

A BILL

entitled

MORTGAGING OF AIRCRAFT AND AIRCRAFT ENGINES
AMENDMENT ACT 2017

WHEREAS it is expedient to amend the Mortgaging of Aircraft and Aircraft Engines Act 1999 and the Mortgaging of Aircraft Engines (Procedures) Regulations 1999;

Be it enacted by The Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Assembly of Bermuda, and by the authority of the same, as follows:

Citation

1 This Act, which amends the Mortgaging of Aircraft and Aircraft Engines Act 1999 ("the principal Act"), may be cited as the Mortgaging of Aircraft and Aircraft Engines Amendment Act 2017.

Amends section 2 of principal Act

2 Section 2(1) of the principal Act is amended in the definition of "Bermuda nationality register" by deleting "Article 4 of the Air Navigation (Overseas Territories) Order 1989" and substituting "the Air Navigation (Overseas Territories) Order 2013".

Amends section 3 of principal Act

3 Section 3 of the principal Act is amended—

(a) by repealing paragraph (b) and substituting—

“(b) an aircraft engine—

- (i) which is attached to an aircraft referred to in paragraph (a); or
- (ii) for an aircraft referred to in paragraph (a), which engine is owned by, or leased to, the owner of such aircraft.”; and

(b) by deleting all the words after paragraph (b) (being “that,” to “Bermuda.”).

Amends section 5 of principal Act

4 Section 5 of the principal Act is amended—

MORTGAGING OF AIRCRAFT AND AIRCRAFT ENGINES AMENDMENT ACT
2017

(a) in subsection (2), by deleting “Subject to subsection (4), any” and substituting “Any”;

(b) by repealing subsection (3) and substituting—

“(3) Any mortgage of an aircraft engine referred to in section 3(b) may be entered in the register maintained under subsection (1)(b).”; and

(c) by repealing subsection (4).

Amends regulation 8 of the Mortgaging of Aircraft Engines (Procedures) Regulations 1999

5 Regulation 8 of the Mortgaging of Aircraft Engines (Procedures) Regulations 1999 is amended—

(a) in the heading, by deleting “by Bermuda company”; and

(b) in the regulation, by deleting “by a Bermuda company”.

MORTGAGING OF AIRCRAFT AND AIRCRAFT ENGINES AMENDMENT BILL
2017

EXPLANATORY MEMORANDUM

This Bill seeks to amend the Mortgaging of Aircraft and Aircraft Engines Act 1999 (“the principal Act”) to remove the requirement that, to be made security for a loan or other valuable consideration, or to be entered on the applicable register, an aircraft or aircraft engine (as the case may be) must be owned by, leased or chartered to, or otherwise in the lawful possession of a company incorporated in Bermuda.

Clause 1 is self-explanatory.

Clause 2 amends the definition of “Bermuda nationality register” in section 2 of the principal Act, by replacing the reference to the Air Navigation (Overseas Territories) Order 1989 with a reference to the 2013 Order, which is the current Air Navigation Order that applies to Bermuda.

Clauses 3 and 4 amend sections 3 and 5 of the principal Act to remove the requirement that, to be made security for a loan or other valuable consideration, or to be entered on the applicable register, an aircraft or aircraft engine must be owned by, leased or chartered to, or otherwise in the lawful possession of a company incorporated in Bermuda. The amendments would provide that an aircraft could be registered under the principal Act if the aircraft is registered in the Bermuda nationality register or is capable of being so registered. An aircraft engine could be registered under the principal Act if: (a) the engine is attached to an aircraft registered in the Bermuda nationality register, or attached to an aircraft capable of being so registered, or (b) the engine is for such aircraft and is owned by, or leased to, the owner of such aircraft.

Clause 5 amends regulation 8 of the Mortgaging of Aircraft Engines (Procedures) Regulations 1999 to delete the reference to “by a Bermuda company”. This would make it clear that the regulation applies to any registered aircraft engine mortgage.