, as follows:</p> <p>(1) <u>Moratorium</u></p> <p>The moratorium provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) restrict repossession of an aircraft objects during moratorium period.</p> <p>Section 14 of the IBC provides for a moratorium of 180 days, extendable further by 90 days and in certain circumstances it can go up to 330 days.</p>	<p>Sections 3 and 9(1) CTC Act, as supplemented by Article 6 of the Act, applying Article XI of the Protocol subject to the declaration of India relating thereto.</p> <p>Sections 3 and 9(1) of the Act applying Article XI (2) of the Protocol.</p>	<p>See below for specific effects.</p> <p>Section 14 of the IBC is modified law.</p> <p>Technical note: As Article XI(2) of the Protocol ends the 'waiting period' (the CTC moratorium period) on the earlier of (1) the declared period (2 calendar months), and (2) date a creditor is entitled to possession under current law, the stronger argument is that the s. 14 notification issued on 3 October 2023 <u>remains operative</u>, excluding CTC assets from IBC proceedings. That accords with Delhi High Court in its judgement dated 26 April 2024.</p>	

SUBJECT MATTER OF MODIFIED LAW OR SUPERSEDED LAW		SECTIONS OF CTC ACT	GIVING EFFECT TO CTC PRIMACY CLAUSE
<p>(2) <u>Maintaining and value preservation of assets</u></p> <p>While Sections 20(1) (interim resolution professional duties), 25(1) (resolution professional duties) and 35(d) (liquidator duties) of the IBC require the interim resolution professional, resolution professional and the liquidator, as the case may be, to protect and preserve the assets of the corporate debtor, the standard and criteria for such preservation is not specified.</p> <p>(3) <u>Involuntary change in contract terms</u></p>	<p>Sections 3 and 9(1) of the Act applying Article XI (5) of the Protocol.</p>	<p>In the event that the s. 14 notification is deemed overridden, then the 2-calendar month waiting period under Article XI(2)(a) of the Protocol applies.</p> <p>Section 20(1), 25(1), and 35(d) 14 of the IBC are modified law.</p> <p>Without limiting the comments above re the s. 14 notification excluding CTC assets from IBC proceedings, in the event that the s. 14 notification is deemed overridden, then the insolvency professionals must 'preserve an aircraft object and maintain its value in accordance with the agreement' as required by Article XI(5) of the Protocol.</p>	

SUBJECT MATTER OF MODIFIED LAW OR SUPERSEDED LAW		SECTIONS OF CTC ACT	GIVING EFFECT TO CTC PRIMACY CLAUSE
<p>Section 20(2)(b) of the IBC gives power to the interim resolution professional to amend or modify the contracts which were existing prior to initiation of the insolvency proceedings. There is no explicit requirement of consent of the creditor. However, the Bankruptcy courts have clarified in their judgments that the interim resolution professional cannot amend/ modify the terms of the contract without other party's consent.</p> <p>(4) <u>Legislative conflict</u></p> <p>Section 238 of the IBC states as follows:          'The provisions of this Code shall have effect, notwithstanding anything inconsistent therewith contained in any other law <u>for the time being in force</u> or any instrument having effect by virtue of any such law.' (emphasis added)</p>		<p>Sections 3 and 9(1) of the Act applying Article XI (10) of the Protocol.</p> <p>Sections 9(1) of the Act applying Article XI (10) of the Protocol</p>	<p>Section 20(2)(b) of the IBC is modified law.</p> <p>Without limiting the comments above re the s. 14 notification excluding CTC assets from IBC proceedings, in the event that the s. 14 notification is deemed overridden, then no obligations of a creditor may be modified without its specific and individual consent as required by Article XI(10) of the Protocol.</p> <p>Section 238 of the IBC is superseded law.</p> <p>It does not apply to items covered by the CTC Act. The CTC Act was not in force at the time of the enactment of IBC. It is a prevailing latter-in-time primary legislative act.</p>

SUBJECT MATTER OF MODIFIED LAW OR SUPERSEDED LAW		SECTIONS OF CTC ACT	GIVING EFFECT TO CTC PRIMACY CLAUSE
<p><b><u>Procedural Law and Practice – court context</u></b></p> <p>Indian law and court practice imposes, or may impose, time, notice, and reply-by or other periods individually or collectively inconsistent with the strict, non-discretionary time periods in or other terms of the CTC provisions on ‘relief pending final determination’.</p>		<p>Sections 3 and 9(1) CTC Act, applying Article 13 of the Convention and Article X of the Protocol, subject to the declaration of India relating to the latter.</p>	<p>Any laws or court practice inconsistent with CTC provisions on ‘relief pending final determination’ are modified law.</p> <p>Such CTC provisions are <i>sui generis</i>: they are created by CTC and not derived from or depend on national law. They are not the same as national interim measures.</p> <p>Courts shall modify procedures to meet the short and specific timetables set out in the declaration made by India under Article X of the Protocol.</p>
<p><b><u>Procedural Law and Practice – non-judicial remedies context</u></b></p> <p>Section 7 of the Specific Relief Act, 1963 states as follows:</p> <p>‘A person entitled to the possession of specific movable property may recover it in the manner provided by the Code of Civil Procedure, 1908.’</p>		<p>Sections 3 and 9(1) CTC Act, applying Article 8(a) and 10(a) of the Convention, subject to the</p>	<p>Restrictions on non-judicial remedies, including Section 7 of the Specific Relief Act, 1963, are superseded law.</p>

SUBJECT MATTER OF MODIFIED LAW OR SUPERSEDED LAW		SECTIONS OF CTC ACT	GIVING EFFECT TO CTC PRIMACY CLAUSE
<p>That has developed into the doctrine that non-judicial remedies relating to the <i>taking of possession</i> of moveable asserts is prohibited.</p>		<p>declaration of India under Article 54(2) of the Convention.</p>	<p>In accordance the declaration by India to permit non-judicial remedies, a creditor may exercise remedies under Articles 8(a) and 10(a) of the Convention without court action and without leave of the court.</p>
<p><b><u>Jurisdiction of Courts</u></b></p> <p>Under the Code of Civil Procedure, 1908 (<b>CPC</b>), Indian courts take jurisdiction at the place the defendant works or resides or where the cause of action, wholly or in part, arises. Indian courts do not take jurisdiction in other cases nor can parties by agreement confer jurisdiction on an Indian Court which has no connection with the matter.</p>		<p>Sections 3 and 9(1) CTC Act, applying 42 of the Convention.</p>	<p>Any provisions of the CPC laws which are inconsistent with the conferment of exclusive jurisdiction under Article 42 of the Convention are modified law.</p> <p>Under Article 42 of the Convention, parties can choose by contract to confer <i>exclusive</i> jurisdiction on a court in respect of any claim brought under the Convention, whether or not the chosen forum has a connection with the parties or the transaction.</p>

SUBJECT MATTER OF MODIFIED LAW OR SUPERSEDED LAW		SECTIONS OF CTC ACT	GIVING EFFECT TO CTC PRIMACY CLAUSE
			<p>Technical note: for purposes of the foregoing, Section 8 of the CTC Act states that High Courts in India, having territorial jurisdiction, shall be the relevant court for the purposes of CTC.</p>
<p><b><u>Perfection of property interests</u></b></p> <p>Section 77 of the Companies Act, 2013 requires charges on assets of Indian companies to be registered within 30 days with the Registrar of Companies (<b>RoC</b>). A non-registered charge will be void against the liquidator.</p>		<p>Sections 3 and 9(1) CTC Act, applying Articles 7, 29, and 30 of the Convention.</p>	<p>Section 77 of the Companies Act, 2013 is superseded law.</p> <p>While nothing prevents a charge on an aircraft object from being registered against a company on the RoC, the failure to so register does not impact the constitution (covered by Article 7 of the Convention), perfection or priority (covered by Article 29 of the Convention), or enforceability vis-à-vis a liquidator (covered by Article 30 of the Convention) of a registered international interest.</p>

SUBJECT MATTER OF MODIFIED LAW OR SUPERSEDED LAW		SECTIONS OF CTC ACT	GIVING EFFECT TO CTC PRIMACY CLAUSE
<p><b><u>Effect of foreign adjudicated rights</u></b></p> <p>Application of rules and practices under the Code of Civil Procedure, 1908 (<b>CPC</b>), in general, and without limitation, Section 13 thereof in particular, regarding when foreign judgements are conclusive and the conditions to, and timing of, their recognition and enforcement which are inconsistent with the approach in CTC to confer jurisdiction and the overriding CTC objective to provide speedy and time-bound relief and remedies.</p>		<p>Sections 3 and 9(1) CTC Act, applying Chapter XII of the Convention and Articles X(6)(a) and XXI of the Protocol.</p>	<p>Traditional rules, developed outside of this specific CTC treaty context, for the treatment of 'foreign judgements' are modified law.</p> <p>The nature, structure and objectives of the Convention and Protocol, including the highly mobile and preservation-requiring nature of aircraft objects, require courts to promptly recognize and give effect to rights adjudicated by foreign courts with jurisdiction under CTC.</p>



Attachment I

AWG India contact group

AZB Partners

Bhasin Law

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# भारत का राजपत्र The Gazette of India

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असाधारण

**EXTRAORDINARY**

भाग II — खण्ड 1

**PART II — Section 1**

प्राधिकार से प्रकाशित

**PUBLISHED BY AUTHORITY**

सं० 17] नई दिल्ली, बुधवार, अप्रैल 16, 2025/चैत्र 26, 1947 (शक)

No. 17] NEW DELHI, WEDNESDAY, APRIL 16, 2025/CHAITRA 26, 1947 (Saka)

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

**MINISTRY OF LAW AND JUSTICE  
(Legislative Department)**

*New Delhi, the 16th April, 2025/Chaitra 26, 1947 (Saka)*

The following Act of Parliament received the assent of the President on the 16th April, 2025 and is hereby published for general information:—

**THE PROTECTION OF INTERESTS IN AIRCRAFT OBJECTS  
ACT, 2025**

No. 17 OF 2025

[16th April, 2025.]

An Act to provide for protection of interests in aircraft objects and to implement the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment signed at Cape Town on 16th November, 2001 and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Seventy-sixth Year of the Republic of India as follows:—

1. (1) This Act may be called the Protection of Interests in Aircraft Objects Act, 2025.

Short title and commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. (1) In this Act, unless the context otherwise requires,—

Definitions.

(a) “agreement” shall have the meaning assigned to it in Article 1(a) of the Convention;

(b) “aircraft” shall have the meaning assigned to it in Article I (2)(a) of the Protocol;

(c) “aircraft objects” shall have the meaning assigned to it in Article I (2)(c) of the Protocol;

(d) “Article” means an Article of the Convention or the Protocol;

(e) “Convention” means the Convention on International Interests in Mobile Equipment signed at Cape Town on 16th November, 2001, as set out in the First Schedule to this Act;

(f) “creditor” shall have the meaning assigned to it in Article 1(i) of the Convention;

(g) “debtor” shall have the meaning assigned to it in Article 1(j) of the Convention;

(h) “declaration” means a declaration made by India under the Convention or the Protocol, as set out in the Second Schedule to this Act;

(i) “declared default” means the date on which the registry authority is notified by the creditor of the occurrence of default;

(j) “international interest” shall have the meaning assigned to it in Article 1(o) of the Convention;

(k) “prescribed” means prescribed by rules made under this Act;

(l) “Protocol” means the Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Aircraft Equipment signed at Cape Town on 16th November, 2001, as set out in the Third Schedule to this Act;

(m) “registry authority” means the Directorate General of Civil Aviation constituted under section 3 of the Bharatiya Vayuyan Adhiniyam, 2024.

16 of 2024.

(2) The words and expressions used and not defined in this Act, but defined in the Convention or the Protocol or the regulations made thereunder, shall have the meanings respectively assigned to them in the Convention, Protocol or regulations made thereunder.

3. Subject to the provisions of this Act, the Convention and Protocol shall have the force of law in India, in respect of the aircraft objects and in accordance with the declarations deposited by India.

4. The registry authority may issue necessary directions, for implementation of the provisions of the Convention and Protocol, including the provisions given force of law under section 3, in such manner as may be prescribed.

5. (1) A debtor shall maintain and submit to the registry authority, records of dues arising from, related to or owed in regard to the ownership or use by the owner or operator of the aircraft object, in such form and manner as may be prescribed.

(2) A creditor shall not be entitled to exercise any remedy under the Convention or Protocol unless such creditor declares the occurrence of default by notifying the registry authority, in such form and manner as may be prescribed.

Application of Convention and Protocol in India.

Power of registry authority to issue directions.

Obligation of debtor and creditor to an agreement.

6. The provisions of Article XI of the Protocol, subject to the declaration deposited by India, shall apply, *mutatis mutandis*, for remedies on insolvency under any law for the time being in force:

Remedies on insolvency.

Provided that—

(a) the debtor of the agreement is a—

(i) body corporate or firm, incorporated or registered in India; or

(ii) person, domiciled in or has his principal place of business in India;

(b) the international interest of the agreement has been registered in accordance with the Convention and Protocol; and

(c) the debtor and creditor have not by written agreement excluded the application of this section.

16 of 2024.

7. Subject to the provisions of the Bharatiya Vayuyan Adhiniyam, 2024, or any rules made thereunder, the provisions of Article XIII of the Protocol shall apply to the de-registration and export request.

De-registration and export request authorisation.

8. Notwithstanding anything in any other law for the time being in force, the High Court having territorial jurisdiction shall be the relevant court for the purposes of Article 53 of the Convention.

Jurisdiction.

9. (1) In the case of any inconsistency between a provision of this Act and any other law for the time being in force, the provisions of this Act shall prevail to the extent of such inconsistency.

Provisions of Act to have overriding effect.

(2) Save as otherwise provided in this Act, the provisions of this Act shall be in addition to, and not in derogation of any other law for the time being in force.

(3) The provisions of this Act or the Convention or the Protocol shall not affect the rights of the Central Government or any entity thereof, or other provider of public services in India, or any intergovernmental organisation in which India is a member, to arrest or detain an aircraft object under any law for the time being in force, for payment of any amount due to the Government of India or any such entity or provider of public services or organisation, directly relating to the service or services provided by it in respect of that aircraft objects.

10. (1) The Central Government may, by notification in the Official Gazette, make rules, as may be considered necessary and expedient, for carrying out the provisions of this Act or implementation of the provisions of the Convention or Protocol.

Power of Central Government to make rules.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) manner to issue directions under section 4;

(b) form and manner under sub-sections (1) and (2) of section 5.

(3) The power to make rules under this section is subject to the condition of the rules being made after previous publication:

Provided that the Central Government may, in the public interest, by order in writing, dispense with the condition of previous publication in any case.

(4) Every rule made under this Act shall be laid, as soon as may be, after it is made before each House of Parliament while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Power of  
Central  
Government in  
respect of  
declarations.

**11.** (1) The Central Government may make, amend or withdraw any declaration, or any subsequent declaration in accordance with the provisions of the Convention or Protocol.

(2) The Central Government, to give effect to any declaration or subsequent declaration made, amended or withdrawn under the Convention or the Protocol, may, by notification in the Official Gazette, amend the Second Schedule to this Act.

Removal of  
difficulties.

**12.** (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act as appear to it to be necessary or expedient for removing the difficulty:

Provided that no such order shall be made after the expiry of a period of three years from the date of commencement of this Act.

(2) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament.