

Insights

GLOBAL: COVID-19 : 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.

BCLP has assembled a COVID-19 taskforce to assist clients with leasing issues across various jurisdictions. You can contact the taskforce at: COVID-19LegalIssuesTaskforce@bclplaw.com. You can also view other thought leadership, guidance, and helpful information on our dedicated COVID-19 / Coronavirus resources page at <https://www.bclplaw.com/en-GB/topics/covid-19/coronavirus-covid-19-resources.html>.

RELATED PRACTICE AREAS

- Aviation Finance
- Finance

MEET THE TEAM



Anton Chambers

Co-Author, London

anton.chambers@bclplaw.com

[+44 \(0\) 20 3400 4366](tel:+442034004366)

This material is not comprehensive, is for informational purposes only, and is not legal advice. Your use or receipt of this material does not create an attorney-client relationship between us. If you require legal advice, you should consult an attorney regarding your particular circumstances. The choice of a lawyer is an important decision and should not be based solely upon advertisements. This material may be "Attorney Advertising" under the ethics and professional rules of certain jurisdictions. For advertising purposes, St. Louis, Missouri, is designated BCLP's principal office and Kathrine Dixon (kathrine.dixon@bclplaw.com) as the responsible attorney.