

SECTION 5. OF FEES FOR AIRCRAFT AND THE AIRCRAFT REGISTER

Article 22. Aircraft.

For the purposes of this section, the term "aircraft" shall include the combination of the fuselage, the engines, the propellers, radio apparatus, and any other equipment necessary for its operation.

Article 23. Legal Nature.

Aircraft, even though they are personal property by nature, constitute a special class of personal property governed by the rules of civil and commercial law, except as amended by the provisions of this Section.

Article 24. Sale of Aircraft.

1) The sale or transfer of an aircraft must be made by public instrument. If the act takes place abroad, it shall be incorporated in the proper document conforming to the formalities of the place, and shall have a certification by a notary or other competent authority, to the effect that, in his presence, the seller has proved that he is owner of the aircraft, and that the person signing in his name had the power to execute the instrument of sale. Documents issued abroad shall be authenticated by the respective consul of the Republic, and in his absence, by one of a friendly nation.

2) All judicial sales of aircraft shall be at public auction, in conformity with legal procedures.

Article 25. Aircraft Mortgage.

An aircraft is subject to mortgage and to sale with reservation of title [conditional sale], as is a complete fleet belonging to an airline company. Insofar as not covered by this Law, such mortgage shall be governed, by the provisions applicable to chattel mortgages.

Article 26. Preference [in liens].

The encumbrance mentioned in the preceding article shall have preference over any other encumbrance, with the following exceptions:

- a) Indemnity for assistance or salvage of the aircraft; and,
- b) Indispensable expenses for preservation of the aircraft.

Article 27. Attachment or Seizure.

In case of judicial seizure of any aircraft used for public air transportation service, the authority decreeing the measure shall immediately communicate the fact to the General Bureau of Civil Aeronautics in order that the latter may take the necessary measures so as not to prejudice the service.

Article 28. Aeronautical Register.

In the Public Register there shall be a Section to be known as "Aeronautical Section," in which shall be recorded:

- a) The deeds by which ownership and other property rights in Panamanian civil aircraft are constituted, acquired, transferred, modified, burdened, or extinguished;
- b) leases and charter contracts;
- c) judgments of attachment or seizure, writs, or other judicial or administrative decisions affecting title or ownership of aircraft.