Chambers
AND PARTNERS

CHAMBERS GLOBAL PRACTICE GUIDES

Aviation: Finance & Leasing 2026

Definitive global law guides offering comparative analysis from top-ranked lawyers

Indonesia: Law and Practice
Emir Nurmansyah, Gustaaf Reerink,
Reynard Kevin Munando
and Ida Ayu Tita Rahmawidiani
ABNR Counsellors at Law

INDONESIA

Law and Practice

Contributed by:
Emir Nurmansyah, Gustaaf Reerink, Reynard Kevin Munando and Ida Ayu Tita Rahmawidiani
ABNR Counsellors at Law

Contents

Contributed by: Emir Nurmansyah, Gustaaf Reerink, Reynard Kevin Munando and Ida Ayu Tita Rahmawidiani,
ABNR Counsellors at Law

ABNR Counsellors at Law is one of Indonesia's largest and most established independent law firms, with offices in Jakarta and Surabaya. The firm's Aviation Finance and Leasing practice advises domestic and international clients on aircraft acquisition, operating and finance leases, debt finance, aircraft registration and deregistration, repossession and Cape Town Convention matters. The team works closely with ABNR's corporate, tax and dispute resolution practices to provide integrated counsel on cross-border aviation transactions involving Indonesian operators and assets. Recent work includes advising lessors and financiers on Irrevocable Deregistration and Export Request Authorisation (IDERA) and Certified Designee Letter (CDL) registration with the Directorate General of Civil Aviation, and assisting clients in navigating Indonesia's incomplete implementation of the Cape Town Convention.

Authors

Emir Nurmansyah is a senior partner at ABNR and has over 30 years' experience. Emir is market-leading in project finance, banking and finance, corporate/M&A and FDI, with additional expertise in restructuring, shipping, aviation and TMT. He recently represented BNP Paribas, Crédit Agricole and Société Générale in the Indonesian government's financing of six Rafale aircraft from Dassault Aviation, and has advised on many cross-border aircraft financings for BNP Paribas, ING, Waypoint Leasing and Marathon Aviation Fund. Emir holds a Law degree from the University of Indonesia and an LL.M. in international transactions from Bond University, Australia.

Gustaaf Reerink is foreign counsel at ABNR and advises across the entire industry spectrum (airside and groundside), including aircraft and aircraft-engine financing, acquisition and leasing (wet and dry), comprising secured lending (Cape Town Convention), operating and finance leasing, and syndicated financing. He also regularly handles the Indonesian aspects of aviation matters on behalf of leading international law firms. Gustaaf is a graduate of Leiden University in the Netherlands, where he earned an LL.M. in private law, an MA in Indonesian studies, and a PhD for a dissertation on Indonesian land law.

Reynard Kevin Munando is a partner at ABNR and is involved in most of the aviation-related matters handled by ABNR, including aircraft procurements and repossessions (both amicable and hostile) involving Indonesian airlines, and advising on asset-backed security loan transactions as counsel for both financiers and lessors. Reynard is a 2008 graduate of Parahyangan University, Bandung, where he majored in International Law.

Ida Ayu Tita Rahmawidiani is an associate at ABNR specialising in aviation, banking and finance, and corporate/M&A. In aviation, Tita advises on a wide range of aircraft transactions, including financing, purchase, leasing (dry and wet) and repossession. She regularly represents global aircraft lessors and financiers in cross-border leasing, refinancing and delivery arrangements. Her aviation practice extends to airport development and operations, having advised on PPP pre-qualification for airport infrastructure and on transactions involving aircraft maintenance and ground-handling services. Tita earned her Law degree from the University of Padjadjaran and holds an LL.M. in Air and Space Law from Leiden University, the Netherlands.

ABNR Counsellors at Law

Jl. Jend. Sudirman Kav. 56,
Jakarta 12190,
Indonesia

Tel: +62 21 250 5125
Fax: +62 21 252 2273
Email: info@abnrlaw.com
Web: www.abnrlaw.com

1. Aircraft and Engine Purchase and Sale

1.1 Sales Agreements

1.1.1 Taxes/Duties Payable Upon Execution of the Sales Agreement

In the absence of a permanent establishment (PE) in Indonesia, a foreign seller should not be subject to Indonesian corporate income tax on any gain from the sale of an aircraft or engine, regardless of the asset's location, and a sale in Indonesia between a non-resident seller and buyer should not attract Indonesian VAT or similar transfer taxes. Given aircraft are movable, mere presence in Indonesia should not create a PE. A nominal IDR10,000 (USD0.45) documentary duty applies to notarial transfer documents used as court evidence. As legal counsel, we do not advise on tax; the above is general information only.

1.1.2 Enforceability Against Domestic Parties

Where there is an Indonesian party, any sale agreement, regardless of its governing law, should be translated into and signed in the Indonesian language to be enforceable against a domestic party.

A certification, notarisation or legalisation is subject to the type of agreement, and the requirements of the authority in certain situations; eg, the aviation authority (DGCA) requires the sale agreement to be legalised to be submitted for aircraft registration. In addition, a power of attorney (POA) executed outside Indonesia must generally be notarised and consularised or apostilled, as applicable.

1.2 Taxes/Duties Payable Upon Execution of a Bill of Sale

1.2.1 Transferring Title

What acts constitute the transfer of title to an aircraft will be subject to the law governing the transfer of title, including whether the transfer extends to the engine and/or other installed parts. In practice, an engine can be sold separately, and the owner of the airframe and the owner of an engine may be different. It is also common practice to attach the owner's name plate to such parts.

1.2.2 Sales Governed by English or New York Law

The transfer of title to an aircraft or engine physically delivered in Indonesia can be recognised if the bill of sale is governed by English or New York law. From an Indonesian-law perspective, so long as the seller and the buyer have accepted the same and so long as the aircraft or engine has been deemed to be delivered to the buyer, the transfer of title should be recognised.

1.2.3 Enforceability Against Domestic Parties

If there is an Indonesian party, the agreement must be translated into and signed in the Indonesian language. For registration of the aircraft, the Indonesian aviation authority requires the bill of sale or any similar documents to be notarised and consularised or apostilled, as applicable.

1.2.4 Registration, Filing and/or Consent From Government Entities

The bill of sale need not be registered or consented to, but the aviation authority requires certified true copies of all documents relating to any change of owner and/or lessor, including the bill of sale evidencing current ownership, the current lease and any novation, assignment, amendment, acknowledgement or approval of it, and insurance documents relating to the aircraft.

1.2.5 Taxes/Duties Payable Upon Execution of a Bill of Sale

Please see **1.1.1 Taxes/Duties Payable Upon Execution of the Sales Agreement**.

2. Aircraft and Engine Leasing

2.1 Overview

2.1.1 Non-Permissible Leases

There are no types of leases that are not permissible or recognised in Indonesia.

2.1.2 Application of Foreign Laws

A choice of foreign governing law is valid and binding under Indonesian law, subject to (i) no manifest incompatibility with Indonesian public policy; (ii) any applicable mandatory rules; and (iii) a genuine connection between the parties or the agreement and the chosen law. Indonesian courts have on occasion refused to give effect to foreign choice-of-law clauses on public policy grounds and, if they refuse, will apply Indonesian law.

2.1.3 Restrictions Concerning Payments in US Dollars

There are no material restrictions on US dollar rent payments, though cross-border payments must comply with Bank Indonesia's foreign exchange reporting and underlying-transaction requirements (see **2.1.4 Exchange Controls**).

2.1.4 Exchange Controls

There are no exchange control restrictions on rent payments or repatriation of enforcement proceeds by a foreign lessor. An Indonesian lessee must, however, meet Bank Indonesia reporting requirements. In particular, purchases of foreign currency against rupiah above certain thresholds must be supported by, and may not exceed, an underlying transaction evidenced by supporting documentation and a stamped signed statement.

2.1.5 Taxes/Duties Payable for Physical Execution of a Lease

No significant tax or duty is payable for executing a lease in Indonesia or for an original/copy being brought in physically or electronically. A nominal IDR10,000 stamp duty applies to notarial documents used as court evidence, with no bearing on enforceability. Withholding tax may still arise where the lessee is Indonesian. See our general tax caveat in **1.1.1 Taxes/Duties Payable Upon Execution of the Sales Agreement**.

2.1.6 Licensing/Qualification of Lessors

The lessor needs no Indonesian licence to do business with a domestic lessee. However, the lessee (as operator) must hold all licences from the Ministry of Transportation and the DGCA, and the aircraft must meet Indonesian registration and airworthiness requirements. The lease should include appropriate regulatory-compliance covenants.

2.2 Lease Terms

2.2.1 Mandatory Terms for Leases Governed by English or New York Law

There are no strictly mandatory lease terms, but the lease should cover information required for registration (parties, term, risk allocation, insurance) and, per Indonesian regulation, have a minimum term of two years. Registration also requires (i) that the aircraft is not registered elsewhere; (ii) procurement approval from the aviation authority; (iii) payment of import duties; and (iv) an aircraft age below a certain limit (generally 15–20 years). The DGCA also informally requires the lease to include a clause pertaining to Irrevocable Deregistration and Export Request Authorisation (IDERA).

2.2.2 Tax and Withholding Gross-Up Provisions

Generally, tax and other withholding gross-up provisions are permissible and enforceable. See our general tax caveat in **1.1.1 Taxes/Duties Payable Upon Execution of the Sales Agreement**.

2.2.3 Parts Installed or Replaced After a Lease's Execution

A lease may cover parts installed or replaced after execution provided the documentation is drafted broadly enough to capture them. Market practice extends the lease's scope to all installed components, replacements, substitutions and accessions, and there is no Indonesian law restriction against this. To maximise protection, lessors should identify covered components clearly, contractually restrict the operator from removing or disposing of them without consent, and consider periodic physical inspections and maintenance record reviews.

2.2.4 Risk of Title Annexation
The risk of title annexation in respect of aircraft engines installed on an airframe will depend on the terms of the lease agreement and its governing law.

2.2.5 Recognition of the Concepts of Trust/Trustee
The trust/trustee concept is recognised only in a limited manner, such as in banking and capital markets, where the trustee's name appears in the Certificate of Registration. Case precedent on the subject is very limited, if not non-existent.

2.3 Lease Registration

2.3.1 Notation of Owner's/Lessor's Interests on Aircraft Register
The owner's or lessor's name is recorded in the DGCA's Civil Aircraft Register on an administrative basis only and does not evidence any legal, beneficial or security interest.

2.3.2 Registration If the Owner Is Different From the Operator
Indonesia operates an operator-based registration system: an aircraft may be registered where the operator is not the owner, provided the operator meets the registration requirements, but cannot be registered solely in the owner's name if the owner is not the eligible operator. The owner's name appears on the register and the Certificate of Registration, but that certificate is not evidence of title.

2.3.3 Aircraft/Engine-Specific Registers
There is no separate register for leases. The DGCA's Civil Aircraft Register records the owner and operator as submitted; a certified true copy of the lease forms part of the registration file, but the lease itself is not registered.

2.3.4 Registration of Leases With the Domestic Aircraft Registry
The lease is not itself registered but must be submitted for aircraft registration. No government consent is needed, though a lease executed outside Indonesia must be presented as a certified true copy, notarised and legalised or apostilled.

2.3.5 Requirements for a Lease to Be Valid and Registrable
The lease must be notarised or notary-certified and, if it involves an Indonesian entity, must also be translated into and signed in the Indonesian language.

2.3.6 Taxes/Duties Payable for Registering a Lease
No taxes or duties are payable for registering a lease.

2.3.7 Registration of Aircraft in Alternative Countries
Only Indonesian-registered aircraft may operate in Indonesia. Foreign-registered aircraft may operate briefly for a specific purpose (eg, disaster management) with authority approval, or under an applicable bilateral agreement.

2.3.8 Requirements for Documents Concerning Registration
As mentioned in **1.2.4 Registration/Filing and/or Consent From Government Entities**, the documents evidencing ownership of the aircraft would need to be notarised and certified by a notary or the issuing institution.

2.4 Lessor's Liabilities

2.4.1 Tax Requirements for a Foreign Lessor
Please see **1.1.1 Taxes/Duties Payable Upon Execution of the Sales Agreement**.

2.4.2 Effects of Leasing on the Residence of a Foreign Lessor
A foreign lessor should not be deemed to be resident, domiciled or carrying on business in Indonesia solely by leasing the aircraft to an Indonesian lessee. As the aircraft is movable and operated by the lessee, its presence should not create a PE, nor should enforcement steps. Specific tax advice should be taken for enforcement scenarios.

2.4.3 Engine Maintenance and Operations
Indonesian law imposes no liability in respect of aircraft or engine maintenance on a foreign lessor unless the lease provides for it, which is very rare in dry leases. The lease should nonetheless contain covenants requiring the lessee to comply with aviation laws, properly maintain and operate the aircraft, and maintain adequate insurance naming the lessor, owner and financiers.

2.4.4 Damage or Loss Caused by an Asset
Under Law No. 1 of 2009 on Aviation ("Aviation Law"), strict or quasi-strict liability for any damage or loss caused by an asset rests with the operator/carrier, not with foreign owners, lessors or financiers as mere title- or security-holders. A foreign lessor is very unlikely to satisfy any supervision or control test. Contractual indemnities and adequate aviation liability insurance (with the lessor as additional insured) should be maintained.

2.4.5 Attachment by Creditors
Creditors of a domestic lessee cannot attach an aircraft leased to it, as it is not the lessee's asset. Certain creditors (eg, repairers in possession) may have a statutory right of retention (*hak retensi*) until paid, after which possession must be surrendered.

2.4.6 Priority of Third Parties' Rights
See **2.4.5 Attachment by Creditors** on the right of retention. Indonesia's declarations under Articles 39 and 40 of the Convention on International Interests in Mobile Equipment (see **2.10.2 Declarations Made Concerning Conventions**) identify categories of non-consensual rights (employee wage, tax, unpaid-charge and repairers' liens, and government detention rights) that take priority over a registered international interest in both insolvency and non-insolvency proceedings.

2.5 Insurance and Reinsurance
2.5.1 Requirement to Engage Domestic Insurance Companies
The Indonesian aviation and insurance law requires aircraft operators to maintain insurance with Indonesian insurers. Accordingly, the primary insurance is generally placed with a licensed Indonesian insurer, which may reinsure part of the risk with domestic and/or foreign reinsurers where appropriate.

2.5.2 Mandatory Insurance Coverage Requirements
Under the regulation, an aircraft operator must insure at least the following:

- the aircraft which it operates;
- the personnel of the aircraft;
- second-party damage;
- third-party damage; and
- aircraft incident and accident investigation activities.

2.5.3 Placement of Insurance Outside of Jurisdiction
Reinsurance may be placed outside Indonesia only for specific risks, as local reinsurers must generally be prioritised and insurers must maintain their own retention, so a 100% ceding structure may raise compliance issues.

2.5.4 Enforceability of "Cut-Through" Clauses
"Cut-through", "banker's" or "loss payee" clauses in insurance/reinsurance documents are enforceable in Indonesia.

2.5.5 Assignment of Insurance/Reinsurance
Assignments of insurance and reinsurance are permitted. Lessors, owners and financiers are typically named as loss payees, and insurers commonly grant fiduciary security over reinsurance claims in their favour.

2.6 Lease Enforcement
2.6.1 Restrictions on Lessors' Abilities
There is no restriction on the lessor's ability to terminate a lease, and the aircraft need not be in Indonesia at termination, though repossession may be difficult without physical possession.

2.6.2 Lessor Taking Possession of the Aircraft
Indonesian law does not recognise self-help. Without the lessee's co-operation, a court order is generally required in order to take physical possession. The exception is where the lessor holds a DGCA-acknowledged IDERA or Certified Designee Letter (CDL) and

satisfies applicable Cape Town requirements (see **2.10.1 Conventions in Force**), namely, International Registry registration and contractual termination rights: no court order is then needed for deregistration and export. Even so, physical possession may still require engagement with the DGCA, the airport authority and, if necessary, the courts.

2.6.3 Specific Courts for Aviation Disputes

There are no specialised aviation courts. Commercial disputes are heard by district courts (*pengadilan negeri*) or as agreed; insolvency is handled by the commercial court (*pengadilan niaga*). International arbitration is widely used for aviation lease and finance disputes, with Singapore and London being the most common seats. Notable airline insolvencies handled by Indonesian courts include Mandala Air, Batavia Air, and particularly post-COVID-19, Garuda Indonesia and Sriwijaya Air.

2.6.4 Summary Judgment or Other Relief

Summary judgment is not available in Indonesian court practice, but a lessor may apply for provisional measures. Under Article 79 of the Aviation Law, a creditor may request temporary action from a district court within ten calendar days of filing (30 days for certain other relief), but this is only the statutory timeframe; in practice, court administration and procedural delays mean it may take several weeks to months, depending on the case and court.

2.6.5 Domestic Courts' Approach to Foreign Laws and Judgments

Courts generally uphold a foreign governing law (see **2.1.2 Application of Foreign Laws**) and submission to a foreign jurisdiction, but foreign judgments cannot be directly enforced (see **2.6.6 Domestic Courts' Recognition of Foreign Judgments/Awards**). Sovereign immunity waivers are recognised; explicit language is recommended, particularly for state-owned enterprises (SOEs).

2.6.6 Domestic Courts' Recognition of Foreign Judgments/Awards

Foreign court judgments are not directly enforceable and must be re-litigated. Indonesia is party to the 1958 Convention on the Recognition and Enforcement of Foreign Arbitral Awards ("New York Convention"), and foreign arbitral awards may be enforced subject to reciprocity and public policy (see **2.6.12 Enforcement of Foreign Arbitral Decisions**).

2.6.7 Judgments in Foreign Currencies

A foreign currency judgment is available in principle, but Indonesian courts may in practice grant it in local currency.

2.6.8 Limitations on Lessors' Actions Following Termination

There are no specific statutory limitations on recovering default interest. However, the Indonesian Usury Law may apply, as further elaborated in **3.1.11 Usury/Interest Limitation Laws**. The principle of good faith may limit enforcement of disproportionate terms.

2.6.9 Lessor's Requirement to Pay Taxes/Fees

Court filing fees are modest. Principal costs are legal fees, fees for a sworn translation into the Indonesian language, and deregistration/export costs (including customs agent fees for the Directorate General of Customs and Excise (DGCE) permit). Enforcement costs may nonetheless be significant.

2.6.10 Mandatory Notice Periods

No mandatory statutory notice period overrides the lease. Bankruptcy proceedings may affect timing and manner of enforcement, including any statutory stay.

2.6.11 Lessees' Entitlement to Claim Immunity

Indonesian law has no express statutory provisions on sovereign immunity. SOEs cannot generally claim it for commercial transactions, though bankruptcy or suspension of debt payment against certain SOEs and financial institutions may only be commenced by the Minister of Finance or the Financial Services Authority (OJK). We recommend an explicit waiver by any SOE counterparty.

2.6.12 Enforcement of Foreign Arbitral Decisions

Indonesia has adopted the New York Convention, and Indonesian courts recognise and enforce foreign arbitral awards. Enforcement may be refused where: (i) the award is issued in a jurisdiction that is neither a party to the Convention nor a bilateral counterparty; (ii) the subject matter is non-commercial; or (iii) enforcement would contravene Indonesian public policy. Applications are filed with the Central Jakarta District Court (or the Supreme Court against the state/SOEs). Reciprocity is not strictly applied, but jurisdictional status should be verified.

2.6.13 Other Relevant Issues

Physical repossession is difficult in practice, especially where hostile: a non-cooperative operator can delay possession (eg, refusing to release the aircraft from the hangar or airport), and the airport authority's co-operation may also be needed. Obtaining an acknowledged IDERA or CDL before default is strongly recommended. Outstanding airport, navigation and maintenance charges should be addressed given the risk of third-party liens. This is compounded by Indonesia's incomplete Cape Town implementation (see **2.10.1 Conventions in Force**). The authority tends to encourage amicable settlement, and courts' limited aviation experience adds difficulty.

2.7 Lease Assignment/Novation

2.7.1 Recognition of the Concepts of Contractual Assignment and Novation

Indonesian civil law recognises assignment (transfer of rights, requiring notice to bind the obligor) and novation (substituting a new obligation/party, requiring all parties' consent). Assignment as security is not recognised, and enforceability of foreign law security assignments is uncertain.

2.7.2 Assignment/Novation of Leases Under Foreign Laws

A foreign law-governed assignment or novation is generally recognised, subject to the caveats in **2.7.1 Recognition of the Concepts of Contractual Assignment and Novation**. Assignment requires notice (not consent), though most leases include acknowledgement mechanics for commercial prudence. Novation requires the lessee's consent, as it extinguishes the original obligation. No mandatory Indonesian-law terms apply beyond bilingual execution where an Indonesian party is involved.

2.7.3 Enforceability of Lease Assignments/Novations

Where an Indonesian party is involved, an Indonesian-language version must be signed. Notarisation is not required for enforceability, but the DGCA requires notarised certified true copies for registration updates, and a POA executed abroad must be notarised and consularised or apostilled.

2.7.4 Filing/Registration of Lease Assignments/Novations

A lease assignment or novation cannot be registered (no lease registry exists), but the DGCA should be notified of any change in lessor, with corresponding updates to the aircraft registration and, where relevant, the IDERA. No government consent is required; registration update typically takes 10–45 business days.

2.7.5 Taxes/Duties Payable on Assignment/Novation

An assignment or novation between two non-resident parties should not give rise to Indonesian tax obligations. See our general tax caveat in **1.1.1 Taxes/Duties Payable Upon Execution of the Sales Agreement**.

2.7.6 Recognition of Transfer of Ownership Interests

A transfer of the ownership interest in the entity (or beneficial interest in a trust) owning an aircraft does not, of itself, transfer legal title. If the recorded owner name changes, updated documentation should be filed with the DGCA and any IDERA updated as relevant.

2.8 Aircraft Deregistration and Export

2.8.1 Deregistering Aircraft in This Jurisdiction

Deregistration can be initiated by (i) the operator, or (ii) the owner or lessor (only if named as "authorised party" in the IDERA or CDL). The DGCA may also deregister if the Certificate of Airworthiness lapses for three consecutive years. Common grounds include lease expiry or termination, sale/total loss, foreign re-registration or lessee default.

2.8.2 Lessee's/Operator's Consent

The owner, mortgagee or lessor can apply for the deregistration if it is named as the authorised party in the IDERA or CDL.

2.8.3 Required Documentation

Documents to be submitted to the DGCA for deregistration include:

- signed and stamped DGCA Form 47-17;
- if an IDERA has been registered, a prior revocation application;
- evidence of the reason for cancellation;
- a statement of cancellation of aircraft registration; and
- a statement letter that the aircraft is free from mortgage and dispute.

If an attorney is appointed, a notarised and consularised or apostilled POA is also required.

2.8.4 Duration of Deregistration Process

With an IDERA or CDL, deregistration should be completed within five business days of DGCA receipt under the Aviation Law, though delays are common. Without one, or with voluntary lessee co-operation, timing depends on DGCA workload.

2.8.5 Aviation Authority's Assurances

The DGCA does not provide advance binding timing assurances. The five-business-day period mentioned in **2.8.4 Duration of Deregistration Process** applies in principle but may not hold in practice; regular DGCA communication through local counsel and the operator is advisable.

2.8.6 Costs, Fees and Taxes Relating to Deregistration

Costs are modest: around IDR3 million (approx. USD165) per deregistration of the aircraft, plus modest professional fees and any accrued airport, navigation or maintenance charges.

2.8.7 Deregistration Power of Attorney

A deregistration power of attorney (DPOA) is recognised, but unlike an IDERA it is a mere contractual arrangement and terminates automatically on the bankruptcy or apparent insolvency of the grantor or attorney (including winding-up or appointment of a provisional liquidator or suspension-of-debt-payment administrator). Lessors therefore often treat a DPOA as additional comfort only. No mandatory formalities apply, but in practice it is notarised, and if signed abroad, notarised and legalised or apostilled. Bilingual or Indonesian-language execution is advisable.

2.8.8 Documents Required to Enforce Deregistration Power of Attorney

Additional corporate documents (constitutional documents, board resolutions, corporate certificates) may be required to evidence the attorney-in-fact's authority, in original or notarised certified true copy form. In practice, the DGCA may not accept deregistration based solely on a DPOA.

2.8.9 Choice of Laws Governing Deregistration Power of Attorney

A DPOA need not be governed by Indonesian law, though in practice it often is, since it is granted by the Indonesian operator and is often legalised by a notary. It is advisable to draft it in a form that complies with Indonesian formalities for a POA.

2.8.10 Revocation of a Deregistration Power of Attorney

A DPOA can, in practice, still be revoked by the grantor notwithstanding contractual irrevocability, since a POA remains subject to unilateral termination and terminates automatically on the grantor's or attorney's insolvency (see **2.8.7 Deregistration Power of Attorney**).

2.8.11 Owner's/Lessor's Consent

A lessor or owner holding an IDERA or CDL may request deregistration and export the aircraft without the lessee's consent once enforcement conditions are met, though physical possession and export can be difficult without co-operation. Indonesian law does not recognise aircraft mortgages. The aircraft need not be in Indonesia at deregistration, but may need to be available for DGCA inspection if the new country requires an Export Certificate of Airworthiness.

2.8.12 Aircraft Export Permits/Licences

An export permit from the DGCE must be obtained before (re-)export and can be filed with deregistration. A licensed customs agent should be engaged; the permit is not practically obtainable in advance and, once issued, must be used within (typically) one month. Diplomatic clearance (Foreign Affairs) and security clearance (Defence) are also required to fly out.

2.8.13 Costs, Fees and Taxes Concerning Export of Aircraft

The principal costs are the DGCE export permit filing fee, customs agent fees, legal fees and any outstanding airport, navigation or maintenance charges. No significant export duty/tax applies to a non-resident owner/lessor, but accrued charges can be significant.

2.8.14 Practical Issues Related to Deregistration of Aircraft

The main practical challenge is an unco-operative lessee: without an IDERA/CDL, deregistration can be blocked, and even with one, physical repossession can be resisted, including through court challenge. Proof of removal of registration marks is not required. Outstanding third-party charges can delay release. Close DGCA relationships, experienced local counsel and complete Cape Town documentation before default are essential. This is compounded by Indonesia's incomplete Cape Town implementation (see **2.10.1 Conventions in Force**).

2.9 Insolvency Proceedings

2.9.1 Overview of Relevant Laws and Statutory Regimes Governing Restructurings, Reorganisations, Insolvencies and Liquidations

The primary insolvency regime is Law No. 37 of 2004 on Bankruptcy and Suspension of Debt Payments ("Bankruptcy Law"), providing for (i) bankruptcy (*pailit*) and (ii) suspension of debt payment, both before the commercial court. Under the Aviation Law's Alternative A implementation, a 60-calendar-day waiting period applies before creditor remedies on insolvency. Separately, an Indonesian company may be dissolved and liquidated under Law No. 40 of 2007 on Limited Liability Companies ("Company Law").

2.9.2 Overview of Relevant Types of Voluntary and Involuntary Restructurings, Reorganisations, Insolvencies and Receivership

A debtor or its creditors may petition the commercial court for suspension of debt payment, giving a moratorium and framework to negotiate a plan (45 days provisional, up to 270 days definitive); failing approval, the debtor is declared bankrupt. Bankruptcy may be sought by the debtor or two or more creditors (at least one debt due), with the court to decide within 60 days.

2.9.3 Co-Ordination, Recognition or Relief in Connection With Overseas Proceedings

Indonesia has no statutory provisions on cross-border insolvency co-operation, has not adopted the UNCITRAL Model Law, and has no automatic recognition of foreign proceedings. The ALI/ILA Guidelines and INSOL Global Principles are not part of Indonesian law. Cross-border co-ordination in Indonesian airline insolvencies has been ad hoc; separate advice should be taken in each jurisdiction.

2.9.4 Effect of Lessee's Insolvency on a Deregistration Power of Attorney

A DPOA terminates automatically on the grantor's or attorney's bankruptcy or apparent insolvency (including appointment of a provisional liquidator). A DGCA-registered IDERA should survive the lessee's insolvency and remain effective, including during the 60-day Alternative A waiting period.

2.9.5 Other Effects of a Lessee's Insolvency

In bankruptcy, the receiver (*kurator*) or lessor may terminate the lease. Early termination requires at least 90 days' notice; a lease cannot be terminated if rent is prepaid in full. Lease rentals rank as unsecured claims, behind employee wages, statutory preferred claims, post-bankruptcy estate creditors and secured creditors. The aircraft is not part of the estate; the liquidator can delay but not prevent repossession. Under Alternative A, the administrator must relinquish possession by the end of the 60-day waiting period, subject to Cape Town conditions (see **2.10.1 Conventions in Force**).

2.9.6 Risks for a Lender if a Borrower, Guarantor or Security Provider Becomes Insolvent

The main risks include:

- the automatic suspension of enforcement actions against the insolvent party's assets during suspension of debt payment proceedings, and potentially during the 60-day waiting period in bankruptcy;
- the risk that security interests governed by foreign law may not be recognised or enforced in Indonesian courts in the same manner as domestic security rights;

- the priority of certain creditors (including employee wage claims and tax authorities) over unsecured and even some secured creditors; and
- the risk that contractual rights (including default remedies) may be challenged or modified by an Indonesian court applying Indonesian public policy or mandatory rules.

2.9.7 Imposition of Moratoria in Connection With Insolvency Proceedings

In a suspension of debt payment proceeding, a statutory moratorium on creditor enforcement applies from the provisional declaration: provisional suspension lasts up to 45 days and definitive suspension up to 270 days. In bankruptcy, unsecured enforcement is effectively stayed once declared. Under Alternative A, a 60-day waiting period applies before creditors holding registered international interests may exercise remedies.

2.9.8 Liquidation of Domestic Lessees

An Indonesian lessee can be placed in bankruptcy by the commercial court on petition by the debtor or two or more creditors (60-day decision, see **2.9.2 Overview of Relevant Types of Voluntary and Involuntary Restructurings, Reorganisations, Insolvencies and Receivership**); banks, securities and insurance companies may be petitioned only by OJK, and SOEs only by the Minister of Finance. Alternatively, the company may be voluntarily dissolved by shareholder resolution or wound up by court order under the Company Law.

2.9.9 Ipso Facto Defaults

Ipso facto defaults (insolvency-triggered defaults) are not categorically prohibited and are market standard, but their enforceability during a suspension-of-debt-payment moratorium (when contractual termination may be stayed) is uncertain. Separately, Alternative A should entitle a creditor with the relevant interests to repossess by the end of the 60-day period, provided the debtor has not cured all defaults other than the insolvency event.

2.9.10 Impact of Domestic Lessees' Winding-Up

On winding-up of a domestic lessee: (i) the aircraft is not part of the estate and may be recovered (subject to the 60-day period); (ii) outstanding rentals rank as unsecured (see **2.9.5 Other Effects of a Lessee's Insolvency**); (iii) security deposits and maintenance reserves held by the lessor are generally not estate property (depending on lease characterisation) and can typically be set off against the lessor's claims; and (iv) the liquidator may delay but not prevent repossession.

2.10 Cape Town Convention and Others

2.10.1 Conventions in Force

Indonesia has ratified the 2001 Convention on International Interests in Mobile Equipment and the associated Protocol on Matters Specific to Aircraft Equipment (together, the "Cape Town Convention"), with the Aviation Law as implementing legislation. Implementation remains incomplete; further implementing legislation has not been enacted and there is no authorised entry point (AEP). International interests are registered directly with the International Registry (aviationregistry.aero), which both domestic and foreign entities may do without an AEP; in practice, the lessor completes registration. DGCA registration of an IDERA/CDL is separate.

2.10.2 Declarations Made Concerning Conventions

Indonesia has made the following declarations under the Cape Town Convention:

- Article 39 (1)(a) (Convention): certain non-consensual rights have priority over registered international interests, including employee wage liens, government tax and charge liens, and repairer's liens (arising after the time of declared default);
- Article 39 (1)(b) (Convention): general reservation of government detention rights for unpaid amounts for services;
- Article 40 (Convention): certain non-consensual rights (including employee wage liens and government tax liens arising before a declared default, and court attachment orders) are registrable as international interests;
- Article 53 (Convention): all courts with competent jurisdiction under Indonesian law are designated as relevant courts;
- Article 54 (2) (Convention): all non-judicial remedies under the Convention may be exercised without court action;
- Article VIII (Protocol): Indonesia applies Article VIII (relief pending final determination);

- Article XII (Protocol): Indonesia applies Article XII (insolvency assistance);
- Article XIII (Protocol): Indonesia applies Article XIII (IDERA);
- Article X (Protocol): Indonesia applies Article X (remedies on insolvency) with time limits of ten calendar days for preservation remedies and 30 calendar days for sale/lease management remedies; and
- Article XI, Alternative A (Protocol): Indonesia applies Alternative A in its entirety to all types of insolvency proceedings, with a 60-calendar-day waiting period; Indonesia has not made declarations under Articles 50, 52, 55, 60 or XXIX.

2.10.3 Application of Article XIII of the Protocol on Matters Specific to Aircraft Equipment

Article XIII applies in Indonesia; an IDERA must be DGCA-registered to be effective. Required documents are: application letter from the authorised party; DGCA Form 47-18; IDERA-DAAO Form 47-03 (signed, stamped and sealed by the operator); copies of the valid Certificate of Registration and Certificate of Airworthiness; certified true copies of the lease and bill of sale; a summary of the underlying agreements; an IDERA statement letter; and, if an attorney is appointed, a notarised and consularised or apostilled POA. A CDL may also be registered as an IDERA extension. Processing takes up to 15 business days at USD150–200; verify requirements with the DGCA.

2.10.4 Enforcement of Conventions

There is no significant published Indonesian case law on Cape Town Convention interpretation or enforcement. The Garuda Indonesia and Sriwijaya Air suspension of debt payment/bankruptcy proceedings (post-COVID-19) raised relevant issues but produced no landmark decision.

2.10.5 Other Conventions

Indonesia is not a party to the 1948 Geneva Convention on the International Recognition of Rights in Aircraft or the 1933 Rome Convention on the Unification of Certain Rules Relating to the Precautionary Arrest of Aircraft.

3. Aircraft Debt Finance

3.1 Structuring

3.1.1 Restrictions on Lending and Borrowing

There are no general restrictions preventing foreign lenders from financing an aircraft for a domestic borrower.

An offshore loan would be subject to the following requirements:

- reporting the offshore loan to Bank Indonesia (the central bank) and the Ministry of Finance, including periodic reporting to Bank Indonesia;
- obligation to maintain a liquidity ratio, hedging requirements and a credit rating; and
- disbursement of the offshore loan proceeds through a local foreign exchange bank.

3.1.2 Effect of Exchange Controls or Government Consents

The exchange control framework mentioned in **2.1.4 Exchange Controls** applies equally to loan-related foreign exchange transactions. No government consent is required as a prerequisite to entering into a loan agreement or security document with a foreign lender.

3.1.3 Granting of Security to Foreign Lenders

Borrowers may grant security to foreign lenders. As noted in **3.2.1 Typical Forms of Security and Recourse**, Indonesian security interests are limited to those prescribed by law and do not include an aircraft mortgage; security over the aircraft is typically a foreign law-governed aircraft mortgage, whose Indonesian enforceability is uncertain (see **3.2.6 Choice of Foreign Law**).

3.1.4 Downstream, Upstream and Cross-Stream Guarantees

Downstream, upstream and cross-stream guarantees are permissible. A guarantee from a domestic company to a foreign party is subject to Bank Indonesia and Ministry of Finance reporting. Guarantees or third-party security for another's obligations may be challenged for want of corporate benefit; if not in furtherance of the company's objects and interests, they may be treated as ultra vires and unenforceable. Written approval from all shareholders and both boards, confirming the transaction is in the company's interest, mitigates but does not eliminate this risk.

3.1.5 Lenders' Share in Security Over Domestic SPVs

Share security over an SPV owning the financed aircraft is advisable. A share pledge is recognised, subject to perfection (recordation in the shareholders' register). The pledgee cannot appropriate the pledged shares on enforcement; the shares must be sold (in principle by public auction) and the pledgee receives the proceeds.

3.1.6 Negative Pledges

Negative pledge undertakings are recognised and enforceable as contractual obligations under Indonesian law. We recommend including robust representations and covenants in financing documents regarding the absence of prior encumbrances.

3.1.7 Intercreditor Arrangements

There are no material statutory restrictions or requirements imposed on intercreditor arrangements under Indonesian law.

3.1.8 Syndicated Loans

Agency and the role of a facility (or security) agent in a syndicated loan are recognised under Indonesian law, though there is no statutory framework addressing the role in the same detail as English law; such arrangements are instead governed by Indonesia's general laws on agency and contract.

3.1.9 Debt Subordination

Contractual subordination is permitted and commonly used in Indonesian financings, though statutory insolvency priorities may limit its practical effectiveness in bankruptcy or suspension of debt payment (see **2.9.5 Other Effects of a Lessee's Insolvency**).

3.1.10 Transfer/Assignment of Debts Under Foreign Laws

Transfer or assignment of debt under an English or New York law-governed loan is permissible and recognised. From an Indonesian law perspective, it is a form of transfer of ownership. It must be in writing and requires notification to the debtor.

3.1.11 Usury/Interest Limitation Laws

An old colonial-era usury ordinance (*Woekerordonantie*) remains nominally in force: where an agreement has, from the outset, such disproportion in the mutual obligations that this is exorbitant, the court may reduce the debtor's obligations or annul the agreement. In practice, this is rarely applied and courts generally uphold market-rate interest and default interest provisions. There is no fixed statutory interest cap.

3.2 Security

3.2.1 Typical Forms of Security and Recourse

There is no effective means to create an Indonesian law security interest over an aircraft. Indonesian security law is a closed system: security can only take prescribed forms, and while the framework nominally includes a hypothec over aircraft, this has not been operationalised, and the DGCA's former recordation of foreign aircraft mortgages has been discontinued. Security is therefore typically a foreign law-governed aircraft mortgage, supplemented by fiduciary security over insurance/reinsurance proceeds, Cape Town registrations (international interest and IDERA/CDL) and a guarantee.

3.2.2 Types of Security Not Available

As mentioned in **3.2.1 Typical Forms of Security and Recourse**, no effective Indonesian law security interest can be created over the aircraft itself. Insurance, reinsurance and engines may be secured by fiduciary security. Indonesian law also permits security only where granted by the owner, so a lessee-operator cannot grant security over aircraft or engines it does not own.

3.2.3 Trust/Trustee Concepts

Indonesian law does not expressly recognise the common-law trust, but does recognise a security trustee holding security for a group of beneficiaries, treated in practice as an agent-like arrangement. Parallel debt structures are sometimes used: the borrower undertakes an independent obligation to pay the trustee an amount equal to the aggregate secured obligations, allowing the trustee to enforce in its own name.

3.2.4 Assignment of Rights to an Aircraft by a Borrower to a Security Trustee

A borrower or lessor may assign its rights under an aircraft lease (including insurance proceeds) to a security trustee under a foreign law security assignment; there is no explicit prohibition. Enforceability in Indonesian courts is uncertain, as Indonesian security law is a closed system: a court may decline enforcement if it finds the assignment confers materially more favourable rights than Indonesian security law allows. Notice and acknowledgement should be in writing.

3.2.5 Assignment of Rights and Benefits Without Attendant Obligations

A lessor's rights and benefits under an aircraft lease may be assigned without the attendant obligations; those remain with the original lessor unless novated with the lessee's consent. Documentation should clearly delineate the rights assigned, with notice and acknowledgement, bearing in mind that Indonesian law may treat assignment as transfer of ownership rather than security.

3.2.6 Choice of Foreign Law

A security assignment or guarantee may be foreign law-governed, though recognition and enforcement by Indonesian courts involves inherent uncertainty, with no definitive case law: a court may refuse enforcement if the foreign security rights are not treated as equivalent to Indonesian ones. Foreign law security assignments are nonetheless market standard, and practitioners typically also take Indonesian law security (eg, fiduciary security over engines) alongside the foreign law security.

3.2.7 Formalities/Mandatory Terms to Create and Perfect Security Assignments

Indonesian law is silent on formalities for a foreign law security assignment. In practice, notice with acknowledgement is served on the lessee, and Indonesian law pledges/fiduciary security are executed as notarial deeds (with fiduciary security registered at the Fiduciary Registration Office). A foreign law assignment is not subject to mandatory Indonesian formality, but an Indonesian-language version or sworn translation is needed for Indonesian proceedings, and a nominal revenue stamp applies to notarial documents. Failure to observe Indonesian formalities (particularly fiduciary registration) may render the instrument unenforceable against third parties.

3.2.8 Domestic Law Security Instruments

If an English or New York law-governed security assignment is taken over an aircraft registered in Indonesia, it is advisable – and, depending on structure, necessary – to also take Indonesian law security over available collateral, such as fiduciary security (a notarial deed registered with the Fiduciary Registration Office) over engines or other movable assets owned by the operator, and over reinsurance claims. Indonesian law security instruments are not a condition for Cape Town Convention filings, which may be made directly with the International Registry without any local filing. Costs of Indonesian law security instruments include notarial fees (typically a percentage of the secured amount), Fiduciary Registration Office fees and legal fees.

3.2.9 Domestic Registration of Security Assignments Governed by Foreign Laws

A foreign law security assignment cannot be registered in any Indonesian domestic registry; the DGCA's former recordation of foreign aircraft mortgages no longer exists, and the Aviation Law provides no effective registration mechanism. International interests can still be registered with the International Registry under Cape Town, and Indonesian fiduciary security over movable assets (eg, engines) must be registered with the Fiduciary Registration Office to be effective against third parties.

3.2.10 Transfer of Security Interests Over Aircraft/Engines

Transfer of security interests is recognised as a matter of contract and applicable foreign law. A foreign law-governed security assignment or aircraft mortgage transfers per that law; Cape Town registrations require the International Registry entry to be updated; and Indonesian law instruments require compliance with the applicable formalities (for fiduciary security, a new notarial deed and re-registration).

3.2.11 Effect of Changes in the Identity of Secured Parties

For Indonesian law security, a change in secured party requires compliance with applicable formalities to maintain effectiveness. Failure to re-execute and re-register may render the security unenforceable against third parties.

3.2.12 "Parallel Debt" Structures

Parallel debt structures are used in Indonesia, particularly in transactions where the security trustee needs to hold security in its own name as an independent creditor. The borrower creates a separate contractual obligation to pay the security trustee an amount equal to the aggregate secured obligations.

Indonesian law does not recognise the concept of a "trust" in the same manner as other jurisdictions.

3.2.13 Effect of Security Assignments on Residence of Secured Parties

A secured party under a security assignment should not be deemed to be resident, domiciled or carrying on business in Indonesia, or subject to Indonesian taxes, solely by reason of being a party to or enforcing a security assignment, provided it has no PE in Indonesia. Enforcement actions (including commencing court proceedings in Indonesia) should not of themselves create a taxable presence.

3.2.14 Perfection of Domestic Law Mortgages

No effective Indonesian law mortgage is available over an aircraft; the Aviation Law hypothec regime has not been operationalised and the former DGCA recordation has been discontinued. For engines, fiduciary security (notarial deed registered with the Fiduciary Registration Office) is the principal Indonesian security instrument.

3.2.15 Differences Between Security Over Aircraft and Spare Engines

While there is no effective Indonesian law security over the aircraft, engines may be secured under Indonesian law by fiduciary security (if owned rather than leased), created by notarial deed and registered with the Fiduciary Registration Office. The Cape Town framework covers airframes and engines, and international interests over engines can be registered with the International Registry.

3.2.16 Form and Perfection of Security Over Bank Accounts

Security over a bank account is typically taken under Indonesian law by way of a pledge over the rights to the account. The security operates as a contractual mechanism to redirect payment flows to the secured party upon enforcement.

3.3 Liens

3.3.1 Third-Party Liens

Indonesian law recognises liens and possessory rights of detention, including airport and navigation charges owed by the operator, repairer's rights of retention (*hak retensi*), and employee wage liens under the Bankruptcy Law. A repairer's right of retention covers only the value of work performed on that specific aircraft. There is no general fleet lien, though Indonesia's declared right of detention under Article 39 (1)(b) of the Cape Town Convention extends to amounts owed on "that or another aircraft object". A lien holder may withhold but may not sell the aircraft, as the lessee (not the lien holder) is the debtor.

3.3.2 Timeframe to Discharge a Lien or Mortgage

Discharge of a lien or right of retention is primarily a practical matter of settling the underlying obligation, upon which possession must be surrendered; no formal discharge process applies. For fiduciary security, discharge requires a release letter and deregistration from the Fiduciary Registration Office, with no specific statutory timeframe.

3.3.3 Register of Mortgages and Charges

There is no general register of mortgages and charges for aircraft in Indonesia. The former DGCA recordation of foreign aircraft mortgages is discontinued and no longer legally effective. Fiduciary security over movable assets (including engines and bank accounts) is registered with the publicly accessible Fiduciary Registration Office.

3.3.4 Statutory Rights of Detention or Non-Consensual Preferential Liens

Statutory rights of detention and non-consensual preferential liens may arise over an aircraft in Indonesia, but not on a "fleet-wide" basis.

3.3.5 Verification of an Aircraft's Freedom From Encumbrances
The DGCA no longer records foreign aircraft mortgages, so the International Registry is the most reliable source for internationally recorded security interests. No Indonesian registry is available for aircraft security.

3.4 Enforcement

3.4.1 Differences Between Enforcing Security Assignments, Loans and Guarantees
Enforcing a security assignment over an aircraft (to the extent recognised under Indonesian law) may require court proceedings if contested, with the court assessing equivalence to Indonesian security. Enforcing a loan or guarantee claim requires fresh court proceedings or arbitration (if arbitrable), as foreign judgments are not directly enforceable; foreign arbitral awards are enforceable through the Central Jakarta District Court under the New York Convention. Guarantees are otherwise subject to general contract rules.

3.4.2 Security Trustees' Enforcement of Their Rights
A security trustee may enforce a security assignment against the lessee in Indonesia, though in court proceedings it must establish standing (eg, that the assignment is recognised under Indonesian or applicable foreign law); the absence of clear Indonesian case law introduces uncertainty.

3.4.3 Application of Foreign Laws
The position in **2.6.5 Domestic Courts' Approach to Foreign Laws and Judgments** applies: Indonesian courts generally uphold a foreign governing law in a finance or security document, subject to public policy, mandatory rules and a genuine connection with the chosen law.

3.4.4 Recognition and Enforcement of Foreign Judgments and Arbitral Awards
The analysis in **2.6.6 Domestic Courts' Recognition of Foreign Judgments/Awards** applies equally to the enforcement of foreign judgments and arbitral awards in the context of aircraft debt finance. Indonesian courts will not enforce foreign court judgments without re-examination; foreign arbitral awards may be enforced through the Central Jakarta District Court subject to the New York Convention conditions.

3.4.5 Secured Parties' Right to Take Possession of Aircraft
The position at **2.6.2 Lessor Taking Possession of the Aircraft** applies: a secured party cannot take physical possession without the operator's consent or a court order, unless it holds an acknowledged IDERA or CDL. Self-help is unavailable, and repossession remains difficult even with an IDERA where the operator is non-cooperative.

3.4.6 Domestic Courts Competent to Decide on Enforcement Actions
Enforcement is within the jurisdiction of the district courts having territorial jurisdiction, or the commercial court for insolvency-related matters. There is no dedicated aviation court. International arbitration (seated outside Indonesia) is the preferred mechanism.

3.4.7 Summary Judgments or Other Relief
As at **2.6.4 Summary Judgment or Other Relief**, summary judgment is unavailable, but a secured party may seek interim or provisional relief from a district court without posting bond. Timing remains unpredictable, from weeks to months.

3.4.8 Judgments in Foreign Currencies
Please refer to our analysis in **2.6.7 Judgments in Foreign Currencies**. Indonesian courts have discretion to grant judgments in foreign currencies, but may in practice convert claims to rupiah. The currency risk in enforcement should be factored into the overall transaction structure.

3.4.9 Taxes/Fees Payable
No significant statutory tax or fee applies to commencing enforcement. Court filing fees are modest; principal costs are legal fees, translation, deregistration/export and local counsel (see **2.6.9 Lessor's Requirement to Pay Taxes/Fees** and **2.8.6 Costs, Fees and Taxes Relating to Deregistration**).

3.4.10 Other Relevant Issues
Lenders should also note:

- incomplete Cape Town implementation (see **2.10.1 Conventions in Force**) creates enforceability uncertainty for international interests;

- the absence of effective domestic security over aircraft (see **3.2.1 Typical Forms of Security and Recourse**) means reliance on foreign law security carries enforcement risk;
- physical repossession is extremely difficult, so IDERAs/CDLs should be obtained early;
- the insolvency regime, particularly a suspension-of-debt-payment moratorium, can delay enforcement; and
- courts' discretion on governing law, public policy and currency conversion adds execution uncertainty.

4. Other Issues of Note

4.1 Issues Relevant to Domestic Purchase, Sale, Lease or Debt Finance of Aircraft

The most material issues are:

- Indonesia's operator-based register, with no separate ownership/lease register and no effective registration for security interests (see **3.2.1 Typical Forms of Security and Recourse**);
- incomplete Cape Town Convention implementation (see **2.10.1 Conventions in Force**);
- the practical difficulty of physical repossession even with Cape Town protections (see **2.6.13 Other Relevant Issues**);
- bilingual execution requirements for Indonesian-party documents;
- enforcement challenges from the Garuda Indonesia and Sriwijaya Air insolvencies (see **2.6.3 Specific Courts for Aviation Disputes**); and
- the recent easing of aircraft operator licensing requirements.

4.2 Current Legislative Proposals

Two regulations on aircraft registration have been proposed, but no published legislative proposals would materially alter the framework in this guide. The government has signalled intent to improve the aviation regulatory environment, though no comprehensive Cape Town Convention reform is officially announced; practitioners should monitor implementing regulations under the Aviation Law.