

LEGAL FRAMEWORK OF AIRCRAFT REGISTRATION AND DEREGISTRATION IN VIETNAM: AN EVOLVING LANDSCAPE

Vietnam's aviation sector serves as a critical engine for its economic growth and international integration. A transparent registration system forms the bedrock of this security, providing certainty of ownership, possession, and encumbrance rights.

This article provides a concise overview of Vietnam's evolving legal framework for aircraft registration, detailing the key processes for registering rights, the critical role of international conventions like the Cape Town Convention, and the recent, significant streamlining of the deregistration procedure. Understanding these mechanisms is essential for any party engaging in aircraft financing and leasing within the Vietnamese market.

1. Governing Legal Framework

The registration of aircraft in Vietnam is governed by a dual system of domestic legislation and international treaties, which work in concert to create a comprehensive regulatory environment.

The principal domestic law is the Law on Civil Aviation No. 66/2006/QH11, as amended in 2014, commonly referred to as the Vietnam Civil Aviation Law 2006. This law establishes the foundational principles, conditions, and procedures for aircraft registration, outlining the rights and obligations of aircraft owners. It superseded an earlier Law of the National Assembly No. 63-LCT/HDNN8 dated December 26, 1991, to meet the demands of a rapidly developing aviation market.

A pivotal development in this landscape was Vietnam's accession to the Cape Town Convention on International Interests in Mobile Equipment specific to Aircraft Equipment ("**Cape Town Convention**") on September 17, 2014, with specific declarations under Articles 39(1)(a),

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39(1)(b), 40, 53 and 54(2) of the Cape Town Convention, which entered into force in Vietnam on January 1, 2015. This accession was strategically motivated by the need to provide international creditors and lessors with the robust protections afforded by the Cape Town Convention, thereby facilitating Vietnamese carriers' access to preferential financing.

To implement the Cape Town Convention and its specific declarations into domestic law, the Vietnamese Government issued Decree No. 68/2015/ND-CP on August 18, 2015, on the registration of nationality and rights over aircraft ("**Decree 68**"). This foundational decree has been subsequently refined by Decree No. 64/2022/ND-CP issued on September 15, 2022 ("**Decree 64**") and, most recently, by Decree No. 246/2025/ND-CP, which was issued on September 15, 2022 but set to take effect on November 1, 2025 ("**Decree 246**"). These decrees provide the detailed procedural machinery for the entire registration system.

2. Registration Process

2.1. Approval of the lease of an aircraft

A lease agreement between a Vietnamese entity and a foreign counterpart must obtain the written approval of the Ministry of Construction ("**MOC**") (previously Ministry of Transport)¹.

A copy of the signed lease contract is a compulsory submission, and critically, if the Ministry's approval is not granted, the lease contract must be revoked.

An exemption to this approval requirement exists for leases not exceeding seven consecutive days, but only for specific cases of aircraft substitution. These include:

- (i) substitution for a special flight or state-duty requisition;

¹ Article 39.1 of Vietnam Civil Aviation Law 2006

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(ii) substitution for an aircraft involved in an accident or technical breakdown; or

(iii) substitution due to force majeure.

In these exceptional circumstances, the Vietnamese lessee is merely required to notify the Ministry of Construction in writing that the foreign lessor holds an appropriate aircraft operator certificate.

2.2. Registration for the Vietnamese Nationality of an aircraft

Following lease approval, an aircraft must be registered as Vietnamese to operate in the country. This is mandatory for aircraft that are either²:

(i) owned and operated by a Vietnamese organization or individual, noting that an individual operator must permanently reside in Vietnam; or

(ii) leased under a lease, lease-purchase, or lease without a flight crew for at least twenty-four months.

The registration must be completed within a six-month window from the date the aircraft is imported into Vietnam.

The conditions for registration include the aircraft being stateless or having its previous nationality deregistered, the presentation of legal documents proving ownership or possession rights, and the aircraft meeting all requirements concerning service life, defense, security, safety, and environmental protection.

A temporary nationality registration is also available for aircraft being produced, assembled, or trialed in Vietnam, valid for a maximum of thirty-six months without extension.

² Article 1.1(a) of Decree 64

2.3. Registration of relevant rights over aircraft

Vietnamese organizations and individuals must register their rights over an aircraft with the Civil Aviation Authority of Vietnam (“**CAAV**”) for them to be effective³.

These registrable rights include (i) the ownership right over the aircraft, (ii) the possession right over the aircraft through a lease for six months or more, (iii) a mortgage or pledge over the aircraft, and (iv) other rights as provided for by the civil law⁴.

The procedures for registering the ownership right and the possession right through a lease for six months or more are regulated, respectively, in Article 15 and Article 16 of Decree 68. The procedure for registering a mortgage or pledge over the aircraft is specified in Article 6.1(a), 16, 39.1 and 40 of Decree No. 99/2022/ND-CP issued on November 30, 2022, by the Government of Vietnam.

Additionally, Decree 68 provides specific regulations on procedures for registration of a priority right to payment for rescue or preservation of aircraft, and a priority right to payment for rescue or preservation of aircrafts with foreign nationality in its Article 17 and Article 18, respectively.

2.4. Registration for AEP codes

The Cape Town Convention provides that a Contracting State may designate an entity in its territory as the entry point through which the information required for registration of an international interest may be transmitted to the International Registry, in lieu of transmittal directly. In this scenario, the entity designated as the authorising entry point provides the party seeking to effect a registration with a unique

³ Article 29.1 of the Vietnam Civil Aviation Law 2006

⁴ Article 28.1 of the Vietnam Civil Aviation Law 2006

authorisation code, which is required to be included with the information submitted to the International Registry to properly effect a registration. The inclusion of this authorisation code is mandatory.

The entity designated as the authorising entry point in Vietnam is the CAAV, and the AEP codes are provided by this Authority. Consequently, obtaining an AEP code from the CAAV is a mandatory step before registering with the International Registry. The party having registrable international interests must apply for AEP codes at the CAAV and subsequently complete their filings with the International Registry, a process incorporated into Vietnamese domestic law under Decree 68.

2.5. Registration of IDERA with the CAAV

Its primary function is to provide security to lenders and lessors by allowing them to deregister the aircraft and obtain an export certificate of airworthiness without the consent of the operator or owner following a default event. Crucially, an IDERA is irrevocable by the borrower or lessee without the written consent of the authorized party.

For an IDERA to become effective, the aircraft owner or registration applicant must submit an application dossier for its registration to the CAAV. Upon the CAAV's issuance of an acknowledgment and confirmation of registration, the IDERA takes effect, and the authorized party gains the exclusive entitlement to request the aircraft's deregistration and export⁵.

3. Deregistration Process and Recent Reforms

The process for deregistering an aircraft's nationality has been subject to significant and clarifying reforms.

⁵ Article 9.2 and Article 10.4 of Decree 68

An aircraft is subject to deregistration of its Vietnamese nationality on several grounds, as stipulated in Article 8.1 of Decree 68. These grounds include:

- (i) the aircraft being declared missing;
- (ii) the aircraft no longer satisfies the conditions for registration specified in Article 4 of the Decree 68;
- (iii) a request from the aircraft's owner or the original registration applicant;
- (iv) a request from the authorized party under a registered IDERA; or
- (v) the aircraft is irreparably or unrecoverably damaged.

Separate grounds govern the deregistration of temporary Vietnamese nationality, which occurs, in accordance with Article 8.2 of Decree 68 and Article 1:

- (i) upon the expiration of the Certificate of registration of temporary Vietnamese nationality of aircraft;
- (ii) when the aircraft is no longer being produced, assembled, or trialed in Vietnam;
- (iii) at the request of the aircraft's owner or the person applying for the aircraft registration; or
- (iv) at the request of the authorized party of the IDERA.

A critical clarification brought by Decree 246 concerns the primacy of the IDERA. It establishes an overarching principle, regardless of the specific case triggering the deregistration, if a valid IDERA has been registered with the CAAV, only the authorized party named in that IDERA has the right to request the deregistration of the aircraft's

nationality. This resolves a prior ambiguity in the legal text. Previously, Article 9.2 of Decree 68 specified this exclusive right only in the context of deregistration requests made by the owner, applicant, or IDERA party. This led to an interpretation that in other cases, such as the aircraft being missing or damaged, the IDERA holder might not have this exclusive right. Decree 246 addresses this by supplementing Article 8 of Decree 68 with a single, clear provision that applies this rule to all deregistration cases without exception.

Decree 246 also introduces important procedural clarifications and efficiencies. It separates the dossier requirements for deregistration into distinct provisions for greater clarity: Article 9.3 of Decree 68 now specifically addresses the dossier for deregistration at the request of the aircraft owner or registration applicant, while a new Article 9.3a details the dossier for deregistration and an export certificate of airworthiness at the request of the IDERA authorized party.

Furthermore, one of the most impactful amendments is the consolidation of the dossier for Vietnamese nationality deregistration and the dossier for the export certificate of airworthiness into a single, unified application. This is a significant procedural improvement, as a valid export certificate of airworthiness issued by the CAAV is a mandatory prerequisite for exporting an aircraft.

This consolidation dramatically shortens the administrative timeline. Under the previous regime, the process was sequential. An applicant first had to submit the dossier for deregistration and wait up to five working days for the Certificate of Vietnamese Nationality Deregistration. Only after obtaining this certificate could they then submit a separate dossier for the export certificate of airworthiness, which required a 25-day prior notice⁶. This resulted in a total minimum timeline of 32 days. The reform under Decree 246 revolutionizes this process. By combining the dossiers, the CAAV is now obligated to issue

⁶ Rules on Civil Aviation Safety related to Aircraft and Use of Aircraft attached to Circular No. 01/2011/TTBGTVT (Ministry of Transport, 27 January 2011), as amended by the Decree No. 56/2018/ND-CP, Part 20, Chapter D, Section 20.060, 20.063

both the Certificate of Deregistration of Vietnamese Aircraft Nationality and the Certificate of Airworthiness for Export within a streamlined period of just 05 (five) working days from receiving a complete application⁷.

This remarkable reduction in processing time represents a substantial positive development for Cape Town Convention compliance in Vietnam. Given that Vietnam is currently on the CTC compliance watchlist with a medium-range score of 65 and remains eligible for the OECD discount⁸. This reform is a clear step toward improving its standing and attractiveness to international aviation creditors.

Vietnam's legal framework for aircraft registration has matured significantly, demonstrating a clear trajectory towards greater alignment with international standards, particularly through its implementation of the Cape Town Convention. The recent amendments introduced under Decree 246 represent a decisive step forward. By unequivocally clarifying the exclusive deregistration rights of IDERA holders and slashing the procedural timeline for deregistration and export from over a month to just five days, Vietnam has directly addressed a key concern of the international aviation finance community. While Vietnam's current Cape Town Convention compliance index score remains in the "medium" range, these proactive and substantive legal refinements demonstrate a tangible commitment to improving the jurisdiction's attractiveness for aircraft transactions. As these changes take effect, Vietnam is well-positioned to strengthen its standing as a reliable and efficient jurisdiction for aviation investment.

⁷ Article 1.6 of Decree 246

⁸ Cape Town Convention Compliance Index, available at: <https://ctc-compliance-index.awg.aero/index>.