

Speeding up transactions



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Speeding up Transactions: the Pre-purchase Inspection

- Should a Buyer undertake a visual inspection before signing the LOI?
- Should a Buyer undertake a visual inspection before signing the APA?
- Should the PPI workscope be agreed at LOI stage or can it wait until the APA?
- Is a PPI workscope required at all?
- What are the key points for Buyer's to consider when proposing a detailed PPI workscope?

Speeding up Transactions: the Pre-purchase Inspection

- Should a Buyer agree to the Seller's regular maintenance facility conducting the PPI?
- Should a Seller agree to a Buyer's proposed Inspection Facility where defect rectification is likely to be expensive?
- PPI Slot – should a Seller require evidence of the Buyer's PPI slot before signing the APA?
- Should a Seller require evidence that the Buyer has paid for the PPI before positioning the Aircraft to the Inspection Facility or allowing the PPI to begin?
- At what point should programme/warranty providers be notified that borescope inspections are required (and should consent be obtained before agreeing to borescope inspections in the APA)?

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- Should a Buyer require an Aircraft be delivered “free from corrosion”?
- What is the relevance of a “history of corrosion”?
- Should a Buyer be able to walk away from an APA if the PPI shows a history of corrosion?
- Who decides if corrosion has been adequately rectified?

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- If there is disagreement with the findings in a PPI Report, should the Inspection Facility be the final arbiter of any dispute? If not, should it be the OEM?
- Should the APA allow the Buyer to walk away from the deal following the PPI (1) for any reason/no reason, (2) for limited reasons only, e.g. (undisclosed) damage history?
- Long Stop Date – how long should the Seller be given to rectify defects before the Buyer can walk away from the deal.
- Should Buyers always require a flight check following defect rectification?
- Is the Certificate of Return to Service all that a Buyer needs to be sure that the Aircraft is in the agreed Delivery Condition?