AIRCRAFT FINANCE:
FAQS ACROSS THE CEE

AIRCRAFT FINANCE PRACTICE

Good lawyers give good answers.
Excellent lawyers ask the right questions.

Pontes lawyers act for aircraft lessors, lenders, insurers and airlines. They have been involved in a number of aircraft finance transactions, all types of leases, acquisitions, repossessions, settlements of major damage claims, as well as Regulation 261 claims.

WHEN DOES THE OWNERSHIP TITLE TO AN AIRCRAFT TRANSFER?

SLOVAKIA
Written agreement and hand-over, unless otherwise agreed.

MAJERNÍK Ⓜ MIHÁLIKOVÁ
ADVOKÁTSKA KANCELÁRIA | LAW FIRM

www.mmlaw.sk

CZECH REPUBLIC
Registration in the aircraft register.

JSK
advokátní kancelář

www.jsk.cz

ROMANIA
Execution of agreement.

J JINGA
ASOCIATII

www.ja.ro

AUSTRIA
Written agreement and hand-over, unless otherwise agreed.

graf patsch taucher

www.gpra.at

BULGARIA
Registration in the aircraft register.

Gugushev & Partners
LAW OFFICE

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Warning: We like clarity just as much as you do. This overview could not be made without extensive implication, generalisation and simplification.

This overview can be used for general reference, but please call or email us before drawing any conclusions based upon it.

PONTES: the CEE lawyers is a network of independent law firms providing full service commercial legal support in the Central and Eastern European countries (CEE). For more details, please visit **www.ponteslegal.eu**

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	AUSTRIA	BULGARIA	CZECH REPUBLIC	ROMANIA	SLOVAKIA
Montreal convention	YES	YES	YES	YES	YES
Geneva convention	NO	YES	YES	YES	NO
Cape Town convention	NO	YES, but not yet ratified	YES, but not yet ratified	YES	YES, but not yet ratified
Irrevocable de-registration powers of attorney recognised?	Under general rules, irrevocable POAs have been recognised in court if they are time limited and serve a legitimate purpose	NO	YES, but yet untested in court or actual de-registration	NO	NO
Can the ownership of an engine/APU currently installed on an aircraft belong to an owner different from the aircraft?	YES	YES	NO, by operation of law, engines and APUs always belong to the owner of the aircraft	YES	NO, by operation of law, engines and APUs always belong to the owner of the aircraft
Can ancillary documents on registration remain in English only, without translation into local language?	YES	YES, but only if the ancillary documents are in English; if documents are in a language other than English, then official translation and legalization is required	NO (under law), but in practice translation from English is not required and this language discrepancy does not jeopardize the title	NO	NO (under law), but in practice translation is not required (except for the purchase agreement)
What rights of third parties can be attached to an aircraft registered or located in your jurisdiction, without owner/creditor consent (generally; may vary depending on circumstances)?	Possessory lien and statutory customs lien	Tax statutory distraints, statutory liens for preservation, maintenance, repairs and improvements, statutory customs liens and possessory lien	Possessory lien and statutory customs lien	Possessory lien and statutory customs lien	Statutory tax and customs liens
Can arms-length aircraft sale and lease-back be re-classified as a security and set-aside in insolvency?	YES, however it depends on the facts of each case	YES, however it depends on the facts of each case	YES, but if adequate consideration is provided, no adverse effect in insolvency	YES, except the case when the transaction is performed in good faith, for the financial recovery of the debtor and without injuring the creditors	YES, but if adequate consideration is provided, no adverse effect in insolvency
If so, what is the hardening period within which such a set-aside can occur?	Claims may be filed within 12 months of the opening of insolvency proceedings or even later if intent to impair creditors	Within 12 months, before the filing of the application for insolvency	Set-aside is a risk if insolvency is commenced within 12 months (longer if related parties or other specific circumstances) from the transaction	24 months	Set-aside is a risk if insolvency is commenced within 12 months (longer if related party or other specific circumstances) from the transaction