

Insights

AIRCRAFT LEASING IN THE CONTEXT OF COVID-19 – PRACTICAL CONSIDERATIONS ON COMPROMISE, RELATIONSHIPS AND MITIGATION

Apr 20, 2020

Dear Aircraft Lessor

Re: COVID 19: Aircraft Lease Agreements relating to Relevant Aircraft

I am writing to inform you that our business has been materially and adversely affected by the COVID 19 pandemic. My CFO has informed me that in a few months, we anticipate difficulties meeting our rental payment obligations under aircraft lease agreements entered into with your company.

We are hoping that we can arrange a time to speak via video conference to consider and discuss steps that we may take and agree to mitigate these circumstances.

Our respective companies have a long history of working together, but if there is a time that we need your co-operation, support and assistance, it would be now.

I look forward to hearing from you to confirm a time to discuss.

Yours sincerely

Airline CEO

The above paints the scene of a typical request which most (if not all) international aircraft lessors are currently facing (and a similar scenario could also apply to financial institutions who have lent money to airlines). If you were the relationship manager of the subject aircraft leasing company, what would you do?

Please see our [flyer](#) which provides some practical suggestions and considerations that commercial parties could consider when preparing for those “hard conversations” and is intended to encourage aircraft lessors, financial institutions and airlines to be innovative, creative and practical whilst balancing and prudently managing associated risks during the COVID 19 crisis.

RELATED PRACTICE AREAS

- Aviation Finance
- Finance

MEET THE TEAM



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