

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

The Civil Aviation Authority (CAA)

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

Yes.

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

No.

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

The CAA's current practice is to record the owner of the aircraft and its operator. A mortgagee's interest would also be noted at the aircraft mortgage registry.

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

In principle, yes assuming it is valid under its foreign law and, if over a Ugandan aircraft or granted by a Ugandan entity, duly registered in Uganda.

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 prescribed form. We recommend that all such agreements should be notarised, written in (or translated into) English and registered with the Registrar of Documents. Where the aircraft is on lease, the CAA requires a certified copy of the lease agreement to be submitted together with the application for registration. Aircraft mortgages should also be registered in Uganda. Please contact us for details case by case as registration of mortgages will depend on the circumstances.

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?

The law provides only for registration of the aircraft as a whole. The CAA will not record a lessor/lender's interest in an engine. If the airframe owner were to mortgage the aircraft to which the engine has been affixed, the presumption would be that the mortgage covers the engine too. This presumption may however be rebutted by the owner of the engine showing evidence of the existence for example of a lease for the engine. An ownership plate would help with that. An engine lease agreement may be registered as a document with the Registrar of Documents or in the case of an engine mortgage, this can be registered as a chattels mortgage under the Chattels Transfer Act and/or as a charge under the Companies Act (for Ugandan resident companies).

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, Uganda has ratified the Chicago Convention of 1944. It is not party to the 1948 Geneva or 2001 Cape Town Conventions.

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)?

No.

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. Our recommendation is that a Lessee provide to the lessor a signed and undated de-registration request/consent as well as a de-registration power of attorney prior to delivery of the aircraft. A power of attorney could be issued under a foreign law. Powers of attorney can be irrevocable under Ugandan law. A power of attorney should be notarised and registered in Uganda. Ideally a power of attorney should be written in English, otherwise a certified translation will be needed.

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)?

If the CAA is owed fees under the Civil Aviation Authority Act, and payment has not been made after a demand for payment, the CAA may with notice seize an aircraft and is entitled to retain the aircraft until it receives full payment.

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.

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?

There is no requirement for judicial proceedings to be taken for purposes of repossessing leased equipment after a default by the lessee. Upon default, the Lessor can take possession of the equipment in accordance with the terms stipulated in the agreement. If the lessee refuses to deliver up the aircraft then a court order would probably be necessary.

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 our civil procedure rules provide for interim relief and injunctions to detain and preserve property in appropriate cases. A Lessor would not normally be required to provide any security but may be required to provide an undertaking in damages to the lessee to cover losses should the court later order (e.g. if the lessor later loses its case and/or the court rules that the injunction should not have been sought ).

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 terms of the mortgage should be upheld. So subject to the terms of the mortgage, a Lender would ordinarily be able to repossess the equipment over which it has a mortgage without the requirement for a court order and sell the equipment for the best price it can reasonably obtain, whether by private sale or by public auction.

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.

We are not aware of any such cases involving aircraft. Courts here do handle cases involving repossession of equipment. Where a lessor has not been able to repossess its equipment without court assistance, in general these cases take about 6 to 12 months to go through the first instance court system. If the case is contested and complicated on the merits, then it would take longer.

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?

Some liens arise by law. In this context the most common would be where a lessee incurs expense for repair of the aircraft. A repairer's lien over the equipment in his possession arises for unpaid charges, The repairer's right extends only to retaining possession and not to title over the equipment but unless the third party has waived its right to a lien, the right of retention will likely be asserted against the owner as well as the lessee. See answer 11 above as to charges due to the CAA.

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 – insurance is a requirement of an airline's operation. There is no requirement for insurances to be underwritten only in Uganda.

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.