

Current Issues in Aircraft Repossession in Brazil

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The adoption of the Cape Town Convention in Brazil has improved aircraft lessors' abilities to repossess from a defaulting airline in that country. However, even within an improved enforcement climate, intricacies of the Brazilian court system, complexity of export paperwork and other factors may still cause delays in return and exportation. While there have been no repossessions from a major passenger airline since the Varig insolvency in 2005, the repossession of four aircraft from Varig's cargo arm, Varig Logistica, provides a good indication of how these delays work in practice.

Using the Varig Logistica experience, this article provides an overview of Brazil's bankruptcy law pre-Cape Town Convention and outlines issues that may still arise today in the repossession of aircraft in Brazil after the implementation of the Convention on International Interests in Mobile Equipment, 2001 (the Cape Town Convention) and the corresponding Protocol.

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