



CIVIL AVIATION (MORTGAGING OF AIRCRAFT) ORDER 2025

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Statutory Document No. 20XX/XXXX



Airports and Civil Aviation Act 1987

CIVIL AVIATION (MORTGAGING OF AIRCRAFT) ORDER 2025

Approved by Tynwald:

Coming into operation in accordance with article 2

The Department for Enterprise makes the following Order under sections 11B(4)(e), 11I and 11J of the Airports and Civil Aviation Act 1987.

PART 1 GENERAL PROVISIONS

1 Title

This Order is the Civil Aviation (Mortgaging of Aircraft) Order 2025.

2 Commencement

If approved by Tynwald, this Order comes into operation ¹.

3 Interpretation

A word or expression in this Order, unless otherwise defined in this Order, has the same meaning as that given in the Civil Aviation (Miscellaneous Provisions) Order 2020².

PART 2 REGISTRATION OF AIRCRAFT MORTGAGES

4 Mortgage of aircraft

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.

¹ By section 11B(6) of the Airports and Civil Aviation Act 1987, an order made under section 11B of that Act shall not come into operation until it is approved by Tynwald.

² SD 2020/0134.

5 Register of Aircraft Mortgages

- (1) 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.
- (2) 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.

6 Registration of aircraft mortgages

- (1) An application for the registration of an aircraft mortgage must be made by or on behalf of the mortgagee in a format acceptable to the Department and must include or be accompanied by such information and evidence relating to the aircraft mortgage as the Department may require.
- (2) Where two or more aircraft are the subject of one mortgage or where the same aircraft is the subject of two or more mortgages, separate applications must be made in respect of each aircraft or of each mortgage, as the case may be.
- (3) The Department may register the mortgage if it is satisfied that the application complies with this Order.
- (4) Applications must be entered in the Register of Aircraft Mortgages in order of their receipt by the Department.
- (5) The Department must notify the applicant of the date and time of the entry of the aircraft mortgage in the Register of Aircraft Mortgages and of the register number of the entry and must send a copy of the notification to the mortgagor and the registered owner.

7 Registration of priority notices

- (1) An application for the registration of a priority notice must be made by or on behalf of the mortgagee in a format acceptable to the Department and must include or be accompanied by such information and evidence relating to the priority notice as the Department may require.
- (2) The Department may register the priority notice if it is satisfied that the application complies with this Order.
- (3) The Department must notify the applicant of the date and time of the entry of the priority notice in the Register of Aircraft Mortgages and of the register number of the entry and must send a copy of the notification to the mortgagor and the registered owner or intended registered owner.

- (4) The registration of a priority notice expires 30 working days after being entered into the Register of Aircraft Mortgages unless the registration is extended by the Department to an absolute maximum of 60 working days, in accordance with paragraph (5).
- (5) Subject to paragraph (6), an application for the extension of the registration of a priority notice must be made before the expiry of the 30 working day period, by or on behalf of the mortgagee in a format acceptable to the Department. The Department must amend the expiry of the priority notice in the Register of Aircraft Mortgages, notify the applicant and send a copy of the notification to the mortgagor and the registered owner or intended registered owner.
- (6) A priority notice extended in accordance with paragraph (4) retains its original date of registration for the purposes of article 9 (priority of mortgages).

8 Change to the Register of Aircraft Mortgages

- (1) Any change to the information supplied under article 6 (registration of aircraft mortgages) or 7 (registration of priority notices) must be notified to the Department by, or on behalf of, the mortgagee as soon as practicable and in any event no later than 2 working days after the change occurs in a format acceptable to the Department.
- (2) Upon receiving the notification under paragraph (1), the Department must, whenever satisfied that it is necessary or appropriate, amend the Register of Aircraft Mortgages, notify the applicant, and send a copy of the notification to the mortgagor and the registered owner or intended registered owner.

9 Priority of mortgages

- (1) Subject to the following provisions of this article, a mortgage of an aircraft entered in the Register of Aircraft Mortgages shall have priority over any other mortgage of or charge on that aircraft, other than another mortgage entered in the Register of Aircraft Mortgages.
- (2) Where two or more mortgages of an aircraft are entered in the Register of Aircraft Mortgages, those mortgages shall as between themselves have priority according to the times at which they were respectively entered in the Register.
- (3) If, following registration of a priority notice, the aircraft mortgage contemplated in the priority notice is registered before the expiry of the priority notice, the aircraft mortgage shall be deemed to have priority from the time when the priority notice was registered.

- (4) The priorities determined under this article shall have effect notwithstanding any express, implied or constructive notice affecting the mortgagee.
- (5) Nothing in this article shall be construed as giving a registered mortgage any priority over any possessory lien in respect of work done on the aircraft (whether before or after the creation of registration of the mortgage) on the express or implied authority of any persons lawfully entitled to possession of the aircraft or over any right to detain the aircraft under any Act of Parliament or Act of Tynwald.
- (6) This article is subject to the rules set out in regulation 16 (priority of competing interests) of the International Interests in Aircraft Equipment (Cape Town Convention) Regulations 2015³.

10 Discharge of mortgage

- (1) The mortgagee, or a person acting on their behalf, must notify the Department of the discharge of the mortgage in a format acceptable to the Department accompanied by such information and evidence relating to the aircraft mortgage as the Department may require.
- (2) Upon receiving the notification under paragraph (1), the Department must, whenever satisfied that the mortgage has been discharged, mark the relevant entry in the Register of Aircraft Mortgages as "discharged and deregistered", notify the applicant, and send a copy of the notification to the mortgagor and the registered owner.

11 Deregistration of mortgage

- (1) An application for the deregistration of an aircraft mortgage that has not otherwise been discharged under article 10 (discharge of mortgage), must be made by or on behalf of the mortgagee in a format acceptable to the Department and must include or be accompanied by such information and evidence relating to the aircraft mortgage as the Department may require.
- (2) Upon receiving the application at paragraph (1), the Department must, whenever satisfied that it is necessary or appropriate, mark the relevant entry in the Register of Aircraft Mortgages as "deregistered", notify the applicant, and send a copy of the notification to the mortgagor and the registered owner.

12 Cancellation of aircraft registration with mortgagee consent

- (1) This article applies where the Department cancels the registration of an aircraft registered in the Isle of Man, with the prior consent of the

³ SI 2015 No. 912 as amended and applied to the Isle of Man by Aviation (Cape Town Convention) (No. 2) Order 2016 (SD 2016/0229).

mortgagee, under article 12 (aircraft that are entered in the register of aircraft mortgages) of the Civil Aviation (Aircraft Registration and Marking) Order 2022⁴.

- (2) In the circumstances specified in paragraph (1), following the cancellation of the registration of the aircraft, the Department must mark the relevant entry in the Register of Aircraft Mortgages as "de-registered".

13 Inspection of the register and freedom of information

- (1) The Department must, at all reasonable times, make available to any person information as to whether a mortgage or a priority notice in respect of an aircraft registered in the Isle of Man is entered in the Register of Aircraft Mortgages.
- (2) The following are absolutely exempt information for the purposes of the Freedom of Information Act 2015⁵ —
 - (a) details of the mortgagee;
 - (b) the mortgage agreement.

PART 3 MISCELLANEOUS

14 Rectification of the Register of Aircraft Mortgages by the Department

- (1) The Department may propose to the mortgagee, or a person acting on their behalf, such amendments to the Register of Aircraft Mortgages as may appear to be necessary or expedient, including the amendment or removal of an entry, together with the reasons for it and, send a copy of the proposal to the mortgagor and the registered owner.
- (2) The mortgagee, or a person acting on their behalf, may, within 20 working days after the date of service of that proposal, serve on the Department a request that the Department consider their representations with respect to the proposal.
- (3) In the absence of any representations made under paragraph (2), the Department must —
 - (a) rectify the Register of Aircraft Mortgages and mark relevant entries as 'rectified by the Department'; and
 - (b) notify the mortgagee, or a person acting on their behalf, and send a copy of the notification to the mortgagor and the registered owner.

⁴ SD 2022/0073.

⁵ Article 27 Information the disclosure of which is restricted by law.

- (4) Where the mortgagee, or a person acting on their behalf, makes a request under paragraph (2), the Department must, before making a decision —
 - (a) consider any representations made; and
 - (b) where, in those representations, they have requested the opportunity to make oral representations, afford them an opportunity of being heard by a person appointed by the Department, and consider the report of that person.
- (5) A person appointed under paragraph (4) shall sit with such technical assessors as the Department may appoint.
- (6) No person who participated in the original proposal, which is to be the subject of the Department's decision, shall —
 - (a) be appointed under paragraph (4)(b) or (5); or
 - (b) participate in the decision of the Department.
- (7) Where the Department makes a decision pursuant to paragraph (4), the Department must serve a statement of its reasons for the decision to the mortgagee, or a person acting on their behalf, and send a copy to the mortgagor and the registered owner.
- (8) The mortgagee, or a person acting on their behalf, aggrieved by a decision of the Department under paragraph (7) may, within 20 working days of that decision or within such further time as the High Bailiff allows, appeal to the High Bailiff against that decision. A person making such appeal shall immediately provide the Department with evidence of their appeal submission. The bringing of such an appeal suspends the effect of the decision pending the final determination or withdrawal of the appeal.
- (9) In determining an appeal made under paragraph (8) the High Bailiff may —
 - (a) affirm the decision;
 - (b) quash the decision or vary any of its terms;
 - (c) substitute a deemed refusal with a decision of the High Bailiff; or
 - (d) give directions as to the exercise of the Department's functions under this Order.
- (10) Where the decision pursuant to paragraph (7) upholds the Department's proposal and in the absence of being notified by the mortgagee, or person acting on their behalf, of an appeal to the High Bailiff, the Department must —
 - (a) rectify the Register of Aircraft Mortgages and mark relevant entries as 'rectified by the Department'; and
 - (b) notify the mortgagee or a person acting on their behalf and send a copy of the notification to the mortgagor and the registered owner.

15 Register as notice of facts appearing in it

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.

16 Mortgage not affected by bankruptcy

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 the mortgagor's bankruptcy they had the aircraft in their possession, order or disposition, or was reputed registered 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.

17 False statement and forgery

- (1) If, in furnishing any information for the purpose of this Order, any person makes any statement which they know to be false in a material particular, or recklessly makes any statement which is false in a material particular, they shall commit an offence.
- (2) Any person who commits an offence under paragraph (1) shall —
 - (a) on summary conviction be liable to a fine not exceeding level 5 on the standard scale; or
 - (b) on conviction on information be liable to a fine.
- (3) The Forgery Act 1952 shall apply in relation to documents forwarded to the Department in pursuance of this Order as if such documents were included in the list of documents in section 3(3) (forgery of certain documents with intent to defraud or deceive) of that Act.

PART 4 SAVINGS AND AMENDMENTS**18 Saving**

Anything done under or by virtue of the Mortgaging of Aircraft Order 1972, if it could have been done under or for the purpose of the corresponding provision of this Order, is to be deemed to have been done under or by virtue of the corresponding provision of this Order and anything begun under, or by virtue of, any such article or regulation may be continued under this Order as if begun under this Order.

19 Amendment of the Civil Aviation (Subordinate Legislation) (Application) Order 2006

The Civil Aviation (Subordinate Legislation) (Application) Order 2006⁶ is amended as follows —

- (a) In Schedule 1 omit —
 - “1972/1268 Mortgaging of Aircraft Order 1972”;
 - “1981/611 Mortgaging of Aircraft (Amendment) Order 1981”.
- (b) In Schedule 2 omit Part 3.

20 Amendment of the Civil Aviation (Miscellaneous Provisions) Order 2020

- (1) The Civil Aviation (Miscellaneous Provisions) Order 2020⁷ is amended as follows.

- (2) In article 4 (interpretation), at the appropriate place insert —

“**aircraft registered in the Isle of Man**” means an aircraft registered pursuant to article 6 (department to register aircraft in the Isle of Man) of the Civil Aviation (Aircraft Registration and Marking) Order 2022⁸; ²²;

“**aircraft mortgage**” means a legal or equitable interest (excluding a lien or floating charge), creating security over title to an aircraft and any specified store of spare parts for that aircraft, under which the agreement creating the interest secures payment or the performance of an obligation (whether or not title in the aircraft is transferred to the mortgage); ²²;

“**mortgagor**” means a person who causes or permits an aircraft mortgage to be created in an aircraft in which the mortgagor has an interest and includes the persons successors and assigns; ²²;

“**mortgagee**” means a person who holds an aircraft mortgage and includes the persons successors and assigns; ²²;

“**priority notice**” means a notice of intention to make an application to enter a contemplated aircraft mortgage in the Register of Aircraft Mortgages; ²²;

“**registered owner**” means the person specified as being the owner of the aircraft on the certificate of registration issued pursuant to article 9 (registration and certificate of registration) of the Civil Aviation (Aircraft Registration and Marking) Order 2022; ²².

⁶ SD 909/06.

⁷ SD 2020/0134.

⁸ SD 2022/0073.

- (3) In article 4, for the definition of “Register of Aircraft Mortgages” substitute —

“**Register of Aircraft Mortgages**” means the register kept by the Department under the Civil Aviation (Mortgaging of Aircraft Order) 2025⁹; **99**.

MADE

TIM JOHNSTON
Minister for Enterprise

⁹ SD 2025/**** (SD to be inserted).

*EXPLANATORY NOTE**(This note is not part of the Order)*

This Order makes provision for the Department to register mortgages of aircraft registered in the Isle of Man in a Register of Aircraft Mortgages.

Article 4 provides for an aircraft registered in the Isle of Man to be made security for a loan or other valuable consideration.

Article 5 provides for the Department to maintain a Register of Aircraft Mortgages.

Article 6 specifies criteria on the application for and registration of aircraft mortgages.

Article 7 provides for applications, registration and expiration of priority notices.

Article 8 specifies actions for notification of changes to the Register of Aircraft Mortgages and for the Department to amend the Register.

Article 9 provides the priority of mortgages entered into the Register of Aircraft Mortgages.

Article 10 provides for the discharge of mortgages.

Article 11 provides for the deregistration of mortgages.

Article 12 provides for the Department to deregister the mortgage following the consent of the mortgagee for the registration of the aircraft to be cancelled.

Article 13 specifies provision for inspection of the Register of Aircraft Mortgages and freedom of information absolute exemption.

Article 14 provides action for rectification of the Register of Aircraft Mortgages including an appeal process.

Article 15 provides for the Register of Aircraft Mortgages being notice of facts but not evidence of mortgage validity.

Article 16 sets out provision on registered mortgage not being affected by any act of bankruptcy.

Article 17 creates offences for falsification and forgery.

Article 18 provides grandfather rights for anything done under the Mortgaging of Aircraft Order 1972.

Articles 19 and 20 provide for consequential amendments.