

avoidable circumstances, each of the owners shall be liable in proportion to the weight of the respective aircraft.

Article 124. The right to bring action for payment of a compensation specified in this chapter shall expire six months from the date on which the damage occurred.

Claims for damage or delay of cargo or registered baggage shall be made in writing to the carrier or responsible party within a period of ten days from the date of delivery, or from the date when delivery should have been made, in accordance with the provisions of this Law on transportation contracts. Absence of such claim shall prevent bringing an action therefor.

Article 125. In the absence of an international treaty to which Spain is a party, liability in matters of international air transportation shall be governed by the provisions of this Law as applied in accordance with the principle of reciprocity.

CHAPTER XIV. AIR INSURANCE

Article 126. Air insurance shall provide guarantees in regard to risks inherent in navigation which affect aircraft, merchandise, passengers and freight, and in regard to liability for damages to third parties, caused by an aircraft while on the ground, over water or in flight.

Article 127. Insurance shall be compulsory in regard to passengers, damages caused to third parties, to aircraft engaged in the service of air lines and those which are mortgaged.

Article 128. Navigation in the national air space shall not be authorized for any foreign aircraft which does not show proof of insurance in regard to any damages it may cause to persons or property transported or to third parties on the ground.

Such insurance may be replaced by a guarantee in form of a deposit of money or securities, or of a bond recognized by the State.

Article 129. Any compensation paid as insurance of an aircraft in case of accident or loss of the aircraft shall be deposited in the court to be paid to the persons entitled thereto, in case there should appear third parties with possible legal claims to such payment, or who have instituted actions as preferred creditors with regard to those claims with preference in such compensation.

In order to facilitate to the mortgagee the exercise of his rights, the judge who receives the compensation on deposit shall notify the mortgagee of the accident, if he is identified from the Aircraft Register, and in any case notices shall be published in the *Boletín Oficial del Estado* on three different dates during the three months following the date when the accident occurred.

CHAPTER XV. LIENS AND PREFERRED DEBTS

Article 130. Aircraft, as a special kind of personal property, shall be susceptible of being mortgaged. They shall also be subject to lease, usufruct or other rights recognized by the Law.

Such encumbrances, to be valid, must be entered in the Aircraft Register and in the Commercial Register when so required by the law which governs the act in question.