

Proposed New Aircraft Mortgage Legislation

Overview

The Isle of Man Civil Aviation Administration, of which the Isle of Man Aircraft Registry is a part, maintains a Register of Aircraft Mortgages in accordance with the [Mortgaging of Aircraft Order 1972 \(as amended and applied to the Isle of Man\) \(opens in a new tab\)](#). Mortgagees of aircraft registered under the Mortgaging of Aircraft Order are afforded rights by the [Civil Aviation \(Aircraft Registration and Marking\) Order 2022 \(opens in a new tab\)](#) that the aircraft must not be deregistered by the Aircraft Registry without their prior consent. The Aircraft Registry upholds and takes these obligations very seriously.

The IOM CAA held a consultation from 25 June 2024 to 25 August 2024 to inform our drafting of updated legislation and associated processes. The [consultation responses and proposed next steps were published 29 May 2025 \(opens in a new tab\)](#).

We are now consulting on the new proposed Aircraft Mortgage Legislation. Headline points to note from our proposals:

- No changes are made to the requirement that the Department must not deregister an aircraft subject to a registered mortgage unless the mortgagee has given prior consent
- Mortgages and priority notices registered under the Mortgaging of Aircraft Order 1972 will be regulated and be afforded the rights provided under the new Order without the need for new applications or submissions
- Application forms and details of the supporting information required will not be specified in the legislation but instead will be as specified by the Department through publications, forms, website etc
- Priority notices will expire after 30 working days unless the registration of the priority notice is extended up to a maximum of 60 working days
- Any changes in the information supplied to the Department by or on behalf of the mortgagee must be notified as soon as possible but no later than 2 working days
- The principles of mortgage priority are unchanged

- Mortgages will not have continued rights after the deregistration of the aircraft. Once the aircraft is deregistered the mortgage is also deregistered
- Deregistration of mortgage:
 - The ability for the mortgagee to deregister an undischarged mortgage is introduced
 - On discharge of mortgage the mortgage is also deregistered
 - On cancellation of aircraft registration with mortgagee consent, the mortgage is also deregistered
- The provisions for transfer to International Registration are not transposed as the mortgage deregistration process above may be used in such circumstances
- Mortgage inspections by the public are constrained to ascertaining whether a mortgage for a particular aircraft is registered or not. Provisions are introduced to prevent detailed mortgage information from disclosure under Freedom of Information legislation
- New provisions are specified that enable the Department to propose amendments to the Register. Rights of representation are introduced in response to such proposals as well as the ability to appeal a decision of the Department

Who may be interested in this consultation

We encourage responses from any persons or organisations associated with and affected by the registration of aircraft mortgages, including:

- Aircraft owners and operators
- Financial institutions, such as banks, credit unions, investment companies, etc
- Insurance companies
- Corporate service providers

Related documents and information

- [Proposed Civil Aviation \(Mortgaging of Aircraft\) Order 2025 \(opens in a new tab\)](#)
- [Traceability Matrix - Civil Aviation \(Mortgaging of Aircraft\) Order 2025 \('the 2025 Order'\) \(opens in a new tab\)](#)
- [Transposition table showing how the articles of the current Mortgaging of Aircraft Order 1972 have been addressed \(opens in a new tab\)](#)

Reasonable adjustments and alternative formats

The Department is committed to equal opportunities and our aim is to make our documents easy to use and accessible to all.

We will take steps to accommodate any reasonable adjustments and provide such assistance as you may reasonably require to enable you to access or reply to this consultation.

If you would like to receive this document as a paper copy, in another format or need assistance with accessing or replying to this consultation, please email caa@gov.im or telephone +44 1624 682358.

Responding to this consultation and questions

You can respond to this consultation online by clicking on the 'Online Survey' link below. If you have any questions please email caa@gov.im

About you

You are not required to provide us with any personal information, and all questions on this page are optional. Any information you choose to provide on this page will only be used by the department to provide context to your answers throughout the survey.

[Please read our Privacy Policy for more details and your rights \(opens in a new tab\).](#)

1. What is your name?

Name:

2. Are you responding on behalf of an organisation?

☐ Yes

☐ No

Organisation:

3. What is your role in relation to aircraft mortgages? (please tick all that apply):

☐ Aircraft owner

☐ Aircraft operator

☐ Financial institution

☐ Insurance provider

☐ Corporate service provider

☐ Other (please provide details):

4. May we publish your response?

More information:

- Publish in full – your name, organisation name, along with full answers **may** be published on the hub (your email will **not** be published)
- Publish anonymously – only your responses **may** be published on the hub (your name, organisation and email will **not** be published)
- Do not publish – **nothing will** be published publicly on the hub (your response will only be part of a larger summary response document)

(Required)

Please select only one item

- ☐ Yes, you can publish my response in full
- ☐ Yes, you may publish my response anonymously
- ☐ No, please do not publish my response

Commencement and Transitional Arrangements

See: articles: 2 and 18

The new Order will come into operation at least 28 calendar days after the date of Tynwald approval.

Mortgages and priority notices under the 1972 Order will be seamlessly transferred and regulated under the new Order. Therefore, mortgages and priority notices registered under the Mortgaging of Aircraft Order 1972 are deemed to have been done by virtue of the new Order and inherit the provisions specified in the new Order. This includes the priority status afforded to such mortgages.

The exact commencement of operation date is to be decided and will enable the Department to put in place all supporting measures, such as guidance material, forms etc.

5. Do you have any comments on the commencement and transitional arrangement details?

☐ Yes (please add comment)

☐ No

Comments:

Interpretations

See articles: 3 and 20

A word or expression in the new Order has the same meaning as that given in the Civil Aviation (Miscellaneous Provisions) Order 2020.

New and amended interpretations are provided.

6. Do you have any comments on the interpretations?

☐ Yes (please add comment)

☐ No

Comments:

Mortgage of Aircraft

Article 4 of the new Order, as per the current Mortgaging of Aircraft Order 1972, specifies that an aircraft registered in the Isle of Man, or such an aircraft together with any store of spare parts for that aircraft, may be made security for a loan or other valuable consideration.

7. Do you have any comments on article 4?

☐ Yes (please add comment)

☐ No

Comments:

Register of Aircraft Mortgages

See: article: 5

Article 5 of the new Order specifies that the Department is responsible for maintaining a Register of Aircraft Mortgages and, without prejudice to the Electronic Transactions Act 2000, may record information in the register in a legible or a non-legible form so long as the record is capable of being reproduced in a legible form.

Article 5 further promulgates that the Department may enter a mortgage of an aircraft registered in the Isle of Man, or a priority notice of an aircraft registered or intended to be registered in the Isle of Man, in the Register of Aircraft Mortgages.

8. Do you have any comments on article 5?

☐ Yes (please add comment)

☐ No

Comments:

Registration of Aircraft Mortgages

See: article: 6

Article 6 of the new Order specifies the process for applying to register a mortgage and the administration of the registration by the Department.

9. Do you have any comments on article 6?

☐ Yes (please add comment)

☐ No

Comments:

Registration of Priority Notices

See: article: 7

Article 7 of the new Order specifies the process for applying to register a priority notice and the administration of the registration by the Department.

Priority notices will expire after 30 working days unless the registration is extended by the Department to an absolute maximum of 60 days.

10. Do you have any comments on article 7?

☐ Yes (please add comment)

☐ No

Comments:

Changes to the Register of Aircraft Mortgages

See: article: 8

Article 8 of the new Order specifies the requirement to notify changes to information previously supplied to the Department and the administration of such changes by the Department.

11. Do you have any comments on article 8?

☐ Yes (please add comment)

☐ No

Comments:

Priority of Mortgages

See: article: 9

Article 9 of the new Order establishes the priorities of mortgages, which are fundamentally unchanged; however, the references to pre-1 May 2007 mortgages are no longer relevant.

12. Do you have any comments on article 9?

☐ Yes (please add comment)

☐ No

Comments:

Discharge of Mortgage

See: article: 10

Article 10 of the new Order sets out the process for notifying the Department of a discharged mortgage and Department actions.

On discharge of mortgage the mortgage is also deregistered.

13. Do you have any comments on article 10?

☐ Yes (please add comment)

☐ No

Comments:

Deregistration of Mortgage

See: article: 11

Article 11 of the new Order provides a new process for a mortgagee to deregister an undischarged mortgage.

14. Do you have any comments on article 11?

☐ Yes (please add comment)

☐ No

Comments:

Cancellation of Aircraft Registration with Mortgagee Consent

See: article: 12

Article 12 of the new Order sets out the Department actions in response to the mortgagee providing consent to deregister an aircraft that is subject to a registered mortgage.

Once the aircraft is deregistered with such mortgagee consent, the mortgage will also be deregistered.

15. Do you have any comments on article 12?

☐ Yes (please add comment)

☐ No

Comments:

Inspection of the Register and Freedom of Information

See: article: 13

Article 13 provides for the public to inspect the register. This is now limited to information on purely whether or not a mortgage or priority notice is registered pertaining to a particular currently registered aircraft. Provisions are introduced to prevent detailed information from disclosure under Freedom of Information legislation.

The Department will put in place a process for the public to make an enquiry as to the mortgage or priority notice registration status of a currently registered aircraft. It is aspired that this will show the status of a specified register number entry and in due course be open source accompanying the publicly available aircraft registration details.

16. Do you have any comments on article 13?

☐ Yes (please add comment)

☐ No

Comments:

Rectification of the Register of Aircraft Mortgages by the Department

See: article: 14

Article 14 of the new Order provides new provisions that enable the Department to propose amendments to the Register, including deregistration of the mortgage. Rights of representation are introduced in response to such proposals as well as the ability to appeal a decision of the Department.

17. Do you have any comments on article 14?

☐ Yes (please add comment)

☐ No

Comments:

Register as Notice of Facts Appearing in it

See: article: 15

Article 15, as per the Mortgaging of Aircraft Order 1972, states that: all persons shall at all times be taken to have express notice of all facts appearing in the Register, but the registration of a mortgage shall not be evidence of its validity.

18. Do you have any comments on article 15?

☐ Yes (please add comment)

☐ No

Comments:

Mortgage Not Affected by Bankruptcy

See: article: 16

Article 16 as per the Mortgaging of Aircraft Order 1972, states that: a registered mortgage of an aircraft shall not be affected by any act of bankruptcy committed by the mortgagor after the date on which the mortgage is registered, notwithstanding that at the commencement of his bankruptcy the mortgagor had the aircraft in his possession, order or disposition, or was reputed owner thereof, and the mortgage shall be preferred to any right, claim or interest therein of the other creditors of the bankrupt or any trustee or assignee on their behalf.

19. Do you have any comments on article 16?

☐ Yes (please add comment)

☐ No

Comments:

False Statement and Forgery

See: article: 17

Article 17 of the new Order makes it an offence to make a false statement as per the Mortgaging of Aircraft Order 1972 with an update to the penalties.

20. Do you have any comments on article 17?

☐ Yes (please add comment)

☐ No

Comments:

Thank you for your submission.