

Austria

GHP | Attorneys-at-Law



Dr. Martin R. Geiger

1 General and Contractual

1.1 What are the typical structures available for financing the purchase of an aircraft?

Under Austrian law, the acquisition of aircraft is typically structured in the form of a financing lease, where the financing party becomes the legal owner of the aircraft and leases it to the lessee, who can then acquire ownership rights to the aircraft at the end of the lease period. Alternatively, a hire purchase agreement is concluded between the financing party as the seller and the purchaser. In such structure, the financing party remains the legal owner of the aircraft until the final payment under the hire purchase agreement is made. The third, but much less common option, would be financing an aircraft by providing a loan where the aircraft is owned by the borrower and pledged as collateral to the lender.

1.2 What are the key advantages/disadvantages and main issues arising in relation to these financing structures?

The most common reason for financing aircraft by a lease or hire purchase agreement is related to the Austrian property law “dead pledge” principle, whereby a pledge over movable objects can only be validly created by physically handing over the object to pledgee. This requirement is problematic where the owner and pledgor of the aircraft operates the aircraft himself and wishes to keep using the aircraft after it was pledged.

Although Austria does also have an aircraft registry, the Austrian aircraft registry is rather an operator-based “regulatory” registry and does not provide for the possibility of creating a pledge by registering a mortgage in the registry.

1.3 What types of leasing are possible under the laws of your jurisdiction? What are their essential characteristics?

Austrian law follows the principle of freedom of contract, so generally, it is up to the parties to agree on the terms of the contract they want to conclude. In practice, finance leases and operating leases are the most common forms of lease arrangements to be agreed upon between contracting parties.

A finance lease provides for an automatism or a right of the lessee to acquire ownership at the end of the lease period. An operating lease is a rental agreement where the lessee does not become the owner of the leased object at the end of the lease period.

1.4 Are there any proposals for reform in the area of aviation finance?

No, there aren't any proposals.

1.5 Is it possible according to the laws in your jurisdiction to enter into non-binding or partially binding pre-contractual agreements (e.g. ‘letters of intent’) that will NOT take effect as fully enforceable agreements?

Yes, that is possible and up to the agreement of the parties as to how and to which extent it is binding or not.

1.6 Is there a doctrine of ‘good faith’ in your jurisdiction that applies to all pre-contractual agreement, financing and leasing transaction documents, and the conduct of parties connected to them?

Yes, the good faith principle applies to all contractual relations, whether pre-contractual or not. The difference between breaches of the good faith principle in pre-contractual and contractual relations is the amount of damages that can be claimed. Whereas in contractual arrangements, full satisfaction (performance or the value of the performance in money) can be claimed, damages in pre-contractual situations can only be claimed up to the amount of the so-called “damage for breach of trust” (*Vertrauensschaden*), which is defined as the actual damage a party incurs by having trusted that the transaction would occur (such as pre-contractual expenses).

2 Taxation and Related Matters

2.1 Which government authority in your jurisdiction has primary responsibility for the accounting for and regulation of revenue control and taxes?

The tax authorities, which are authorities of the Austrian Federal Ministry of Finance, are responsible for tax issues.

2.2 What are typically the taxes in your jurisdiction that may arise in relation to a sale, a lease or a financing of an aircraft or an engine?

Subject to the applicable jurisdiction as to the delivery of the aircraft, as well as the type and use of the aircraft, value added

tax (VAT) might be applicable. Under certain circumstances (subject to an individual assessment of the intended sales structure), VAT can be avoided (e.g., delivery of the aircraft in international airspace).

Income from the leased asset or from the provision of financial services (e.g., granting loans) may be subject to (corporate) income tax, depending on whether the lessor or financier has its registered seat or permanent establishment in Austria.

Withholding tax does not apply to lease payments (principal or interest) or loan repayments.

2.3 Is the provision of a current tax-residency certificate by a payee sufficient for a lessee or a borrower potentially subject to withholding taxes in your jurisdiction on rental or interest payments to avail itself of treaty access and the mitigation of tax liability?

In principle, yes.

2.4 Has the advent of BEPS (the Base Erosion and Profit Shifting initiative of the OECD) had any effect as regards structures in aviation finance and leasing or their interpretation?

No, it has not had any effect.

2.5 What are the typical thresholds in your jurisdiction for which a permanent establishment may be triggered under the terms of any relevant double-tax treaty or similar?

Activities in a different state are tax relevant in that state when a permanent establishment is determined, which mainly relates to whether an office or similar has been established. If no office is established, the provision of services for more than six months will typically also trigger a permanent establishment.

2.6 Is the authority at question 2.1 likely to establish a 'look-through' right or similar as regards a lender or a lessor that is a special-purpose vehicle involved for the purpose of tax treaty access?

A "look-through" approach depends on the legal form of the company. Although there is no "look-through" right for corporations and limited liability companies (GmbH, AG) in Austrian law and each entity is taxed individually, in Austrian law partnerships (OG, KG) the "look-through" principle applies, i.e., the shareholders/partners are the ones being taxed, not the partnership itself.

2.7 Will the import of an aircraft into your jurisdiction and/or the sale or leasing of the aircraft give rise to any VAT, sales or use taxes or any customs import or excise duties?

Besides the existing VAT risk (see question 2.2) – for which the owner would be held liable by the competent tax authorities – and fees pertaining to the registration of the aircraft, Austrian aviation law provides for permissions to enter or leave the Austrian territory. These permissions are subject to additional fees payable by the operator depending on the weight of the aircraft.

2.8 Are there any documentary taxes (for example, stamp duty payable on the execution of documents)?

Under the Austrian Stamp Duty Act, stamp duty may be applied on documentation of certain contract types. However, stamp duty on financing agreements, as well as related security agreements, was abolished in 2011.

3 Registration and Deregistration

3.1 Which government authority in your jurisdiction has primary responsibility for the regulation of aviation and the registration of aircraft? Is it an owner registry or an operator registry? If the aircraft register is an operator register, is it possible to record the details of an owner or lessor and any financier with an aircraft mortgage?

The relevant authorities in Austria are the Highest Civil Aviation Authority (*Oberste Zivilluftfahrtbehörde*) situated in the Federal Ministry of Climate Action, Environment, Energy, Mobility, Innovation and Technology. Further aviation-related issues are handled by the governors of the Austrian Federal Provinces and the Austro Control, to which a lot of aviation regulatory tasks are delegated. The Austrian aircraft registry is also operated by Austro Control in Vienna.

The Austrian aircraft registry is an operator registry, which means that ownership, lease or security interests cannot be registered therein. There is no other Austrian registry in addition to the aircraft registry operated by Austro Control.

3.2 What is the effect of registration of the aircraft? Does registration on your national aircraft register confer proof of ownership of the aircraft and/or engine?

The registration in the Austrian registry is an administrative requirement and does not impact the legal ownership of an aircraft. Therefore, registration with the registry (as operator of an aircraft) does not legally prove or constitute a valid ownership title to the aircraft.

3.3 Can foreign-owned aircraft be registered on your national aircraft register and are there limits or restrictions on the age of aircraft that may be registered or operated?

Foreign-owned aircraft can be registered in Austria. They MUST be registered in Austria within 12 months if they are operated by an Austrian operator.

Aircraft CAN be registered in Austria upon request of the operator, if (i) the operator is based in a Member State of the European Union or in a country accorded equal status by international agreement, (ii) the aircraft is not registered elsewhere, and (iii) the operator in case of an intra-community transaction provides a confirmation of the tax authority in the sense of Art. 27 of the Austrian VAT Act.

There are no specific limits on the age of the aircraft, however, it has to be airworthy.

3.4 Can aircraft leases be registered? If so, in what circumstances? Must the lease be in a particular form if it is to be valid and enforceable (for example, must it be in a particular language or be notarised, legalised or apostilled)?

The Austrian Registry does not provide for such possibility.

3.5 How is deregistration affected and what steps can a lessor take to deregister the aircraft on termination of the lease?

Any changes in the registry must typically be carried out by the operator.

The owner, as well as lenders or finance providers, usually request a deregistration power of attorney (POA) from the operator to be in a position to deregister or arrange other changes to the registration of the aircraft and to avoid the operator blocking such an intention for registration, deregistration or change. In this respect, the operating agreement or the finance agreement regularly contain further regulations between the parties.

4 Security

4.1 Is it possible to create a mortgage over an aircraft or engine in your jurisdiction? If so, what are the types of aircraft mortgage and engine mortgage available and what formalities are required in order to perfect it?

Austrian law does not provide the possibility of a mortgage on an aircraft by registration in a registry. However, aircraft, as well as engines and airframes, can be pledged. If airframes and engines are pledged, they are usually subject to the same pledge agreement. Separate pledge agreements may be more appropriate if the engines have not yet (at the time of perfection of the security interest in the aircraft or airframe) been installed on the aircraft.

There are no formal requirements with respect to pledge agreements. There is no specific language required and there are no notarisation or stamping obligations.

Perfection of a pledge requires physical delivery of the aircraft or engine from the owner to the pledgee (the “dead pledge” principle). Usually, when an aircraft is pledged, the operator is in possession of the aircraft at the time the pledge is granted by the owner as a pledgor to the financier as a pledgee. Delivery of the aircraft can be effected by way of instruction of the operator (by the owner as pledgor) to hold and possess the aircraft for and on behalf of the pledgee. Additionally, it is necessary to mark the pledge as being subject to an Austrian law pledge by affixing plates to the airframe (and ideally also to each engine) to create external visibility of the pledge.

4.2 Can spare parts, including future parts, be subject to the aircraft mortgage or engine mortgage (as the case may be)? If not, are there any other forms of security that can be taken over spare parts?

Please see the answer to question 4.1.

4.3 Is there a register of mortgages or rights over aircraft and/or engine?

No mortgages or rights over aircraft and engines can be registered in Austria, as such an instrument is not foreseen under Austrian law.

4.4 What other forms of security can be taken over an aircraft and/or engine and can these other forms be registered?

Owing to certain constraints under Austrian law regarding pledges of mobile assets, in Austria, finance leasing of aircraft (whereby the financier is the owner or title holder of the aircraft) is much more widely used (i.e., the title remains with the lessor as security until final payment) than aircraft credit agreements with pledges (whereby the pledgor is the owner or title holder of the aircraft).

The documents do not require a specific form. Registration is not possible and therefore is not necessary.

We recommend that certain economic terms of the financing transaction are reflected in the agreements as to the individual and concrete underlying obligation or claim. Such terms must be properly defined and declared due and payable in order to be in the position to realise or exercise the security interest rights of the financier.

4.5 What claims and rights would take priority in your jurisdiction over a registered mortgage?

Austrian law neither provides for, nor offers the possibility of, registration of a security interest with any register.

4.6 What other forms of security can be granted over an aircraft and/or engine lease?

It is common practice that lessors request additional security to secure their claims. Such security might be an abstract guarantee provided from a separate person or entity (e.g., a holding company or beneficial owner).

5 Enforcement and Repossession

5.1 What are the circumstances in which a mortgagee or owner can take possession of the aircraft and/or sell the aircraft? What requirements must the mortgagee or owner comply with?

These circumstances are typically described in the underlying lease or loan agreement as event of defaults, such as non-repayment. The requirements which must be complied with are also dependent on what is agreed between the parties, whether there is a third-party operator involved and which ancillary documents, such as deregistration power of authority, were provided at the beginning of the financing.

5.2 What is the procedure for repossession of the aircraft?

Austrian law leasing agreements (or related tripartite agreements) usually foresee irrevocable powers of attorney by lessee and operator granting rights to the owner or lessor to repossess and register or deregister the aircraft. A lessee will not be

in a practical position with regard to the competent authorities (airports, Austro Control) to obstruct repossession by the owner or lessor. An operator may invoke its right of retention until its fees and costs with respect to the aircraft are paid in full.

Although a court order does not, in principle, need to be obtained by the owner or lessor if retention of title in the aircraft validly exists and the underlying obligation becomes due and payable subject to proper termination, court proceedings might have to be opened (as a last resort) to regain possession from an obstructive operator.

5.3 Will local courts recognise a choice of foreign law in an aircraft mortgage? Are there any mandatory local rules that apply, despite a choice of foreign law?

We generally do NOT recommend that pledge agreements over aircraft (note it is not possible to have a mortgage on an aircraft under Austrian law) registered in Austria are governed by foreign law as questions of property law, such as the valid creation of the pledge, enforcement of the pledge, maintenance and loss of the pledge, under Austrian conflict of law rules must be determined by the law where the aircraft is registered. If the aircraft is registered in Austria, this would be Austrian law.

5.4 Will local courts recognise and enforce a foreign court judgment in favour of a mortgagee or lessor? Are any interim relief measures available?

With regard to the enforceability of foreign judgments in Austria, if claims under a lease agreement are subject to a foreign place of jurisdiction, Austria will enforce foreign judgments only on the basis of the Regulation (EU) No. 1215/2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters or based on bilateral agreements or the Hague Convention on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters of 2 July 2019 by the Hague Conference on Private International Law (HCCH), which entered into force for Austria on 1 September 2023, if the foreign judgments stems from a third country outside of the EU.

For judgments of courts of the European Union, Regulation (EU) No. 1215/2012 of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast) (Brussels Ia Regulation) is applicable. The Brussels Ia Regulation provides for a simplified procedure and aims at facilitating the circulation of foreign judgments within EU Member States.

Other foreign judgments need to follow the national provisions on the recognition of foreign judgments set out in the Austrian Enforcement Act, unless bilateral treaties exist that provide for mutual recognition and enforcement of judgments, in which case these rules prevail.

Interim Relief measures depend on whether there is jurisdiction in Austria on the basis of the applicable provisions.

5.5 Are powers of attorney from a local airline in favour of a lessor or mortgagee likely to be effective to allow the lessor or mortgagee to deregister the aircraft? Can such powers be irrevocable, be governed by a foreign law and/or do they need to be in any particular form for local recognition?

The parties are free to agree on the respective characteristics or necessities of the POA. POAs usually entitle the agent to freely deregister or register and export the aircraft. The underlying

contractual relationship (e.g., purchase contract and lease contract) usually sets forth further provisions pertaining to the POA and potential admissibility requirements (e.g., potential termination event for the finance contract). The POA may be granted irrevocably or to more than one attorney.

Even in the case that a POA has been granted irrevocably, it can be terminated for good cause and will lapse upon the opening of insolvency proceedings over the assets of the grantor.

5.6 If recovery of the aircraft is contested by the lessee and a court judgment is obtained in favour of the lessor, how long is it likely to take to gain possession of the aircraft?

That is very much decided on a case-by-case basis. The court judgment must be enforceable and enforcement proceedings will need to be initiated in order to gain possession of the aircraft by assistance of a court bailiff if the lessee does not comply with the court judgment voluntarily. Enforcement proceedings can take months, and if the aircraft is moved by the lessee, it might even be more difficult to regain possession.

5.7 To what extent is there a risk from the perspective of an owner or financier that a lessee of aircraft or other aviation assets in your jurisdiction may acquire an economic interest in the aircraft merely by payment of rent and thereby potentially frustrate any rights to possession or legal ownership or security?

This risk is very low.

5.8 Are there any restrictions on the ability of the lessor to export the aircraft from your jurisdiction on termination of the leasing?

Not from an Austrian point of view, as the lessor is the owner of the aircraft. There might be factual difficulties if the operator is not cooperative and if the lessor has not obtained a deregistration power of attorney beforehand.

5.9 Are exchange controls prevailing in your jurisdiction as regards payments in foreign currency? Will any consents be required for the remittance of the sale proceeds abroad?

Austrian law does not generally provide for restrictions on international payments and exchange controls regarding civil aviation financing. Under the Austrian Banking Act, certain finance providers are obliged to comply with relevant anti-money laundering and countering the financing of terrorism provisions. Such provisions aim to identify ultimate beneficial ownership and report suspicious transactions to the competent authorities. Further restrictions might apply if the payee is subject to international sanctions.

5.10 If the lease is governed by English law and a judgment is obtained by the lessor in the English courts, can that judgment be automatically enforced in your jurisdiction or will the case have to be re-examined on its merits?

The acknowledgment and enforcement of judgments from English Courts is possible subject to complying with the terms of several conventions.

Firstly, there exists a bilateral agreement between Austria and the United Kingdom on the recognition and enforcement of judicial decisions in civil and commercial matters. This agreement was signed on 14 July 1961, and entered into force on 14 July 1962. After the United Kingdom left the European Union on 1 January 2021, this agreement became applicable again. However, it contains certain limitations, such as the exclusion of the enforcement of decisions from lower courts.

Furthermore, as of 1 July 2025, the Hague Convention on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters of 2 July 2019 by the Hague Conference on Private International Law (HCCH) will be applicable in relation to England and Wales only.

The Hague Convention of 20 June 2005 on the Choice of Court Agreements is also applicable. This facilitates the recognition and enforcement of judgments based on exclusive jurisdiction agreements.

5.11 What is the applicable procedure for repossession of an aircraft under other forms of security interests?

Please see the answers to the questions above.

6 Conventions

6.1 Has your jurisdiction ratified any of the following: (a) The Chicago Convention of 1944 on International Civil Aviation (the Chicago Convention); (b) The 1948 Convention on the International Recognition of Rights in Aircraft (the Geneva Convention); (c) The 1933 Convention for the Unification of Certain Rules Relating to the Precautionary Arrest of Aircraft (the 1933 Rome Convention); and (d) The Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment (the Cape Town Convention) and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment?

Austria has ratified the Chicago Convention of 1944 on International Civil Aviation, but not the other conventions mentioned above. However, relating to the Cape Town Convention, the EU signed it, including the Aircraft Protocol. It therefore only has effect as far as the EU has competency over subjects of the convention (and there is discrepancy in the opinions of the Member States as to how and to what extent this is the case).

6.2 Has ratification of the Cape Town Convention caused any conflicts or issues with local laws?

Austria is not a signatory state of the Cape Town Convention.

6.3 What is the legal position regarding non-consensual rights and interests under Article 39 of the Cape Town Convention?

This is not applicable in Austria.

6.4 Has your jurisdiction adopted the remedies on insolvency provided under Article XI of the Protocol to the Cape Town Convention?

This is not applicable in Austria.

6.5 What is the procedure to file an irrevocable deregistration and export request authorisation under the Cape Town Convention (IDERA)?

This is not applicable in Austria.

7 Liability for Damage and Environmental

7.1 Can the owner be strictly liable – liable without a requirement to prove fault or negligence – for any damage or loss caused by the aircraft assuming the owner is an innocent owner with no operational control of the aircraft?

Austrian law has not adopted a regime of strict liability for owners, lessors, financiers or others with no operational interest in the aircraft, as it has adopted a regime of strict liability for the operator. If aircraft are being operated by more than one operator, these operators shall generally be jointly and severally liable.

7.2 Does the EU Emissions Trading System (EU ETS), or ICAO's Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), apply to aircraft and aircraft operators in your jurisdiction? Will charges levied according to the EU ETS, or its equivalent, give rise to any *in rem* rights in relevant aircraft that are part of the fleet of the operator concerned and, if so, will such rights rank in priority ahead of any mortgage interests properly registered in the relevant aircraft and/or engine?

Yes, EU ETS and CORSIA are also applicable to Austrian aircraft operators. Principally, there are no *in rem* rights related thereto.

7.3 What liabilities (actual or potential) could an owner, lessor or financier of an aircraft incur in your jurisdiction because of a failure to comply with local environmental law and/or regulations on the part of an operator of aircraft leased or financed by it?

These obligations are those of the operator, for which the owner, lessor or financier, who is not the operator, is not liable. The owner might only be liable if the operator is not disclosed.

8 Insolvency and Searches

8.1 Are there any public registers in your jurisdiction where a search can be carried out to determine whether an order or resolution for any bankruptcy, bankruptcy protection or similar insolvency proceedings has been registered in relation to an operator or lessee?

Yes, Austria has a publicly accessible insolvency database under <https://edikte.justiz.gv.at>

8.2 In the event that an operator or lessee were to become insolvent either on a balance sheet basis (assets less than liabilities) or is unable to pay debts as they fall due, would an operator or lessee be required to file for insolvency protection?

Yes, the management team is obliged to file a request to

open insolvency or restructuring proceedings within 60 days of determining that the debtor is unable to pay its debts (*Zahlungsunfähigkeit*) or the debtor is overindebted (*Überschuldung*).

8.3 Do the available forms of insolvency protection in your jurisdiction involve the appointment of either an officer of the court or a specifically court-appointed official to take control of the operator or lessee (an 'Insolvency Official') while in insolvency protection?

Yes, in most cases, the court appoints an insolvency administrator (which usually is an attorney at law) to take control. Only under certain circumstances can the debtor apply for the opening of restructuring proceedings and maintain control.

8.4 Does the commencement of insolvency protection involving the appointment of an Insolvency Official in your jurisdiction have the effect of prohibiting the owner from taking the following actions to enforce the lease after commencement of such protection: (a) applying any security deposit held by the owner against any unpaid amounts due under the lease; (b) accepting payment of rent or other lease payments from the lessee, a guarantor or a shareholder; (c) giving notice of default under the lease; (d) obtaining a judgment or arbitral award for unpaid lease payments; (e) giving notice to terminate the leasing of the aircraft and/or engine; or (f) exercising rights to repossess the aircraft and/or engine?

Upon the opening of insolvency proceedings, no payments may be made by the debtor and any payments made within a period of six months before the insolvency proceedings were opened may be contested by the insolvency administrator. All court proceedings are by law suspended until the insolvency administrator decides to continue them. All claims for payment can – from the moment insolvency proceedings are opened – only be registered as an insolvency claim before the insolvency court.

The termination of contractual agreements is also restricted in insolvency proceedings, at least during the first six months of the insolvency proceedings if the debtor's operations are continued by the insolvency administrator.

A creditor whose claim is secured by a pledge on an asset of the debtor has the right to preferential satisfaction (*Absonderungsrecht*) from the proceeds of the sale of the pledged asset. A creditor who is the owner of an asset in the possession of the debtor has the right to separation (*Aussonderungsrecht*), and the asset must be returned to the owner's possession.

8.5 Can the commencement of insolvency proceedings have retrospective effect in relation to any such actions taken before commencement? If so, for what period can there be a look back?

Yes, payments received in the six months before opening the insolvency proceedings may be contested by the insolvency administrator (and might need to be repaid). In certain cases, e.g., if a creditor was preferentially treated, payments may be contested up to a period of one year before the opening of insolvency proceedings.

8.6 Is there, either under law or as a matter of practice in your jurisdiction, a period of time within which the Insolvency Official will either 'adopt' the

lease and pay rent and other lease payments as an expense of the insolvency or 'reject' the lease and permit the owner to enforce such rights as it may have under the lease? (a) If the lease is 'adopted', will the Insolvency Official also pay any unpaid lease payments due as at commencement of the insolvency protection? (b) If not or if the lease is 'rejected', would the owner's claim for any outstanding sums rank equally with other ordinary unsecured creditors of the lessee?

During a period of six months, it is in the hands of the insolvency administrator – if the operation of the debtor is upheld – to decide if a lease is maintained (which typically requires that the asset is essential to maintain the debtor's operation). Any lease payments that are due from the moment the insolvency proceedings are opened will, in such case, be payable in full. Any lease payments regarding the period before will need to be registered as insolvency claims and might not be fully repaid. However, the lessor may still terminate the lease for the unpaid lease payments before the insolvency proceedings were opened after this standstill period, unless another agreement with the insolvency administrator is reached.

8.7 Are there certain types of preferred creditors whose claims will rank above claims of the owner?

The owner's right to separation of its asset is preferential and no other claims rank above this claim. However, if after repossession of the aircraft, there are still outstanding amounts from the lease agreement, such claim will rank *pari passu* with all other insolvency claims.

8.8 If the aircraft is in the possession of a person other than the operator or lessee at the commencement of insolvency protection of the operator or lessee, for example, an independent maintenance facility, will such person be entitled, under the laws of your jurisdiction, to assert a lien arising under law or contract over the aircraft in respect of amounts then due and unpaid to such person by the operator or lessee?

In certain circumstances retention rights (which do not allow in any case the sale of the asset) of third parties exist, for example, where there are expenses related to the asset (e.g., maintenance work) or where damage, for which the owner is liable, has been suffered as a result of the asset.

9 Detention and Confiscation

9.1 Other than insolvency laws (see section 8), are there any laws that may have the effect of defeating the owner's right in the aircraft – for example, government requisition? Do the laws of your jurisdiction provide for any compensation in such circumstances?

Austrian statutory law does not provide for the detention of the aircraft in respect of unpaid airport charges, air navigation charges or other unpaid debts. Only if a court order has been obtained and is enforceable but has still not been paid can the creditor initiate enforcement proceedings, in the course of which assets can be seized.

Unless there is suspicion of a criminal act in connection with the aircraft or its owner, or both, the Austrian state will not, in practice, confiscate an aircraft.

9.2 Are there any rights in relation to third parties to detain or sell the aircraft pursuant to illegal activities, tax or any other laws if the operator or lessee fails to pay when due? If so, can the aircraft be forfeited and sold without the owner being made aware?

Principally not. See also the answer to question 8.8.

10 Aircraft/Engine Technology

10.1 With the global commitment of IATA to zero-emissions by 2050, are there any particular developments regarding the associated new aircraft and engine technology which might be foreseeable as regards aviation finance in your jurisdiction, e.g. as regards taking security (battery powertrain equipment) or enforcement (different airport infrastructure environments)?

So far, no noteworthy developments in this area can be reported.



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