
CHAMBERS GLOBAL PRACTICE GUIDES

Aviation: Finance & Leasing 2026

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for Aviation



GREECE

Law and Practice

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Bahas, Gramatidis & Partners was established in 2002 and is based in Athens, Greece. Consisting of approximately 30 lawyers, the firm has a leading practice and has been involved in a significant number of aircraft lease transactions. It represents major US and European aircraft leasing companies, structuring their lease agreements with domestic carriers and planning the Greek part of major securitisations. The team acts for major international airlines, leasing companies, financial institutions and aviation-related

businesses in aircraft finance, leasing, acquisitions and operational matters. Bahas, Gramatidis & Partners' services include sale and leaseback of new and used equipment as well as the securitisation of aircraft and airline receivables. It has associated law firms in more than 105 countries through its membership of the World Law Group, Primerus, the International Bar Association, DRI, EELA, EALA, EFL, EFJ, IADC, The Lawyer Network, EDEKA, SDEE, EODID and AEDEF.

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1. Aircraft and Engine Purchase and Sale

1.1 Sales Agreements

1.1.1 Taxes/Duties Payable Upon Execution of the Sales Agreement

The execution of an aircraft or engine sale agreement, including the sale of an ownership interest in an entity owning an aircraft or engine, does not in itself create an obligation to pay taxes in Greece.

The transfer of ownership upon completion of the sale agreement may be relevant for income tax and VAT purposes. This is especially pertinent if the lessee does not have VAT exemption and the asset is physically situated in Greece – in which case, VAT may be due.

For engine transactions, it is advisable to ensure that the engine is not located in Greece at the time of transfer.

1.1.2 Enforceability Against Domestic Parties

The sale agreement does not need to be translated, certified, notarised or legalised to be enforceable against a domestic party. However, if legal proceedings are instigated before a Greek court, foreign language documents must be translated into Greek to be admissible as evidence in such proceedings.

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

1.2.1 Transferring Title

Transfer of ownership of Greek-registered aircraft must be made in writing and registered with the aircraft register. There is a separate register for aircraft engines.

The “transfer of title” to an aircraft or engine – or the bill of sale – extends to include all installed parts, such as an auxiliary power unit.

If an entity that owns an aircraft or engine sells its ownership interest while remaining the owner, this constitutes a transfer of shares rather than a sale of the aircraft or engine.

1.2.2 Sales Governed by English or New York Law

The transfer of title to an aircraft or engine physically delivered in Greece will be recognised if the bill of sale is governed by either English or New York law. For such bill of sale to be recognised in Greece, it must fully describe the aircraft – including type and serial number – and clearly indicate complete transfer of ownership. No other minimum substantive requirements are needed.

1.2.3 Enforceability Against Domestic Parties

The bill of sale needs to be notarised and apostilled if it has been executed abroad or must have the signature of the signatory authenticated by a competent Greek authority to be enforceable against a domestic party.

1.2.4 Registration, Filing and/or Consent From Government Entities

The bill of sale of a Greek-registered aircraft/engine should be filed with the relevant registry of the Hellenic Civil Aviation Authority (HCAA), together with all the documents required to register the new aircraft/engine owner.

Typically, the lessee applies for the registration of ownership change.

The bill of sale must be notarised and apostilled if it has been executed abroad, or must have the signature of the signatory authenticated by a competent Greek authority.

The documents required for the registration of the bill of sale include:

- the bill of sale;
- the documents pertaining to the powers of attorney (notarised and apostilled) granted for the execution of the bill of sale;
- the certificate of location related to the aircraft/engine at the time of transfer; and
- a VAT exemption document of the lessee if applicable, or payment of VAT or taxes if applicable, along with the documents related to the novation and transfer of the lease agreement.

Completion of the ownership transfer and registrations can usually occur within the same day, depending on the aircraft's/engine's location.

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

Usually, VAT obligations are not applicable if the aircraft is located abroad or in Greece and the lessee has VAT exemption.

If the aircraft is located in Greece at the time of the transfer of title (ie, at the time of execution of the relevant bill of sale), and the lessee is entitled to VAT exemption, the HCAA will enter the transfer of title in the register – provided a copy of the exemption certificate obtained by the lessee from the competent tax office is attached to the bill of sale.

However, if the lessee is not entitled to VAT exemption, the seller will have to secure a taxpayer registration/VAT number in Greece, and the sale must be made subject to the corresponding VAT rate. The HCAA will enter the transfer of title in the register, provided the bill of sale includes the seller's Greek taxpayer registration/VAT number, the relevant tax office, the tax representative (if any) and the corresponding VAT. The HCAA must immediately give notice of the transfer of title to the tax office that issued the foreign seller's Greek taxpayer registration/VAT number.

If the aircraft is located outside Greece at the time of the transfer of title, such transfer of title will not be subject to tax in Greece, and the contracting parties will need to examine any VAT-related obligations in the country where the aircraft is located. In order for the transfer of the title to the aircraft to be entered in the Greek Registry, a document (eg, issued by the airport where the aircraft is parked or any other authority) certifying the location of the aircraft at the time of transfer of title must be produced. The HCAA must give notice of the transfer of title to the lessee's tax office, providing information about the identities of the seller and the buyer and the place where the aircraft was located at the time of title transfer. Under the framework of Council Regulation 904/2010, the relevant tax office will relay this information to the tax authorities of the EU member state where the aircraft was located at

the time of title transfer, clarifying whether the lessee qualifies for exemption.

This process also applies when one or both of the contract parties are tax-liable entities based in Greece.

The sale of an ownership interest between foreign persons in a foreign entity that owns an aircraft or engine – including where title to such aircraft or engine is transferred while it is located in Greece or in transit – does not in itself create any Greek tax obligation regarding the aircraft or the engine owned by the entity.

2. Aircraft and Engine Leasing

2.1 Overview

2.1.1 Non-Permissible Leases

All types of operating/wet/finance leases or leases concerning only engines or parts are generally permissible and recognised.

2.1.2 Application of Foreign Laws

Foreign law may apply to a lease involving either a domestic party or an asset situated in Greece.

2.1.3 Restrictions Concerning Payments in US Dollars

No material restrictions are imposed on domestic lessees making rent payments to foreign lessors in US dollars.

2.1.4 Exchange Controls

There are no exchange controls that could prevent rent payments. Greece's foreign exchange market conforms to EU rules on the free movement of capital. Controls only exist to facilitate the enforcement of AML/CFT laws. Since 1 January 2001, Greece has been part of the Eurozone, and all transactions have been conducted in euros since 1 March 2002.

There are no restrictions or difficulties when converting, repatriating or transferring funds associated with proceeds. Although capital controls were imposed in late June 2015, these have since been lifted.

2.1.5 Taxes/Duties Payable for Physical Execution of a Lease

There are no taxes/duties payable for physically executing a lease in Greece with regard to a domestic party or as a consequence of an original or copy of a lease being brought to Greece either physically or electronically.

However, income resulting from a lease is subject to taxation in the case of a Greek tax-resident lessor and matters of deductions of taxes are subject to double taxation treaties.

Leasing of an aircraft designated to be used by airlines predominantly for international commercial air transport and/or that is subject to VAT exemptions is usually exempt from VAT.

2.1.6 Licensing/Qualification of Lessors

A lessor does not need to be licensed or otherwise qualified in Greece to do business with a domestic lessee.

2.2 Lease Terms

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

No mandatory terms are required in a lease (or ancillary documents thereto), governed by either English or New York law, that would not typically already be included.

2.2.2 Tax and Withholding Gross-Up Provisions

Tax and other withholding gross-up provisions are permissible and enforceable.

2.2.3 Parts Installed or Replaced After a Lease's Execution

A lease can cover parts that are installed or replaced on an aircraft or engine after its execution, especially if this is provided in the lease agreement.

2.2.4 Risk of Title Annexation

There are legal and practical risks associated with aircraft engines becoming attached to other aircraft. These risks are reduced in the case of registered spare engines.

The lease should be carefully drafted in order to minimise the risk of title annexation in respect of aircraft engines installed on an airframe.

Accordingly, the lease may provide for a separate recognition-of-rights agreement to be entered into in favour of the lessor/owner/security trustee.

2.2.5 Recognition of the Concepts of Trust/Trustee

The concept of a trust and the role of an owner trustee is governed by the law applicable to the trust or the lease. The concepts of a common-law trust and an owner trustee of a common-law trust are not recognised under Greek in rem law.

Greece has not ratified the Hague Convention on the Law Applicable to Trusts and on their Recognition. However, a statutory trust with its own legal personality and an owner trustee of such trust are recognised in such capacities (owner trustee as owner), but leases with owner trustees are avoided because they cause complexity.

2.3 Lease Registration

2.3.1 Notation of Owner's/Lessor's Interests on Aircraft Register

The certificate of registration mentions both owner and operator. The aircraft registry records the legal owner as well as the lessor and lessee. The registration of ownership and recording of the lease in the aircraft registry are necessary to complete the registration of the aircraft.

2.3.2 Registration If the Owner Is Different From the Operator

If the operator does not own the aircraft, the aircraft cannot be registered in Greece in the operator's name. However, it can be registered in the owner's name, even if the owner is not the operator.

2.3.3 Aircraft/Engine-Specific Registers

There are no separate registers for leases concerning aircraft and engines. However, there are separate registers for aircraft and engines.

2.3.4 Registration of Leases With the Domestic Aircraft Registry

A lease (and a lessor's interest therein) must be filed in the domestic aircraft registry – otherwise, registration of the aircraft is not completed.

For the registration of an aircraft, the lease must be submitted by the operator for filing with the HCAA along with certain other documents, including:

- deregistration from the previous registry;
- proof of paid nominal duties;
- an original or certified copy of the executed lease with signature authentication, or notarised and apostilled if executed abroad;
- proof of signatories' authority, such as notarised and apostilled powers of attorney;
- corporate documents;
- a resolution of lease approval by the lessee;
- a Certificate of Airworthiness (CoA); and
- an insurance certificate.

Registration can be completed fairly quickly, depending on the airworthiness of the aircraft.

Generally, no government applications or consents are required prior to the execution and delivery of an aircraft and/or engine lease for an aircraft registered in Greece.

2.3.5 Requirements for a Lease to Be Valid and Registrable

For a lease to be registered in the Greek aircraft register, it does not require translation, but it must be executed with the signatures authenticated by a competent Greek authority, or notarised and apostilled if executed abroad.

2.3.6 Taxes/Duties Payable for Registering a Lease

The fees payable to the aircraft registration for registering a lease are nominal.

2.3.7 Registration of Aircraft in Alternative Countries

There are instances where aircraft habitually based in Greece are registered in other jurisdictions such as Malta, in line with the application of Article 83bis of

the Convention on International Aviation (the "Chicago Convention").

2.3.8 Requirements for Documents Concerning Registration

For an aircraft registration to be accepted and processed, the Greek aircraft register necessitates the filing of original executed documents or certified copies from a lawyer. Translations from English are not required by the Greek register.

2.4 Lessor's Liabilities

2.4.1 Tax Requirements for a Foreign Lessor

Upon leasing an aircraft or engine to a Greek lessee, a foreign lessor is not obligated to pay any income tax or capital gains.

Withholding tax may be due, subject to the provisions of double taxation treaties. The withholding tax should be paid (retained) by the lessee.

The lease agreement may provide that the lessee is under obligation to pay lease rental net of any Greek taxes, including any withholding tax. Gross-up provisions are recognised.

2.4.2 Effects of Leasing on the Residence of a Foreign Lessor

A foreign lessor cannot be deemed to be resident or domiciled in Greece simply as a result of its being a party to, or its enforcement of, the lease.

2.4.3 Engine Maintenance and Operations

Liabilities in respect of aircraft or engine maintenance and operations may not generally be imposed on a foreign lessor under a lease as a result of its being a party to such lease.

2.4.4 Damage or Loss Caused by an Asset

If the lessor is also the owner of the aircraft, the lessor as the owner would be fully liable for damages to third parties caused by the aircraft's use while in flight. Here, "damages" refer to those affecting the property and personal safety of any third party, such as crew members and passengers of other aircraft, and individuals on land or at sea. The owner's liability extends up to the value of the aircraft. The limits of liability

do not apply if the damages are due to intentional or gross negligence.

The lessor would have no other liability under Greek law.

2.4.5 Attachment by Creditors

Creditors of a domestic lessee could not attach an aircraft leased to it but owned by a different entity, except in the case of liens.

2.4.6 Priority of Third Parties' Rights

Whether or not a lease/lessor is registered in the aircraft register, Greek aviation law gives priority to certain preferential rights such as expenses and fees for salvage, any necessary maintenance charges and handling fees as well as other aviation and airport taxes, relating to air navigation/landing, air navigation facilities, use of airports, EUROCONTROL, etc, which are chargeable on the aircraft.

The obligations of the lessee, in terms of priority and security, rank at least equally and *pari passu* with all other unsecured and unsubordinated obligations of the lessee, save and except in a winding-up (where there are preferential creditors – ie, creditors secured by a lien over real estate or by a pledge, and employees' claims relating to their salaries).

2.5 Insurance and Reinsurance

2.5.1 Requirement to Engage Domestic Insurance Companies

It is not a mandatory requirement that either all or part of the insurance be placed in Greece.

2.5.2 Mandatory Insurance Coverage Requirements

There are mandatory insurance coverage requirements (third-party liability to cover damage to aircraft, passengers and cargo, as well as third parties on the ground).

Commercial air carriers must be insured for damage caused to passengers, luggage, freight and third parties, with mandatory minimum coverage. The mandatory insurance coverage requirements are imposed by European regulations.

2.5.3 Placement of Insurance Outside of Jurisdiction

Greek law does not restrict the portion of reinsurance coverage that can be taken out abroad.

2.5.4 Enforceability of "Cut-Through" Clauses

"Cut-through" clauses in the insurance/reinsurance documents are enforceable.

2.5.5 Assignment of Insurance/Reinsurance

Assignments of insurances/reinsurances are permitted.

2.6 Lease Enforcement

2.6.1 Restrictions on Lessors' Abilities

There are no restrictions on a lessor's ability to terminate an aircraft lease, re-export the aircraft and/or sell the aircraft following such termination.

In certain cases (eg, third-country origin), the aircraft may need to be physically located in Greece before exportation.

2.6.2 Lessor Taking Possession of the Aircraft

In situations where the lessee opposes the lessor's possession, the lessor is prohibited from obtaining physical possession of the aircraft without a court order. A court order is therefore necessary in this case.

In certain cases, a deregistration power of attorney (DerPoA) may be of practical use in cases of repossession.

2.6.3 Specific Courts for Aviation Disputes

Greece does not have specialised courts dedicated to aviation disputes. However, commercial courts or other competent courts – such as those for lease disputes – hold the jurisdiction to settle disagreements between commercial entities, whether they are Greek or foreign.

2.6.4 Summary Judgment or Other Relief

A lessor could obtain a summary judgment, equitable or other injunctive relief pending a final resolution of judicial proceedings to enforce an aircraft lease, particularly when there is an imminent risk concerning the aircraft, such as the necessity for maintenance or

reduction of value. The process, from the filing to the issuance of the decision, could last up to six months.

2.6.5 Domestic Courts' Approach to Foreign Laws and Judgments

Greek courts will generally uphold:

- a foreign law as the governing law of an aircraft lease between a French and a foreign party;
- the submission to a foreign jurisdiction;
- a contractual waiver of jurisdiction immunity by the parties of such lease; and
- a contractual waiver of immunity from execution that expressly describes the assets subject to the waiver of such immunity.

2.6.6 Domestic Courts' Recognition of Foreign Judgments/Awards

Domestic courts could recognise and enforce a final judgment of a foreign court or an arbitral award without re-examination of the matter, unless it is shown that:

- the judgment contradicts any decision previously issued in Greece concerning the same case between the same parties, or if the judgment is incompatible with an earlier judgment given in another EU member state or in a third state involving the same cause of action and the same parties, provided that the earlier judgment fulfils the conditions necessary for its recognition in the member state addressed;
- the lawsuit has not been served on the defendant in a timely manner; and
- the judgment is contrary to good morals or public order, in each case, as dictated by Greek law.

2.6.7 Judgments in Foreign Currencies

Greek judgments are in euros. However, they can be converted from a foreign currency.

2.6.8 Limitations on Lessors' Actions Following Termination

In certain cases, Greek courts may consider additional rent as a penalty clause following termination of a lease for default (including where the lessee fails to return the aircraft), depending on the facts and the wording of the contractual undertakings.

Greek courts may reduce penalty clauses if excessive, depending on the facts of the case and the contractual undertakings.

Under Greek legal precedent, there may be restrictions with regard to punitive damages. Statutory provisions regulate default/compound interest.

2.6.9 Lessor's Requirement to Pay Taxes/Fees

A lessor under an aircraft lease is not required to pay substantial taxes or fees (ie, non-nominal, except in cases of request for judicial payment where the duties paid are a specific percentage of the amount) in connection with the recognition and enforcement of such lease in Greece.

2.6.10 Mandatory Notice Periods

The governing law will be applicable for notice periods if the aircraft is operated domestically or leased by a domestic operator.

2.6.11 Lessees' Entitlement to Claim Immunity

Whether the lessee is entitled to claim any immunity from suit, execution, attachment or other legal process will depend on its actual identity. If the lessee is a sovereign body or other government organ, it may be able to claim sovereign immunity.

2.6.12 Enforcement of Foreign Arbitral Decisions

Greece has adopted the Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the "New York Convention").

Greece's domestic courts recognise and enforce arbitral decisions.

2.6.13 Other Relevant Issues

There are no other relevant issues that lessors should be aware of in relation to the enforcement of their rights.

2.7 Lease Assignment/Novation

2.7.1 Recognition of the Concepts of Contractual Assignment and Novation

Greece recognises the concepts of contractual assignment and novation.

2.7.2 Assignment/Novation of Leases Under Foreign Laws

Assignment and assumption agreements or novation agreements (or deeds) are executed as three-party agreements and are filed with the HCAA.

Usually, the lease provides that the lessee consents to these transfer agreements or the terms for such transfer.

There are no mandatory terms that need to be included in such agreement/deed, as they are governed by applicable law.

2.7.3 Enforceability of Lease Assignments/Novations

If an aircraft and/or engine lease assignment and assumption/novation is executed abroad it will need to be notarised and apostilled. If executed in Greece, the authenticity of the signature needs to be certified by a competent Greek public authority.

2.7.4 Filing/Registration of Lease Assignments/Novations

Lease assignments/novations need to be filed with the HCAA, along with the transfer of ownership documentation (if applicable), and are not subject to any consent from any government entity.

The completion process is typically swift, and no government consents are necessary prior to executing and delivering an aircraft and/or engine lease assignment and assumption/novation concerning an aircraft registered domestically, as long as all relevant documents have been properly filed.

2.7.5 Taxes/Duties Payable on Assignment/Novation

Taxes/duties are not payable in respect of the execution of an aircraft lease assignment and assumption/novation agreement, or because of an original or copy thereof being brought into Greece, either physically or electronically. However, there may be issues related to duties that have to be reviewed ad hoc.

2.7.6 Recognition of Transfer of Ownership Interests

When the ownership interest of an entity that owns an aircraft is transferred (with the legal title to the asset remaining with that entity), no filing with the Greek aircraft register is required. This is because the entity in question remains the registered legal owner of the aircraft.

2.8 Aircraft Deregistration and Export

2.8.1 Deregistering Aircraft in This Jurisdiction

The lessee, lessor or owner can deregister an aircraft – although the existence of a DerPoA may be required for the lessor to apply for deregistration. This applies even when lease expiry obligates the HCAA to deregister the aircraft.

An application for the deregistration of the aircraft will have to be submitted to the HCAA. Customs clearance may also need to be submitted.

In cases other than the expiry of the lease term or unilateral termination, a letter or agreement of termination of the aircraft (duly executed) must be submitted along with the DerPoA and legal documents proving the authority of the signatories. The documents must be notarised and apostilled or, if they are intended to be used in Greece, must have the signatures of the signatories authenticated.

2.8.2 Lessee's/Operator's Consent

An aircraft owner, mortgagee or lessor may apply for the deregistration of the aircraft without the consent of the lessee or operator, especially where a DerPoA has been granted, and once the mortgage has been released.

2.8.3 Required Documentation

To deregister the aircraft, the owner, mortgagee or lessor will have to submit – along with an application – the customs documents, relevant payment of nominal duties, a copy of the DerPoA and termination documentation (unilateral termination or agreement properly executed, and legal documents proving the authority of the signatories (PoAs, etc)).

2.8.4 Duration of Deregistration Process

The deregistration process typically takes a couple of days when there are no disputes. In the event of dispute, the timeframe varies depending on whether the lessee resorts to legal action.

2.8.5 Aviation Authority's Assurances

The Greek aircraft register will not provide advance written assurances to an aircraft owner, mortgagee or lessor as to the prompt deregistration of the aircraft until all the required documentation is filed with the executed request.

2.8.6 Costs, Fees and Taxes Relating to Deregistration

The fees charged by the aircraft register in respect of the deregistration of an aircraft are nominal.

2.8.7 Deregistration Power of Attorney

The DerPoA must be written in Greek, be irrevocable and bear specific wording. It also requires notarisation.

2.8.8 Documents Required to Enforce Deregistration Power of Attorney

To enforce a DerPoA, besides paying the nominal fees, a copy of the DerPoA must be submitted to the HCAA along with customs documentation (if applicable) and termination documentation.

2.8.9 Choice of Laws Governing Deregistration Power of Attorney

Greek law is applicable to the DerPoA.

2.8.10 Revocation of a Deregistration Power of Attorney

The grantor of the DerPoA cannot revoke it without consent of the beneficiaries.

2.8.11 Owner's/Lessor's Consent

An aircraft owner, mortgagee or lessor can export the aircraft without the lessee's consent, on the basis of the DerPoA.

A mortgagee can export the aircraft without the owner or lessor's consent on the basis of the DerPoA.

To enhance the probability of exporting the aircraft without the lessee's consent, the owner, mortgagee or lessor should request a DerPoA during lease or mortgage negotiations.

While the asset does not necessarily need to be in Greece at the time of deregistration, its location may become significant in certain customs export cases.

2.8.12 Aircraft Export Permits/Licences

Typically, Greece does not issue aircraft export permits or licences, except in instances of customs export permits.

These permits cannot be issued in advance.

2.8.13 Costs, Fees and Taxes Concerning Export of Aircraft

The costs/fees/taxes that are charged in respect of the customs export of an aircraft are not significant.

2.8.14 Practical Issues Related to Deregistration of Aircraft

There are no other significant practical issues that an aircraft owner, mortgagee or lessor should be aware of in respect of the deregistration of aircraft in Greece.

2.9 Insolvency Proceedings

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

The main law on bankruptcy and insolvency is Law 4738/2020. This newly enacted Greek law, titled "Debt Settlement and Facilitation of a Second Chance", came into effect on 1 January 2021.

It transposes the provisions of Directive (EU) 1023/2019 on preventative restructuring into the law, replaces the majority of the previous debt settlement mechanisms and restructuring schemes, and introduces a new regime dealing with various forms of personal and corporate insolvencies.

Liquidation and administration are also governed by the laws on the relevant corporate entities and by the Civil Procedure Code.

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

Within the framework of pre-bankruptcy proceedings, rehabilitation/reorganisation proceedings aim at reaching a settlement/rehabilitation agreement between the debtor and its creditors rather than liquidating the assets.

The reorganisation agreement is validated by the court.

The Out-of-Court Workout is a new procedure carried out electronically via a public electronic platform. It commences once the debtor or certain types of creditors (financial institutions, the State, social security funds) file an online application via the platform to the competent authority.

A restructuring agreement is entered into, and the creditors that are legally bound by the agreement may not proceed with any enforcement proceedings against the debtor.

Bankruptcy is a process that aims to repay the debtor's debts to creditors using the debtor's assets. This can be done by liquidating the assets at a public auction or through the sale of the debtor's business.

When a debtor consistently and generally fails to pay their debts, a bankruptcy application can be filed. This application may be submitted by the debtor themselves, a creditor or the district attorney. They will submit this application to the appropriate court to declare the debtor bankrupt.

If the court accepts the application, a supervising judge and a bankruptcy trustee are subsequently appointed.

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

Greek Law 3858/2010 enacted the UNCITRAL Model Law and introduces the prospect of cross-border co-operation where there are overseas proceedings. The UNCITRAL Model Law is regarded as necessary for promoting international co-operation in cases of cross-border insolvency. The law also provides for the

recognition of a foreign judicial decision of an insolvency process, following a Greek judicial decision recognising the foreign decision.

EU Regulation 2015/848 on insolvency proceedings provides for the immediate recognition of judicial decisions related to restructuring or insolvency proceedings issued by foreign EU courts. In particular, any judicial decision related to restructuring or insolvency proceedings issued by the competent courts of an EU member state has direct effect in any other EU member state.

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

The lessee's insolvency does not affect a DerPoA if it is irrevocable.

2.9.5 Other Effects of a Lessee's Insolvency

When the lessee of an aircraft, who is in possession of that aircraft, is put into liquidation, administration or a similar process, the following generally applies:

- the bankruptcy trustee may elect to not continue the performance of the lease;
- the lessor may encounter delays in repossessing the aircraft on termination of the lease if the lease was not terminated before the date of the bankruptcy judgment;
- the aircraft will not be deemed to be part of the lessee's property; and
- the liquidator/administrator may not prioritise the rights of any other ordinary creditors over those of the lessor.

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

The main risk for a lender if a borrower, guarantor or entity providing security becomes insolvent is that the lender's claims will not be satisfied, except if security has been granted on the aircraft. If there are insufficient assets to cover the lender's payment, or in the absence of security, the lender will be treated like other unsecured creditors.

2.9.7 Imposition of Moratoria in Connection With Insolvency Proceedings

Once bankruptcy is declared, all individual measures of the bankruptcy creditors against the debtor for the satisfaction or discharge of their bankruptcy claims will be automatically suspended. This includes:

- the commencement or continuation of enforcement;
- the exercise of counterclaims;
- the continuation of proceedings;
- the bringing or adjudication of legal remedies; and
- the issuing of administrative acts, or their enforcement on elements of the bankrupt's assets, including administrative enforcement measures by the State and social security institutions, as well as measures to secure the debt pursuant to legislation.

Enforcement may also be suspended if an application is made before filing an agreement for the debtor's reorganisation.

The initial suspension period can last up to four months, with a potential extension of up to six months.

The filing of a recovery agreement triggers an automatic stay that lasts for four months, which may be extended.

The total duration of the moratorium under the new law cannot exceed 12 months.

Enforcement may also be suspended in the event of an application for bankruptcy if the application provides for a going-concern sale. Otherwise, the application for – or declaration of – bankruptcy will not suspend enforcement by secured creditors.

2.9.8 Liquidation of Domestic Lessees

Compulsory administration is a legal process that allows creditors to manage a debtor's property to satisfy their debts. The process does not involve freezing or auctioning the property, and the conditions for compulsory administration are as follows:

- the creditor must have a monetary claim against the debtor;

- the creditor must have an enforceable title to the claim;
- the creditor must have served the debtor with an order for execution;
- a decision of a single-member court of first instance of the district where the debtor's property or place of business is located must be issued; and
- the decision that imposes the receivership must be served on the debtor.

2.9.9 Ipso Facto Defaults

During a lessee's insolvency proceedings, ipso facto defaults are acknowledged, permitting repossession of the aircraft.

2.9.10 Impact of Domestic Lessees' Winding-Up

In the case of an insolvency situation that would usually constitute an event of default under the lease agreement and/or when the domestic lessee is wound up by a court or administration proceeding, the lessor would be entitled to request the return of the aircraft.

In a liquidation of the lessee or insolvency proceedings, the aircraft may not be attached by unsecured creditors of the lessee. The lessee only has a right to possession of the aircraft pursuant to the lease agreement, and its rights are subject to the proprietary and security interests of the lessor and its secured creditors.

Any outstanding lease rental payments that were due to the lessor when the lessee was being wound up would be treated as unsecured, along with the other ordinary creditors of an insolvent lessee.

If the lease agreement continues, claims for lease rentals incurred following the formal opening of insolvency proceedings constitute preferred claims against the insolvency estate.

The lease security deposit would be available to the lessor to cover outstanding claims.

Maintenance reserves would usually remain with the lessor.

2.10 Cape Town Convention and Others

2.10.1 Conventions in Force

The Convention on International Interests in Mobile Equipment (the “Convention”) and the related Protocol on Matters specific to Aircraft Equipment (the “Protocol”) are not in force in Greece.

2.10.2 Declarations Made Concerning Conventions

There is no applicable information in this jurisdiction.

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

There is no applicable information in this jurisdiction.

2.10.4 Enforcement of Conventions

There is no applicable information in this jurisdiction.

2.10.5 Other Conventions

Greece is party to the 1948 Geneva Convention on the International Recognition of Rights in Aircraft, and has not ratified the 1933 Rome Convention for 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 restrictions on foreign lenders financing local aircraft or on borrowers’ utilisation of loan funds. However, the act of providing loans within Greece is a regulated activity. Only credit institutions that have been duly licensed or those that have obtained an EU passport can engage in this activity.

While foreign lenders do need a licence to offer lending services in Greece, as provided by the Bank of Greece or an EU passport, they do not need to obtain a licence to obtain security over an aircraft located in Greece for loans that have been provided by them in their jurisdiction.

3.1.2 Effect of Exchange Controls or Government Consents

There are no exchange controls or government consents that would be material to any financing or repa-

triation of realisation proceeds under a loan, guarantee or security document.

3.1.3 Granting of Security to Foreign Lenders

Borrowers are permitted to grant security to foreign lenders, although there are certain limitations when it comes to securing real estate in Greek border areas.

3.1.4 Downstream, Upstream and Cross-Stream Guarantees

Depending on the legal form of the corporate borrower, certain statutory restrictions exist if the lender is a direct or indirect affiliate or if security is granted for the liabilities of an affiliated person (upstream, downstream or sidestream collateral).

In the case of a *société anonyme* (public limited company), said guarantees are considered “related-party transactions” and a certain approval and publication process is required.

The guarantee may be granted either:

- after a ten-day period from the publication in the company registry, during which shareholders holding one twentieth of the company’s shares may challenge the approval; or
- following the written consent of all shareholders of the company, waiving their right to dispute the process.

3.1.5 Lenders’ Share in Security Over Domestic SPVs

It is advisable for a lender to take share security over a domestic special purpose vehicle that owns the financed aircraft.

A pledge of shares is recognised.

3.1.6 Negative Pledges

Negative pledges are recognised.

3.1.7 Intercreditor Arrangements

No material restrictions or requirements are imposed on intercreditor arrangements.

3.1.8 Syndicated Loans

The concept of agency and the role of an agent (such as the facility agent) under a syndicated loan is recognised only by the bond loan legislation.

The Société Anonyme Company Law provides that, if a bond loan is governed by foreign law, collateral security and guarantees are granted in the name of the person who, under the law governing the bond loan, may hold securities and guarantees on his/her account on behalf of the bondholders.

3.1.9 Debt Subordination

All forms of subordination are known in Greece.

The subordination usually takes the form of an agreement between secured and unsecured creditors of a borrower entity.

3.1.10 Transfer/Assignment of Debts Under Foreign Laws

The transfer or assignment of all or part of an outstanding debt under an English or New York law-governed loan is permissible and recognised on the basis of the applicable law.

3.1.11 Usury/Interest Limitation Laws

Interest rates are not subject to a legal maximum; however, they should be determined according to the Bank of Greece in the context of the open market and competition rules. Limitations apply to default interest and compounding of interest.

3.2 Security

3.2.1 Typical Forms of Security and Recourse

Greek law allows for the creation of a first-priority aircraft mortgage that is locally provided. Once the mortgage has been registered in the aircraft register, the creditor has the right to seize and sell the aircraft in the event of default.

3.2.2 Types of Security Not Available

There are no types of security that cannot be taken over an aircraft or related collateral such as engines, warranties or insurance.

3.2.3 Trust/Trustee Concepts

With the exception of the Greek bond loan structures, the concept of a trust and the role of a security trustee are not recognised; instead, parallel debt structures should be used. The parallel debt structure allows the debtor to undertake to pay the agent/trustee, as the creditor, an amount equal to the total amount owed to the creditors.

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

A borrower may assign its rights to an aircraft or under an aircraft lease (including in relation to insurances) to a foreign security trustee, pursuant to a security assignment or mortgage.

3.2.5 Assignment of Rights and Benefits Without Attendant Obligations

Under an aircraft lease, it is possible to assign the rights and benefits only, without also assigning the attendant obligations of the lessor.

3.2.6 Choice of Foreign Law

A security assignment or a guarantee can be governed by English or New York law.

3.2.7 Formalities/Mandatory Terms to Create and Perfect Security Assignments

In connection with any Greek law security assignment, a notification of the third-party debtor is necessary to prevent the third-party debtor from discharging its obligations by making payments to the assignor instead of the assignee.

A security assignment does not need to be translated, certified, notarised or apostilled/legalised to be enforceable against a domestic party. However, if legal proceedings are initiated before a Greek court, foreign-language documents must be translated into Greek to be admissible as evidence in such proceedings.

3.2.8 Domestic Law Security Instruments

In the case of an English or New York law-governed security assignment in respect of an aircraft registered domestically, there is no need for a financier to take any additional domestic law security instrument

(except for the registration of the Greek mortgage). Such an assignment does not need to be registered.

Cape Town filings are not provided.

A Greek law mortgage is a domestic law security instrument and is filed with the HCAA, with a nominal cost of EUR2,000.

3.2.9 Domestic Registration of Security Assignments Governed by Foreign Laws

An English or New York law-governed security assignment or a domestic law security instrument are not registered domestically.

3.2.10 Transfer of Security Interests Over Aircraft/Engines

The transfer of security interests over an aircraft and/or engines is recognised. If it concerns a mortgage, it has to be registered in the Greek aircraft mortgage register.

3.2.11 Effect of Changes in the Identity of Secured Parties

If the identity of the secured parties under a security assignment changes after its execution, the security interests are not jeopardised as long as the relevant filings are made in relation to the mortgage.

The effects of any change in the identity of a secured party under a security assignment governed by foreign law depend on the specific arrangements made with regard to such security interest – eg, whether a security trustee concept has been introduced or not.

The transfer of a mortgagee's position under a Greek aircraft mortgage requires registration in the Greek aircraft mortgage register.

3.2.12 “Parallel Debt” Structures

Parallel debt structures are used domestically.

3.2.13 Effect of Security Assignments on Residence of Secured Parties

A secured party under a security assignment would not be deemed to be resident, domiciled, carrying on business or subject to any taxes as a result of its

being a party to – or its enforcement of – such security assignment.

3.2.14 Perfection of Domestic Law Mortgages

A domestic law mortgage over an aircraft or engine can be perfected. It would take effect upon its registration in the Greek aircraft mortgage register.

3.2.15 Differences Between Security Over Aircraft and Spare Engines

The mortgage over an aircraft is different from the mortgage over spare engines. Spare engines are separately registered, and a mortgage can be registered on them.

3.2.16 Form and Perfection of Security Over Bank Accounts

An account pledge is the granting of security over a bank account (such as a lease receivables account) and it requires, among other things, a notification to the account bank.

3.3 Liens

3.3.1 Third-Party Liens

A lien can be taken over an aircraft. The aforementioned liens are extinguished:

- on the aircraft's sale in a public auction; or
- three months after the claim arose, unless they are registered in the mortgage book following agreement or exercise of a lawsuit.

Fleet liens could be applicable for specific liens provided by Greek law, such as handler's fees and HCAA charges, and the aircraft could be grounded. The third party could detain the aircraft and enforce the lien.

3.3.2 Timeframe to Discharge a Lien or Mortgage

A mortgage can be swiftly deregistered – typically within a week, provided there are notarised and apostilled powers of attorney from both the mortgagor and mortgagee.

The lien's discharge and the associated timeline depend on whether the lien is contested. If it is unchallenged and the relevant obligation is paid to the third party (such as the handling agent), the lien can be discharged promptly – usually within a week.

3.3.3 Register of Mortgages and Charges

The mortgage is registered in the book of mortgages. The mortgage has to be registered in order to be perfected and to give priority to the mortgagee.

3.3.4 Statutory Rights of Detention or Non-Consensual Preferential Liens

Rights of detention can be applied for liens, such as obligations to handlers, the HCAA, airport authorities and EUROCONTROL.

3.3.5 Verification of an Aircraft's Freedom From Encumbrances

The aircraft registry of the HCAA is the relevant source for any aircraft search to verify that an aircraft is free of encumbrances.

3.4 Enforcement

3.4.1 Differences Between Enforcing Security Assignments, Loans and Guarantees

Enforcement will depend on the terms of each such instrument. Governing law shall be applicable.

3.4.2 Security Trustees' Enforcement of Their Rights

Security trustees' enforcement of their rights will be governed by applicable law.

3.4.3 Application of Foreign Laws

Domestic courts will uphold:

- a foreign law as the governing law of a finance or security document; and
- the submission to a foreign jurisdiction.

3.4.4 Recognition and Enforcement of Foreign Judgments and Arbitral Awards

Greek courts will recognise and enforce the final judgment of a foreign court or an arbitral award without re-examining the merits of the case.

3.4.5 Secured Parties' Right to Take Possession of Aircraft

A secured party cannot take physical possession of an aircraft to enforce a security agreement/aircraft mortgage without the consent of the lessee or operator.

3.4.6 Domestic Courts Competent to Decide on Enforcement Actions

There are no special courts competent to decide enforcement actions under a security assignment or mortgage.

3.4.7 Summary Judgments or Other Relief

A secured party can obtain a summary judgment, equitable or other injunctive relief pending final resolution of judicial proceedings to enforce a security agreement/aircraft mortgage. A bond would probably need to be granted.

3.4.8 Judgments in Foreign Currencies

Greek judgments are in euros. However, they can be converted from a foreign currency.

3.4.9 Taxes/Fees Payable

The secured party needs to pay judicial expenses for the enforcement of a decision.

3.4.10 Other Relevant Issues

There are no other relevant issues that a lender should be aware of in relation to the enforcement of its rights.

4. Other Issues of Note

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

There are no other material issues and/or any material court judgments that are relevant to the purchase, sale, lease or debt finance of an aircraft registered domestically and/or involving a domestic party.

4.2 Current Legislative Proposals

There are no current proposals before the legislature relating to the foregoing items that alter them or that are worth noting.