

Howard Rosen

Solicitors

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Piloting aircraft finance

Aircraft are costly to buy and maintain and there are many good reasons why it can make sense to finance their acquisition either through secured lending or leasing. It could be simply to preserve capital for the owner or the operator, or sensible leverage as part of a commercial strategy, or there may be tax, operational or strategic reasons why aircraft asset risks should be left with third-party financiers.

This is a complicated business: factors such as an aircraft's country of registration, the place from where it operates and the purpose for which the aircraft is used, as well as tax and insurance issues, can all directly influence the way financing is provided and structured. In addition, the purchase agreement, manufacturers' warranties, aircraft management agreement and maintenance arrangements, especially for the engines, as well as the registration in the national aircraft title registry are important matters to be considered as part of any financing structure. Most recently, the introduction of the Cape Town Convention on International Interests in Mobile Equipment, along with its Aircraft Protocol, creates a new global system for securing creditors and lessors by registering their security interests in the airframe and aircraft engines in the International Registry in Dublin. This process also needs to be supervised, from initial searches to agreeing registrations and managing the accompanying documentation.

Howard Rosen and Caroline Masters have decades of experience advising corporate and private clients on the purchase and financing of corporate and commercial aircraft. Many financings are written under English law, and as English solicitors, they are well placed to draft and negotiate detailed agreements. Howard Rosen helped draft the Cape Town Convention and is a leading expert on both the theory and practice of the Convention, and how it impacts the terms and operation of aircraft purchase, lease and financing agreements. We are registered as a professional user entity for the purposes of making and removing registrations on the International Registry in Dublin.

Both Howard and Caroline have direct experience of enforcing finance and lease agreements. Over the years they have built up excellent contacts with service providers and financiers within the aviation business and industry. In addition, they can advise on the optimum structure, whether on-shore or off-shore, for holding aircraft, and through our associate firm Rosetrust AG, can set up and manage or administer corporate structures as required.

For further information please contact Howard Rosen or Caroline Masters.

The solicitors of Howard Rosen Solicitors are authorised and regulated by the Solicitors Regulation Authority and are recorded in the official register of lawyers in the Canton of Zug.