

1. Which government authority in your country has primary responsibility for the regulation of aviation and the registration of aircraft?

The Ethiopian Civil Aviation Authority ("ECAA").

2. Can foreign-owned aircraft be registered on your national aircraft register, for example when leased to an airline based in your country?

Yes. ECAA is mandated to register any civil aircraft and any right (including a leasehold) relating thereto

3. Are there any limits/restrictions on the age of the aircraft that may be registered or operated in your country?

No age limit has been set by law. The ECAA prepared a draft regulation setting age limits but this is yet to be approved by the Council of Ministers mandated to pass such laws. However all aircraft registered or operating in Ethiopia must satisfy the requirement of airworthiness defined under the Civil Aviation Proclamation No.616/2008 to mean, "...the ability of an aircraft, with all its necessary components and accessories, to perform its function satisfactorily as determined by [ECAA]."

4. Who is entitled to have their interests recorded on your national aircraft register?

All mortgagees and other holders of security interests. The Aircraft Regulations (as amended) provide that: "...all acts purporting to establish, transfer, modify or extinguish the interest of any person or persons in an aircraft subject to these Regulations including the mortgage of a business which includes an interest in an aircraft, shall be registered in the Register of Aircraft". It is also provided that an interest in an engine or store of spare parts intended to be used in connection with an aircraft shall be entered in a register or file or index established by the ECAA for that purpose. The "interest" in question may be a mortgage or any other form of security interest over the aircraft such as a lien and therefore holders of such interests can have them recorded on ECAA's aircraft register.

5. Would a mortgage governed by a foreign law over aircraft and/or engines be recognised in your country?

Yes, with a few public policy style exceptions (see 12 below), Ethiopian Courts would usually uphold such a clause

6. To be recognised under your laws, must a lease or mortgage over an aircraft and/or engines be in a particular form or language, are there any special terms that it must contain and/or must it be registered or filed anywhere?

There is no statutory form of an aircraft mortgage in Ethiopia. A mortgage must be written either in the Ethiopian official language or in English, be attested by two witnesses and ought to specify in Ethiopian currency the amount of the claim secured by the mortgage.

Particulars of lease and mortgage should be registered at the ECAA.

If originals are in English, a certified translation will be required for the purpose of any proceedings in an Ethiopian court.

7. If an engine owned by a third party is installed on an aircraft, would your country's law treat that engine as being subject to the same ownership as the aircraft itself? In other words is there a risk that by physical installation, the engine owner loses its title to the engine or that the engine becomes subject to any mortgage which exists over the aircraft on which it is installed? Would a nameplate fixed on the engine, confirming its separate ownership, make any difference?

Ethiopia has ratified the Cape Town Convention and Aircraft Equipment Protocol (Article XIV(3) of the latter expressly prevents ownership and other interests in engines being affected by installation or removal from an aircraft).

ECAA has also established a system for registration of any interests in any aircraft such as interests in any engine, propeller, spare parts or appliance intended for use in an aircraft registered in Ethiopia (Article 20(1) of the Civil Aviation Proclamation).

8. Has your country ratified and brought into force any of the following aviation related conventions: 1944 Chicago Convention, 1948 Geneva Convention and 2001 Cape Town Convention (with its Aircraft Equipment Protocol)?

Yes. Ethiopia acceded to the Chicago Convention on March 1, 1947 the Geneva Convention on June 7, 1979 and to Cape Town Convention (together with the Protocol) on November 21, 2003.

9. Does the local civil aviation authority provide assurances to lessors and financiers as to prompt deregistration of the aircraft (for example the IDERA under the Cape Town Convention)?

Yes by virtue of Ethiopia's ratification of the Cape Town Convention. The procedure and reasons for deregistration are not specified in the Aircraft Regulations although in general, deregistration will be effected upon the filing of an application by the owner.

10. Are powers of attorney from a local airline in favour of a lessor or mortgagee likely to be effective to allow the lessor or mortgagee to deregister the aircraft? Can such powers be irrevocable, be governed by a foreign law and/or do they need to be in any particular form for local recognition?

Yes. However, such power of attorney if granted from outside of Ethiopia (preferred option) must be notarised and legalised by the competent authorities and the Ethiopian embassy in the relevant foreign country and be further legalised here in Ethiopia to be effective and admissible.

11. Are there any charges which would have to be paid before an aircraft can be deregistered from your national register (e.g. local air navigation fees)?

Yes, the registered owner and the operator of an aircraft jointly and severally are liable for payment of charges for services and ECAA may seize and detain the aircraft until payment is effected or an equivalent guarantee is provided.

12. Would courts in your country generally uphold a choice of law and jurisdiction clause in an aircraft lease or loan document entered into between commercial parties?

Yes. In Ethiopia, choice of law and jurisdiction as regards private commercial contracts is common and would be upheld by Ethiopian courts provided that such choice is not contrary to public policy of Ethiopia, does not violate the court's conception of justice, fairness or good morals and/or involve immovable property situate in Ethiopia, in which case Ethiopian law would be applied.

13. If the lease is terminated for lessee default, would the lessor be entitled to repossess (by taking physical possession) of the relevant aircraft or engine or does it need the prior permission or order of a local court or agency?

Yes, subject to general laws of contract.

14. In clear cases of a lessee default is there an effective summary procedure or interim relief available in your courts allowing lessor prompt repossession of the aircraft? Would security be required to avail of such process?

Yes, again provided the general rules on contract are observed.

15. What is the procedure for a lender to enforce a mortgage over the aircraft or engine in your country when the borrower is in default? For example must the aircraft be sold by the court or can the lender itself take possession and arrange a sale?

The procedure for taking possession of the aircraft and enforcing the mortgage is the same as in any other claim for recovery of property. The mortgagee must institute proceedings against the mortgagor seeking payment of the mortgage debt or the transfer of ownership and delivery up of possession and then apply for such provisional remedies as may be suitable to protect its interests. The Civil Procedure Code provides for a number of such remedies including temporary injunctions, attachment of property before judgement, detention, preservation and inspection of property under dispute. Foreclosure is also possible under Proclamation No. 97 of 1998 - but for Ethiopian based lenders/banks.

16. Do the courts in your country have experience of repossession / foreclosure action involving aircraft? If so, please provide some details and indicate the time such proceedings generally would be expected to take from start to finish.

No.

17. Where an aircraft is leased to (i.e. not owned by) the airline operating it, can that airline create liens or encumbrances over the aircraft for example if it fails to pay suppliers, airport charges or maintenance providers? If so, would the existence of any such liens (e.g. in respect of unpaid airport charges) prevent an owner or mortgagee from repossessing the aircraft?

No.

18. Are there any circumstances under your country's laws where a non-operating lessor, owner or a mortgagee could be held liable for damage caused by the aircraft whilst operated by an airline, even if there is no fault on the part of lessor, owner or mortgagee?

Yes. The issue is normally addressed by indemnity provisions in the documentation and by insurance cover.

19. Are there any legal requirements in relation to insurance and/or reinsurance of an Aircraft registered in or operated to/from/within your country? For example is there a minimum liability insurance amount required and must some or all of the cover be taken out with local insurers?

Yes. Please contact us for specific details in any particular case.

20. Are there any other specific issues arising under your country's laws that you feel a lessor or financier of aircraft or engines ought to be aware of when considering whether to lease or finance an aircraft to be based or registered in your country?

No.