



Presentation
Panel IV
**«Financing and Manufacturing
air travel equipment»**

**“Transfer of Aircraft or Engines, Novation,
Assignment”**

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General

- Transfer of title, novation and assignment provisions are included in most private agreements.
- Focus on aircraft and engine lease documentation:
 - Reasons for transfers and novation
 - The conditions
 - The effects
 - Conclusions/discussion

Reasons for transfers, novation or assignment under lease documentation

- New financing or re-financing
- Restructuring (Intragroup)
- Sale/purchase arrangements with a third party
- Market trend (i.e. tax, jurisdiction or legal issues)

The conditions/provisions in aircraft or engine lease documents

- Notification to the lessee (in excess of 30 days)
- No change in lessee's obligations and/or rights
- Protection of Quiet Enjoyment right of lessee for the aircraft or the engine
- Coverage of fees and expenses (including legal and registration fees)
- Further protections (i.e. no transfer to a competitor, extended market experience for new owner/lessor etc.)

The effects

- A new contracting party/lessor in the scene (new business relationship, redelivery procedures mostly affected)
- Exemption of the previous owner/lessor from any liabilities after the effective time
- Full assumption of all owner's and lessor's obligations & rights (not in the case of an assignment)
- Lengthy process – execution of transfer and novation documentation - replacement of all conditions precedent under the lease documentation
- Need for filings/registrations with the relevant registry and other authorities

Conclusions/discussion

Thank you.